

HAWKSMOOR

INVESTMENT MANAGEMENT

ETHICAL PORTFOLIO
MANAGEMENT SERVICE

CLIENT ACCOUNT GUIDE

Terms and conditions and other
information about your portfolio

Clients with Pershing Securities Limited as custodian

CONTENTS

Section A: Hawksmoor’s Supplementary Terms and Conditions

	Page
1. Introduction	3
2. Regulatory Statement	3
3. Client Classification & Complaints	3
4. Other Regulatory Matters	4
5. Custody of your investments	4
6. Distributions from your Portfolio	5
7. Communicating with you	5
8. How we take the management fees	7
9. Individual Savings Accounts (“ISAs”)	7
10. Portfolio Size and Appropriate Service	7
11. Risk Notices	8

Section B: Custodian’s Terms and Conditions of Business 10

Appendix A: Information on PSL’s Execution Policy

Appendix B: Conflicts Policy

SECTION A: HAWKSMOOR'S SUPPLEMENTARY TERMS & CONDITIONS

1. INTRODUCTION

This **Client Account Guide** (which includes our and our third party custodian's current Terms & Conditions of Business), together with the **Account Application Form**, the **Ethical Portfolio Management Service Schedule of Charges**, the **Personal Information and Risk Questionnaire** form (if you have completed one as a direct client of Hawksmoor) and the **Explaining Your Portfolio** document, constitutes the entire investment management account agreement between you, us and Pershing Securities Ltd ("Agreement").

The Account Application Form contains a "Client Declaration" which requires you to acknowledge that you have read and understood and accept the contents of this document. It is therefore important that you do read this document. If there is anything in it for which you would like to have some further explanation, please get in touch with your Hawksmoor contact BEFORE SIGNING the Client Declaration.

We have employed some common terms in this document and the other documents in the Agreement, so, for the avoidance of doubt, wherever they appear, in either upper or lower case:

"you", "your" or "the Client" means:

The Applicant(s) named in the Account Application Form

"Hawksmoor", "HIM", "we", "our", "ourselves" or "us" means:
Hawksmoor Investment Management Limited

"PSL" means:

Pershing Securities Limited

2. REGULATORY STATEMENT

Hawksmoor is authorised and regulated by the Financial Conduct Authority ("FCA") under firm reference number 472929.

Hawksmoor's Registered Office is 2nd Floor, Stratus House, Emperors Way, Exeter Business Park, Exeter, Devon EX1 3QS. Hawksmoor's Company Registration Number is 6307442.

Hawksmoor's VAT number is 100 1927 70

Hawksmoor's status under the Financial Conduct Authority is categorized as "**Restricted**": this means that we do not advise on the full range of retail financial services products – pensions, insurance products, etc. We are restricted to offering services within our areas of expertise and authorisation: fund and portfolio management services using investment securities, funds and products. Within these areas, our services are impartial, unrestricted and unbiased.

3. CLIENT CLASSIFICATION & COMPLAINTS

Under FCA Regulations, we must confirm to you your 'client categorisation' with Hawksmoor. We intend to treat you as a "**Retail Client**". This categorisation means that:

- we have a formal and straightforward procedure for handling any complaints you may make concerning our services (full details of the procedure are available either on request or on our website www.hawksmoorim.co.uk). In the first instance you should contact our Compliance Officer who can be reached at our Exeter office, contact details of which are to be found at the back of this document); and
- you may have rights to statutory compensation in the event that something goes wrong with our service and it is our fault.

4. OTHER REGULATORY MATTERS

Anti-Money Laundering

As with all professional organisations, we conform to the UK Money Laundering Regulations and Joint Money Laundering Steering Group guidance notes, which require us to verify the identity and place of residence of each investor. We are also required to determine the source of funds available for investment. We will therefore request from you information as to how the funds or assets forming your investment portfolio were obtained or accumulated.

This process of verification may be satisfied from publicly-available sources. However, we may require sight of certain documentation, which your Hawksmoor contact will request from you if it is required.

