

## AGREEMENT FOR THE PROVISION OF DISCRETIONARY MANAGEMENT SERVICES



**Client Name (“you”)** Is the name specified in section 1.1 of the Account Opening Form for Personal Discretionary Service

### Defined Terms used in this Agreement:

<b>Account</b>	An account opened by you with K&S, held at PSL
<b>Account Opening Form</b>	The account opening form for the Personal Discretionary Service completed by you.
<b>Affiliates</b>	Entities in the same group as K&S
<b>Base Currency</b>	Sterling, unless previously agreed otherwise by you and K&S
<b>FCA</b>	The Financial Conduct Authority
<b>FCA Rules</b>	The Handbook of Rules and Guidance issued by the FCA as amended from time to time
<b>Gearing</b>	The use of borrowed funds to supplement capital
<b>IFA</b>	The independent financial advisor who has introduced you to us
<b>K&amp;S, the Company, we, us</b>	King & Shaxson Ethical Investing, a trading division of King & Shaxson Asset Management Limited
<b>Pershing Agreement</b>	The agreement between K&S and PSL, PSL, and you, a copy of which is provided in Appendix I
<b>PSL</b>	Pershing Securities Limited
<b>Portfolio</b>	The portfolio of investments and cash which you place in your Account for us to manage on your behalf
<b>Retail Client</b>	A person who is not a “professional client” or “eligible counterparty” as defined in the FCA Rules
<b>Terms, Agreement</b>	These terms of business

### 1. SCOPE OF AGREEMENT AND COMMENCEMENT

Please read this Agreement carefully. It details the services which we will provide for you and the terms on which we will provide them. By completing and signing the Account Opening Form, you enter into this Agreement which vests in us the authority to transact investment business on your behalf at our discretion.

At inception, when your investments and/or cash have been transferred to your Account, we will provide an initial valuation. We will then manage your Portfolio on your behalf until this Agreement is terminated.

## 2. REGULATOR

We are authorised and regulated by the Financial Conduct Authority ("FCA") with the firm reference number 823315. Our address is First Floor, Cutlers Court, 115 Houndsditch, London, EC3A 7BR. Terms used in this Agreement shall be construed as they are defined in the FCA Rules. The FCA's present address is 12 Endeavour Square, London E20 1JN.

## 3. YOUR STATUS

We have categorised you as a Retail Client which affords you the highest level of regulatory protections. Your categorisation as a Retail Client is likely to mean that you will be an eligible complainant under the FCA Rules and have access to the Financial Services Compensation Scheme and the Financial Ombudsman Service. Under the FCA Rules you have a right to request a different categorisation. However, it is not our normal policy to agree to re-categorisation, and in such circumstances we may not be able to provide services to you.

By entering into this Agreement you are confirming that you have the necessary legal capacity to do so and are acting as principal and for your own account in relation to the services provided by us. If you are a body corporate or other non-individual (i.e. a limited company, partnership, trust, charity etc.) you confirm that you have the necessary legal capacity and authorisation to enter into this Agreement and take the services provided by us. If you are a body corporate or other non-individual we may need to ask you to provide additional documentation.

You agree, where you have opened an Account jointly with another person, that you and the other person will at all times be jointly and severally liable to us. Upon entering into these Terms, and at any other time during which these Terms are in force, we may ask you to provide us with such documents and other information as we may reasonably require in order to provide services under these Terms.

You warrant that any information you have provided to us is complete and correct. You will notify us and where relevant any competent authority promptly if there is any material change to such information. You will provide such other information as we may reasonably request from time to time in order to enable us to comply with our regulatory and contractual obligations or such further information as may be properly required by any competent authority, in each case promptly following such request. Where you are acting in a representative capacity you warrant that you are duly and fully authorised to enter into these Terms and any transactions pursuant to them.

We may access or rely on either directly or through an independent third party organisation, electronic data sources for identity verification for prevention of money laundering and combating the financing of terrorism purposes.

## 4. THE SERVICES WE WILL PROVIDE

We will provide discretionary management services in regards to your Account, which will generally be comprised of investments in the following instruments (or a combination thereof):



- (a) shares in British or foreign companies;
- (b) debenture stock, loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments, including government, public agency, municipal and corporate issues;
- (c) warrants to subscribe for investments falling within (a) or (b) above;
- (d) depository receipts or other types of instrument relating to investments falling within (a), (b) or (c) above;
- (e) unit trusts, mutual funds and similar schemes in the United Kingdom or elsewhere; and/or
- (f) securities which are not quoted on a recognised or designated investment exchange.

We may from time to time provide dealing and/or arranging services in relation to the above instruments, on an "execution-only" basis. In providing dealing and/or arranging services, we may act as principal, but will generally act in an agency capacity.

We will not, except where we have specifically agreed in writing to do so, provide you with advice in respect of any instruments, investments, trades or transactions.

We will, on your behalf, arrange for the provision of safe custody facilities by PSL or by another third party selected by us.

## **5. LEVEL OF RISK AND INVESTMENT OBJECTIVES**

The composition of your portfolio will be affected by two key factors:

- (a) the level of risk decided upon by you (advised as necessary by your IFA) and communicated to us in the account application form; and
- (b) the choices you make in the "Values Based Investment Questionnaire".

It is your responsibility to inform us of any subsequent change you wish to make to either of these factors. Where you request a change you accept that we will endeavour to incorporate that change or changes over a reasonable time period and as circumstances allow.

In this connection, you accept that our assessment of suitability (as set out in Clause 6 below) may be constrained where you do not, when requested, provide us with your investment objectives, acceptable risk levels and ethical preferences. Where a requested piece of information relating to ethical preferences has not been provided we will be entitled to assume that the most cautious approach applies.

## **6. SUITABILITY**

King & Shaxson Capital Limited does not directly solicit new clients. Instead, IFAs who are familiar with ethical fund management and whose clients have expressed an interest in ethical investment may choose to recommend our services as a fund manager specialising in this area. This leads to a tripartite relationship between us, you and your IFA.

Both we and the IFA have a responsibility to you to ensure that an investment made by you and on your behalf is suitable given your circumstances and wishes. At Appendix III we set out which aspects of suitability we and the IFA are separately responsible for (as required by the FCA Rules).

## **7. EXTENT OF DISCRETION**

We will manage your Portfolio on a discretionary basis. Subject to any instructions from you, we shall have full authority at our discretion, without prior reference to you, to enter into any kind of transaction or arrangement for your account.

Separately, as stated in Clause 4 above, where we provide you with dealing services, we will generally act in an agency capacity. Therefore you will be bound by our actions in accordance with the investment mandate established for your Account. You authorise us, as your agent to complete, execute and deliver any documentation and to give instructions to PSL or to any intermediate broker which K&S may in its discretion appoint to act in connection with the services under this Agreement. This authority is irrevocable until termination of the mandate.

Notwithstanding the above paragraphs, under the FCA Rules, we may only exercise discretion in accordance with your stated risk level and investment objectives and in a manner that we have reasonable grounds to believe to be suitable for you. In addition, our discretion is subject to any limits or restrictions which you specify.

## **8. CHARGES**

K&S will, before the provision of services to you, inform you of an estimate of all costs and charges, where applicable relating to:

- (a) the services we will provide to you;
- (b) any financial instruments which we market to you; and
- (c) any third party payments which we receive in connection with the dealing services provided to you.

Where any part of the total costs and charges is to be paid in or represents an amount of foreign currency, K&S will provide an indication of the currency involved and the applicable currency conversion rates and costs.

You have the right to request a breakdown of the costs or charges applicable to you at any time by contacting your usual K&S contact.

Generally our charges will be in accordance with our published rate card in effect at the time the charges are incurred (a copy of our current rate card accompanies this Agreement). Any alteration to these charges will be notified to you giving you at least fifteen business days' notice. Where we recommend or market the services provided by another firm to you we will also, where required by the FCA Rules, aggregate the costs and charges of these services and disclose such costs to you together with our costs and charges.

When executing transactions, we may use an intermediate party broker who will charge commission on most transactions, the amount of which is disclosed on the confirmation which we will provide to you.



We will also provide you with annual statements of the actual cost and charges you incur which will be detailed in your Portfolio valuation. Statements may be provided to you more frequently, at our discretion.

We may share dealing charges with our Affiliates or other third parties, or receive remuneration from them in respect of transactions carried out on your behalf, as permitted under the FCA Rules. Details of any such remuneration will not be set out in the relevant contract note or confirmation note but will be made available to you on request.

## **9. INSTRUCTIONS, NOTICES AND OTHER COMMUNICATIONS**

You may give instructions to us either orally or in writing, provided that you confirm in writing any oral instructions involving changes to your Agreement or any section of your "Client Profile Form" relevant to the management of your Account or to the provision of instructions, release of information to third parties or in relation to payment details or instructions. We are not required to acknowledge your instructions. If you wish to authorise any third party to give instructions on your behalf, please give us written notice to that effect.

Notwithstanding the previous paragraph, we will only make payments or transfers to third parties with your written authority except where such payments or transfers are made in the normal course of settling transactions.

You may also give us instructions by e-mail, in accordance with our standard procedures (including security procedures and use of passwords) from time to time. Requests for payments or delivery of investments to a third party not already notified to us for this purpose or amendments to basic client information should be communicated to us by letter.

You accept that any instructions are deemed to have been given at the time they are accessed by us. You accept that there may be a delay in processing the instructions received from e-mails after we have received them. You are advised that urgent, time sensitive and confidential communications should not be sent by e-mail. You agree that you will not use e-mail correspondence for unlawful purposes or in contravention of laws on electronic communications or data protection.

Unless agreed otherwise, all communications and instructions between us will be English. We may also communicate with you through our website at [www.ksep.co.uk](http://www.ksep.co.uk). Please contact your usual K&S contact if you wish to receive all communications in paper form.

