

These Terms of Business (updated February 2021) set out the terms on which we are to act for you and should be read in conjunction with our current letter of engagement. All work is carried out under these terms except where changes are expressly agreed in writing.

## **1. PROFESSIONAL RULES AND PRACTICE GUIDELINES**

- 1.1. We will observe and act in accordance with the by-laws, regulations and ethical guidelines of the Institute of Chartered Accountants in England and Wales and accept instructions to act for you on the basis that we will act in accordance with those guidelines. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations. Copies of these requirements are available for your inspection at our offices. The requirements are also available online at: [www.icaew.com/en/members/regulations-standards-and-guidance](http://www.icaew.com/en/members/regulations-standards-and-guidance)

## **2. CONFLICTS OF INTEREST, INDEPENDENCE AND CONFIDENTIALITY**

- 2.1. You agree that we may reserve the right to act during this engagement for other clients whose interests are or may be adverse to yours, subject of course to the obligations of confidentiality referred to below. We confirm that we will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to you. 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.
- 2.2. If there is a conflict of interest that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests then we will adopt those safeguards. Where possible this will be done on the basis of your informed consent.
- 2.3. If we become aware of a dispute between the parties who own or are in some way involved in the ownership and / or management of the entity, it should be noted that the addressee of our letter of engagement is our client (for example, the company/LLP/ partnership/ sole trader) 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 for which we send correspondence for the attention of the management of the entity. If conflicting advice, information or instructions are received from different members of management, we will refer the matter back to those charged with governance of the entity and take no further action until they have agreed the action to be taken.
- 2.4. 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 pronouncements (such as by our insurers) applicable to our engagement. We may, on occasions, subcontract work on your affairs to other accounting professionals. The subcontractors will be bound by our client confidentiality terms.

- 2.5. We reserve the right, for the purpose of promotional activity, training or for other business purpose, to mention that you are a client. As stated above, we will not disclose any confidential information.
- 2.6. You agree that it will be sufficient compliance with our duty of confidence for us to take such steps as we in good faith think fit to preserve confidential information both during and after the termination of this engagement.
- 2.7. You hereby explicitly acknowledge and consent that we may make use of cloud computing services to store Personal Information and other data relating to you. We will use commercially reasonable security technologies (such as encryption, password protection and firewall protection) to protect this Personal Information and other data from unauthorised disclosure. You, however, acknowledge and agree that it is impossible for us to guarantee the security of the Personal Information and other data with absolute certainty and that the use of cloud computing services may therefore entail certain risks. We shall only be responsible if it has finally judicially been determined that we did not take commercially reasonable measures to protect the Personal Information and other data from unauthorised disclosure.

## **3. OTHER SERVICES**

- 3.1. If during the provision of professional services to you, you need advice on investments, you should seek advice from someone who is authorised by the Financial Conduct Authority or licensed by a Designated Professional Body, as we are not.

## **4. DATA PROTECTION**

- 4.1. In this clause, the following definitions shall apply:
  - 'client personal data' means any personal data provided to us by you, or on your behalf, for the purpose of providing our services to you, pursuant to our engagement letter with you;
  - 'data protection legislation' means all applicable privacy and data protection legislation and regulations including PECR, the UK GDPR and any other applicable national laws, regulations and secondary legislation in the UK relating to the processing of personal data and the privacy of electronic communications, as amended,

