

Standard terms of business

All engagements that we accept are subject to the following standard terms of business unless changes are expressly agreed in writing.

1. Professional obligations

- 1.1 We are a member of ICAS and in our conduct are subject to its Code of Ethics which can be found at www.icas.com/ethics/icas-code-of-ethics. We will observe and act in accordance with the bye-laws and regulations of ICAS. We accept instructions to act for you on this basis.
- 1.2 Where we become aware of errors made by HM Revenue & Customs you give us authority to correct them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.
- 1.3 As required by the Provision of Services Regulations 2009 (SI 2009/2999) details of the firm's professional registrations can be found at www.csmco.net.

2. Professional indemnity insurance

- 2.1 In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer's name and contact address is available on our website at www.csmco.net. 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.

3. Fees

- 3.1 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, and the level of risk. In addition, we may charge disbursements of travel, accommodation and other expenses incurred in dealing with your affairs.
- 3.2 If it is necessary for us to carry out work that is outside the scope of the engagement currently in place with you, we will advise you of this in advance. Any additional work will result in additional fees being charged. We would therefore like to point out that it is in your interests to ensure that the information you provide us with is completed to the agreed stage.
- 3.3 If we give you an estimate of our fees for carrying out any specific work, then that estimate will not be contractually binding unless we have explicitly stated that will be the case.
- 3.4 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 which the fixed fee relates to and the services covered by it.
- 3.5 Where we have agreed that you will pay on an invoice rendered basis, invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. Any queries you have on our invoices must be notified to us within 21 days of receipt or we shall deem you to have accepted that payment is due.

- 3.6 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.
- 3.7 Where we offer you the facility to pay your professional fees by monthly instalments. We do not charge any interest or charges except for default charges. As these terms have been agreed after 18 March 2015 this instalment agreement is not a regulated credit agreement.
- 3.8 Please advise us of any insurance policies or membership of a trade or professional body that entitles you to assistance with payment of our fees in some situations. A particular example would be assistance with an investigation by HM Revenue & Customs. Please note that you remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.
- 3.9 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.
- 3.10 Insofar as we are permitted to do so by law or professional guidelines, we reserve the right to exercise a lien over all documents and records in our possession. We will only exercise this right where those documents and records relate specifically to the work undertaken on your behalf and until such times as all outstanding fees and disbursements are paid in full.
- 3.11 In the event that we cease to act for you then you agree to meet all reasonable costs of providing information to your new advisers. In particular, you agree to meet these costs where we are required by law to provide information to a successor firm.
- 3.12 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. (Not applicable for sole traders or partnerships)

4. Help us to give you the right service

- 4.1 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 our Principal, Faye MacLeod. 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 ICAS.
- 4.2 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 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.
- 4.3 Should we resign or be requested 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 one year or more we may issue to your last known address a disengagement letter and hence cease to act.

5. Commissions or other benefits

- 5.1 In some circumstances, commissions or other benefits may become payable to us or one of our associates in respect of transactions we or such associates arrange for you. If this happens, we will notify you in writing of the amount and terms of payment.

We and/or our associates may incur costs in assisting you with your investment requirements as well as incurring significant compliance costs to enable us to undertake this supporting activity but, with your express written permission, the fees that would be otherwise payable by you will be abated by such amounts.

When 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, as the case may be, by our associates, without our, or their, being liable to account to you for any such amounts.

6. Client monies

- 6.1 We may at times hold money on your behalf. Any such money will be held on trust in a client bank account, which is held separately to funds that belong to us. The client bank account will be operated, and all funds dealt with, in accordance with the ICAS Clients' Money Regulations.
- 6.2 We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds.
- 6.3 To avoid excessive amounts of administration, interest will only be paid to you if 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 our banker for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 6.4 If the total sum of money held on your behalf exceeds £10,000 for a period of time of 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.
- 6.5 We will exercise reasonable skill and care to ensure that a fair rate of interest is earned.
- 6.6 Money held on your behalf in relation to probate services will be held in a separate client bank account ring-fenced for legal services. This will normally be a separate interest-bearing client account for the estate in question.

7. Retention of and access to records

- 7.1 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 6 years from the 31 January 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 they relate to. Companies, Limited Liability Partnerships and other corporate entities are required to keep records for 6 years from the end of the accounting period.

