

HENDERSON BLACK & CO'S STANDARD TERMS OF BUSINESS

The following terms of business apply to all engagements accepted by Henderson Black & Co. All work is carried out under these terms except where changes are expressly agreed in writing.

1. Applicable law and changes in the law

- 1.1. Our engagement letter, the schedules of services and our standard terms and conditions of business are governed by, and should be construed in accordance with Scots law. The Courts of Scotland will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.
- 1.2. If any provision in these terms of business or any associated engagement letter, or its application, are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.
- 1.3. We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in light of any change in the law or in your circumstances.
- 1.4. We will accept no liability for losses arising from changes in the law, or the interpretation thereof, that occur after the date on which the advice is given.

2. Client identification

- 2.1. In common with other professional services firms, we are required by the Proceeds of Crime Act 2002 and The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 to:
 - Maintain identification procedures for clients and beneficial owners of clients;
 - Maintain records of identification evidence and the work undertaken for the client; and
 - Report, in accordance with the relevant legislation and regulations.

We have a statutory obligation under the above legislation to report to the National Crime Agency (NCA) any reasonable knowledge or suspicion of money laundering. Any such report must be made in the strictest confidence. In fulfilment of our legal obligations, neither the firm's partners nor any staff member may enter into any correspondence or discussions with you regarding such matters.

If we are not able to obtain satisfactory evidence of your identity, we will not be able to proceed with the engagement.

- 2.2. Any personal data obtained by us for the purposes of these Regulations will only be processed for the purposes of preventing money laundering or terrorist financing.
- 2.3. The offence of money laundering includes concealing, converting, using or possessing the benefits of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit.
- 2.4. This definition is very wide and would include such crimes as deliberate tax evasion, deliberate failure to inform the tax authorities of known underpayments or excessive repayments, fraudulent claiming of benefits or grants, or obtaining a contract through bribery. Clearly these examples are by no means exhaustive.
- 2.5. We may use electronic checks as part of our identification procedures. We confirm that these electronic checks are not credit checks.

3. Client monies

- 3.1. We may, from time to time, hold money on your behalf. The money will be held in trust in a client bank account, which is segregated from the firm's funds. The account will be operated, and all funds dealt with, in accordance with ICAS's Clients' Money Regulations.
- 3.2. To avoid excessive administration, interest will only be paid to you if the interest earned on the balances held on your behalf in any calendar year exceeds £25. Any such interest would be calculated using the prevailing rate applied by our banker for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 3.3. We will return monies held on your behalf promptly, as soon as there is no longer any reason to retain those funds. If any funds remain in our client account that are unclaimed, and the client to which they relate is not able to be traced, we may deal with those monies in accordance with the ICAS Clients' Money Regulations in force at that time.

4. Confidentiality

- 4.1. Unless we are authorised by you to disclose information on your behalf, we confirm that if you give us confidential information we will, at all times during and after this engagement, keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable to us or our engagement.

5. Conflicts of interest and independence

- 5.1. We reserve the right during our engagement with you to deliver services to other clients whose interests might compete with yours or are or may be adverse to yours. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services.
- 5.2. If a conflict of interest should arise, either between two or more of our clients, or in the provision of multiple services to a single client, we will take such steps as are necessary to deal with the conflict. In resolving the conflict, we would be guided by the ICAS Code of Ethics which can be viewed at www.icas.com/ethics/icas-code-of-ethics.