## **10. INDUCEMENTS**

You agree and acknowledge that we may receive from and pay to third parties (including Affiliates) fees, commissions or other benefits and may share charges in respect of the service provided to you with third parties (including Affiliates), as permitted under the FCA Rules. The amount or basis of any fee, commission or other benefit received by us from such a third party or paid to us by such a third party in connection with a transaction with or for you, and the amount or basis of any charges shared with a third party (other than employees of us), will be disclosed to you to the extent required by the FCA Rules. Such disclosure may be in summary form with further details available upon request. Subject to the foregoing, neither we nor any Affiliate shall be liable to account to you for, or to disclose to you, any profit, charges or other remuneration made or received by us or any Affiliate from, or by reason of, any transaction entered into with you.

## 11. DEALING AND SETTLEMENT

Where we execute orders on your behalf or receive and transmit orders to other entities for execution for your Account, we are required to take sufficient steps to achieve the best possible result for you, on a consistent basis. We will execute and transmit orders in accordance with our Best Execution Policy, a copy which has been provided to you and is available on our website.

By accepting these terms, you confirm your consent to our Best Execution Policy and acknowledge that it may be amended from time to time. You also agree that we may execute transactions on a market that is not a regulated exchange or multilateral trading facility or organised trading facility in the European Economic Area. You also expressly instruct us to not make any unexecuted client limit order public, or any part of such order public, unless we reasonably decide in our discretion that such publication is in your best interest in accordance with our best execution obligations.

We may aggregate and subsequently execute trades for your Portfolio with trades for other clients or for our own or our employees' own account collectively where we reasonably believe that aggregation is in the overall best interests of our clients and that such aggregation is unlikely to work overall to your disadvantage. This may nevertheless operate on some occasions to your disadvantage. When a trade for your Portfolio has been aggregated we will complete the allocation of your investments promptly and in any event within five business days from the time of execution.

Where the trade is executed in tranches, we may send you information about the price of each tranche or the average price. If the average price is provided, we shall send you information about the price of each tranche upon request.

We will not effect or arrange a transaction for you under which you may or will incur obligations as an underwriter or sub-underwriter in connection with any form of issue of investments unless you and we agree in writing in accordance with the FCA Rules.

Where we have authority to effect transactions or take steps on your behalf we may agree such reasonable terms as we think fit with the counterparty or other person involved and for that purpose we may:

- (a) give representations and warranties on your behalf;
- (b) execute agreements, confirmations, terms of business, master documentation and enter into other contractual arrangements binding on you; and
- (c) take any steps in accordance with market practice or custom as we think fit for the purpose of effecting or settling those transactions, and all such matters will be binding on you.

You authorise us to execute trades on your Portfolio or transfer funds by any conventional means we consider suitable, including banking channels, electronic or manual funds transfer systems, mail, courier or telecommunication services, and other methods. You agree that we may, without prior notice to you, use the services of any institution, exchange, or correspondent bank in carrying out the management of your Portfolio and that we may reserve the right to pass on their charges. You agree to be bound by the rules and regulations that govern the applicable exchanges, funds transfer systems, or institutions and to accept their normal charges. You understand that none of these is our agent, and that we are not responsible for their acts or omissions.



You authorise us to conduct any foreign exchange transactions we deem necessary or reasonably incidental to carrying out the efficient management of your Portfolio or protect our rights under these Terms, and you agree to assume all risks associated with foreign exchange and currency conversion.

For the purpose of settling any of your debts to us in one currency we may convert any of your assets or monies held in another currency at the prevailing spot, or (as appropriate) forward, selling rate of exchange.

If money is received into your Account in a different currency from that in which the Account is held, we may convert it into the currency of the Account at the rate of exchange applied by us at that time to such transactions.

We have an obligation to ensure that investments purchased for you are delivered to you or held in your Account and to ensure that any proceeds of sale of investments are paid to you or held in your Account. However, these obligations are conditional on receiving from you or holding in your Account the required funds to pay for purchases, or the necessary documents to satisfy delivery of sales.

These obligations are also dependent on receiving the appropriate documents or funds from any other parties to the transactions concerned. If an Account of yours is credited with the receipt of investments, cash or other assets before their actual receipt, such credit may be reversed at any time before actual receipt and you may be charged such amounts by way of interest or otherwise to put your Account in the position it would have been in had the credit not been made.

An Account of yours may be debited with investments, cash or other assets on or before the date they are due to be transferred to a third party even though actual settlement has not yet occurred. Such debit may be reversed at any time before actual settlement.

You accept that you may not rely on any such debit or credit until actual settlement. The procedures described in the two preceding paragraphs are of an administrative nature and do not amount to an agreement by us to make loans or investments available to you.

Settlement and payment for investments received (including currency transactions) and for delivery of investments out of custody may be effected by us through PSL (see Clause 5 of the Pershing Agreement) in accordance with customary or established practices and procedures in the jurisdiction or market concerned, including without limitation, delivering any investments against a receipt with the exception of receiving later payment and other procedures not involving the simultaneous exchange of investments and payment.

If an item is returned to PSL unpaid or there is an operational error, reverse entries and the correction of errors may be made in any documents without prior notice to you. You are reminded of the exclusions and limitations placed on ours and PSL's liability under Clause 18 of this Agreement and Clause 9 of the Pershing Agreement. Any resulting overdraft will be your responsibility.

If, pursuant to your instructions, your Account is debited or cheques issued on your Account, against funds which appear on your Account but are not cleared funds, you will reimburse us fully and be responsible for any debts, costs or losses that arise.

## **12. RISK WARNINGS**

Various risks arise in connection with financial investment. These may be general (e.g. market movements) or specific (the stock exchange suspension or default of a particular issuer). While these risks cannot realistically be comprehensively listed we have set out some of the more important risks in Appendix II for your information.

### **13. RELATIONSHIP WITH PERSHING SECURITIES LIMITED (“PSL”)**

To help us provide our services to you we have selected PSL to provide clearing and settlement, safe custody and other associated services to our clients. To that end, we have entered into an agreement with Pershing Securities Limited under which they will provide these services to you (the “Pershing Agreement”) in order to carry out the investment transactions we execute or arrange for you and to hold the related investments and cash. When we consider it necessary or desirable in connection with our services to you, we may agree with PSL that it will also provide other services, such as investment dealing services, under the Pershing Agreement.

PSL is a company registered in England, company number 2474912. Its registered office is at Royal Liver Building, Pier Head, Liverpool, Merseyside L3 1LL. PSL is authorised and regulated by the FCA with the firm reference number 146576. PSL is also a member of the London Stock Exchange (“LSE”).

So that you can understand your rights and obligations, the current terms and conditions of the Pershing Agreement are set out in Appendix I. If you have any questions about the Pershing Agreement you should contact us to discuss this as soon as possible, and before you accept the terms of business or instruct us to act for you. As with any agreement or contract, you should also take any independent legal, financial or other advice which you think you need before accepting these terms.

The Pershing Agreement covers both us and you as one of our clients. By accepting these Terms, you agree that:

- (a) we are authorised to enter into the Pershing Agreement on your behalf, acting as your agent;
- (b) accepting these terms means that there is a contract between you and us and also between you and PSL. As a result of that contract, you will be bound by both our terms of business and the Pershing Agreement (as set out in Appendix I);
- (c) we may give instructions to PSL on your behalf as allowed by these Terms and the Pershing Agreement and may provide information about you to PSL. When PSL receives such instructions or information from us, PSL is entitled to rely on them without making any further checks or enquiries; and
- (d) PSL is authorised to hold cash and investments on your behalf and can transfer such cash or investments from your account to meet your settlement or other obligations to PSL.

When you read these Terms, it is important that you understand that you will remain a client of ours, but under the Pershing Agreement you will also become a client of PSL for settlement and safe custody purposes only. We note for completeness, that separate to this Agreement and the Pershing Agreement, you will also remain a client of your IFA under your agreement/arrangements with that IFA.



We retain responsibility (including responsibility for complying with any related regulatory requirements) and PSL shall not have any responsibility for the following matters:

- (a) our own operations;
- (b) the opening of an account for you;
- (c) the supervision and operation of your account for you;
- (d) our ongoing relationship with you;
- (e) making all necessary anti-money-laundering compliance checks;
- (f) explaining to you the types of investments covered and any risks relating to investments, investment transactions or any investment strategy to be pursued on your behalf;
- (g) accepting and executing orders for investment transactions within the mandate given by you;
- (h) any required assessment of the suitability or appropriateness of transactions and investments for you or, where permitted and necessary, warning you of any possible inappropriateness of an investment;
- (i) taking investment management decisions on your behalf;
- (j) reviewing your accounts for market abuse, insider trading and compliance with FCA Rules and any other applicable legal and regulatory requirements to which we or you may be subject; and
- (k) giving instructions to PSL which are proper, accurate and in accordance with any instructions or mandate you give us.

It is important that you understand that PSL is not responsible to you for the matters for which we are responsible. In particular, PSL will not provide investment advice nor will it offer any opinion regarding the suitability or appropriateness for you of any particular transaction or order. When it provides settlement and clearing or safe custody services, executes transactions or provides other services to you, it does so relying on the instructions and information we provide and is only responsible for following those instructions.

We have exercised due skill, care and diligence in the selection of PSL and we will periodically review PSL's arrangements for the holding and safekeeping of your investments. However, we shall not be responsible for any acts, omissions or default of PSL save where such a default is caused by our negligence, fraud or willful default. We will seek to ensure that adequate arrangements are made to safeguard your ownership rights but, especially in the event of PSL's insolvency, your investments may be at risk if PSL becomes insolvent.