- 7.2 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 seven 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.

8. Conflicts of interest and independence

- 8.1 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.

- 8.2 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.

9. Confidentiality

- 9.1 Communication between us is confidential and we shall take all reasonable steps to keep your information confidential except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. Any subcontractors we use will be bound by the same confidentiality requirements.

10. Quality control

- 10.1 As part of our ongoing commitment to providing a 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.

11. Applicable law

- 11.1 This engagement letter is governed by, and 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 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.

- 11.2 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.

12. Changes in the Law

- 12.1 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 the light of any change in the law or your circumstances.
- 12.2 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.

13. Internet communication

- 13.1 Unless you tell us otherwise, we will use email or other electronic means to communicate with you.
- 13.2 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. Unless specifically stated, such communications should not be construed as an offer or acceptance, or to form part of a legally binding contract. Any views expressed in such communications are those of the individual sender, except where the sender specifically states them to be the views of Campbell Stewart MacLennan & Co.
- 13.3 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 email is not an acceptable form of communication and that all relevant communications should be by post.

We may be able to provide you with the means to communicate with us in an encrypted format. If you do not agree to the use of encryption technology when required by law, you should notify us in writing that encrypted email is not an acceptable form of communication and that all relevant communications should be by post.

- 13.4 It is the responsibility of the recipient to carry out a virus check on any attachments received.
- 13.5 We may send you electronic documents for you to approve. Electronic documents sent to you for approval will be digitally sealed with a GlobalSign Security Certificate and unique document ID. Electronic approval will comply with the requirements of the Electronic Communication Act.

14. Data Protection Law

- 14.1 During the course of our engagement, you may disclose personal data to us in order that we may provide our services to you. The processing of personal data is regulated in the UK by the General Data Protection Regulation and the Data Protection Act 2018 together with other laws which relate to privacy and electronic communications. In this clause, we refer to these laws as "Data Protection Law".
- 14.2 In providing our services, we act as an independent controller and are, therefore, responsible for complying with Data Protection Law in respect of any personal data we process in providing our services to you. Our privacy statement (which can also be accessed at www.csmco.net) explains how we process personal data.
- 14.3 You are also an independent controller responsible for complying with Data Protection Law 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 Data Protection Law. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

15. Contracts (Rights of Third Parties) Act 1999

- 15.1 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.
- 15.2 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. We will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

16. General limitation of liability

- 16.1 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.
- 16.2 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 (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.
- 16.3 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.

17. Use of our name in statements or documents issued by you

17.1 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.

18. Draft/interim work

18.1 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.

19. Advice

19.1 Advice we give you orally should not be relied upon unless we confirm it in writing. We endeavour to record all advice on important matters in writing. However, if you particularly wish to rely upon oral advice we give you during a telephone conversation or a meeting, you must ask for the advice to be confirmed in writing.

19.2 Unless specifically instructed and agreed in advance we will not assist with the implementation of our advice.

20. Intellectual property rights

20.1 We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise.

21. Internal disputes within a client

21.1 If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, 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 normal place of business for the attention of the director(s)/proprietor(s). 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.

22. Provision of cloud-based services

22.1 Where the firm provides accounting software in the Cloud, this will be provided by a third party (the 'Cloud Supplier'). The third party has signed a confidentiality agreement with the firm to ensure compliance with the relevant clauses in the firm's standard terms of business i.e. our fees (3), Confidentiality (9), Internet Communication (13), Data Protection Law (14) Privacy Statement (15) and General Limitation of Liability (17).

22.2 The service provided by the Cloud Supplier will be a discrete web based hosted facility, and you agree that access will also be provided to the firm and the third party.

22.3 The firm cannot be held liable for any interruption of service provided by the Cloud Supplier. However, we will liaise with them to help ensure that normal service is resumed as soon as possible.

23 Investment services

23.1 Since we are not authorised by the Financial Conduct Authority then we may have to refer you to someone who is authorised if you need advice on investments. However, as we are licensed by the Institute of Chartered Accountants of Scotland, 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.

23.2 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 done of a power of attorney) where decisions to invest are taken on the advice of an authorised person.

23.3 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.

23.4 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.

24. Financial Promotions

24.1 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.