We must also draw your attention to the following:

- The provision of false or inaccurate information may result in a report being made to the authorities;
- We will not forward any applications or money to third party product providers until our verification requirements have been met;
- We take no responsibility for any delay in investing where money-laundering verification is outstanding;
- Failure to provide timely and sufficient verification may result in the return of completed applications and monies.

Tax Self-Certification

Under HMRC regulations all UK financial services companies are required to establish the tax residence of all clients and to obtain a signed self-certification of tax residence for all clients. These regulations have been introduced to enable the automatic exchange of information between tax authorities in different countries. This includes the requirements of the US Foreign Accounts Tax Compliance Act (FATCA), agreements between the UK and Crown Dependencies and Overseas Territories and the OECD Common Reporting Standard (CRS) requirements. UK financial services companies report client account information to HMRC who in return share this information with overseas tax authorities.

If you are a US tax payer, before signing the Account Application Form, please contact us to discuss additional fees that may be charged by the custodian.

Conflicts of Interest

Hawksmoor is also required by the FCA to implement and maintain an effective Conflicts of Interest Policy and, before

undertaking any investment activity on your behalf, (i) to inform you of all known conflicts of interest, (ii) to inform you where any conflicts are likely to damage your interests and (iii) to disclose its procedures for minimising the impact of those conflicts.

In seeking to identify such conflicts Hawksmoor has considered whether it, or more properly its personnel, and any person linked to it:

- stands to make a financial gain or avoid a financial loss at the expense of any of its clients;
- has an interest in the outcome of a service provided to any client or of a transaction carried out on behalf of any client, which is distinct from the client's interest in that outcome;
- has a financial or other incentive to favour the interest of another client or group of clients above the interests of you;
- carries on the same business as you;
- receives or will receive from a person other than a client an inducement in relation to a service provided to any client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Hawksmoor maintains a Register of identified conflicts, together with details of its systems and controls for minimising the material risk of damage to the interests of its client(s). Hawksmoor considers that, as a consequence of these steps, that all such conflicts are adequately addressed. Details of the Register are available from Hawksmoor upon request and can also be found on the Hawksmoor website.

5. CUSTODY OF YOUR INVESTMENTS

Hawksmoor entrusts the custody of the holdings in its clients' portfolios to a specialist third party provider of such services, in your case Pershing Securities Limited (PSL). PSL is a wholly-owned subsidiary of Bank of New York Mellon, one of the largest providers of custody and settlement services in the world.

This means that, for regulatory reasons, PSL's name appears on some of our documents and forms.

PSL's Terms and Conditions are set out below at section B.

6. DISTRIBUTIONS FROM YOUR PORTFOLIO

We can make income distributions direct to your bank account from the portfolio on either a six-monthly, quarterly or monthly basis in one of two ways:

- **‘Sweep’**: at the end of the chosen period, we can simply sweep out any income on the portfolio’s income account accumulated during the period;
- **‘Fixed’**: at the end of the chosen period, we will pay an agreed fixed sum (usually, but not necessarily, based on the portfolio’s projected annual income). To make up that sum, we will look first to the cash on the ‘Main’ (i.e. non-ISA) part of the overall portfolio. If there is insufficient cash there to make up the required sum, we will look to the cash on the ISA part of the portfolio (if the portfolio has one) to make up the difference. Only if there is still not enough will we look to raise cash from selling or trimming the holdings on the portfolio.

If you choose the ‘Fixed’ method, you need to be aware that drawing more than the projected annual income from the portfolio could erode the capital value of the portfolio and its capacity to maintain the same level of income in future.

Where you choose the ‘Sweep’ method, the dividend and interest income from the portfolio’s underlying holdings is received into a separate income account. Where you choose the ‘Fixed’ method, the income is received into the portfolio’s capital account, though it is still clearly identified as income on the Cash Statements and Tax Report.