6. Data Protection

- 6.1. To enable us to discharge the services agreed in this engagement letter, comply with related legal and regulatory obligations and for other related purposes including updating and enhancing client records and analysis for management purposes, as a data controller, we may obtain, use, process and disclose personal data about you / your business / company / partnership / its shareholders / members / officers and employees as described in our privacy notice. We confirm when processing data on your behalf that we will comply with the provisions of all relevant data protection legislation and regulation.
- 6.2. You are also an independent controller responsible for complying with data protection legislation and regulation in respect of the personal data you process and, accordingly where you disclose personal data to us you confirm that such disclosure is fair and lawful and otherwise does not contravene relevant requirements. Nothing within this engagement letter relieves you as a data controller of your own direct responsibilities and liabilities under data protection legislation and regulation.
- 6.3. Data protection legislation and regulation places obligations on you as a data controller where we act as a data processor to undertake the processing of personal data on your behalf, for instance where we operate a payroll service for you. We therefore confirm that we will at all times take appropriate measures to comply with relevant requirements when processing data on your behalf. In particular we confirm that we have adequate security measures in place and that we will comply with any obligations equivalent to those placed on you as a data controller.
- 6.4. Our privacy notice, which can be found on our website, explains how we process personal data in respect of the various services that we provide.

7. Electronic and other communication

- 7.1. Unless you instruct us otherwise, we may, if appropriate, communicate with you and with third parties by email or other electronic means. The recipient is responsible for virus checking emails and any attachments.
- 7.2. With electronic communication, there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted in emails or by electronic storage devices. Nevertheless, electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses or for communications which are corrupted or altered after despatch. Nor can we accept any liability for problems or accidental errors relating to this means of communication, especially in relation to commercially sensitive material. These are risks you must bear in return for greater efficiency and lower costs. If you do not wish to accept these risks, please let us know and we will communicate by paper mail, other than when electronic submission is mandatory.
- 7.3. It is the responsibility of the recipient to carry out a virus check on any attachments received.
- 7.4. We may choose to use a client portal to allow secure transfer, approval and digital signing of documents between us. The client portal is offered to you and is conditional upon your acceptance of the terms and conditions thereof. By registering for the portal you agree to those terms and conditions.
- 7.5. Any communication by us with you sent through the postal system is deemed to arrive at your postal address two working days after the day the document was sent.

8. Fees and payment terms

- 8.1. Our fees are calculated on the basis of time spent on your affairs, the levels of skill and responsibility involved, the importance and value of the advice provided to you, as well as the level of risk.
- 8.2. If we provide you with an estimate of our fees for carrying out any specific work, the estimate will not be contractually binding unless we explicitly state that will be the case.
- 8.3. If we agree a fixed fee with you for providing a specific range of services this will be the subject of a separate agreement. This agreement will set out the period to which the fixed fee relates and the services covered by it. If it becomes apparent to us, due to unforeseen circumstances, that a fee quote is inadequate, we reserve the right to notify you of a revised figure or range and to seek your agreement thereto.
- 8.4. We will bill at appropriate intervals during the course of our engagement and, unless we have alternative payment arrangements in place, our invoices will be due for payment upon presentation. Our fees are exclusive of VAT which will be added where it is chargeable. Any disbursements we incur on your behalf, and expenses incurred in the course of carrying out our work for you, will be added to our invoices where appropriate.
- 8.5. Where we have agreed that you will pay us on a standing order basis, we will discuss with you separately the amount and frequency of payments. These standing orders will be applied to fees arising from work agreed in our letter of engagement for the current and ensuing years. Where a scheduled monthly payment is not made any fees invoiced to you that are outstanding at that time will immediately become due for payment in entirety.
- 8.6. Where we offer you the facility to pay fees by monthly instalments we do not charge any interest. As these terms have been agreed after 18 March 2015 this instalment agreement is not a regulated credit agreement.
- 8.7. Unless otherwise agreed to the contrary, our fees do not include the costs of any third party, counsel or other professional fees. If these costs are incurred to fulfil our engagement, such necessary additional charges may be payable by you.
- 8.8. We reserve the right to charge interest on overdue accounts at the rate applicable under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to suspend or terminate our services, having given written notice, if payment of any fees is unduly delayed. We intend to exercise these rights only if it is fair and reasonable to do so.
- 8.9. If you do not accept that an invoiced fee is fair and reasonable, you must notify us within 10 days of receipt, failing which, you will be deemed to have accepted that payment is due.
- 8.10. Insofar as we are permitted to do so by law or by professional guidelines, we reserve the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.
- 8.11. If a client company, trust or other entity is unable or unwilling to settle our fees, we reserve the right to seek payment from the individual (or parent company) giving us instructions on behalf of the client, and we shall be entitled to enforce any sums due against the group company or individual nominated to act for you.
- 8.12. In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by HMRC. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such insurance was arranged through us, you will need to advise us of any such insurance cover you have. You will remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.