- replaced or updated from time to time;
- 'controller', 'data subject', 'personal data', and 'process' shall have the meanings given to them in the data protection legislation;
  - UK GDPR' means the Data Protection Act 2018 as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 which merge the previous requirements of the Data Protection Act with the requirements of the General Data Protection Regulation ((EU) 2016/679); and
  - 'PECR' means the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2426/2003).
- 4.2. We shall each be considered an independent data controller in relation to the client personal data. Each of us will comply with all requirements and obligations applicable to us under the data protection legislation in respect of the client personal data.
- 4.3. You shall only disclose client personal data to us where:
- 4.3.1. you have provided the necessary information to the relevant data subjects regarding its use (and you may use or refer to our privacy notice available at [www.hatgroup.co.uk/privacypolicy.php](http://www.hatgroup.co.uk/privacypolicy.php) for this purpose);
  - 4.3.2. you have a lawful basis upon which to do so, which, in the absence of any other lawful basis, shall be with the relevant data subject's consent; and
  - 4.3.3. you have complied with the necessary requirements under the data protection legislation to enable you to do so.
- 4.4. Should you require any further details regarding our treatment of personal data, please contact our Data Protection Point of Contact.
- 4.5. We shall only process the client personal data:
- 4.5.1. in order to provide our services to you and perform any other obligations in accordance with our engagement with you;
  - 4.5.2. in order to comply with our legal or regulatory obligations; and
  - 4.5.3. where it is necessary for the purposes of our legitimate interests and those interests are not overridden by the data subjects' own privacy
- rights. Our privacy notice (available at [www.hatgroup.co.uk/privacypolicy.php](http://www.hatgroup.co.uk/privacypolicy.php)) contains further details as to how we may process client personal data.
- 4.6. For the purpose of providing our services to you, pursuant to our engagement letter, we may disclose the client personal data to our regulatory bodies or other third parties (for example, our professional advisors or service providers). The third parties to whom we disclose such personal data may be located outside of the United Kingdom (UK). We will only disclose client personal data to a third party (including a third party outside of the UK) provided that the transfer is undertaken in compliance with the data protection legislation.
- 4.7. We shall maintain commercially reasonable and appropriate security measures, including administrative, physical and technical safeguards, to protect against unauthorised or unlawful processing of the client personal data and against accidental loss or destruction of, or damage to, the client personal data.
- 4.8. In respect of the client personal data, provided that we are legally permitted to do so, we shall promptly notify you in the event that:
- 4.8.1. we receive a request, complaint or any adverse correspondence from or on behalf of a relevant data subject, to exercise their data subject rights under the data protection legislation or in respect of our processing of their personal data;
  - 4.8.2. we are served with an information, enforcement or assessment notice (or any similar notices), or receive any other material communication in respect of our processing of the client personal data from a supervisory authority as defined in the data protection legislation (for example in the UK, the Information Commissioner's Officer); or
  - 4.8.3. we reasonably believe that there has been any incident which resulted in the accidental or unauthorised access to, or destruction, loss, unauthorised disclosure or alteration of, the client personal data.
- 4.9. Upon the reasonable request of the other, we shall each co-operate with the other and take such reasonable commercial steps or provide such information as is necessary to enable each of us to comply with the data protection legislation in respect of the services provided to you in accordance with our engagement letter with you in relation to those services.

**5. LIMITATION OF THIRD PARTY RIGHTS**

- 5.1. A person who is 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.
- 5.2. The advice, which we give you, is for your sole use and does not constitute advice to any third party to whom you may communicate it unless we have expressly agreed in the letter of engagement that a specified third party may rely on our work. We accept no responsibility to third parties, including any group company to whom the letter of engagement is not addressed for any aspect of our professional services or work that is made available to them.

**6. LIMITATION OF LIABILITY**

- 6.1. We will provide our professional services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence, wilful default or breach of contract. However, to the fullest extent permitted by law, we will not be 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 yours or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or any public sector body (such as HMRC).
- 6.2. You agree to hold harmless and indemnify us, our Directors, subcontractors and staff, 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 our principals or staff personally.
- 6.3. 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.

**7. APPLICABLE LAW**

- 7.1. These Terms of Business, in conjunction with any additional letters of engagement shall be governed by, and construed in accordance with, English law. Each party agrees that the Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning these Terms of Business in conjunction with any letter of

engagement and any matter arising from it. Each party irrevocably waives any right it may have to object to an 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.

**8. FEES AND COMMISSIONS**

- 8.1. Our fees are based upon the degree of responsibility and skill involved, the importance and value of the advice that we provide, the level of risk, and the time necessarily occupied on the work.
- 8.2. If we provide you with an estimate of our fees for any specific work, then the estimate will not be contractually binding unless we explicitly state that this will be the case. Unless otherwise agreed to the contrary our fees do not include the costs of any third party, counsel or other professional fees.
- 8.3. Where requested we may indicate a fixed fee for the provision of specific services or an indicative range of fees for a particular assignment. It is not our practice to identify fixed fees for more than a year ahead as such fee quotes need to be reviewed in the light of events. If it becomes apparent to us, due to unforeseen circumstances, that a fee quote is inadequate, we reserve the right to notify you of a revised figure or range and to seek your agreement thereto.
- 8.4. Membership fees are invoiced monthly in advance. Fees charged separately for additional courses or services are normally billed once the course is attended or the work is completed, although we do reserve the right to invoice in advance of this. Our fees are exclusive of VAT which will be added where it is chargeable. Any disbursements we incur on your behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices where appropriate.
- 8.5. Fees are due for payment within 30 days of the date on the invoice.
- 8.6. All queries on fee accounts rendered by us must be raised in writing within 7 days of the account being issued. Any account received by you and not queried in writing within 7 days will be deemed to be accepted as a reasonable charge for the work done.
- 8.7. 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 for you on giving written notice if payment of any fees billed is unduly delayed. We intend to exercise these rights only where it is fair and reasonable to do so.