Our custodian makes all income distribution payments by BACS (ie, direct transfer to your designated bank account). ‘Sweep’ payments are usually made on the last Friday of the month: ‘Fixed’ payments are usually made on the 25th of each month or the next working day thereafter. BACS payments usually take 3 working days to clear, so the income payment should usually appear in the bank account at any time from a few days before to a few days after the first day of the new month.

Alternatively, you may instruct us to retain and accumulate any dividends or interest received into the portfolio. In this case, as it is received it will be added to the cash on the portfolio. Once a sufficient amount has been accumulated, it will be used to buy a new holding or to add to any existing one.

7. COMMUNICATING WITH YOU

We will communicate with you and receive instructions from you via e-mail, letter, fax and telephone.

However, where you instruct us to do something less routine (such as to send cash in addition to any regular income distributions to your bank account or to someone else, to liquidate some or all of the portfolio, to transfer some holdings to someone else, etc) we will ask you to confirm your instructions by letter or e-mail. We may also ask you to verify your identity before carrying out the instructions.

Once you have returned to us a signed Account Application Form and have provided us with any necessary Anti-Money Laundering documents, we will open your Hawksmoor investment account. Soon after this, you will receive a letter confirming various regulatory matters and your instructions to us for the management and operation of the portfolio.

Thereafter you can receive the various regular statements and reports on the portfolio that are described below. You can indicate which you would like to receive in the tick-boxes on the Account Application Form. Most of our clients choose to dispense with, for example, contract notes at the time of transactions and quarterly cash statements (details of these for the previous period are included in your periodic Report & Valuation).

Statement/Report	Description	Frequency
Report & Valuation*	A formal valuation of the overall portfolio, including performance statistics, capital & income transactions, corporate actions and details of sales and purchases.	Six monthly (as at 5th April & 5th October). If you require this on a quarterly or some other basis, we will happily do so, but we may need to make an extra charge for this.
Cash Statement	A statement of cash 'ins & outs' on all your investment accounts with Hawksmoor.	Quarterly.
Custody Statement	A list of the holdings held on your behalf by PSL (in their nominee company 'Pershing Nominees Ltd'), including cash balances.	Annual (November).
Tax Report	For taxed accounts, a Consolidated Tax Voucher in respect of income and a Capital Gains Tax Report for sales in the previous Tax Year. These can be sent direct to your accountant or tax adviser if you wish. It will only contain information since Hawksmoor took over the management of the portfolio, so in the first year you may need to refer to other sources for information on the earlier part of the year.	Annual (May).
Contract Note	A record of the details of a sale or purchase on the portfolio. Alternatively, this information is included in the periodic Report & Valuation.	Either in the Report & Valuation or <i>(if selected)</i> whenever we carry out a transaction on the portfolio.

* We will always at least send you the six-monthly Report & Valuation.

Some of the above statements & reports may be sent to you direct from PSL rather than from Hawksmoor.

You can also view your portfolio at any time via a user name/password protected portal on our website. Please ask us for details of how to access this service.

8. HOW WE TAKE THE MANAGEMENT FEES

The Annual Management Fees are calculated on the basis of the portfolio's value (including cash) at the closing market prices on the last day of March, June, September and December each year. The fees are chargeable quarterly in arrears at one quarter of the annual rate on the portfolio's value on the relevant valuation date and are deducted from the portfolio in the course of the following month. The first annual management fee will be charged pro rata from the date we receive the cash for your portfolio or the holdings are transferred to our custodian. With individuals' portfolios (as opposed to trusts, etc), we will always look to take our management fees for the overall portfolio, including for the ISA part, from the 'Main' (i.e. non-ISA) part of the portfolio. This maintains as much as possible of the portfolio in the tax-efficient environment of the ISA. However, we may also, at our discretion, take fees in respect of the Main part of the portfolio from the ISA part of the portfolio (for example, where the ISA part of the portfolio is too small for a sensibly-sized single holding on the portfolio, we will use the ISA as a source of cash to pay the fees in respect of the overall portfolio). Also, if there is insufficient cash (or assets from which we wish or are readily able to raise cash) available in the Main portfolio, we will take our fees from the ISA part of the portfolio. In each case, the necessary cash will be transferred out of the ISA and into the 'Main' part of the portfolio, from where the overall fee will be taken.

