

## STANDARD TERMS OF BUSINESS

The purpose of this schedule is to set out the standard terms of business that apply to all engagements accepted. All work carried out is subject to these terms except where changes are expressly agreed in writing.

These standard terms of business are applicable to all types of entities (e.g. companies, LLPs, charities, friendly societies, academies, pension schemes, etc.) Any reference therefore to director or company should be interpreted as appropriate for the entity type (e.g. partner, trustee, governor, charity, LLP, etc.)

The term 'Board Director' is used to refer to a statutory director and principal of the Company as registered at Companies House. Any other designations that include the term 'Partner' or 'Director' or 'Licensed Insolvency Practitioner' are not statutory directors or principals of the registered company and do not hold themselves out as partners or statutory directors. They are senior employees.

### 1 Professional obligations

1.1 As required by the *Provision of Services Regulations 2009* (SI 2009/2999), details of the firm's professional registrations, including audit registration where applicable together with details of statutory directors can be found on our website <http://www.baldwinsaccountants.co.uk/provision-of-services-regulations-2009>.

1.2 We will observe and act in accordance with the byelaws and regulations of our professional body The Institute of Chartered Accountants in England & Wales (ICAEW) together with their code of ethics. We accept instructions to act for you on this basis. In particular you give us authority to correct errors made by HM Revenue & Customs (HMRC) where we become aware of them, and we will keep you informed should these arise. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations. You can find copies of these requirements in our offices. The requirements are also available online at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

#### *Professional indemnity insurance*

1.3 In accordance with the disclosure requirements of the *Provision of Services Regulations 2009*, details of our professional indemnity insurer is provided on <http://www.baldwinsaccountants.co.uk/provision-of-services-regulations-2009>.

### 2 Investment services

#### *DPB Licensed*

2.1 Investment Business is regulated by the Financial Services and Markets Act 2000. If, during the provision of professional services to you, you need advice on investments (including assurances), we may have to refer you to someone who is authorised by the Financial Conduct Authority as we are not. However, as we are licensed by our professional body, 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.

2.2 Such advice may include:

- advising you on investments generally, but not recommend a particular investment or type of investment;
- referring you to a Permitted Third Party (PTP) (an independent firm authorised by the FCA), assisting you and the PTP during the course of any advice given by that party and commenting on, or explaining, the advice received (but not making 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;

- advising you in connection with the disposal of an investment, other than your rights in a pension policy or scheme;
- advising and assisting you in transactions concerning shares or other securities not quoted on a recognised exchange;
- assisting you in making arrangements for transactions in investments in certain circumstances; and
- managing investments or acting as trustee (or done of a power of attorney) where decisions to invest are taken on the advice of an authorised person.

2.3 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.

2.4 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.

2.5 Where the firm is providing insurance mediation services (including fee protection), we are not authorised by the Financial Conduct Authority. However, we are included on the Register maintained by the Financial Conduct Authority so that we can carry on insurance mediation activity, which is broadly the advising on, selling, and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by our professional body ICAEW. The register can be accessed via the Financial Conduct Authority website at <https://www.fca.org.uk/firms/financial-services-register>

#### *Financial Promotions*

2.6 To enable us to provide you with a proper service, there may be occasions when we will need to contact you without your express permission concerning investment business matters. For example, it may be in your interests to sell a particular investment and we would wish to inform you of this. We may therefore contact you in such circumstances, but would only do so in our normal office hours. We shall of course comply with any restrictions you may wish to impose which you notify to us in writing.

### 3 Commissions or other benefits

3.1 In some circumstances, commissions or other benefits may become payable to us in respect of transactions we or our business associates arrange for you, in which case you will be notified in writing of the amount and terms of payment e.g. the fees that would otherwise be payable by you will not be abated by such amounts. If we reduce the fees that we would otherwise charge by the amount of commission retained, we will apply the HMRC concession which allows VAT to be calculated on the net fee after deduction of the commission. You consent to such commission or other benefits being retained by us or, without our, being liable to account to you for any such amounts.

#### 4 Client monies

- 4.1 We may, from time to time, hold money on your behalf. Such 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 the Clients' Money Regulations of our professional body ICAEW.

If you transfer funds to our client account you will be agreeing that we shall not be liable for any monies lost as a result of a banking failure. The Financial Services Compensation Scheme (FSCS) covers deposits belonging to clients who are individuals or small businesses per authorised deposit-taking institution. There are limits to the amounts of compensation that the FSCS will pay (please refer to the FSCS website for current limits). Accordingly, you are responsible for maintaining a record of all balances held by us as your agent and for ensuring that we receive from you any instructions regarding those monies.

