

STANDARD TERMS OF BUSINESS – DECEMBER 2020 VERSION

Details of the firm's professional registrations can be found at www.icaewfirms.com

In respect of statutory audit work (if applicable) for UK companies, details of our registration can be viewed at www.auditregister.org.uk under reference number C001092017.

We will observe and act in accordance with the bye-laws and regulations of the Institute of Chartered Accountants in England and 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 the Isle of Man Income Tax Division or applicable tax authority (where so engaged) where we become aware of them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

Limitation of liability

We will provide our professional services with reasonable care and skill. However, we will not be held responsible for any losses, penalties, surcharges, interest or additional tax liabilities 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.

You agree to hold us, our directors, staff and subcontractors harmless and indemnify us against any representation, whether 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 provided to you by the firm against any of our employees or subcontractors on a personal basis.

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.

Our aggregate liability to you or any other party, of whatever nature, whether in contract, tort or otherwise for any losses whatsoever and howsoever caused arising from or in any way connected with the services described within this engagement letter shall not exceed 5 times the annual recurring paid fee (including interest) subject to a maximum of £500,000. It is agreed that if our fees have not been paid in full by you then no liability rests with our firm.

Use of our name in statements or documents issued by you

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.

Draft/interim work or oral advice

In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form, or orally. However, final written work products will always prevail over any draft, interim or oral statements. Where you request it, we will provide you with written confirmation of matters stated orally.

Investment services

We are not authorised by the Institute of Chartered Accountants in England and Wales or the Financial Services Authority (Isle of Man) to conduct Investment Business. If you require investment business services we may be able to refer you to a firm or firms, which have appropriate authorisation. However, any referral does not indicate a recommendation and you must carry out your own due diligence procedures.

Client monies

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 the Institute of Chartered Accountants in England and Wales.

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 Isle of Man Bank for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.

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If the total sum of money held on your behalf exceeds £10,000 for a period of more than 30 days, or such sum is likely to be held for more than 30 days, then the money will be placed in a separate interest-bearing client bank account designated to you. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.

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.

Fees

Our fees are computed on the basis of time spent on your affairs by the directors and our staff, sub-contractors or consultants, and on the levels of skill and responsibility involved. Disbursements represent travel, accommodation and other expenses incurred in dealing with your affairs.

If it is necessary to carry out work outside the responsibilities outlined in this letter it 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.

As directors you guarantee to pay personally any fees (including disbursements) for services provided to the company that the company is unable to pay. This clause shall become effective in the event of a receiver or liquidator being appointed to the company or the company otherwise being wound-up or being unable to pay its debts to us.

Invoices are payable in full within 28 days of issue. Amounts unpaid after 28 days will be subject to interest at 1.75% per month (APR 23.4%). Payments can be made by BACS as follows:

Account name:	Harding Lewis Limited
Bank:	Isle of Man Bank, Box 13, Douglas, Isle of Man, IM99 1AN
Account No:	12692646
Sort code:	55-91-00

We accept payments by Debit Card and most major Credit Cards except American Express.

Harding Lewis has teamed up with Direct Debit bureau EaziPay to offer:

- a more convenient way to pay
- improve your cash flow by spreading the cost over more affordable monthly payments
- easy set up
- saves you time, once it is set up, there is no need to lift a finger
- reduces the risk of missing a payment
- no additional cost to you

Your payments will be covered by the Direct Debit guarantee:

- an immediate money back guarantee from your bank in the event of an error in the payment of your Direct Debit
- advance notice if the date or amount changes
- the right to cancel at any time without fuss

If you are interested in paying for your services in this way or would like to discuss this further please let us know.

Retention of and access to records

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 financial statements.

Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any documents you must notify us of that fact in writing.

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Commissions or other benefits

In some circumstances, commissions or other benefits may become payable to us [or to one of our associates] in respect of transactions we [or such associates] arrange for you, in which case you will be notified in writing of the amount and terms of payment. The fees that would otherwise be payable by you will not be abated by such amounts. You consent to such commission or other benefits being retained by us [or, as the case may be, by our associates,] without our, [or their,] being liable to account to you for any such amounts.