Aggregated 'Family' Management Fees

Family portfolios (e.g. Husband & Wife, Personal & SIPP, Personal & Lifetime Settlement) may be aggregated in a 'Family Group' for fee-charging purposes, provided they are subject to the same annual management fee structure (either Standard Fee-Only or Fee-and-Dealing Charge). Portfolios in a Family Group are aggregated and charged as if they were one large portfolio, with the total management fee apportioned between the individual portfolios on a pro rata basis. Each individual portfolio can therefore avoid the minimum Annual Management Fee that might otherwise apply.

Fees on Termination

If you terminate your agreement with us, we will charge our management fee pro rata to the date you notify us in writing of termination.

In the event of your death, we will continue both to manage the portfolio according to your Risk Category and Investment Category and to charge our fees as normal until your Personal Representatives either sign a new agreement with us or they instruct us to liquidate or transfer the portfolio. In either case, the date of termination for fee calculation will be the date (i) of any new signed agreement or (ii) that we receive the Personal Representatives' written instructions to liquidate or transfer.

9. INDIVIDUAL SAVINGS ACCOUNTS ("ISAs")

We only offer a Stocks-&-Shares ISA, but can accept the transfer of both Stocks-&-Shares and Cash ISAs into your Hawksmoor portfolio. Cash ISAs will automatically become Stocks-&- Shares ISAs once they are transferred to us.

We can also use your annual Stocks-&-Shares ISA allowance each year, either within the portfolio or by you subscribing fresh cash. If you are an Individual client with ISAs, and you have completed an ISA Application Form, a reminder notice will be sent to you early each tax year so that you can confirm that you wish us to use some or all of your annual ISA allowance for that year.

You can open a Cash ISA with another manager in addition to a Hawksmoor ISA, but between the two you may not exceed the overall annual subscription limit.

10. PORTFOLIO SIZE AND APPROPRIATE SERVICE

The Ethical Portfolio Management Service is most appropriate for portfolios of a minimum size of £50,000. Portfolios of less than this are unlikely to be able to achieve sufficient diversification of holdings.

Please see our separate document: *Guide To The Ethical Portfolio Management Service*.

11. RISK NOTICES

There are certain Risk Warning Notices as follows that we are required by the FCA to bring to your attention, as follows:

a) **Warrants Risk Warning Notice**

This notice is provided to you as a retail client, in compliance with the rules of the Financial Conduct Authority (FCA). Retail clients are afforded greater protections under these rules than other customers are and you should ensure that your firm tells you what this will mean to you. This notice cannot disclose all the risks and other significant aspects of warrants. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position.

Although warrants can be utilised for the management of investment risk, some of these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points.

i) **Warrants**

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile.

It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined timescale then the investment becomes worthless.

You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a “covered warrant”).

ii) **Commissions**

Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

iii) **Suspensions of trading**

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

iv) **Clearing house protections**

On many exchanges, the performance of a transaction by your firm (or third party with whom he is dealing on your behalf) is “guaranteed” by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the customer, and may not protect you if your firm or another party defaults on its obligations to you. On request, your firm must explain any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange.

v) **Insolvency**

Your firm’s insolvency or default, or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash. On request, your firm must provide an explanation of the extent to which it will accept liability for any insolvency of, or default by, other firms involved with your transactions.

b) Stabilisation warning notice

This notice is provided to you as a retail client, in compliance with the rules of the Financial Conduct Authority (FCA).

We or our representatives may, from time to time, recommend transactions in securities to you, or carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise it.

You should read the explanation below carefully. This is designed to help you judge whether you wish your funds to be invested at all in such securities and, if you do, whether you wish:

- to be consulted before we carry out any such transaction on your behalf; or
- to authorise us to carry out any such transaction on your behalf without first having to consult you.

What is stabilisation?