#### **14. CORPORATE ACTIONS**

Please note that, in regards to investments which we hold for you/on your behalf, we shall be responsible for:

- (a) all dividends and interest payments accruing to you;

- (b) taking up any rights;
- (c) exercising any conversion or subscription rights;
- (d) dealing with takeovers or other offers or capital re-organisations; and
- (e) exercising voting rights.

## **15. PORTFOLIO VALUATIONS AND REPORTING**

We will provide you with a valuation of your Portfolio in accordance with your instructions contained in your "Account Opening Form" based on the closing mid prices of the investments on or near the valuation dates.

The valuations will not include a measure of performance.

We will inform you where the overall value of your Portfolio depreciates by 10% (as evaluated at the beginning of each reporting period), as well as each additional 10% depreciation thereafter. Such disclosure will occur no later than the end of the business day in which the 10% threshold is exceeded, or where the threshold is exceeded on a non-business day, then the close of the next business day.

We will not hold financial instruments or funds on your behalf. Therefore, we will not provide you with quarterly statements of holdings.

## **16. REGULATORY REPORTING**

We may be obliged to make information about certain transactions public and will meet that obligation in accordance with the FCA Rules (the "Trade Reporting" obligation).

We may be obliged to report details of transactions and details about you, to a regulator, pursuant to the FCA Rules (the "Transaction Reporting" obligation). You undertake to provide us, prior to the execution of a transaction, with the required information to enable us to meet our obligation to report information about that transaction as required under the FCA Rules.

## **17. TAX**

In providing discretionary investment services, we shall take a broad account of your tax position based on information you provide us but we shall not be responsible for assessing all the implications of the taxation consequences of any deal undertaken for you. We shall not be liable for any tax you incur as a result of investment activity, unless we fail to act on tax-related information which you have provided us in writing prior to investment.

Where you have a joint account we will treat each account holder, for tax purposes, as having an equal share.



## 18. LIABILITY AND INDEMNITY

We do not accept liability for loss, including loss of profit, costs or expenses suffered or incurred by you as a result of or in connection with the provision of services herein by us unless, and then only to the extent that, such loss, costs or expenses are caused by negligence on our part or on the part of our staff in the provision of such services or any failure by us to comply with the applicable FCA Rules. Without prejudice to the generality of the foregoing, we also do not accept liability for:

- (a) any adverse tax consequences which may arise as a result of the purchase, retention or disposal of investments by you; or
- (b) any losses, costs, expenses or liabilities arising out of the fraudulent or criminal actions or omissions of third parties where we have followed our standard security procedures from time to time.

You undertake to indemnify K&S and each of its directors, employees and agents on an after-tax basis, against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than our corporation tax) which are caused by:

- (a) the provision by K&S of its services to you;
- (b) any material breach by you of any of these Terms;
- (c) any default or failure by you in performing your obligations to make delivery or payment when due; or
- (d) any defect in title or any fraud or forgery in relation to any investments delivered to K&S by or on your behalf or in relation to any instrument of transfer in relation to such investments (including any electronic instruction) purporting to transfer such investments.

K&S shall not be entitled to be indemnified against the consequences to K&S of its own negligence or wilful default or any contravention by K&S of any provision of FCA Rules.

We shall not have any liability for any circumstance or failure to provide any of the services described herein if such circumstance or failure results wholly or partly from any event or state of affairs beyond our reasonable control (including, without limitation, any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action, the suspension or limitation of trading by any exchange or clearing house or any fire, flood or other natural disaster) and, in such circumstances, any of our obligations shall be suspended pending resolution of the event or state of affairs in question.

The provisions of this Clause shall continue to apply notwithstanding the fact that we cease to provide services and shall be in addition to any other right of indemnity or claim of any indemnified person whether pursuant to these Terms or otherwise and shall not be affected by any forbearance, whether as to payment, time, performance or otherwise.

## 19. CONFLICTS OF INTEREST

The companies within the K&S Group provide a wide range of services to many sectors within the financial markets. As such, K&S, or a company with whom it has an association, may from time to

time have interests which conflict with its client's interests or with the duties that it owes its clients. These include conflicts arising between the interests of K&S, its associates and employees on the one hand and the interests of its clients on the other and also conflicts between clients themselves.

K&S has established procedures which are designed to identify and manage such conflicts. These include organisational and administrative arrangements to safeguard the interests of its clients, and are recorded in a "Conflicts of Interest Policy", a summary of which is available on our website at [www.ksep.co.uk](http://www.ksep.co.uk).

A key element of K&S' Conflicts of Interest Policy is that persons engaged in different business activities involving a conflict of interest must carry on those activities independently of one another. Where necessary, K&S maintains arrangements which restrict the flow of information to certain employees in order to protect its clients' interests and to prevent improper access to client information. In addition, K&S may occasionally sell one client's investment(s) to another client. Procedures are in place to protect each client's interest in this instance.

In some cases K&S's procedures and controls may not be sufficient to ensure that a potential conflict of interest does not damage a client's interests. In these circumstances, K&S may consider it appropriate to disclose the potential conflict to the client and obtain the client's formal consent to proceed. However, K&S may decline to act in any circumstance where there is a residual risk of damage to the interests of any client.

If you have any further questions regarding K&S's procedures, please contact our Compliance department at: [compliance@kasl.co.uk](mailto:compliance@kasl.co.uk) or on 020 7426 5950.

## **20. RECORDING AND RECORD KEEPING**

Where we provide dealing and/or arranging services to you, we may be required by the FCA Rules to monitor and/or recording our telephone and electronic communications with you. You accept these recordings as evidence of the orders or instructions given, and accept that these recordings may be used as evidence in the event of a dispute. We shall keep records of such and these will be available on request for five years (or seven years if a national competent authority, such as the FCA, requires us to do so). You can request copies of such recordings by contacting your usual K&S contact. We retain the discretion to charge you a reasonable cost to provide you with such service. Any such records will be our sole property.

Separate to the obligation above, K&S will retain your records for a minimum period of five years following the termination of any relationship between us and you, as required by the FCA Rules. This period may be extended by applicable laws and regulations or agreement between us and you in writing. Any such records will be our sole property.

## **21. DISCLOSURE OF INFORMATION**

You accept that we may be required by the FCA Rules or the provisions of any other relevant regulation or enactment of the United Kingdom or elsewhere including, but not limited to, the Companies Act 1985 and 1989, Part V of the Criminal Justice Act 1993 (relating to insider dealing) and the Financial Services and Markets Act 2000 or the City Code on Takeovers and Mergers, to disclose information about you or your investments obtained in the course of providing services herein and you hereby authorise the disclosure of such information accordingly.



## 22. DATA PROTECTION AND CONFIDENTIALITY OF INFORMATION

K&S complies with its obligations with respect of applicable data protection laws, including the General Data Protection Regulation 2016 and/or Data Protection Act 2018 (as applicable) and shall process any personal data about you in accordance with these Terms and its privacy policy.

When you request the services from K&S you will be required to provide personal information including your name, email address, bank account or payment details, proof of identification, address, proof of funds, national insurance number and passport number. K&S is a “controller” of your personal data for the purposes of the Data Protection Act 2018.

K&S will only use your personal information in order to comply with its obligations when perform the services to you, to comply with its legal or regulatory obligations, where you have requested that we use it for a certain purpose or provide us with consent to do so and/or if it is in K&S legitimate business interest (in each case as notified to you in our privacy policy).

K&S may use, store or otherwise process personal information provided by you or us in connection with the provision of the services for the purposes of providing the services, administering your account or for purposes ancillary thereto, including, for the purposes of credit enquiries or assessments, meeting obligations and disclosure requirements of any governmental entity or regulatory authority or brokers or other intermediaries or counterparties, complying with applicable laws, including, anti-money laundering and anti-terrorism laws and regulations and fighting crime, where we need to pass it on to our agents, affiliates or third parties involved in providing services you, and monitoring our services, whether provided by us or a third party.

The information we hold about you is confidential and will not be used for any purpose other than in connection with the provision of the services. K&S may disclose your information to third parties in the following circumstances:

- (a) where required by law or if requested by any regulatory authority or exchange having control or jurisdiction over us (or any respective associate);
- (b) to investigate or prevent fraud or other illegal activity;
- (c) in connection with the provision of services to you by us;
- (d) for purposes ancillary to the provision of the services or the administration of your account, including, without limitation, for the purposes of credit enquiries or assessments;
- (e) if it is in the public interest to disclose such information;
- (f) at your request or with your consent; and
- (g) to members of its own group and its professional advisers who are bound by confidentiality codes.

We do not sell, rent or trade your personal information to third parties for marketing purposes without your express consent.

K&S may send your information internationally including to countries outside the EEA, including the United States of America. Some of these jurisdictions offer differing levels of protection of personal information, not all of which may be as high as the UK. However, K&S will always take steps to ensure that your information is used by third parties in accordance with its policy and that any transfers of your personal data outside of the EEA will comply with the requirements under the Data Protection Act 2018.

In accordance with legal and regulatory requirements, we will retain your records, for a minimum period of six years following the termination of any relationship between us. This period may be extended by force of law, regulatory requirement or agreement amongst us.

In accordance with the Data Protection Act 2018, you are entitled, subject to certain conditions, to a copy of your personal data held by us and may object to the processing of personal data relating to you for certain purposes, including direct marketing and may access and rectify, or request deletion in compliance with local law and the terms herein, of their personal data. All requests should be sent to [compliance@kasl.co.uk](mailto:compliance@kasl.co.uk).

As set out in Clause 20, K&S may monitor telephone calls and electronic communications in order to ensure we comply with our internal policies (including telephone recording, record keeping, and training policies and quality control) and our legal and regulatory obligations.