9. Help us to give you the best service

- 9.1. We are committed to providing you with a high quality service that is both efficient and effective. If, at any point you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know by contacting the partner responsible for your affairs or, if you prefer, any other partner.
- 9.2. If you provide us with all information and explanations on a timely basis in accordance with our requirements, we will plan to undertake the work within a reasonable period of time to meet any regulatory deadlines. However, failure to complete our services before any such regulatory deadline would not, of itself, mean that we are liable for any penalty or additional costs arising.
- 9.3. In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form. However, final written work products will always prevail over any draft, or interim statements. Where you request it, we will provide you with written confirmation of matters stated orally.
- 9.4. We will consider carefully any complaint you may make about our service as soon as we receive it and do all we can to explain the position to you. We will acknowledge your letter within 5 business days of its receipt and endeavour to deal with your complaint within 8 weeks.
- 9.5. If we do not answer your complaint to your satisfaction, you may, of course, take up the matter with our professional body, ICAS.
- 9.6. If we resign, or are asked to resign, we will normally issue a disengagement letter to ensure that our respective responsibilities are clear. Should we have no contact with you for a period of time we may issue, to your last known address, a disengagement letter and hence cease to act.

10. Intellectual property rights and use of our name

- 10.1. We will retain all intellectual property rights in any document prepared by us during the course of carrying out the engagement except where the law specifically states otherwise.
- 10.2. You are not permitted to use our name in any statement or document you may issue unless our prior written consent has been obtained. The only exception to this restriction would be statements or documents that, in accordance with applicable law, are to be made public.

11. Internal disputes within a client

- 11.1. If we become aware of a dispute between the parties who own the business or who are in some way involved in its ownership and management, it should be noted that our client is the business and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties, we will continue to supply information to the usual address for the attention of the directors/proprietors. If conflicting advice, information or instructions are received from different directors/proprietors we will refer the matter back to the board of directors/the partnership and take no further action until the board/ partnership has agreed the action to be taken.

12. Investment services

- 12.1. Since we are not authorised by the Financial Conduct Authority then we may have to refer you to someone who is authorised to provide investment advice in accordance with the Financial Services and Markets Act 2000. However, as we are licensed by ICAS, we may be able to provide certain investment services that are complementary to, or arise out of, the professional services we are providing to you.

We may therefore be able to:

- advise you on investments generally, but not recommend a particular investment or type of investment
- refer you to a Permitted Third Party (PTP) (an independent firm authorised by the FCA), assist you and the PTP during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The PTP will issue you with his own terms and conditions letter, will be remunerated separately for his services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000
- advise you in connection with the disposal of an investment, other than your rights in a pension policy or scheme
- advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange
- assist you in making arrangements for transactions in investments in certain circumstances; and
- manage investments or act as trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.
- For corporate clients we may also, on the understanding that the shares or other securities of the company are not publicly traded:
- advise the company, existing or prospective shareholders in relation to exercising rights, taking benefits or share options, valuations and methods of such valuations;
- arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
- arrange for the issue of new shares; and
- act as the addressee to receive confirmation of acceptance of offer documents etc.

In the unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Accountants' Compensation Scheme in respect of exempt regulated activities undertaken.

13. Third-party cloud-based services

- 13.1. We may use cloud-based software suppliers to help us provide our services. As part of our decision as to which supplier to use we consider their data storage, security and service levels to ensure the service provided is appropriate.
- 13.2. We cannot accept responsibility for any issues arising through the use of this service, however it is caused. The use of this service is at your own risk.