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The FCA allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to the market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back the securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

The Stabilisation Rules:

- limit the period when a stabilising manager may stabilise a new issue;
- fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and
- require Hawksmoor to disclose that he may be stabilising but not that he is actually doing so.

The fact that a new issue or related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

c) Investment Trust Risk Notice

The FCA requires us to bring to your attention the risks attendant with investing in some types of Investment Trust, particularly those with 'gearing'.

Some trusts can take out loans and, in addition to their own assets, use this borrowed money to invest. This process is called gearing. If the Trust's investment decisions are right, the gearing increases the return to investors in that Trust. But, conversely, if the decisions are wrong, the gearing will exacerbate the loss as the Trust will suffer losses not just in respect of its own funds but also in respect of the money it has borrowed.

Also, some Investment Trusts invest in other Investment Trusts and these trusts may in turn have gearing. These 'cross holdings' in other trusts can make such a Trust doubly exposed to gearing.

Therefore, particularly where both the Trust itself and some or all of the underlying investments have gearing, there is a possibility that price fluctuations in the underlying holdings may lead to significant fluctuations in the Trust's own share price, putting the capital invested in such a trust at risk.

In investing and managing your portfolio, we may include holdings in investment trusts, including those with gearing.

SECTION B: CUSTODIAN'S TERMS AND CONDITIONS OF BUSINESS

These Terms of Business have been prepared by Pershing Securities Ltd ("PSL") and Pershing (Channel Islands) Ltd ("PCI"), and cover the terms under which they will provide their services to you.

PCI acts as your Custodian instead of, or in addition to, PSL). Where PCI is your Custodian reference to the FCA and FCA Rules should be taken to be reference to the JFSC and JFSC Rules.

1. RELATIONSHIP BETWEEN YOU, US AND PERSHING

1.1 To help us provide our services to you we have entered into contracts with PSL and PCI under which PSL and PCI provide **clearing and settlement, safe custody** and other associated services to you ("the Pershing Contracts") in order to settle 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 Contracts. The Pershing Contracts covers both us and you as one of our clients. Please note that any terms set out in bold in these Terms of Business are described further in the Glossary which is set out in Annex 1 to these Terms of Business.

1.2 PSL is a company registered in England, company number 2474912. It is a wholly owned subsidiary of The Bank of New York Mellon Corporation. Its registered office is at Royal Liver Building, Pier Head, Liverpool, Merseyside L3 1LL. PSL is authorised and regulated by the Financial Conduct Authority ("FCA") which is located at 25 The North Colonnade, Canary Wharf, London E14 5HS. PSL is also a member of the London Stock Exchange ("LSE"). PCI is a company registered in Jersey, company number 107773. It is a wholly owned subsidiary of The Bank of New York Mellon Corporation. Its registered office is at 5 St Andrew's Place, St Helier, Jersey, Channel Islands, JE4 9RB. PCI is regulated by the Jersey Financial Services Commission (the "JFSC") for the conduct of investment business. Unless otherwise stated, reference will be made to PSL with respect to the services provided by PCI (where

1.3 So that you can understand your rights and obligations in relation to the Pershing Contracts, the main terms of the Pershing Contracts which affect you are summarised below. If you have any questions about the Pershing Contracts or these Terms of Business 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.

1.4 By accepting these Terms of Business, you agree that:

- (a) we are authorised to enter into the Pershing Contracts on your behalf, acting as your agent;
- (b) 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 the Agreement and the Pershing Contracts;
- (c) we may give instructions to PSL on your behalf as allowed by the Agreement and the Pershing Contracts and may provide information about you to PSL in connection with such instructions. 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.

1.5 When you read these terms, it is important you understand that you will be a client of ours, and you will also become a client of PSL for settlement and safe custody purposes.

- 1.6 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, following your instructions or 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) providing any investment advice to you or 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.
- 1.7 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, PSL does so relying on the instructions and information we provide and is only responsible for following those instructions.

