

F&L CoSec Limited: General Terms & Conditions

The following General Terms and Conditions apply to all engagements accepted by F&L CoSec Limited. All work carried out is subject to these terms except where changes are expressly agreed in writing. References to “the engagement letter” are references to the letter of engagement of which these general terms and conditions form part and to any appendix to such letter of engagement.

1 Professional Obligations

- 1.1. Whilst we are not regulated by them, we will observe the Bye-laws, regulations and ethical guidelines of The Institute of Chartered Accountants of England and Wales (hereafter referred to as the ICAEW) and accept instructions to act for you on the basis that we will act in accordance with those guidelines. Copies of these requirements are available for inspection in our offices.
- 1.2. 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 applicable to this engagement.
- 1.3. We reserve the right to act during this engagement for other clients whose interests may be adverse to yours. We will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to you.

2 Commissions or Other Benefits

- 2.1. 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. 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.

3 Confidentiality & the Operation of Law

- 3.1. We shall take such steps as we, in good faith, think fit to preserve the confidentiality of any information concerning your affairs held in connection with the services we provide to you.
- 3.2. You agree that, otherwise than with our prior written consent, any advice, opinions, statements, reports and other information that we provide in connection with the services (in whatever form or medium) or any document or statement which bears our name will:
 - a) be held in strict confidence by you, your officers, employees and others engaged by you;
 - b) not be disclosed to any third party; and
 - c) not be used for any purpose except as provided for in the engagement.
- 3.3. We do not accept liability to any third party who is shown or gains access to such documents without our written consent.
- 3.4. You agree to indemnify us in respect of any claim against us, including the cost of defending such a claim, arising out of any unauthorised disclosure by you or anyone else engaged by you.
- 3.5. The above does not apply to any necessary disclosure to your or our professional advisors or to our insurers or where there is a legal or regulatory right, requirement or duty to make such disclosures. In particular, we may in certain circumstances, have a right or duty to report certain matters arising in the course of professional work to relevant authorities under the Proceeds of Crime Act 2002, the Financial Services and Markets Act 2000, or other legislation, without necessarily disclosing such fact to you.
- 3.6. Under the Proceeds of Crime Act 2002, F&L CoSec Limited is required to:
 - Maintain identification procedures for all clients and beneficial owners of clients;
 - Maintain records of identification evidence and work undertaken for the client; and
 - Report, in accordance with the relevant legislation and regulations.

We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the National Crime Agency (NCA) if we know, or have reasonable cause to suspect, that a person is involved in money laundering. 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 is defined by s. 340(11) of the Proceeds of Crime Act and includes concealing, converting, using or possessing the benefits of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit.

This definition is very wide and would include such crimes as:

- deliberate tax evasion
- deliberate failure to inform the tax authorities of known underpayments or excessive repayments
- fraudulent claiming of benefits or grants; or
- obtaining a contract through bribery

This list is not exhaustive

We are obliged by law to report any instances of money laundering to NCA without your knowledge or consent. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.

We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the guidance issued by the Institute of Chartered Accountants in England and Wales.

- 3.7. It is possible that we may be prevented from completion of the assignment or delayed in taking any step by the operation of law and in that event we shall not be liable to you for the consequences of this.

4 Client Monies

- 4.1. Client money held on your behalf will be held on trust in a client bank account, which is segregated from the firm's funds. In order to avoid an excessive amount of administration, no interest will be paid on any monies held by us on your behalf.
- 4.2. It is envisaged that any money held on your behalf will be in relation to ordinary business matters arising from the services supplied by us. It is not anticipated that significant surplus cash balances will arise. Should such a balance arise, we will not offer investment advice and funds will be treated in accordance with 4.1.

5 Fees

- 5.1. Our fees are often fixed in advance but computed on the basis of time spent on your affairs by the principals and staff and on the levels of skill and responsibility involved. Disbursements represent travel, accommodation and other expenses incurred in dealing with your affairs.
- 5.2. If it is necessary to carry out work outside of any fixed agreement then it will involve additional fees, which we will discuss with you.
- 5.3. Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 14 days net. We reserve the right to charge interest at 5% per year over the Bank of England base rate in the case of overdue accounts in accordance with The Late Payment of Commercial Debts (Interest) Act 1998. The Bank of England official dealing rate at 30 June and 31 December in each year is used as a reference rate for the following 6 months. We may terminate our engagement and cease acting if payment of any fees billed is unduly delayed. However, it is not our intention to use these arrangements in a way, which is unfair or unreasonable.
- 5.4. Our fees for services and, where appropriate, recharged disbursements will be treated according to prevailing UK and/or European VAT rules.

- 5.5. In the case of companies, 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.
- 5.6. In the event that this firm ceases to act in relation your company's affairs you agree to meet all reasonable costs of providing information to the company's new advisors. In particular you agree to meet these costs even where we are required by law to provide information to a successor firm.

6 Retention of & Access to Records

- 6.1. During the course of our work we will collect information from you and others acting on your behalf. Unless otherwise agreed we will hold the company registers. Should we cease to act as Company Secretary we will transfer these registers to you and you should retain these records for the lifetime of the Company.
- 6.2. Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which do not form part of the statutory records and 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.

7 Help us to Give You the Right Service

- 7.1. 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.
- 7.2. 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.
- 7.3. 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 these General Terms and Conditions and associated Engagement letter. 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.

8 Applicable Law

- 8.1. These General Terms and Conditions are governed by, and construed in accordance with, English law. The Courts of England 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.
- 8.2. If any provision in these General Terms and Conditions 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.

9 Internet Communication

- 9.1. 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 email 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 email is not an acceptable means of communication.
- 9.2. It is the responsibility of the recipient to carry out a virus check on any attachments received.

10 Data Protection Act 1998

- 10.1. We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under this 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 data protection legislation, to the personal data that we hold about you. We confirm that when processing data on your behalf we will comply with the provisions of the Data Protection Act 1998. For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is F&L CoSec Limited.

11 Contracts (Rights of Third Parties) Act 1999

- 11.1. 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.
- 11.2. The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it. We accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

12 Restrictive Covenants

- 12.1. You agree that you will not, directly or indirectly, solicit, divert hire, retain (including as a consultant) or encourage any employees to leave over the duration of this agreement or six months following termination of the agreement. Where an employee is offered employment or consulting work by you during the period of this agreement or within 6 months following the termination of this agreement, you agree to notify F&L CoSec Limited immediately upon the employee accepting such an offer. You also agree to pay F&L CoSec Limited a fee equal to 100% of the employee's annual salary and benefits as at the time of the resignation. The fee will be invoiced on or after the date the employee gives notice to F&L CoSec Limited and will be payable under the payment terms of this agreement.

13 Limitation of Liability

- 13.1. 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.
- 13.2. You agree to hold harmless and indemnify us against any misrepresentation, 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 on a personal basis.

14 Termination

- 14.1. This agreement is to run for 12 months (the "initial term"). The agreement will automatically renew every 12 months following this initial term (a "renewal period"). This agreement may be terminated at the end of the initial term or at the end of any subsequent 12 month renewal period by either party with a minimum of 3 months advance written notice, which becomes effective once acknowledged by F&L CoSec Limited.