- 4.2 In order to avoid an excessive amount of administration, interest will only be paid to you where the amount of interest that would be 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 HSBC for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 4.3 If the total sum of money held on your behalf exceeds £10,000 for a period of 30 days or more, or such sum is likely to be held for 30 days, or if you instruct us to do so in respect of lesser amounts, then the money will be placed in a Designated Client Monies Bank Account. This account may be interest bearing. Any interest earned on the Designated Client Monies Account will be paid to you. Subject to any tax legislation, interest will be paid gross.
- 4.4 We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. In the unlikely event of us holding any unclaimed monies we reserve the right to pay such monies to a registered charity in line with the guidelines set out in the Clients' Money Regulations referred to above. We will not do this unless we have been unable to contact you for at least five years and we have taken reasonable steps to trace you and return the monies.
- 4.5 We will transact through a Client Monies Bank Account where the transactions relate to accountancy services being provided by us.
- 4.6 The Financial Services Compensation Scheme (FSCS) may provide compensation in the unlikely event of the failure of a bank authorised by the UK Financial Conduct Authority (FCA). Compensation limits will apply to the combined total of client's money held by us on your behalf, and any accounts which you also hold with the same bank, or other bank brand name covered by the same FCA authorisation number. Further information about compensation arrangements is available from the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk) or by calling them on 0800 678 110 or 020 7741 4100.

#### 5 Fees

- 5.1 Unless otherwise stated in our engagement letter, our fees are computed on the basis of the time spent on your affairs by the Partners, our staff, sub-contractors or consultants and on the levels of skill and responsibility involved. Our charges will be reviewed from time to time. Unless otherwise stated in our engagement letter, our fees and disbursements will be billed at regular intervals during the course of the year and will be due on presentation. Where we have provided a fee estimate, this is an indication, made in good faith and on the basis of the information we have at the time the estimate is given, of our likely fee for carrying out the work concerned. An estimate is subject to revision and is not a commitment by us to carry out the work for that fee. If it is necessary to carry out work outside the responsibilities agreed with you for each service, we will advise you in advance. Any additional work

will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc. are completed to the agreed stage.

- 5.2 Our fees, disbursements and expenses are, where applicable, and unless otherwise stated in our engagement letter, subject to VAT at the prevailing rate from time to time, which will be added where it is chargeable.

If you are established outside the UK but within the EU and you are registered for VAT in the relevant jurisdiction(s) you agree to provide us with your VAT registration number(s) so that we can meet our invoicing obligations in order to treat our fee as outside the scope of UK VAT.

- 5.3 Additional fees to cover disbursements such as transaction charges, bank fees, governmental levies, duties or fines and all other charges incurred in the course of the provision of the Services together with all other disbursements and out-of-pocket expenses may be made from time to time. Additional charges will be subject to VAT where applicable. We may render invoices in advance in respect of any anticipated additional charges.

- 5.4 Any fee budget agreed with you assumes that the information required for our work is available in accordance with agreed timetables and that the necessary personnel are available during the course of our work. If delays or other unanticipated problems occur which are beyond our control this may result in additional fees for which fee notes will be raised on the above basis. We will advise you of any delays as they occur and will estimate their effect.

- 5.5 Invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. If you do not accept that an invoiced fee is fair and reasonable you must notify us within 21 days of receipt, failing which you will be deemed to have accepted that payment is due.

- 5.6 We reserve the right to charge interest on overdue accounts at the current rate under the *Late Payment of Commercial Debts (Interest) Act 1998*. We also reserve the right to terminate our engagement and cease acting if payment of any fees billed is unduly delayed. We accept settlement of fees by certain credit cards.

- 5.7 We are entitled to recover on a full indemnity basis any costs incurred by us in collecting overdue payments, including our time charges, the costs and expenses of any third parties we may appoint to collect such amounts. We reserve the rights to retain all documents and any items in our possession relating to any matter until all invoices/request for payments are paid in full.

- 5.8 If an agreement has been made whereby our fees are to be paid by someone other than you, you will nevertheless remain liable for all our fees outstanding and all expenses incurred on your behalf until payment has been made in full.

- 5.9 You agree that we may deduct or cause to be deducted the fees and all additional charges from any monies or assets held by us for you.

- 5.10 Further, we shall be entitled to charge or sell assets under our control belonging to you for the purposes of meeting the outstanding fees.

- 5.11 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.

- 5.12 Insofar as we are permitted to 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.

5.13 In the event that we cease to act in relation to your company's affairs we will not charge for reasonable costs of providing information to the company's new advisers. However we reserve the right to charge for our costs where there is a significant amount of time and work involved in providing this information to the new provider.

## 6 Retention of and access to records

6.1 You have a legal responsibility to retain documents and records relevant to your financial affairs. During the course of our work we may collect information from you and others relevant to your tax and financial affairs. We will return any original documents to you if requested. Documents and records relevant to your tax affairs are required by law to be retained as follows:

### *Individuals, trustees and partnerships:*

- with trading or rental income: five years and 10 months after the end of the tax year;
- otherwise: 22 months after the end of the tax year.

### *Companies, Limited Liability Partnerships, and other corporate entities:*

- six years from the end of the accounting period.