2. CLIENT CLASSIFICATION AND THE ROLES AND OBLIGATIONS OF PEOPLE ACTING TOGETHER OR FOR ONE ANOTHER

- 2.1 For the purposes of the rules of the Financial Conduct Authority (“FCA Rules”), you will be classified as either a retail client, professional client or an eligible counterparty. PSL will rely on information received from us 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.
- 2.2 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.



3. YOUR ACCOUNTS WITH PSL

- 3.1 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.
- 3.2 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 (but not limited to):
- (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 we are in material breach of the terms of the Pershing Contracts, and we fail to rectify the position. In such circumstances, you could then be in material breach of these Terms of Business if you subsequently fail to meet any resultant payment for or delivery of securities obligation to PSL;
 - (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.

4. COMMUNICATION AND INSTRUCTIONS

- 4.1 PSL will only accept instructions for your accounts from us and not directly from you.
- 4.2 PSL may rely on and act on any instructions which PSL in good faith believes were given by us. 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.

- 4.3 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 paragraphs 3.2(a)-(e) 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.

- 4.4 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.
- 4.5 All communications whether written, spoken, electronic or in any other form between you, us and/or PSL shall be in English.

5. DEALING

- 5.1 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.
- 5.2 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.

5.3 PSL will provide dealing or execution services on the following basis (please note that this service is not available from PCI):

- (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 in PSL's website at www.pershing.co.uk 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 Appendix 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, either send us a contract note or provide

us with the information we require in order to produce a contract note, or as otherwise agreed between PSL and us in accordance with FCA Rules. 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.

6. SETTLEMENT OF TRANSACTIONS

6.1 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.

6.2 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 **security interest**, 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.

6.3 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.

- 6.4 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 we have performed our 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 us for any such cash or investments until we have performed our obligations and the transaction has been settled. Until that has happened, PSL is entitled, without giving us and/or 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.
- 6.5 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 us or you to give back or redeliver the cash or investments or their equivalent.
- 6.6 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.
- 6.7 If a transaction is undertaken on your behalf on non-UK markets, the specific provisions set out in Annex 3 shall apply.
- 6.8 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.

7. CLIENT MONEY

- 7.1 Rules when these apply to the money. This means, amongst other things, that PSL will hold your money in a client money bank account which is an account kept separate from PSL's own funds.
- 7.2 When considering where that client money 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. 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.
- 7.3 When PSL holds your money in a client money 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.
- 7.4 If PSL holds money which is not immediately required to settle an investment transaction, such money will be held in accordance with the provisions of this clause 7.

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 11 and 12.3), will be determined by PSL and 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 (unless the amount falls below a threshold amount agreed between PSL and us in which case the amount might be credited only at the next credit interest run). 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. If the money management fee is higher than the relevant central bank base rate then an appropriate charge in the form of debit interest will be charged for that cash.

- 7.5 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 after a period of 6 years, 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. PSL will only do this after it has taken reasonable steps to trace you and return any balance to you.
- 7.6 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.
- 7.7 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.
- 7.8 PSL may use a bank which is affiliated to PSL to hold client money on your behalf.

8. CUSTODY AND ADMINISTRATION OF YOUR INVESTMENTS

- 8.1 Subject to clause 8.2, 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.
- 8.2 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.
- 8.3 If your investments are held overseas the provisions of Appendix 3 shall apply.
- 8.4 When your investments are held by a depository or an **Eligible Custodian**, such depository or **Eligible Custodian** may have rights against your investments, which may include:
- (a) security rights over them including but not limited to a **security interest**, 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.
- 8.5 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 consent to the following:
- (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 hereby consent to such use. 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 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.

8.6 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.

8.7 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 (unless otherwise agreed between you and us).

8.8 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).

8.9 If any notification is given to you pursuant to clause 8.7 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.

8.10 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.

8.11 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 including any costs incurred by PSL or the **Eligible Custodian** from any such payments. If you are eligible to reclaim any such withholdings or deductions then this will be your responsibility and not ours, PSL’s or an **Eligible Custodian’s**, to do so.

8.12 PSL will send you safe custody statement in the form and frequency required under FCA Rules showing the investments and cash balances it holds for you, reported on a settlement date basis (or on such other basis as stated in the statement itself).