14. Limitation of third party rights

Persons who are not party to this agreement shall have no rights under the Contract (Third Party Rights) (Scotland) Act 2017 to enforce any term of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

The advice we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom you may communicate it. We will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

15. Agreement of terms

15.1. Our engagement letter and these Standard Terms of Business form the whole agreement between you and us and replace all previous agreements and terms between us

15.2. Either party may terminate our appointment by notice in writing to the other, stating the date with effect from which the appointment terminates. If no date is specified, termination shall be the date on which notice is received. If exceptionally it becomes necessary for us to withdraw from the appointment, then our fees for work performed up to that date will be payable by you

16. Professional obligations

16.1. We are a member of ICAS and will observe and act in accordance with the Bye-laws, regulations and Code of Ethics of ICAS including Professional Conduct in Relation to Taxation and will accept instructions to act for you on this basis. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

16.2. When dealing with HMRC on your behalf we are required to be honest and to take reasonable care to ensure that your returns are correct. To enable us to do this, you are required to be honest with us and to provide us with all necessary information in a timely manner.

16.3. As required by the Provision of Service Regulations 2009 details of the firm's professional registrations can be found on our website.

17. Quality control

17.1. As part of our ongoing commitment to provide a quality service, our files are periodically reviewed by an independent regulatory or quality control body. These reviewers are highly experienced professionals and are bound by the same rules of confidentiality as our partners and staff.

18. General limitation of liability

18.1. We will provide services as outlined in this letter with reasonable care and skill. However, to the fullest extent permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities where you or others supply incorrect or incomplete information, or fail to supply any appropriate information or where you fail to act on our advice or respond promptly to communications from us or the tax authorities.

18.2. You will not hold us, the owners of this firm and any staff employed by the firm, responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation Revised September 2024 (intentional or unintentional) supplied to us orally or in writing in connection with this agreement. You have agreed that you will not bring any claim in connection with services we provide to you against any of the principals or employees personally.

18.3. Our work is not, unless there is a legal or regulatory requirement, to be made available to third parties without our written permission and we will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

19. Reliance on advice

- 19.1. We will endeavour to record all advice on important matters in writing. Advice given orally is not intended to be relied upon unless confirmed in writing. Therefore, if we provide oral advice (for example, during the course of a meeting or a telephone conversation) and you wish to be able to rely on that advice, you must ask for the advice to be confirmed by us in writing. Advice is valid as at the date it was given.

20. Retention of records

- 20.1. During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation of your accounts and returns. You have a legal responsibility to retain these records. The law requires individuals, trustees and partnerships to keep records in relation to trading or rental income for 5 years and 10 months following the end of the tax year to which they relate. Other records should be kept for 22 months after the end of the tax year to which they relate. Companies, Limited Liability Partnerships and other corporate entities are required to keep records for 6 years from the end of the accounting period.
- 20.2. Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that we store which are more than 7 years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.
- 20.3. We reserve the right to convert information records and data, irrespective of ownership, into electronic format. If you require information returned, you agree that we may supply it either in electronic format or as a print of the image.

21. Professional indemnity insurance

- 21.1. In accordance with the disclosure requirements of the Provision of Service Regulations 2009, our professional indemnity insurer is Markel (UK) Limited of 20 Fenchurch Street, London EC3M 3AZ. The territorial coverage is worldwide, excluding professional business carried out from an office in the United States of America or Canada, and excludes any action for a claim brought in any court in the United States or Canada.
- 21.2. If for any reason circumstances arise that may result in a claim to our professional indemnity insurers, you give us your permission to notify them.

22. Changes to these standard terms of business

- 22.1. These Standard Terms of Business may be subject to change. We will make changes by publishing them on our website. You can find the current version there. If you do not have access to our website, please contact us and a paper version of our Standard Terms of Business will be sent to you