Conflicts of interest and independence

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 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.

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 code of ethics of ICAEW which can be viewed at www.icaew.com/regulations.

Quality control

As part of our ongoing commitment to providing a quality service, our files may periodically be subject to a second director or independent quality review. We also engage subcontractors to carry out work. Our reviewers and subcontractors are experienced people and are, of course, bound by the same requirements of confidentiality as our principals and staff.

Help us to give you the right service

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 contacting one of the Directors.

We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If you feel that we have given you a less than satisfactory service, we undertake to do everything reasonable to address your concerns. If you are still not satisfied, you may of course take up matters with the Institute of Chartered Accountants in England and Wales.

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 the Engagement Letter and associated Engagement letters. 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.

Applicable law

This engagement letter is governed by, and construed in accordance with, Isle of Man law. The Isle of Man 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.

Internet and electronic communication

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.

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

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Data Protection

We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under the Engagement Letter, 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. You have a right of access, under the Data Protection Act 2018 (and any subsequent applicable legislation), to the personal data that we hold about you and we confirm when processing data on your behalf that we will comply with the provisions of the Data Protection Act 2018, or subsequent applicable legislation.

Contracts (Rights of Third Parties) Act 2001

Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 2001 (or subsequent applicable legislation) to enforce any term of this agreement. This clause does not affect any right or remedy of any person, which exists or is available other than pursuant to the 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.

Losses and penalties

We will provide our professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax or other liabilities 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 to respond promptly to communications from us or the tax or other authorities.

Money laundering

We, as do other Accountants, have a duty under law to report to the Financial Intelligence Unit ('FIU') (or equivalent) if we know, or have reasonable cause to suspect, that you, or anyone connected with your business, are or have been involved in money laundering or other reportable activity. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.

The offence of money laundering includes the acquisition, possession or involvement in arrangements for concealing the benefits of any activity that constitutes a criminal offence in the Isle of Man. This definition is very wide and would include:

- tax evasion through deliberate understatement of income or overstatement of expenses or stocks; or
- deliberate failure to inform the tax authorities of known underpayments.

We are obliged by law to report to the FIU without your knowledge and consent and in fact we would commit the criminal offence of tipping off if we were to inform you of any suspicions or that a report had been made.

We are not required to undertake work for the sole purpose of identifying suspicions of money laundering.

We are registered as a designated business under the Designated Business (Registration and Oversight) Act 2015.

Professional Indemnity Insurance

In accordance with the disclosure requirements of the Provision of Services Regulations 2009 (and/or any applicable succeeding regulations/legislations), our professional indemnity insurer is Zurich Insurance plc UK Branch, Pen Underwriting Limited, 67 Lombard Street, London, EC3V 9LJ. 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 of America or Canada. Please note that insurance cover is subject to periodic review whereby the insurer may change.

Provision of online bookkeeping software (if applicable)

In order to provide the Quickbooks Online accounting software it will be necessary for you to comply with and agree to the terms of service entered into between Harding Lewis Limited and Intuit. The latest terms of service can be found online within your Quickbooks Online account. If you are unable to locate these terms you must inform Harding Lewis Limited and we will provide a hard copy of the latest terms.

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Please note that your data is processed in the USA.

In particular we draw your attention to the following:

- You agree not to use, nor permit any third party to use, the services or content in a manner that violates any applicable law, regulation or the agreement with Intuit. You agree you will not:
 - Provide access to or give any part of the services to any unauthorised third party.
 - Reproduce, modify, copy, deconstruct, sell, trade or resell the services.
 - Make the services available on any file-sharing or application hosting service.
- You agree not to use, nor permit any third party to use, the services to upload, post, distribute, link to, publish, reproduce, engage in or transmit any of the following, including but not limited to:
 - Illegal, fraudulent, defamatory, obscene, pornographic, profane, threatening, abusive, hateful, harassing, offensive, inappropriate or objectionable information or communications of any kind, including without limitation conduct that would encourage "flaming" others, or criminal or civil liability under any local, state, federal or foreign law;
 - Content that would impersonate someone else or falsely represent your identity or qualifications, or that constitutes a breach of any individual's privacy;
 - Except as permitted by Intuit in writing, investment opportunities, solicitations, chain letters, pyramid schemes, other unsolicited commercial communication or engage in spamming or flooding;
 - Virus, trojan horse, worm or other disruptive or harmful software or data; and
 - Any information, software or content which is not legally yours and without permission from the copyright owner or intellectual property rights owner.
- You should also ensure that you agree with Intuit's privacy policy in relation to this service.
- You are responsible for ensuring that you continue to comply with your data protection requirements in relation to any information included in the accounting records that would be entered onto Quickbooks Online.
- Harding Lewis will act as Administrator of the Quickbooks Online account. You will be able to access the account as an 'Additional User'. Depending on the Quickbooks Online software chosen ('Simple Start', 'Essentials' or 'Plus') you will be able to request set up of up to one, three or five users on the software. If using the 'Simple Start' or 'Essentials' software an upgrade will be required to increase the number of users above one or three respectively.
- You are responsible for securely managing your password(s) and login details and for contacting Intuit if you become aware of any unauthorised access to your account. The services may periodically be updated with tools, utilities, improvements, third party applications, or general updates to improve services. You agree to receive these updates.

Harding Lewis will not accept responsibility for matters that are outside of our control. On that basis:

- You are responsible for ensuring that your network and systems meet any necessary performance requirements;
- You are responsible for maintaining your own network and telecommunications links;
- Harding Lewis are not liable for any failures to deliver services due to transmission errors or unavailability of telecoms networks (including for reasons of force majeure), or due to failure or unavailability of any third-party infrastructure;
- Harding Lewis are not liable for any loss or corruption to your data;
- Harding Lewis are not liable for the quality, performance or reliability of the third-party software;
- You are responsible for compliance with applicable third-party terms; and
- Harding Lewis are not liable if the service is interrupted or cannot be delivered because you are in breach of third-party terms.
- You should make provision for regularly backing up copies of the online data in case of loss of data by Intuit, termination of your contract with Harding Lewis, or termination of the contract between Harding Lewis and Intuit.



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If you terminate your contract with Harding Lewis for the provision of the online bookkeeping software you should be able to access a read-only version of your online records for a period of one year. However this is subject to change by Intuit. If Harding Lewis are required to transfer this information to a replacement accountant a charge would be payable for this on a time spent basis.

Intuit Quickbooks Online and OCREX / Autoentry

We may from time to time use software and services provided by Intuit Quickbooks Online and OCREX / Autoentry in order to carry out our services to you in a more timely manner.

Data provided by you may be entered on to the software provided by these companies and will be saved by them on servers in different countries around the World that they operate. In the case of Intuit Quickbooks Online the servers are currently in the USA and for OCREX / Autoentry the servers are currently located in the Republic of Ireland and the UK.

OCREX, through its autoentry.com site, provides a data capture service for Users requiring the capture of invoices, receipts and bank statement data from images or from electronic PDF documents. To do this, OCREX provides a facility for Users to upload such documents in a secure manner using Secure Socket Layer (SSL) technology. Once this data is received, it is processed by OCREX using Optical Character Recognition technology. To verify 100% accuracy of data captured from User's submitted documents, trained OCREX personnel may view the documents temporarily. Though not possible in every case, OCREX endeavours to redact all Personally Identifiable Information ("PII") from these documents before any manual accuracy verification processing takes place such that Personally Identifiable Information is not unnecessarily made visible to OCREX employees. Processing of this data is only ever performed by trained OCREX personnel and is never performed by or outsourced by them to, any third-parties.

Full terms and conditions and the privacy policy of Autoentry can be found on their website www.autoentry.com.

If you would prefer that we do not use the services of Intuit Quickbooks Online or OCREX / Autoentry in relation to your data, or if you would like to discuss this further please contact Harding Lewis.

General

In the event that legislation referred to above is succeeded with new or updated legislation, then the updated or replaced legislation takes precedence.