

STANDARD TERMS OF BUSINESS – PROBATE AND ESTATE ADMINISTRATION (Effective August 2018)

The following standard terms of business apply to all engagements of this nature accepted by Watts Gregory LLP. All work carried out is subject to these terms except where changes are expressly agreed in writing.

Watts Gregory LLP conducts its business with integrity, transparency and fairness. We are committed to the prevention of the facilitation of tax evasion as we recognise the importance of fostering a positive culture of tax compliance and maintaining the confidence of our clients, our business partners and the tax authorities. We do not and will not work with others who do not share our commitment to preventing the facilitation of tax evasion. Acceptance of these terms and conditions by any client is considered to be confirmation of their commitment to the above standards and of their intention to implement and maintain controls and procedures to prevent the facilitation of tax evasion.

1. Professional Obligations

1.1 We will observe the byelaws, regulations and code of ethics of The Institute of Chartered Accountants in England & Wales (ICAEW) and accept instructions to act for you on the basis that we will act in accordance therewith, copies of which can be found at www.icaew.com/membershandbook, in English.

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. Investment Services

2.1 Although we are not authorised by the Financial Conduct Authority (FCA) to conduct investment business, we are licensed by ICAEW to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.

2.2 In particular, we may:

- 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 and the advice they provide;
- 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 donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.

2.3 The firm may receive commission from any introduction to a PTP in connection with the above, in which case you will be fully informed of the size and nature of such commission. We may request that you allow us to retain such commissions to cover our costs in connection with the above services, but permission will be sought separately from you in these circumstances. It should however be stressed that the receipt of commission is not our preferred method and where possible will seek to invoice any time costs involved to the PTP for settlement by them.

2.4 If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the 'Help us to give you the right service' section and, 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.

2.5 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 see 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 during 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 (non investment business)

3.1 Commissions or other benefits may sometimes become payable to us in respect of introductions to other professionals or transactions we arrange for you, in which case you will be notified in writing of the amount, the terms of payment and receipt of any such commissions or other benefits being retained by us without our being liable to account to you for any such amounts.

3.2 It should be stressed that the receipt of commission is not our preferred method and where possible will seek to invoice any time costs involved to the third party for settlement by them.

4. Client monies

4.1 We may, from time to time, hold money on behalf of the estate. 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 ICAEW.

4.2 Any monies held on trust by us will be held in an account which will be subject to transaction charges. These charges are made by the bank. A list of these charges is available on request.

4.2 In order to avoid an excessive amount of administration, interest will only be paid where the amount of interest that would be earned on the balances held on behalf of the estate in any calendar year in a general client account, exceeds £25. Any such interest would be calculated using the prevailing rate applied by Barclays Bank Plc. 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 behalf of the estate exceeds £10,000 or is likely to do so in the short term, then the money will be placed in a separate interest bearing client bank account designated to the estate. All interest earned on such money will be accounted for to the estate. Subject to any tax legislation, interest will be paid gross.

5. Fees

5.1 Our fees are computed on the basis of time spent on your affairs by the principals and our staff, and on the levels of skill and responsibility involved.

5.2 If it is necessary to carry out work outside the responsibilities outlined in the engagement 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.

5.3 Invoices are payable in full on presentation and may be rendered at any time during the course of our work at our discretion. We may refuse to sign a report or make copies of documents available, should our fees remain unpaid.

5.4 Should our fees remain unpaid after 30 days, we have the right to charge interest on the outstanding amount at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998.

5.5 VAT will be added where applicable to invoices issued by us. Our VAT registration number is 134 5542 80.

6. Retention of and access to records

6.1 During the course of our work we will collect information and will return any relevant original documents once we have concluded our work. You should retain these and any other related records for at least seven years from the

end of the accounting or tax year to which they relate.

6.2 Whilst certain documents may legally belong to the estate, 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. Should retention of any documents be required please notify us of that fact in writing.