6.2 Although certain documents may legally belong to you, we may destroy correspondence and other papers that we store electronically or otherwise that are more than seven years old, except documents we think may be of continuing significance. You must notify us in writing if you wish us to keep any document for a longer period.

## 7 Conflicts of interest and independence

7.1 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, subject to clause 8 below. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you unless we are unable to do so because of our confidentiality obligations. 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.

7.2 During and after our engagement, you agree that we reserve the right to act for other clients whose interests are or may compete with or be adverse to yours, subject, of course, to our obligations of confidentiality and the safeguards set out in the paragraph on confidentiality below.

## 8 Confidentiality

8.1 We confirm that where you give us confidential information we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional statements relevant to our engagement.

8.2 You agree that, if we act for other clients who are or who become your competitors, to comply with our duty of confidentiality it will be sufficient for us to take such steps as we think appropriate to preserve the confidentiality of information given to us by you, both during and after this engagement. These may include taking the same or similar steps as we take in respect of the confidentiality of our own information.

8.3 In addition, if we act for other clients whose interests are or may be adverse to yours, we will manage the conflict by implementing additional safeguards to preserve confidentiality. Safeguards may include measures such as separate teams, physical separation of teams, and separate arrangements for storage of, and access to, information.

8.4 You agree that the effective implementation of such steps or safeguards as described above will provide adequate

measures to avoid any real risk of confidentiality being impaired.

8.5 We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality terms.

8.6 If we use external or cloud based systems, we will ensure confidentiality of your information is maintained.

8.7 For the purpose of promotional activity, training or other business purposes we may request permission to mention that you are a client. As stated above, we will not disclose any confidential information.

8.8 During the performance of the Services, we may provide interim reports and advice. Any reports are based upon partial completion of the Services. Consequently, these are not our final views or conclusions and cannot be relied upon as such. You agree that we do not assume a duty of care to you, or any other party to whom we have agreed to assume a duty of care, in respect of interim reports and advice. The final results of our work and our definitive conclusions will be contained in our final report. This report will be signed in manuscript by a Director/Partner on behalf of the company, and will not bear any qualification within its title, header or footer.

8.9 With the exception of any audit or other report which we expressly agree may be provided to third parties, the reports, letters, information and advice which arise as a result of this engagement are given in confidence solely for the purpose of this engagement and are provided on the condition that you undertake not to disclose these, or any other confidential information made available to you by us during the course of our work, to any other party without our prior written consent.

8.10 In circumstances where our reports, letters or information will be provided to or used by a third party, you will inform us so that we can stipulate terms regarding such provision or require the third party to enter into a direct relationship with us before any report, letter, information or advice is provided to that third party. Unless the third party agrees appropriate terms with us, we recognise no responsibility whatsoever other than that owed to you in the context of this engagement as at the date on which our report or other advice is given.

We will not be prevented from disclosing confidential information:

- which is or becomes public knowledge other than by a breach of an obligation of confidentiality;
- which is or becomes known from other sources without restriction on disclosure; or
- which is required to be disclosed by law or any professional regulatory obligation.

For the purposes of carrying out our responsibilities in this engagement, we shall not be treated as having notice of information, which may have been provided to individuals within this firm who are not involved in this engagement.

8.11 This clause applies in addition to our obligations as to data protection below.

8.12 You agree to take reasonable steps to ensure that these terms are understood by your advisors.

## 9 Quality control

9.1 As part of our ongoing commitment to providing a high quality service, our files are periodically subject to an independent regulatory or quality review. Our reviewers are highly experienced and professional people and are, of course, bound by the same requirements of confidentiality as our principals and staff.

### ***Dealing with HM Revenue & Customs***

9.2 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. For more information about 'Your Charter' for your dealings with HMRC, see [www.hmrc.gov.uk/charter/index.htm](http://www.hmrc.gov.uk/charter/index.htm). To the best of our abilities, we will ensure that HMRC meet their side of the Charter in their dealings with you.

### **10 Help us to give you the right service**

10.1 We are committed to providing you with a high quality service that is both efficient and effective. If at any time 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 firstly contacting the managing director of the office that deals with your affairs, if you are still dissatisfied please contact our Compliance Director in writing at Churchill House, 59 Lichfield Street, Walsall, West Midlands, WS4 2BX.

10.2 We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with our professional body ICAEW.

10.3 If you remain unsatisfied and your complaint relates to one of our Licensed Insolvency Practitioners, you have the right to refer the matter to the Insolvency Complaints Gateway which is operated by the Insolvency Service, Department for Business, Energy & Industrial Strategy (BEIS) by:

- calling the Insolvency Service Enquiry Line on 0845 602 9848 (Monday to Friday 8am to 5pm); or
- completing an online complaints form at <https://www.gov.uk/complain-about-insolvency-practitioner> (guidance for those who wish to complain can also be found on this site); or
- by sending the completed complaints form by post to IP Complaints, Insolvency Service, 3rd Floor, 1 City Walk, Leeds, LS11 9DA.