### **23. COMPLAINTS**

All complaints should be directed in the first instance to our Compliance Officer at 1<sup>st</sup> floor, Cutlers Court, 115 Houndsditch, London, EC3A 7BR. Complaints can also be made orally.

We will endeavour to resolve your complaint as quickly as possible, but in any event, will acknowledge receipt of your letter within five business days. The acknowledgement will include a full copy of our internal complaints handling procedure. Upon resolution of your complaint, we will send you a final response letter, which sets out the nature of that resolution and any applicable remedy.

If for any reason you are dissatisfied with our final response, please note that you may be entitled to refer your complaint to the Financial Ombudsman Service. A leaflet detailing the procedure is provided in our final response. You may also have the right to complain to the Financial Ombudsman Service directly and in the first instance. The Financial Ombudsman Service can be contacted at its address: Financial Ombudsman Service, Exchange Tower, London, E14 9SR, its website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk), and/or by phone at 0800 023 4567 or 0300 123 9123.

### **24. COMPENSATION**

As a retail client of a UK firm regulated by the FCA, you would receive the protection offered by the Financial Services Compensation Scheme in the event of K&S failing. The maximum level of compensation for claims in relation to investments is £50,000. Information regarding the scheme can be obtained from the FCA or the Financial Services Compensation Scheme at its website: [www.fscs.org.uk](http://www.fscs.org.uk), and/or by phone at 0800 678 1100 or 020 7741 4100.

### **25. TERMINATION AND AMENDMENT**



This Agreement may be terminated forthwith by either party giving written notice to the other party, subject to outstanding transactions being closed and any commissions or fees accrued or accruing to us and not yet paid being paid immediately.

We will write to you if there are any amendments to these Terms giving you at least fifteen business days' notice before such amendments take effect.

## **26. ASSIGNMENT**

You may not without our prior written consent (such consent not to be unreasonably conditioned, withheld or delayed) assign, transfer, charge or deal in any other manner with this Agreement, or purport to do any of the same, nor sub-contract any or all of your obligations under this Agreement.

You agree that we may, without your consent, assign and transfer our rights and obligations (both those already accrued at such time and future rights and obligations) in whole or in part.

A party which has the right to assign and/or transfer any of its rights and obligations under this Agreement may take all such steps as may be reasonable to perfect such assignment and transfer and to allow the assignee to receive the benefit of such rights and carry out such obligations and this Agreement shall be interpreted so as to allow it and the assignee to take such steps.

## **27. IN EVENT OF DEATH**

We need to receive notification of the death of any account holder or signatory in a form reasonably acceptable to us as soon as possible. We will require a registrar's copy death certificate in such circumstances.

This paragraph 27 only applies if you are a sole account holder (including where you are the sole surviving account holder following the death of a joint account holder). (In the event of the death of one of the joint account holders we may treat the survivor(s) as the only party(ies) to the Agreement and entitled to the assets, provided that we reserve the right to act on the instructions of the proven legal personal representative ("LPR") or liquidator of any such person who has died (or, as applicable, been dissolved) on our receiving proof of their authority.)

The Agreement will continue to bind your estate until terminated by your validly appointed LPR, or by us giving notice to your LPR, in accordance with the termination provisions of this Agreement.

We reserve the right (but are not obliged) to continue to manage your portfolio in accordance with the investment mandate established for your account until such time as we are provided with instructions to the contrary by your LPR.

Once we receive the grant of representation for your estate (or such other formal appointment as applicable in your jurisdiction), we will carry out your LPR's instructions. Assets cannot be sold until any re-registration process is completed with any fees, charges and expenses owed to us accounted for. If we have not received any instructions after three months of our receipt of the grant of representation, we may re-register your holdings into your LPR's name. We will send the certificates to the registered correspondence address for your estate.

If your estate is too small to warrant a grant of representation, we may in our discretion accept an appropriate indemnity.

Notwithstanding anything in the Agreement, if the Agreement is not terminated within two years after the date of your death, we may take such action as we consider appropriate to close your account(s). Your estate or your LPR(s) will be liable for all costs associated with us taking this action, or considering taking action, except to the extent that costs arise because of our negligence, wilful default or fraud.

## **28. ZERO VALUE SECURITIES**

In the event that any security held within your portfolio falls to a zero value and is delisted or suspended by the exchange on which the security is traded we will attempt to convert your holding to certificated (physical) form and return it to you. Where this is not possible you consent to us moving the holding into a nil value account. In each case, this will be to avoid you incurring ongoing custodial fees.

## **29. GOVERNING LAW AND GENERAL**

This Agreement shall be governed by and construed in accordance with the laws of England. No third party shall be entitled to enforce these Terms in any circumstances.

Any failure by us (whether continued or not) to insist upon strict compliance with any of these Terms shall not constitute nor be deemed to constitute a waiver by us of any of our rights or remedies. The rights and remedies conferred upon us shall be cumulative and the exercise or waiver of any part thereof shall not preclude or inhibit the exercise by us of any other additional rights and remedies.

## **30. SEVERABILITY**

If any provision of this Agreement shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Agreement which shall remain in full force and effect.

If any provision of this Agreement is so found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modification(s) as may be necessary to make it valid and enforceable.

**For and on behalf of King & Shaxson Asset Management Limited**

Wayne Bishop  
Chief Executive Officer



## 31. APPENDIX 1 – PERSHING AGREEMENT

### 1 CLIENT CLASSIFICATION AND CAPACITY

For the purposes of the FCA Rules, you will be classified as either a retail client, professional client or an eligible counterparty. PSL will rely on information received from K&S (“us”, “we”) in relation to your status and will adopt the same client classification for you. We will notify you in writing if there is any change to this position.

If you hold an account jointly or otherwise hold assets jointly, with any other person, then you and any such other person(s) shall have joint and several liability to PSL. Examples of situations where such joint and several liability may arise are as follows:

- (a) Joint account holders: As well as joint account holders being jointly and severally liable in the way described above, any payment or accounting made by PSL to any one or more of those account holders will be treated as made to all of them.
- (b) Trustees: As well as the trustees of any trust being jointly and severally liable to PSL in the way described above, PSL will treat the trustees as its client and not any beneficiary of the trust. Any payment or accounting made by PSL to any one or more of the trustees will be treated as made to all of them.
- (c) Partners: If a partnership is PSL’s client then each partner will be personally, jointly and severally liable to PSL in the manner described above. Any payment or accounting made by PSL to any one or more of the partners will be treated as made to all of them.
- (d) Agents: If you are an agent acting on behalf of someone else (whether or not that person (the “Principal”), has been identified to PSL as the person for whom you act) you will be treated as PSL’s client under the FCA Rules and you will also be fully liable to PSL under these terms as if you were acting for yourself. You and your Principal will be jointly and severally liable in the manner described above.

### 2 YOUR ACCOUNTS WITH PSL

PSL will open and maintain accounts on its books in your name in order to provide its services to you. When PSL receives any cash and investments from you, or on your behalf, then it will record them in your accounts.

PSL will have the right at its absolute discretion to stop providing services under these terms and close any accounts it holds and maintains in your name which may occur, for example:

- (a) if PSL is obliged to stop providing services under any applicable law or regulation (such as anti-money laundering provisions);
- (b) if PSL is not able to provide the services effectively or providing the services would materially adversely affect PSL’s operation;
- (c) where you are in material breach of these terms or we are in material breach of the terms of the PSL Agreement;

- (d) if providing the services to you or to us in relation to your account will have a materially adverse effect on PSL's reputation; or
- (e) if your liabilities in relation to your account, and amounts owing by you to PSL, exceed or are likely to exceed the value of the cash and investments PSL holds for you.

We will notify you if PSL chooses to exercise this discretion and the reasons for its decision unless we or PSL are prevented from doing so by some legal or regulatory constraint.

You may at any time when there are no outstanding obligations owed by you to PSL, give notice in writing to us to stop receiving services from PSL and close your accounts with PSL.

If either you or PSL decide to close your accounts with PSL you will need to give instructions on the future custody of your investments so that PSL can transfer your money and investments (after deducting amounts owed to it) to your new custodian.

### **3 COMMUNICATIONS AND INSTRUCTIONS**

PSL will only accept instructions for your accounts from us and not directly from you.

PSL may rely on and act on any instructions which PSL in good faith believes were given by us or our representatives. Such instructions can only be cancelled or changed if we give written notice to PSL sufficiently in advance to enable PSL to prevent the processing of the instructions. If PSL seeks instructions from us and we do not respond within a reasonable time, then PSL may take such action as it considers appropriate on the relevant matter. PSL is not responsible or liable to you for any delays or inaccuracies in the transmission of instructions or other information (or any resulting action or failure to act) where that delay or inaccuracy is as a result of factors outside the reasonable control of PSL. This means that if the delay or inaccuracy is not PSL's fault, then you cannot obtain redress from PSL.

There may be circumstances where PSL refuses to accept any order or other instruction for your account. For example, PSL may do so for any of the reasons set out in clause 2 of the Pershing Agreement above or where:

- (a) the transactions falls outside the dealing criteria that PSL applies;
- (b) PSL cannot carry out the instruction because it cannot access a market; or
- (c) we or PSL do not have the necessary FCA permission to deal in a particular investment.

We will inform you if PSL refuses to accept an instruction and the reasons for its decision unless we or PSL are prevented from doing so because of any legal or regulatory constraint.

If you have any questions or concerns relating to your account with PSL, you should tell us and we will deal with PSL on your behalf. You should not contact PSL directly.

All communications whether written, spoken, electronic or in any other form between you, us and/or PSL shall be in English.



## 4 DEALING

Normally we will be responsible for executing any order or transaction on your behalf. This means that PSL will not owe you a duty of best execution under the FCA Rules or otherwise when it carries out transactions executed by us on your behalf. We shall be responsible for ensuring best execution and for any decision to aggregate transactions for you with those of other people.