7. Quality Control

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

8. Help us to give you the right service

8.1 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 telephoning or writing to our Head of Legal Practice, Christopher Hatcher.

8.2 We undertake to look into any complaint carefully and promptly and to do all we can to resolve any issues. We will acknowledge your letter within five business days of its receipt and endeavour to deal with it within 8 weeks. If we do not deal with it within this timescale or you are unhappy with our response you may of course take the matter up with our professional body the Institute of Chartered Accountants in England and Wales and the Legal Ombudsman. Complaints to the Legal Ombudsman should be made within six years of the act or omission or within three years of you becoming aware of the issue and in either case within six months of our written response to your complaint to us.

The contact details for the Legal Ombudsman are:

Legal Ombudsman, PO Box 6806,
Wolverhampton WV1 9WJ
Email- enquiries@legalombudsman.org.uk or
telephone 0300 555 0333.

9. Applicable law and professional indemnity insurance

9.1 This engagement letter is governed by, and construed in accordance with English law. The Courts of England & Wales will have exclusive jurisdiction in relation to any claim, dispute or difference concerning our 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.

9.2 Our official and postal address for the purpose of service of documents is:
Elfed House, Oak Tree Court, Cardiff Gate
Business Park, Cardiff, CF23 8RS.

9.3 The ICAEW require member firms to carry professional indemnity insurance and specify a minimum level for such cover, although our cover is significantly greater. We have worldwide geographical cover and worldwide jurisdiction excluding USA and Canada. Details of our insurer and policy number are set out within the legal notice page of our website. www.watts-gregory.co.uk

9.4 Our current insurance has a single claim limit of £5m and so should the value of an estate exceed this figure it is possible that our policy might not cover the full extent of the value of the estate.

9.5 In the unlikely event that we cannot meet our liabilities to you, you may be able to seek a grant from ICAEW's Probate Compensation Scheme. Generally, applications for a grant must be made to ICAEW within 12 months of the time you became aware, or reasonably ought to have become aware, of any loss. Further information about the scheme and the circumstances in which grants may be made is available on ICAEW's website: www.icaew.com/probate

10. Internet communication

10.1 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 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.

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

11. Data Protection

11.1 To enable us to discharge the services agreed in this engagement letter, comply with related legal and regulatory obligations and for other related purposes including updating and enhancing client records and analysis for management purposes, as a data controller, we may obtain, use, process and disclose personal data about you as described in our privacy notice. We confirm when processing data on your behalf that we will comply with the provisions of all relevant data protection legislation and regulation, including the Data Protection Act 2018, the General Data Protection Regulation (GDPR) and any related regulations.

11.2 You are also an independent controller responsible for complying with data protection legislation and regulation 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 relevant requirements.

Nothing within this engagement letter relieves you as a data controller of your own direct responsibilities and liabilities under data protection legislation and regulation.

11.3 Our privacy notice, which can be found on our website at www.watts-gregory.co.uk explains how we process personal data in respect of the various services that we provide. If you cannot access our website, please request a copy from Jacqui Edwards, our Office Administrator.

12 Contracts (Rights of Third Parties) Act 1999

12.1 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 engagement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

12.2 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.

13. Money laundering

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 therefore request from you and return on file information and documentation for these purposes. If we are unable to obtain satisfactory evidence of your identity within a reasonable time, it may be necessary for us to withdraw from the appointment.

13.2 We have a duty under the Proceeds of Crime Act 2002 to report to the National Crime Agency (NCA) 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. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.

13.3 The offence of money laundering is defined by the Proceeds of Crime Act and includes the acquisition, possession or involvement in arrangements for concealing the benefits of any activity that constitutes a criminal offence in the UK. This definition is very wide and would include:

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

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

13.5 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 published by ICAEW.

14. Limitation of liability

14.1 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.

14.2 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.

14.3 Where we arrange an introduction to a PTP, other professional or any other third party, we do not accept liability for any advice they may provide, or any product, arrangement or scheme advanced by them.