10.4 In order for us to provide you with a high quality service on an ongoing basis it is essential that you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms of Business and associated engagement schedules. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:

- your insolvency, bankruptcy or other arrangement being reached with creditors;
- failure to pay our fees by the due dates;
- either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so; or
- an independence issue or change in the law which means we can no longer act.

### **11 Period of engagement and termination**

11.1 Unless otherwise agreed in our engagement letter, our work will begin when we receive implicit or explicit acceptance of that letter. Except as stated in that letter, we will not be responsible for periods before that date.

11.2 We reserve the right to suspend any work for you with or without notice to you in the event that we are obliged to do so under any applicable law and regulations, including legislation in relation to money laundering or proceeds of crime.

11.3 In the event of termination of our contract, we will endeavour to agree with you the arrangements for the completion of work in progress at that time, unless we are required for legal or regulatory reasons to cease work immediately. In that event, we will not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

### **12 Applicable law**

12.1 This engagement letter is governed by, and construed in accordance with English Law if the services that are covered by the engagement letter are provided by our offices in England, Wales or Northern Ireland, or Scottish Law if the services that are covered by the engagement letter are provided by our offices in Scotland. The Courts 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 it may have 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.

12.2 If any provision in this Standard Terms of Business or any associated engagement schedules, 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.

### **13 Our advice, changes in the law, in practice or in public policy**

13.1 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 should ask for the advice to be confirmed by us in writing.

13.2 We will only assist with implementation of our advice if specifically instructed and with our agreement in writing.

13.3 All of our advice to you is based on laws, regulations, statements of practice and codes of practice that are current at the time the advice is given and no warranty is made in respect of the continued accuracy or applicability of our advice. Unless we have expressly agreed to do so in our engagement letter, we will have no obligation actively to inform you if the laws, regulations, statements of practice and codes of practice upon which any advice we have given to you was based has changed, or if any change has any implications that will require you to obtain additional or updated advice or services.

13.4 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, public policy or your circumstances.

13.5 We will accept no liability for losses arising from changes in the law or the interpretation thereof, practice or public policy that are first published after the date on which the advice is given to the fullest extent permitted by applicable law.

### **14 Internet communication**

14.1 Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. However, internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their despatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you. If you do not agree to accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.

14.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

## **15 Provision of client portal service via the cloud**

### ***Secure client portal via our website (part of the Cloud)***

15.1 We will provide a free voluntary client portal service to allow the secure exchange of documents between you and the firm.

15.2 You should use this service for file transport only, you cannot rely on this service as a permanent means of file storage or backup. We purge all data from the portal on a regular basis.

15.3 Other than where there is a lawful basis for transferring personal data to us, you agree that you will have secured consent to transfer personal data to us prior to doing so.

15.4 You undertake to use the system for acceptable use, which includes:

- not to transmit any viruses, Trojans, keyloggers or other harmful code;
- not to transmit any unlawful information or content;
- not to allow access to the service to any third party; and
- not to use the software to provide services to other parties.

15.5 You are responsible for:

- ensuring that your network and systems meet any necessary performance requirements;
- maintaining your network and telecommunication links; and
- compliance with any applicable terms as shown on the site itself which may be updated from time to time.

15.6 You are obliged to keep all passwords and login details secure and not to share with others. We will keep all passwords and login details secure, and only disclose to staff that require access.

15.7 If one of your staff who has access to the portal leaves, you are responsible for asking the firm to reset the password for your account.

15.8 We undertake to use all reasonable endeavours to obtain from the Cloud Supplier a signed confidentiality agreement with the firm to ensure compliance with other relevant clauses in these terms of business concerning our fees, confidentiality, internet communication, all relevant data protection legislation and general limitation of liability.

15.9 The firm cannot be held liable for any failures to deliver services due to transmission errors or unavailability of telecoms networks, or due to the failure or unavailability of any infrastructure. We are also not liable for any loss of or corruption to your data or if the service is interrupted due to your breach of our terms.

15.10 If you determine to cease using the services of the firm, you will inform the firm immediately. On receiving such notification we will immediately cancel all user access to your portal and discuss with you the way ahead.

15.11 The firm reserves the right to modify these terms and conditions under which the portal is offered, and will provide you with due notice before implementation.

### ***Secure client portal via a third party website (part of the Cloud)***

#### ***a) Accounting software***

15.12 You will agree with the Cloud Supplier the specific accounting software that you wish to be hosted in the Cloud. We are happy to assist you with the selection of the specific accounting software that is appropriate to your needs, though

the final decision is yours. This service is provided for a set-up fee agreed in advance.

15.13 Though we will have access to your accounting system hosted by the Cloud Supplier, we would emphasise that we cannot undertake to discover any shortcomings in the third-party software, your systems or any irregularities on the part of your employees or others, although we will advise you of any such circumstances that we encounter if requested to prepare your accounts.

15.14 We will invoice you each month for the provision of the service by the Cloud Supplier. You will pay our monthly fee on a timely basis to ensure continued provision of the service by the Cloud Supplier. Should there be a delay in payment of our fee according to our credit terms we reserve the right, after a written warning has been issued, to withdraw the service until our fees have been paid.