- 8.8. If a client company, LLP or other entity is unable or unwilling to settle our fees we reserve the right to seek payment from the individual (or parent entity) giving us instructions on behalf of the client and we shall be entitled to enforce any sums due against the group, entity or individual nominated to act for you.
- 8.9. In some circumstances commissions or other benefits may become payable to us in respect of introductions to other professionals or transactions which we arrange for you. If this happens, you will be notified in writing of the amount, the terms of payment and receipt of any such commissions or benefits. The same applies where the payment is made to or the transactions are arranged by a person or business connected with ours. Your express written consent, which has been separately provided, to commission or other benefits being retained by us means we are not liable to account to you for these benefits. If you do not agree to this arrangement, we will only be able to retain any benefits if you give your full and informed consent on each occasion, having received full disclosure of the amounts involved.
- 8.10. If it becomes necessary for us to liaise with, or make a report to a regulator or public sector body, as a result of any statutory duty imposed upon us by legislation or other regulation, including after our engagement has ended, we reserve the right to charge for work undertaken in accordance with these reporting duties.
- 8.11. If, for any reason it becomes necessary for us to withdraw from the engagement, our fees for work performed up to that date will be payable by you.

## **9. THE BEST SERVICE**

- 9.1. We wish to provide a high quality of service which is both efficient and effective at all times. If at any time you would like to discuss with us how our service to you could be improved or if you are concerned with the service which you are receiving please let us know by telephoning our Managing Director.
- 9.2. We undertake to consider any comments carefully and promptly and to do all we can to explain the position to you. We undertake to do everything reasonable to resolve any problems and if you are still not satisfied you may, of course, take up matters with the Institute of Chartered Accountants in England and Wales ("ICAEW").

## **10. RETENTION OF AND ACCESS TO RECORDS**

- 10.1. You have a legal responsibility to retain documents and records relevant to your affairs. During the course of our work we will collect information from you and others relevant to our work for you. We will return any original documents to you following the

completion of the assignment.

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

## **11. ELECTRONIC AND OTHER COMMUNICATION**

- 11.1. Electronic communications are capable of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties 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. As electronic communication is not totally secure, we do not accept responsibility for any errors or problems that may arise through the use of electronic communications and all risk connected with sending sensitive information relating to the entity are borne by you. If you do not agree to accept this risk (which will achieve greater efficiency and lower costs), you should notify us in writing that e-mail is not an acceptable means of communication, and we will communicate by paper mail, other than where electronic submission is mandatory.
- 11.2. It is the responsibility of the recipient to carry out a virus check on any e-mails and attachments received. However, we do use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted through e-mails or electronic storage devices.
- 11.3. Any communication by us with you sent through the United Kingdom postal system is deemed to arrive at your postal address two working days after the day that the document was sent.

## **12. CLIENTS' MONEY REGULATIONS**

- 12.1. We do not, and will not, hold client money on your behalf.

## **13. CLIENT IDENTIFICATION**

- 13.1. As with other professional services firms, we are required to identify our clients for the purposes of UK anti-money laundering legislation. We may request from you, and retain, such information and documentation as we require for these purposes and / or make searches of appropriate databases. If we are not able to obtain satisfactory evidence of your identity, we will not be able to proceed with the engagement.

**14. STAFF**

engagement or schedules will take precedence.

- 14.1. Our staff are assigned to you on the understanding that you will not offer employment to, nor employ, our staff unless written consent has been obtained from us. If such consent is given we reserve the right to bill an appropriate fee of 25% of annual salary on appointment plus VAT.

**15. INTELLECTUAL PROPERTY RIGHTS**

- 15.1. 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.

**16. TERMINATION OF AGREEMENT**

- 16.1. Unless separately agreed in writing, your membership will run for a minimum of 12 months. Subsequently, each of us may terminate this agreement by giving not less than three months' notice in writing to the other party except where you fail to cooperate with us or we have reason to believe that you have provided us with misleading information, in which case we may terminate this agreement immediately. Where your membership includes file reviews and you terminate membership partway through a membership year, we reserve the right to charge for file reviews already performed where this is in excess of those you would be entitled to on a time proportioned basis. Termination will be without prejudice to any rights that may have accrued to either of us prior to termination.
- 16.2. In the event of termination of this 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 shall not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

**17. DISENGAGEMENT**

- 17.1. 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.

**18. INTERPRETATION**

- 18.1. If any provision of our letter of engagement or terms of business is held to be void, then that provision will be deemed not to form part of this contract. In the event of any conflict between these terms of business and the letter of engagement or appendices, the relevant provision in the letter of