We may sometimes agree with PSL that it is to execute transactions for your account when we transmit orders to it. If we do this, we have agreed that, rather than you, we will be PSL's client for the purposes of the FCA Rules. In order for PSL to provide dealing services for your account, you need to ensure that:

- (a) where you are buying investments, there is sufficient cash in your account; and
- (b) where you are selling investments, documents of title or transfer forms that are required are delivered to PSL,

in either case, prior to the execution of the transaction by PSL.

PSL will provide dealing or execution services on the following basis:

- (a) execution by PSL will be subject to the FCA Rules and the rules of any investment exchange or other trading facility on which the transaction is executed;
- (b) PSL will treat the instructions we give them as binding on you. Any express instruction from us to PSL on your behalf concerning order execution will override PSL's order execution policy and will remain binding on you;
- (c) PSL will execute such orders in accordance with PSL's order execution policy as amended from time to time, a summary of which is set out on in PSL's website on [www.pershing.co.uk](http://www.pershing.co.uk) under "disclosures" and therein under "compliance disclosure". By your acceptance of these terms, you confirm your consent to the execution policy and acknowledge that it may be amended from time to time. You also agree that PSL may execute transactions on a market that is not a regulated exchange or multilateral trading facility in the European Economic Area. Please note however the provisions of Annex 3 in relation to any overseas investments;
- (d) PSL may combine your orders with orders for its other clients or PSL's own orders. PSL will only do this if it considers that it is unlikely to work to the overall disadvantage of you or any of its clients involved however it is possible that aggregating orders in this way may sometimes operate to your advantage and sometimes to your disadvantage by giving you a higher or lower price than might have been the case if your order had been placed individually; and
- (e) once PSL executes any transaction on your behalf, PSL will, unless you previously instructed us otherwise, send a contract note to you. It is very important that you check the detail of all contract notes you receive, and notify us (and not PSL directly) immediately if there is any error or if you have any question about them, because the contract note will be considered a conclusive and final record of any detail contained in it, unless we notify PSL of an error within 1 working day after receipt by you and in any event no later than the settlement date for the transaction concerned.

## 5 SETTLEMENT OF TRANSACTIONS

When transactions are undertaken on your behalf, they will be due for settlement in accordance with market requirements and the relevant contract note or advice. These settlement terms will vary dependent upon the market and securities dealt in. The contract note will specify the settlement date.

As stated above, it is your responsibility to ensure that PSL receives the necessary investments, documents or cash (as the case may be) in order for PSL to settle the transaction on your behalf. PSL must receive any cash in cleared funds in sufficient time prior to the settlement date in order that it can make the necessary payment.

You hereby undertake that any cash or investments held by or transferred to PSL by you will be free from any right of a third party to make claims against that money or those investments. In particular, it is your obligation to make sure that no other person will be entitled to:

- (a) security rights over them, such as a mortgage or a charge;
- (b) any right to withhold or retain them, such as a lien;
- (c) any other rights to have any of the cash or investments paid or transferred to them or to prevent any transfer of such cash or investments from going ahead; or
- (d) any right to be paid all or any of the proceeds of a transaction;

so that settlement on your transaction can take place.

In order to settle transactions on your behalf, PSL will need to deal with the other party to the transaction (the “counterparty”). If a transaction has to be settled through a CCP or CSD the specific provisions set out in Annexes 2 and 3 shall apply.

You agree that you will not have any rights to cash or investments which are due to be received by you following a transaction until you have performed your own obligations in relation to that transaction and PSL has been able to settle that transaction on your behalf. Similarly, PSL has no obligation to account to you for any such cash or investments until you have performed your obligations and the transaction has been settled. Until that has happened, PSL is entitled, without giving you any further notice, to sell or otherwise dispose of any such investments and apply the proceeds or any cash it receives in relation to the transaction in order to discharge or reduce any of your obligations in relation to the transaction.

PSL is not obliged to credit any cash or investments it receives to your account until it has received them in irrevocable and unconditional settlement of the relevant transaction without the sender being able to reverse the settlement or require redelivery. If for any reason PSL does credit cash or investments to your account earlier than this and PSL reasonably considers that irrevocable and unconditional settlement is unlikely to take place then PSL will be entitled to reverse the entry and require you to give back or redeliver the cash or investments or their equivalent.

In some cases, transactions will be subject to netting. You agree, in respect of any transaction which is subject to netting, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant CCP, CSD or agreement with the counterparty. You acknowledge that if net



settlement takes place then PSL will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.

If a transaction is undertaken on your behalf on non-UK markets, the specific provisions set out in Annex 3 shall apply.

Transactions executed on your behalf may settle in the books of a CCP, CSD or other body or custodian combined with transactions for the account of other clients of ours. If this happens then PSL will allocate between our clients the cash or investments received by it or on its behalf as a result of the settlements in accordance with the client trades we have notified to it. If PSL receives cash or investments for trades that were intended to settle at the same time (but which, for whatever reason, do not do so), then PSL will allocate that cash or investments received by it on the following basis:

- (a) in accordance with any priority for settlements determined by PSL prior to the transactions taking place;
- (b) if transactions have the same priority, then the allocation will be in order of time, by reference to the intended settlement date of the transaction which we specified to PSL, so that the earliest in time will settle first in each case;
- (c) where transactions have the same priority and intended settlement date, then the allocation will be by value so that the larger or largest trade by value (not by number of units or size) will be settled first in each case.
- (d) where these allocations are necessary, they will also be subject to the operation of the relevant CCP, CSD, custodian or other entity. Such operations may include a netting rule or practice, automatic splitting of unsettled transactions or other automatic aggregation, splitting or allocation.

Time shall be of the essence with respect to any payment, delivery or other obligation of yours to PSL.

## **6 CLIENT MONEY**

Money held by PSL for your account, will be held in compliance with the FCA Client Asset Rules when these apply to the money. This means, amongst other things, that PSL will hold your money in a special designated client bank account which is an account kept separate from PSL's own funds.

When considering where that client bank account should be, PSL will exercise due skill, care and diligence and will periodically review the adequacy and appropriateness of any bank or credit institution where your money is deposited and of the arrangements for holding your money (such as which banks or credit institutions are used, the amount of client money deposited with the bank or credit institution and any use of fixed term deposits for client money). These requirements will not apply where your money is held with a central bank of a country. It is important to note that PSL is not responsible for any acts, omissions or default of a credit institution or bank chosen by it but only for taking care in its choice and monitoring.

When PSL holds your money in a client account it may be pooled with money belonging to other clients of PSL. Where funds are pooled in this way, you will not have a claim for the specific sum in a

specific account. Your claim would be against the client money pool in general and if there is a deficiency in the pool you would share pro rata in that loss. Such a deficiency is likely to arise if a relevant bank or credit institution with which client money is deposited by PSL becomes insolvent or otherwise defaults on its obligations to pay out money when due.

If PSL holds money which is not immediately required to settle an investment transaction, such money will be deposited with a bank or credit institution, together with other clients' money. Money may earn interest at a rate determined by the relevant bank or credit institution. However, the amount of any interest on money that would be credited to your account and made available to you (subject to Clauses 10 and 11 of the Pershing Agreement), will be determined by us, and will be as notified by us to you from time to time. Any interest will be calculated on a daily basis and credited to your account every six months. We may decide not to credit your account if the amount of the interest falls below a threshold notified to you by us. Unless we notify you otherwise, you will be entitled to interest at the central bank base rate for Sterling, US Dollars, and the Euro, and the applicable local agent credit rate for other currencies, less a money management fee charged by PSL. PSL charges a fee for managing the balance on your account (the money management fee) and that fee will be applied to the balance on your account and may be higher than any interest which would otherwise have been credited to your account in which case a charge in the form of debit interest may be charged for that balance as notified to you by us.

If we, or PSL, are unable to contact you (for example if you move and fail to update your address with us), so that we are unable to deliver money held for your account to you, or you fail to respond to our communications requesting any instructions from you concerning such money, with the result that any of your money held by PSL is unclaimed, PSL may transfer such money to a pooled client unclaimed money account subject always to PSL undertaking to make good any valid claim by you. The money held in the client unclaimed money account will be held by PSL in compliance with the FCA Rules.

Sometimes we or PSL will undertake a transaction for you which requires your money or investments to be passed to an Relevant Party in order to meet the obligations under that transaction or as Margin or Collateral. When a Relevant Party is involved then any money or investments passed to the Relevant Party may be at risk in the event of its insolvency. By accepting these terms, you acknowledge that this is the case.

Please refer to the provisions of Annex 3 which will apply if your money is held by a credit institution or bank outside the UK or EEA.

PSL may use a bank which is affiliated to PSL to hold client money on your behalf subject always to any specific FCA Rules concerning the use of such affiliated bank.

Money held by PSL in pooled client money accounts as set out in this clause 6, may (in part) be deposited (where permitted under FCA Rules) into a fixed term deposit. Money held in fixed term deposits cannot be withdrawn by PSL until the fixed term expires. This means that the part of the client money pool (as described above) which is held in fixed term deposits would not be available for immediate (or next day) withdrawal by you and the return of such client money would be delayed until the fixed term expires. In addition, PSL would not be able to move client money held in a fixed term deposit until the expiry of such fixed term and therefore would not be able to mitigate the risk of any default or insolvency of the relevant bank or credit institution and the possible creation of a deficiency in the client money pool (resulting in a loss as described above) which may arise during such fixed term. By accepting these Terms of Business you acknowledge you are aware of and accept the risks set out in this clause 6.



## 7 CUSTODY AND ADMINISTRATION OF YOUR INVESTMENTS

Subject to the below, where PSL holds investments for your account it will register those investments in the name of a nominee company controlled by PSL or by a member of PSL's group.