15.15 You will enter into a Service Level Agreement with the Cloud Supplier regarding the uptime availability and the provision of maintenance, support and security, in particular the frequency of back-ups provided. Should you have any concerns on these matters, please contact us.

15.16 If you wish to disengage from this service, on giving the notice period specified in our letter of engagement, we will liaise with the Cloud Supplier for you to receive a back-up of your data as at the end of the notice period, subject to you meeting their conditions.

#### ***b) Other software***

15.17 Though we will have access to software hosted by the Cloud Supplier, we would emphasise that we cannot undertake to discover any shortcomings in the third-party software, your systems or any irregularities on the part of your employees or others.

#### ***c) Accounting and other software***

15.18 You will be responsible for the maintenance of your records in the Cloud.

15.19 Other than where there is a lawful basis for transferring personal data to the Cloud, you agree that you will have secured consent to transfer personal data to the Cloud prior to doing so.

15.20 You undertake to use the system for acceptable use, which includes:

- not to transmit any viruses, Trojans, keyloggers or other harmful code;
- not to transmit any unlawful information or content;
- not to allow access to the service to any third party; and
- not to use the software to provide services to other parties.

15.21 You are responsible for:

- ensuring that your network and systems meet any necessary performance requirements;
- maintaining your network and telecommunication links; and
- compliance with any applicable terms as shown on the site itself which may be updated from time to time.

15.22 You are obliged to keep all passwords and login details secure and not to share with others. We will keep all passwords and login details secure, and only disclose to staff that require access.

15.23 If one of your staff who has access to the portal leaves, you are responsible for asking the firm to reset the password for your account.

- 15.24 We undertake to use all reasonable endeavours to obtain from the Cloud Supplier a signed confidentiality agreement with the firm to ensure compliance with other relevant clauses in these terms of business concerning our fees, confidentiality, internet communication, all relevant data protection legislation and general limitation of liability.
- 15.25 The firm cannot be held liable for any failures to deliver services due to transmission errors or unavailability of telecoms networks, or due to the failure or unavailability of any infrastructure. We are also not liable for any loss of or corruption to your data or if the service is interrupted due to your breach of our terms.
- 15.26 The firm reserves the right to modify these terms and conditions under which the portal is offered and will provide you with due notice before implementation.

#### **Data Protection**

- 16.1 To enable us to discharge the services agreed under our engagement, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose Personal Data about you/ your business/ company/ partnership/ its officers and employees and shareholders ('Personal Data').
- 16.2 In the course of providing services to you and processing Personal Data, we may disclose Personal Data to other firms in our network, a regulatory body or a third party.
- 16.3 We shall neither transfer nor process Personal Data outside the United Kingdom, nor permit Personal Data to be transferred or processed outside the United Kingdom by a Sub processor or third party, unless it is under one or more of the following conditions:
- the territory into which the data are being transferred is one approved by the UK's Information Commissioner;
  - the territory into which the data are being transferred is within the European Economic Area;
  - the territory into which the data are being transferred has an adequacy decision issued by the European Commission;
  - the transfer is to the United States of America and the recipient is registered under the EU/US Privacy Shield scheme;
  - the transfer is made under the unaltered terms of the standard contractual clauses issued by the European Commission for such purposes;
  - the transfer is made under the provision of binding corporate rules which have been approved and certified by the European Commission;
  - the transfer is made in accordance with one of the exceptions set out in Data Protection Legislation.
- 16.4 Where cloud-based services are to be used you may be subject to our cloud services terms and conditions, and cloud storage may be outside the EU/EEA/UK.
- 16.5 If you need to contact us about any data protection issue please contact our Data Protection Officer at [DPO@baldwingroup.com](mailto:DPO@baldwingroup.com).
- 16.6 Depending upon the nature of the services being delivered under this agreement we may be acting as an independent controller or as a processor. The relevant obligations in each circumstance are described in the following clauses.

#### **Independent Controllers**

- 16.7 Where we are each considered independent controllers in relation to Personal Data, we shall each comply with the relevant provisions of applicable data protection legislation.
- 16.8 You will also ensure that any disclosure of Personal Data to us complies with such legislation. If you supply us with any

Personal Data or confidential information you shall ensure you have a lawful basis to pass it to us and will fully indemnify and hold us harmless if you do not have such a basis and that causes us loss. If you are supplying us with Personal Data on the basis of a power of attorney for anyone, you must produce to us an original or certified power of attorney on demand. You must ensure you have provided the necessary information to the relevant Data Subjects regarding its use. You may refer to our privacy notice at <https://www.baldwinsaccountants.co.uk/privacy-policy>

#### **Where we are a Processor - our obligations**

- 16.9 Where we are acting as a Processor, "*Schedule Processor – additional information*" forms part of this engagement letter and sets out the subject matter and duration of the processing, the nature and purpose of the processing, the type of Personal Data, the categories of Data Subjects and instructions for return or destruction of data.
- 16.10 We shall process the Personal Data only in accordance with your instructions documented in "*Schedule Processor – additional information*" and shall not process the Personal Data for any purposes other than those expressly authorised by you in writing.
- 16.11 We warrant that, taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, we shall implement appropriate technical and organisational measures to ensure a level of security appropriate to the risk and shall take all measures required pursuant to Article 32 of the GDPR (Security of Processing).
- 16.12 We shall not engage another Processor without your prior specific authorisation (such authorisation not to be unreasonably withheld).
- 16.13 We shall inform you of any intended changes concerning the addition or replacement of Sub processors, including full details of the Processing to be undertaken by the Sub processor, thereby giving you the opportunity to object to such changes by allowing you to provide prompt written reasonable justification for such objections. In such cases, we will not use such Sub processor where you have raised such reasonable justification for such objections, and our performance of this agreement will be suspended until we have appointed a reasonable replacement Sub processor which is approved by you.
- 16.14 Where we engage another Processor for carrying out specific Processing activities we shall:
- carry out due diligence before appointing the Sub processor to ensure that the Sub processor is capable of providing the level of protection for Personal Data defined in "*Schedule Processor – additional information*";
  - ensure that the relevant contract with the Sub processor includes obligations on the Sub processor which are no less onerous than those set out in this agreement and meets the requirements of Article 28(3) of the GDPR;
  - have in place data protection obligations requiring the Sub processor to implement reasonable technical and organisational measures for safeguarding Personal Data and the rights of Data Subjects under data protection legislation. Where that Sub processor fails to fulfil its data protection obligations as required by law, we shall remain liable to you for the performance of that Sub processor's obligations; and
  - remain responsible for the performance of this agreement notwithstanding the appointment of a Sub processor.
- 16.15 We shall ensure that persons authorised to process the Personal Data on your behalf, have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality.

- 16.16 Taking into account the nature of the processing, we shall assist you by appropriate technical and organisational measures, insofar as this is possible, for the fulfilment of your obligation to respond to requests for exercising Data Subject's rights by law.
- 16.17 We shall notify you within 72 hours if we receive from a Data Subject:
- a request to exercise any Data Subject's rights as defined in data protection legislation; and/or
  - a complaint or request relating to your obligations under data protection legislation;
  - and shall assist you with an appropriate search of the Personal Data which is in our possession or our Processors' possession in response to that request and perform any update to the Personal Data that you are required to perform by law.
- 16.18 Taking into account the nature of processing and the information available to us we shall assist you in ensuring compliance with the obligations pursuant to Articles 32 (Security of processing), Article 33 (Notification of a Personal Data breach to the supervisory authority), Article 34 (Communication of a Personal Data breach to the Data Subject), Article 35 (Data protection impact assessment) and Article 36 (Prior consultation) of the GDPR.
- 16.19 At your discretion, in respect of the Personal Data which is in our possession or our Processors' possession: delete or return all the Personal Data to you after the end of the provision of services relating to processing, and delete existing copies unless applicable laws require storage of the Personal Data by us or our Processors as defined in the 'Instructions for return or destruction of data' section of "*Schedule Processor - additional information*".
- 16.20 We shall make available to you all information necessary to demonstrate compliance with the obligations laid down in Article 28 of the GDPR.
- 16.21 We shall allow for and contribute to audits, including inspections, conducted by you or another auditor mandated by you. Where you undertake any audits (either yourself or through your third parties), this will be subject to you ensuring that:
- it does not disrupt our activities or the activities of our Processors and third parties;
  - the audit is undertaken in a reasonable and professional manner, with access being sought to only those aspects which are required by data protection legislation (but not to any legally privileged information, nor any information of any third parties who are not the Data Subjects);
  - any site visit at our premises or our Processors' premises, is subject to accompaniment at all times by our representatives or our Processors' representatives;
  - the auditor enters into a reasonable confidentiality agreement with us and our relevant Processors; and
  - the cost of the audit and any assistance and attendance by us, our Processors, and any of the aforementioned representatives is paid for by you.
- 16.22 We shall immediately inform you if, in our opinion, an instruction infringes data protection legislation.
- 16.23 We shall notify you as soon as possible after becoming aware of a Personal Data Breach relevant to our Processing or our Processor's Processing. Such notification shall:
- describe the nature of the Personal Data Breach, including where possible the categories and approximate number of Data Subjects concerned and the categories and approximate number of the Personal Data records concerned; and
  - describe the measures we have taken or propose to be taken to address the Personal Data Breach, including

where appropriate measures to mitigate its possible adverse effects.