In some situations, for example where the rules of a particular market or CSD require, PSL will register your investments in the name of an Eligible Custodian. PSL will not usually register investments in your name but if it is required to do so, you shall remain responsible for the consequences of any such registration.

If your investments are held overseas the provisions of Annex 3 shall also apply.

When your investments (including any money held for your account) are held by a depository or an Eligible Custodian, such depository or Eligible Custodian may have rights against your investments, arising out of the operation of local law, local regulatory rules, or market practice which may include:

- (a) security rights over them including but not limited to a mortgage or charge;
- (b) rights to withhold or retain them, such as by way of a lien;
- (c) other rights to have the asset paid or transferred to them or to prevent a transaction involving such asset from going ahead; and/or
- (d) rights to be paid any or all of the proceeds of a transaction involving the asset.

PSL has agreed with the Eligible Custodians that such rights as set out in this clause are limited to those in respect of debts arising out of (i) properly incurred charges and liabilities arising from the safekeeping, administration and provision of services (including the settlement of transactions as set out in clause 5) with respect to the investments held by the Eligible Custodian; or (ii) arise under the rules of a CSD, CCP or local settlement system.

PSL shall keep a record of your entitlement to your investments in situations where PSL or an Eligible Custodian (or a nominee company) have registered or recorded your investment in a combined account or pooled in some other way with investments belonging to other clients of ourselves, of PSL or of the Eligible Custodian. In such a situation you should note the following effects and by accepting these Terms of Business you expressly acknowledge and accept these risks:

- (a) your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register;
- (b) In the course of settlement of transactions from the omnibus account (due to the nature of such holding and the operation of settlements into and from an omnibus account) circumstances could arise whereby your assets as held in the pool are used to satisfy the transaction of another client whose assets are also held in the omnibus account. You should note that Pershing has in place systems and controls to reduce the occurrence of such events and to mitigate the risk to you from such circumstances as required under FCA Rules;

- (c) if there is an irreconcilable shortfall following any loss by or default of, PSL or the Eligible Custodian (or a nominee company) then you may not receive your full entitlement and may share in any shortfall on a pro rated basis with any other investors;
- (d) sometimes PSL will receive investments or money on behalf of more than one client in connection with pooled holdings (for instance in a bonus or rights issue or takeover). In such circumstances PSL may, in accordance with FCA Rules, allocate such investments between clients on whatever basis it considers fair and reasonable in accordance with its allocation policy in force at the time;
- (e) if a share issue or other corporate event favoured the small investor (as defined by the issuer making the issue or creating the corporate event) your actual allocation may be less than it would be if your investments were registered in your own name; and
- (f) sometimes amounts or investments may arise which would not have arisen if the investments had been registered in your own name. You may not be entitled to any such additional amounts.

Any instructions you wish to give about the administration of investments held by PSL should be given to us in writing for us to send to PSL. We will not accept instructions from anyone but you and will not send instructions to other people on your behalf unless in either case you have previously provided us with a copy of a valid power of attorney authorising us, or the relevant person, to send such instructions.

PSL will inform us of any rights issues, takeover offers, capital reorganisations, conversion or subscription rights (collectively “corporate actions”) that affect or relate to investments held on your behalf by PSL or an Eligible Custodian. It will do so as soon as reasonably practicable after receiving notice of those events. We will, in turn, inform you.

You should contact us and not PSL if you need any advice in connection with any corporate actions. PSL is not responsible for taking decisions in relation to any corporate actions and will require instructions from you or us on matters such as:

- (a) exercising conversion and subscription rights;
- (b) dealing with takeovers or other offers or capital reorganisations;
- (c) exercising voting rights (where PSL exercises such rights on your behalf).

If any notification is given to you pursuant to clause from PSL, you must ensure that you provide instructions to us, for onward transmission to PSL in sufficient time to ensure that PSL is able to act upon such instructions. The instructions given, their consequences, and the consequences of failing to give us instructions, will be entirely your responsibility. Neither we nor PSL is obliged to do more than give one notification on the relevant matter.

PSL will be responsible for claiming and receiving dividends, interest payments and other entitlements automatically arising in respect of the investments held for your account.

Sometimes PSL or an Eligible Custodian who is holding your investments may receive dividends, interest and other rights or payments after local withholding or similar taxes or other deductions are made from those sums. You accept that PSL or any Eligible Custodian may, if it is required to do so to comply with legal or regulatory requirements, withhold or deduct tax or other amounts from any



such payments. Any costs PSL or an Eligible Custodian incurs when complying with these obligations may be deducted by PSL from your account. If you are eligible to reclaim any such withholdings or deductions then this will be your responsibility and not that of PSL or an Eligible Custodian, to do so.

PSL will arrange for you to receive safe custody statement showing the investments and cash balances it holds for you, reported on a trade date basis. The frequency of such statements is determined by FCA Rules. PSL may provide such statement to you via appropriate on line or electronic means and provided we or PSL notified you of the availability of such statement, it shall be your responsibility to access and review such statement.

In some circumstances PSL may refuse to hold any investment or investments for you. This may occur in any of the circumstances outlined in clause 2 of the Pershing Agreement or if the investment concerned is of a kind for which PSL does not have facilities, or arrangements with appropriate Eligible Custodians, to hold or if holding the investment would expose PSL to liabilities. We will notify you if PSL chooses to exercise this discretion unless legal or regulatory constraints prevent such disclosure.

PSL will not loan your investments or use them to raise finance.

## **8 CONSEQUENCES OF YOUR DEFAULT**

If you fail to pay cash or investments (as relevant) when due to meet any settlement obligations or if you otherwise fail to meet any of your other obligations to PSL then you should be aware that there will be certain consequences as a result of such failure, as further described in the remainder of this clause 8.

You will not have a right to title or interest in any cash or investments received for your account. PSL will have no obligation to deliver or account to you for any such cash or investments and PSL will be entitled to retain any such cash or investments until such time that you have met your obligations.

PSL may, without providing any advance notice, use any cash, or sell any securities, held or received for your account and use the proceeds (after deducting any costs in doing so) to eliminate or reduce any unpaid obligations owed to PSL. Any surplus remaining after discharging the obligations owed to PSL will be paid to you. If the cash and proceeds of disposals do not cover all the obligations owed to PSL, you will still owe PSL the balance.

PSL may, among other things, and without giving you further notice:

- (a) enter into any other transaction (including those with the effect of closing-out a position, or reversing or cancelling a transaction previously entered into);
- (b) take or refrain from taking further action which it considers would, or could, reduce or eliminate any liability under any transaction undertaken for you. PSL may take similar action where it reasonably considers that you have not, or are unlikely to perform your obligations under these terms.

Where PSL exercises its rights to use your cash or dispose of your investments in accordance with the above, it will have no further obligation to you (and neither you nor we will have any right to require PSL to account to you, or to anyone else, for any investments or cash received when the relevant transaction is settled.

You agree that PSL may set off transfer or apply (without further notice to you) any obligations or monies owed by PSL to you in order to satisfy in whole or in part any debt or obligation or sum that is due from you to PSL. This applies even if the obligations are in different currencies and includes the payment of any fees or charges due to PSL and any amounts due under your indemnity obligations to ensure PSL does not lose money as a result of your default under these terms or the services it provides you with.

In exercising its rights under these terms PSL may convert currencies and carry out foreign exchange transactions with you or on your behalf at such rates and in a manner that PSL may in its discretion determine. In such circumstances, PSL shall be acting on its own behalf and not executing your orders. It shall therefore not be liable to you for the result obtained, nor for its choice of which investments are to be sold.

The provisions in this clause 8 will continue to apply even if we or PSL stop providing services to you, so long as any obligations for your account remain outstanding. They apply in addition to any other right PSL has, and they will not be affected by any failure by PSL or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

## **9 LIMITS ON PSL'S LIABILITY TO YOU AND INDEMNITIES YOU GIVE TO PSL**

The liability of PSL (and where relevant its directors, employees or agents) to you for any loss or damage which you suffer in connection with these terms shall be limited to circumstances where any such loss or damage has arisen directly as a result of negligence, fraud or wilful default or a breach of the FCA Rules by PSL (or where relevant, its directors, employees or agents). In any event, PSL will not be liable to you for any indirect or consequential losses (howsoever arising). PSL will also not be liable for any loss that is a loss of profit or for any losses that arise from any damage to your business or reputation.

This means that PSL will only be liable for losses that arise as a result of its negligence, fraud or wilful default and then only, for any losses which:

- (a) arise naturally from a breach by PSL of its obligations; and
- (b) which were reasonably foreseeable to PSL at the time these terms are entered into.

It is important that you understand that you are responsible for making sure that PSL does not suffer by reason of acting for you. You agree to make good and reimburse (indemnify) PSL and each of its directors and employees and agents ("Indemnified Persons"), after the deduction of any applicable taxes, for and against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than PSL's corporation tax) which are caused by;

- (a) PSL providing its services to you;
- (b) material breach by you of any of these terms;
- (c) default or failure by you to make a delivery of investments or payment when due; or
- (d) any challenge to the validity of, or requirement for proof or ownership, or in respect of any fraud or forgery in relation to any investments delivered to PSL by you or on your behalf, or in relation to any document of transfer regarding such investments. This will



include any electronic instruction or information, which appears to transfer such investments.

You will not be liable to indemnify PSL under this clause 9 and PSL will have no right or claim against you or us if any consequences to PSL are caused by its own negligence, wilful default, fraud or any breach of the FCA Rules.

PSL has no liability to you or us for failure to provide any of the services under these terms if that failure is caused wholly or partly by events beyond PSL's reasonable control. This includes (but is not limited to) any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action, suspension or limitation of trading by any exchange or clearing house or any fire, pandemics, flood or other natural disaster. In any of these (or other similar) circumstances any or all of PSL's obligations will be suspended until the state of affairs giving rise to the failure of PSL is remedied.