- 16.24 Provided that where, and in so far as, it is not possible for us to provide the above information at the same time, the information shall be provided in phases without undue further delay.
- 16.25 We shall cooperate with you and take such reasonable commercial steps as are directed by you to assist the investigation, mitigation and remediation of each such Personal Data Breach.
- 16.26 We shall provide reasonable assistance to you with any Data Protection Impact Assessments which you reasonably consider to be required by Article 35 of the GDPR or equivalent provisions of any other data protection legislation.
- 16.27 We shall provide reasonable assistance to you with any Prior Consultation which you reasonably consider to be required by Article 36 of the GDPR or equivalent provisions of any other data protection legislation.

**Where we are a Processor - your obligations**

- 16.28 You shall:
- Establish a lawful basis for processing the Personal Data to allow us and our Processors to process the Personal Data for the purposes of this agreement and fully indemnify and hold us harmless if you do not have a lawful basis and that causes us loss;
  - ensure that the instructions and Personal Data which are provided to us by your personnel, are lawfully provided;
  - provide all communications, information (including copies of Personal Data) which are required to be provided to the Data Subjects pursuant to data protection legislation;
  - liaise directly with Data Subjects in respect of data protection and privacy matters;
  - reasonably co-operate with us in all matters relating to this agreement;
  - undertake your obligations with reasonable skill and care;
  - provide such information materials as we may reasonably require, and ensure that they are provided in a reasonable state.

**17 Limitation of third party rights**

- 17.1 Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 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.
- 17.2 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, unless we have expressly agreed in writing that a specified third party may rely on our work. We will accept no responsibility to third parties, including any group company to whom the engagement letter is not addressed, your spouse nor any family member of yours or your employer, for any aspect of our professional services or work that is made available to them.

**18 Client identification**

- 18.1 In common with other professional firms we are required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017 to:
- maintain identification procedures for clients, beneficial owners of clients, and persons purporting to act on behalf of clients;
  - maintain records of identification evidence and the work undertaken for the client; and

- report, in accordance with the relevant legislation and regulations.
- 18.2 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 principals nor staff may enter into any correspondence or discussions with you regarding such matters.
- 18.3 If we are not able to obtain satisfactory evidence of your identity and where applicable that of the beneficial owners, we will not be able to proceed with the engagement.
- 18.4 You agree that we may use personal information provided by you in order to conduct appropriate identity and anti-fraud checks. Personal information that you provide may be disclosed to a credit reference or fraud prevention agency that will check details against any particulars on any database (public or otherwise) to which they have access. Personal information may be retained by the credit reference or fraud prevention agency for the purpose of future identity and anti-fraud checks. A record of the search will be retained. This information provided by you is used by us only to confirm your identity and no credit check is being performed by us. Accordingly, your credit rating will not be affected.
- 18.5 In addition, we may also request similar information in order to conduct appropriate identity and anti-fraud checks on management and beneficial owners as we consider necessary. You agree to inform such persons of these checks as described in clause 18.1 above.

**19 Foreign Account Tax Compliance Act (FATCA) and The Common Reporting Standards**

- 19.1 Unless agreed specifically in a separate engagement letter, we are not responsible for your compliance with the *International Tax Compliance (United States of America) Regulations 2013*, produced as a result of FATCA. In particular, we are not responsible for the categorisation of any UK entity into either a Financial Institution (FI) or an active or passive Non-Financial Foreign Entity (NFFE) nor, if a Financial Institution, for its registration with the US Internal Revenue Service (IRS) and subsequent submission of the required annual returns to HMRC.
- 19.2 However, if requested to do so we can provide advice on the completion of the forms supplied by Financial Institutions under these Regulations, or under The Common Reporting Standards, and used by them to determine the status of an entity. We can also provide advice on setting up the appropriate systems to identify and report on your clients or beneficiaries who are foreign citizens affected by FATCA or The Common Reporting Standards.

**20 General limitation of liability**

- 20.1 We will provide our services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence or wilful default. 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. Further, we will not be liable to you for any delay or failure to perform our obligations if the delay or failure is caused by circumstances outside our reasonable control. Subject to clause 20.6 below, our liability to you shall be limited as set out in clause 21.
- 20.2 You will not hold us, our principals/directors and staff, responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation (intentional or unintentional) supplied to us orally or in writing. This applies equally to fraudulent acts,

misrepresentation or wilful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers. However, this exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures which we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry.

- 20.3 We are not liable to the extent that our breach of duty results from something you do or fail to do (such as giving us wrong or incomplete information or failing to provide information in a timely manner) unless we knew (or ought reasonably to have known) that your act or failure to act would give rise to a breach of duty and we failed to inform you of this or take other reasonable steps to avoid that breach of duty or minimise its effects.
- 20.4 We are not liable for any loss arising from or connected with our compliance with any statutory obligation that we may have, or reasonably believe we may have, to report matters to the relevant authorities under the provisions of any applicable laws and regulations, for example, legislation relating to money laundering or proceeds of crime.
- 20.5 For statutory audit work, we will provide our professional services with reasonable care and skill. However, we will not be held responsible for any losses arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or other relevant authorities.
- 20.6 You agree that you will not bring any claim in connection with services we provide to you against any of our partners or employees personally.
- 20.7 In particular, the fact that an individual member, employee, agent or consultant signs in his or her own name any letter, email or other document in the course of carrying out that work does not mean he or she is assuming any personal legal liability.
- 20.8 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. You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time that we spend in defending it and our legal fees on an indemnity basis.
- 20.9 Nothing in this agreement shall exclude or limit our liability for death or personal injury caused by negligence nor for fraudulent misrepresentation or other fraud which may not as a matter of applicable law be excluded or limited.

**21 Financial limitation of liability**

- 21.1 We have discussed with you the extent of our liability to you in respect of the professional services described within our engagement letter (the professional services), comprising the Engagement Covering Letter, Agreement of Terms and the relevant Appendices.
- 21.2 Where we are providing statutory audit services under Group Audit Services Limited, the terms of the limitation of our liability in respect of our audit work is set out in the audit appendix to our engagement letter.
- 21.3 For all causes of action accruing in any 12 month period, the first such period commencing on the date of our engagement letter, our total liability (regardless of the number of persons who comprise our client for any particular matter) shall be limited to the lower of the figures produced by the operation of clauses 21.4 and 21.5. This provision, and the provisions of the following paragraphs, shall not apply to any liability:

- for work requiring us to report as statutory auditors (see clause 21.2);
- for work required to be carried out by us under the rules of the US Securities and Exchange Commission;
- for death or personal injury or other liability for which exclusion or restriction is prohibited by law; or
- to liability arising as a result of fraud on our part.

In no event shall we be liable for any special, indirect or consequential loss or damage of any kind howsoever arising, whether or not such loss or damage is foreseeable, foreseen or known.

- 21.4 Subject to the provisions of clause 21.5 below, our liability in respect of breach of contract or breach of duty or fault or negligence or otherwise whatsoever arising out of or in connection with this engagement shall be limited to a maximum limit of £1 million, including interest and costs to cover claims of any sort whatsoever in connection with the engagement, unless an alternative liability cap has been included and agreed in the limitation of liability section of the engagement letter.

Any claim for breach of contract, breach of duty or fault or negligence or otherwise whatsoever arising out of or in connection with this engagement shall be brought against us within six years of the act or omission alleged to have caused the loss in question.

- 21.5 Our liability to you in respect of breach of contract or breach of duty or fault or negligence or otherwise whatsoever arising out of or in connection with this engagement shall be limited to a just and equitable proportion of the total loss or damage after taking into account contributory negligence and the responsibility of any other party (regardless of the ability of any other party to make payment).

## 22 Intellectual property rights and use of our name

- 22.1 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. You may only use such rights to the extent we agreed when engaged to provide services to you and may not resell or sublicense such rights without our further prior consent.
- 22.2 The same applies to copyright and other intellectual property rights in any records, reports, papers, designs, typographical arrangements, software, and all other materials in whatever form, including but not limited to hard copy and electronic form, prepared by us or on our behalf in the provision of services to you.
- 22.3 You are not permitted to use our name in any statement or document that 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.

## 23 Environmental issues

- 23.1 We will not give advice on environmental or health and safety issues nor will we perform an environmental audit as part of our services, unless specified in our scope of services. You agree that environmental issues and their impact are excluded from the services unless otherwise agreed in the Letter of Engagement.

## 24 Interpretation

- 24.1 If any provision of our engagement letter or terms of business is held to be void for whatever reason, then that provision will be deemed not to form part of this contract, and no other provisions will be affected or impaired in any way. In the event of any conflict between these terms of business and the engagement letter or appendices, the relevant provision in the engagement letter or schedules will take precedence.

## 25 Internal disputes within a client

- 25.1 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 (unless we have agreed otherwise) 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 registered office/normal place of business for the attention of the directors/proprietors. If conflicting advice, information or instructions are received from different directors/principals in the business, 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. In certain cases, we reserve the right to cease acting for the business/client entirely.

## 26 Engagement of Baldwins Holdings Limited (and its subsidiaries)

### Employees

- 26.1 If you directly engage an employee of Baldwins Holdings Limited or any of our associates or introduce an employee of Baldwins Holdings Limited to any third party resulting in an Engagement, you will be liable to an introduction fee of 50% of the annual starting salary. In the event that you fail to advise Baldwins Holdings Limited of the starting salary the fee will be based on the charge out rate for the employee.
- 26.2 This applies during employment and for a period of 12 months post termination. No refund of the introduction fee will be paid in the event that the engagement terminates.

## 27 Changes in members/successor firm

- 27.1 The continuing validity of this agreement will not be affected by any change in the members of the firm. If we merge with another firm or transfer substantially all of our business to a partnership, a limited liability partnership or company, then you agree that we may transfer our engagement with you on substantially the same terms (so far as applicable) to the successor enterprise. We shall write and tell you if this happens.

## 28 Disengagement

- 28.1 If we resign or are asked to resign, we will normally issue a disengagement letter to ensure that our respective responsibilities are clear.