The provisions in this clause 9 will continue to apply even if we or PSL stop providing services to you. They apply in addition to any other right of indemnity or claim of any Indemnified Person whether or not under these terms, and they will not be affected by any failure by PSL or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

## **10 CHARGES**

The fees and charges payable by you in relation to the services provided by PSL (in particular, the money management fee), and any taxes payable through PSL, will be set out in the fees and charges information provided to you by us from time to time. PSL can either pay these out of the assets and money it holds for you for your account or by way of set off as described at clause 8 above or require you to pay them directly to PSL or to PSL through us. You may also be liable for other taxes or charges which are not payable through PSL.

## **11 PSL'S CONFLICTS OF INTEREST**

PSL, its associated group companies (associates) or nominees may provide services or enter transactions under these Terms in circumstances in which PSL or its associates have a material interest. This interest could be direct or indirect and PSL or its associates could also have a relationship with someone else, which may involve a conflict of interest or potential conflict of interest with you. Examples where such actual or potential conflicts may happen include situations where PSL or any of its associates:

- (a) is, or is acting on behalf of, the counterparty to a transaction that is executed by PSL (whether or not involving a fee or commission or increased or reduced price offered or received by PSL or its associates);
- (b) has a long or short position in the relevant investment; or
- (c) is otherwise connected to the issuer of the investment to which any instructions relate.

PSL may receive payments from fund managers if PSL provides services to those fund managers through the PSL Nexus Funds Trading Platform. Any payments of this kind are calculated by reference to the value of the assets that PSL holds in custody for its clients.

PSL may place money held for your account with a bank or other financial institution (in accordance with the FCA rules) and earn interest and retain some or all of that interest from that bank or financial institution.

A summary of PSL's conflicts policy (including further disclosure concerning the payments PSL may receive from fund managers) is published on PSL's website at [www.pershing.co.uk](http://www.pershing.co.uk) under the heading of "compliance disclosures" (a hard copy is available on request from us).

You acknowledge that neither PSL nor any of its associates is required to disclose or account to you for any profit made as a result of acting in any manner described above.

## **12 DATA PROTECTION AND CONFIDENTIALITY OF INFORMATION**

PSL may store, use or otherwise process personal information about you which is provided by you or us on your behalf. The purposes for which it can store, use or process such personal information are providing investment and other services under these Terms, administering your account and other purposes closely related to those activities. This includes (but is not limited to) using information for the purposes for credit and anti-money laundering enquiries or assessments. In the United Kingdom PSL operates and has made all the appropriate notifications in accordance with applicable data protection legislation.

Any information that we and PSL hold about you is confidential to you and will only be used in connection with providing services under these Terms (as may be set out in more detail in PSL's published privacy policy as referred to in clause 16). Information of a confidential nature will be treated as such provided that such information is not already in the public domain. PSL will only disclose your information to third parties in the following circumstances:

- (a) If required by law or if requested by any regulatory authority or exchange having control or jurisdiction over you, us or PSL (or any associate of us or PSL);
- (b) to investigate or to prevent fraud, market abuse or other illegal activity;
- (c) in connection with the provision or services to you by us or PSL;
- (d) for purposes closely related to the provision of the services or the administration of your account including without limitation for the purposes of credit enquiries or assessments;
- (e) if it is in public interest to disclose such information; or
- (f) at your request or with your consent.

The restrictions on the use of confidential information described above are subject at all times to a general proviso that PSL may disclose your information to certain permitted third parties including members of its own group (associates) and its professional advisors (including accountants and lawyers) who are subject to confidentiality codes.

Neither we nor PSL will sell rent or trade your personal information to any third party for marketing purposes unless you give your express consent.

You should note that by signing or otherwise accepting these Terms you agree that PSL is allowed to send your information internationally including to countries outside the EEA such as the United



States of America. Some countries where your information is sent will offer different levels of protection in relation to personal information, not all of which will be as high as the UK. PSL will however, always take steps to ensure that your information is used by third parties only in accordance with PSL's policy.

You are entitled to a copy of any information PSL holds about you. In the first instance, you should direct any such requests to us and we will pass your request on to PSL. PSL is entitled to by law to charge a fee of £10 to meet the cost of providing you with details of the information it holds about you. You should let us know if you think any information PSL holds about you is inaccurate and we will ask PSL to correct it.

### **13 COMPLAINTS**

If you have a complaint you should notify our compliance officer in the first instance. If however, your complaint concerns an aspect of the service provided to you by PSL and you wish to copy your complaint to PSL directly copies should be sent to:

The Compliance Officer  
Pershing Securities Limited  
Royal Liver Building  
Pier Head  
Liverpool  
Merseyside  
L3 1LL

Where you make a complaint both we and PSL will endeavour to resolve your complaint as quickly as possible but in any event we will acknowledge receipt of your complaint within 3 business days. The acknowledgement sent will include a full copy of our or PSL's internal complaints handling procedure. We aim to resolve your complaint within 4 weeks of receipt. Where this is not possible we will contact you to explain why resolution will take longer than 4 weeks and indicate when we anticipate being able to resolve your complaint. Upon resolution of your complaint we or PSL will send you a final response letter, which sets out the nature of our response of any proposed resolution, and any appropriate remedy. If for any reason you are not satisfied with our or PSL's final response, or we have failed to resolve your complaint within 8 weeks of receipt, you may be entitled to refer your complaint to the Financial Ombudsman Service. A leaflet detailing the procedure is provided in our or PSL's final response.

### **14 INVESTOR COMPENSATION**

PSL is covered by the UK's Financial Services Compensation Scheme ("FSCS"). Compensation may be available from the FSCS if PSL cannot meet its obligations to you. Your possible entitlement to compensation will depend upon the type of business and the circumstances of the claim. Most types of investment businesses are covered for £50,000 per person per firm. Further information about compensation arrangements is available from the FSCS, [www.fscs.org.uk](http://www.fscs.org.uk).

### **15 AMENDMENT**

PSL reserves the rights to alter these terms at any time. It will only do so after giving prior written notice to us in reasonable time for you to consider the impact of those changes, unless it is impractical in the circumstances to give such notice.

## **16 PROVISION OF INFORMATION VIA A WEBSITE**

PSL may provide the following information to you via their website [www.pershing.co.uk](http://www.pershing.co.uk) (under the “disclosures” section). Such information may be amended from time to time by PSL:

- (a) General disclosures of information about PSL, its services and disclosures relating to such Services in general;
- (b) Information concerning the safekeeping of investments and money held by PSL or any of its appointed Eligible Custodians;
- (c) Information on costs and charges;
- (d) Information relating PSL’s order execution policy, order handling and conflicts of interest;
- (e) PSL’s privacy policy covering the processing of any personal data under the relevant data protection legislation; and
- (f) Disclosures and policies containing general information in relation to the Services provided by PSL to you which PSL is required to publish or which is addressed to the generality of its clients (excluding amendments to these terms and conditions)

PROVIDED Always that such information provided via the website does not include any confidential information or personal data relating to you

## **17 GENERAL**

PSL’s obligations to you are limited to those set out in these terms. PSL shall in particular not owe any wider duties of a fiduciary nature to you.

No third party shall be entitled to enforce these terms in any circumstances.

Any failure by PSL (whether on an ongoing basis or not) to insist upon strict compliance with any of these Terms is not deemed to amount to PSL giving up or waiving any of any of its rights or remedies under them. The rights and remedies conferred on PSL will be cumulative and the exercise or waiver of any part of them will not stop or inhibit the exercising by PSL of any other additional rights and remedies.

These terms are governed by English Law and you irrevocably agree to submit, for the benefit of PSL, to the non-exclusive jurisdiction of the Courts of England.





## ANNEX 1 – GLOSSARY

Business Days	means any day on which the London Stock Exchange is open for trading
CCP	<p>This stands for central counterparty, which is typically an institution that acts as an intermediary between two market participants. The seller of a security sells to the central counterparty. The central counterparty simultaneously sells to the buyer. This means that if one party defaults then the central counterparty will absorb the loss. This reduces the amount of counterparty risk that market participants are exposed to.</p> <p>Certain markets that PSL trades in on your behalf will involve a CCP and such transactions will be subject to the rules of the CCP.</p>
Charge	A charge does not involve a transfer of ownership but gives a degree of control to a third party over any dealing or disposal of the asset.
Clearing and Settlement Services	The process by which, once an investment has been bought or sold on your behalf, the money is transferred from the buyer to the seller and the investments or the title to the investments is transferred from the seller to the buyer.
CSD	<p>This stands for central securities depository which is a financial institution that custodies securities and provides securities settlement services to one or more markets.</p> <p>When settling a transaction on your behalf PSL may have to settle such transaction through a central securities depository or other securities settlement system and the transactions will be subject to the rules of the CSD.</p>
Dealing or Execution Services	The buying or selling of investments on your behalf.
Eligible Custodian	This refers to a third party custodian (or its <b>nominee company</b> ) who PSL selects under the FCA Rules to register your investments with.
Joint and Several Liability	If joint and several liability applies, the effect is that both you and the other person(s) separately promise to meet all obligations under these terms in respect of the account either (1) jointly with the other person(s); and (2) individually.
Lien	A Lien allows the person holding the asset to withhold or retain such asset pending the satisfaction of your obligations to them.
Margin or Collateral	This is where your money or investments are passed to a <b>Relevant Party</b> in order to provide security against the performance of obligations.
Mortgage	A mortgage transfers the ownership of an asset to a third party on the condition that it will be re-transferred on the discharge of the obligations owed to that third party.
Netting	Netting is the process under which PSL and/or the counterparty, <b>CCP</b> ,



**CSD** or other body concerned with settling a transaction are entitled to reduce their obligations to each other by setting off their obligations to deliver cash or securities to one another. This will give a single amount owing to one party from the other rather than a two-way payment. This single amount will then be paid or delivered to the relevant party.

Nominee Company	A nominee company is one which is used solely for holding investments separately and which does not carry on any other business.
Relevant Party	This includes (but is not limited to) an exchange, clearing house, intermediate broker, settlement agent or a counterparty dealt with directly (over the counter) outside of any exchange. The Relevant Party may be located in the UK or elsewhere.
Safe Custody Services	The safekeeping and administration of any investments held by PSL or its <b>nominee company</b> on your behalf.
Set-Off	This may arise where both you and PSL owe sums to each other. In such circumstances PSL may deduct any sums owed to it by you from any sums that are owed by PSL to you so as to either eliminate or reduce PSL's liability to you.
Time shall be of the Essence	The use of this term in relation to any payment, delivery or other obligation you have to PSL means that PSL shall be entitled to terminate these terms and, if appropriate, claim damages from you if you fail to perform your obligation in accordance with the time specified. It is intended to ensure that the relevant deadlines are strictly complied with.

## ANNEX 2 – CCP AND CSD TRANSACTIONS

### 1 SETTLEMENT OF CCP AND CSD TRANSACTIONS

In order to settle transactions on your behalf, PSL will need to deal with the other party to the transaction (the “counterparty”) and sometimes transactions will be settled through a central counterparty (“CCP”) or a central securities depository or other securities settlement system (“CSD”) or other depository transfer agent or similar body. When PSL deals with these parties, it does so as your agent, in good faith and on the basis that:

- (a) PSL is not responsible for any default or failure of the CCP, CSD or other counterparty or of any depository or agent of those entities; and
- (b) the delivery of any securities or payment to you as a result of the transaction is entirely your risk and not that of PSL.

In some cases, transactions will be subject to netting. You agree, in respect of any transaction which is subject to netting, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant CCP or CSD. You acknowledge that if net settlement takes place then PSL will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.

We and you acknowledge and agree that:

- (a) PSL does not owe any duty to us, you or any other person to verify the appropriateness, adequacy or effectiveness of the rules, requirements and procedures of any market or CCP; or in relation to any exercise or non-exercise by the market or the CCP of its rights or powers under such rules, requirements and procedures; and
- (b) PSL shall have no liability for any loss or damage suffered or incurred by us or you by reason of PSL taking or failing to take any action, where such action or failure to take action is authorised, permitted or required by a market or a CCP or is otherwise deemed necessary by PSL under the rules, requirements and procedures of the market or the CCP.

### 2 LIMITS ON PSL’S LIABILITY TO YOU AND INDEMNITIES YOU GIVE TO PSL

If any net settlement takes place then PSL’s only obligation to account to you will be to account for the net investments and/or cash received by it from any relevant CCP, CSD, or their respective agents, corresponding to the transactions relevant to the net settlement entered into on your behalf. In addition you agree that PSL shall have no liability to you in connection with the exercise by any CCP, CSD, or their respective agents of their powers under any Power of Attorney or equivalent right or power in respect of any settlement account operated by or on behalf of PSL in connection with the settlement of any transaction.



## ANNEX 3 – OVERSEAS INVESTMENTS

### 1 SETTLEMENT OF TRANSACTIONS

If a transaction is undertaken on your behalf on non-UK markets, it will be subject to the rules of the relevant overseas exchange, clearing system and/or depositary and to any terms of any foreign agent or custodian employed by PSL. These rules and terms may include, but are not limited to, such persons having the right to reverse a transaction (including reversing the delivery or re-delivery of any investment and any payment) even after it has been settled. In view of the number of markets and counterparties which may be used it is not possible to outline all of the potential rules and obligations that may apply in such cases.

### 2 CLIENT MONEY

If your money is held by a credit institution or bank outside the UK or EEA or your money or investments are passed to a third party then it is important you understand that the legal and regulatory regime applying to that credit institution, bank or other third party will be different from that of the United Kingdom or the EEA. This means, amongst other things, that the rights and protections you have under the FCA Rules will not be available in respect of those banks or credit institutions or third parties. Other rules and regulations may apply to them under local law but your rights and obligations are likely to differ, particularly if such party is in default

### 3 CUSTODY AND ADMINISTRATION OF YOUR INVESTMENTS

Whether or not they are registered or recorded in the name of PSL, or an Eligible Custodian, investments belonging to you which are held abroad may be subject to different settlement, legal and regulatory requirements from those applying in the UK or the EEA. Your rights may therefore also differ. In particular, such investments, by their nature may require, in order to effect settlement of your transaction, that the investment is held in a country that may not impose specific regulation covering the safekeeping of investments. Subject to PSL, satisfying itself that the arrangements for the holding of your investment in such market by the Eligible Custodian it appointed are adequate (based on the due diligence referred to in this clause of this Annex 3), PSL will deposit such investment with such Eligible Custodian notwithstanding the risks outlined in this Annex 3.

PSL will exercise due skill, care and diligence in the selection, appointment and periodic review of any Eligible Custodian it appoints (including the regulatory rules applicable to such Eligible Custodian) and the arrangements for the holding and safekeeping of your investments. It is important that you understand PSL is not responsible for anything done or not done, or any default of an Eligible Custodian unless that default is caused by the negligence, fraud or wilful default on the part of PSL or any of its nominee companies. Although PSL will seek to make sure that adequate arrangements are made to look after your ownership rights in any investments (especially in the event of its own insolvency) you should understand that your investments may be at risk if an Eligible Custodian becomes insolvent.

Overseas investments may be registered or recorded in the name of PSL or in the name of an Eligible Custodian. Your acceptance of these terms indicates your consent to the possibility of registration in such manner. However any such registration in one of these ways will only be done after PSL has taken reasonable steps to determine that it is in your best interests to do so or that it is not feasible to do otherwise because of the nature of the applicable law and market practice in the jurisdiction

where the transaction occurs. Registration in this way means that your investments may not be kept separate from other investments belonging to PSL or the relevant Eligible Custodian. Your protection may therefore be less, as if the person in whose name your investment is recorded defaults on its obligations, your investment may not be separately identifiable as yours. Accordingly it may be subject to other third party claims including claims by the general creditors of the defaulting person.



## ANNEX 4 – ADDITIONAL CLAUSES

### 1 AGENT AS CLIENT

If you are an agent acting on behalf of someone else (whether or not that person (the “Principal”), has been identified to PSL as the person for whom you act) you will be treated as PSL’s client under the FCA Rules and you will also be fully liable to PSL under these terms as if you were acting for yourself. You and your Principal will be jointly and severally liable in the manner described above. In addition, you represent warrant and undertake to us and PSL on a continuing basis that:

- (a) You have full power and authority to instruct us on these terms;
- (b) You have no reason to believe that any such underlying client will not be able to meet any settlement or other payment obligation under these terms;
- (c) At the time you instruct us to undertake a transaction for such underlying client there are sufficient funds or assets under your authority to permit settlement and you will not subsequently execute transactions which could result in insufficient funds or assets being available;
- (d) To your knowledge any transaction undertaken for any such underlying client will be its valid and binding obligation enforceable against it in accordance with its terms subject to bankruptcy and other applicable laws;
- (e) You have no reason to consider that any such underlying client is or is likely to become insolvent;
- (f) You have obtained and recorded evidence of the identity of any such underlying client or any underlying principal of such person in accordance with applicable laws and regulations (including without limitation anti money laundering regulations); and
- (g) You will provide to us and PSL such information and written confirmations in relation to any such underlying client as we or PSL reasonably require to comply with all applicable laws and regulations.

### 2 TRUSTEE AS CLIENT

Where you are acting as a Trustee on behalf a trust (the “Trust”), as well as being jointly and severally liable to PSL in the way described above, PSL will treat the trustees as its client and not any beneficiary of the Trust. We shall warrant to PSL that:

- (a) We will only cause PSL to be obliged to settle any transaction where we have full management control and full authority to instruct use of sufficient of the assets or cash of the Trust to meet any obligation incurred by PSL on behalf of the Trust and that we have full authority to direct the custodian, if any, of the underlying customer’s assets and cash to meet any obligations so incurred and that we have sufficient authority and consents to perform our obligations under these terms.
- (b) We are not aware of any reason why the cash or assets of the Trust which are the subject of our management (as described above) could not be used to meet such obligations.

- (c) We will not effect any transaction for the account of the Trust if we have any reason to believe that the Trustees of the Trust will not be willing or able to meet their obligations in respect of such transaction and will notify PSL as soon as reasonably practicable if we have any reason to believe that the Trustees will not be willing or able to meet their obligations in respect of any transaction; and
- (d) We believe on reasonable enquiry and on reasonable ground that the Trustees of the Trust will have all requisite power and legal capacity to enter into any such transaction and to perform their obligations under these terms.

In your capacity as Trustees of the Trust you acknowledge and agree with PSL that:

- (a) You will supply us with all relevant information of which you are aware in relation to the matters covered by our above warranties and you will not do anything to cause us to be in breach of our obligations as set out above;
- (b) Any payment or accounting made by PSL to any one or more of the trustees will be treated as made to all of them;
- (c) If you (or where you are more than one person any of you) become aware that any warranty given to PSL above has become untrue you will notify PSL and us in writing as soon as reasonably practicable on becoming so aware; and
- (d) Your aggregate liability to us PSL and any other person under these terms shall be limited to the net value of the asset from time to time under your control in your capacity as the Trustees of the Trust save that this limitation shall not apply in respect of any liability to PSL for any breach of your obligations to PSL under this sub-clause.