8.13 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 3.2 of these terms 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.

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

9. CONSEQUENCES OF DEFAULT

9.1 In the unlikely event that we fail to meet our obligations, then you will be responsible for paying cash or delivering investments (as relevant) when due to meet any settlement obligations. In such circumstances it is important that you respond promptly and **Time shall be of the essence** with respect to your obligations to make delivery or payment. If we and subsequently you then fail to meet such settlement obligations as set out in these Terms of Business 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 9.

9.2 In such circumstances, 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.

9.3 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.

9.4 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.

9.5 Where PSL exercises its rights to use your cash or dispose of your investments under clause 9.3 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).

9.6 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.

9.7 In exercising its rights under these Terms of Business 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.

9.8 The provisions in this clause 9 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.

10. LIMITS ON PSL'S LIABILITY TO YOU AND INDEMNITIES YOU GIVE TO PSL

10.1 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 reputation nor (where you are a business) for any loss of business.



10.2 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, and in advance of any breach occurring in the proper performance of PSL's duties.

10.3 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 of Business;
- (c) default or failure by us and/or 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 us 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.

10.4 You will not be liable to indemnify PSL under this clause 10 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.

10.5 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, taking reasonable measures expected of a prudent provider of services under both the Pershing Contracts and these Terms of Business. This includes (but is not limited to) any failure of any third party communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data from a Data Provider; 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.

10.6 The provisions in this clause 10 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.

11. CHARGES

11.1 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 our charging schedule as notified to you 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 9 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.

12. PSL'S CONFLICTS OF INTEREST

12.1 PSL, its associated group companies (associates) or nominees may provide services or enter transactions under these Terms of Business 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
- (c) is the financial adviser to the issuer of the relevant investment; or

- (d) is otherwise connected to the issuer of the investment to which any instructions relate.
- 12.2 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.
- 12.3 PSL may place money held for your account with a bank or other financial institution (in accordance with the FCA rules) and retain some or all of the earned interest from that bank or financial institution.
- 12.4 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 under the heading of "compliance disclosures" (a hard copy is available on request from us).
- 12.5 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.
- (b) over 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.
- 13.3 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, solely for the provision of the services under these Terms of Business, 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.
- 13.4 PSL will not sell, rent or trade your personal information to any third party for marketing purposes.

13. DATA PROTECTION AND CONFIDENTIALITY OF INFORMATION

- 13.1 PSL may store, use or otherwise process personal information about you which is provided by 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 and Jersey respectively, PSL and PCI operate and have made all the appropriate notifications in accordance with applicable data protection legislation.
- 13.2 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 of Business. 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
- 13.5 You should note that by signing or otherwise accepting these Terms of Business 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.
- 13.6 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 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.



14. COMPLAINTS

14.1 If you have a complaint you should notify us in the first instance. If however, your complaint concerns an aspect of the service provided to you by PSL or PCI and you also wish to copy your complaint to PSL or PCI directly copies should be sent either to:

- (a) The Compliance Officer
Pershing Securities Limited
One Canada Square
London
E14 5AL

Or

- (b) Pershing (Channel Islands) Limited
5 St Andrews Place,
St Helier,
Channel Islands
Jersey JE4 9RB

Attention: the Compliance Officer

14.2 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 (or the JFSC for PCI). A leaflet detailing the procedure is provided in our or PSL's final response.

15. AMENDMENT

15.1 PSL reserves the rights to alter these Terms of Business 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. GENERAL

16.1 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.

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

16.3 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.

16.4 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	For the purposes of these Terms of Business only, means any day on which the London Stock Exchange is open for trading and which is not a public holiday in Jersey (with respect to services provided by PCI)
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 nominee company) who PSL selects under the FCA Rules to register your investments with.
JFSC Rules	The Financial Services (Jersey) Law 1998, the Codes of Practice for Investment Business issued by the JFSC, the Financial Services (Investment Business (Client Assets)) (Jersey) Order 2001, the Policy Statement and Guidance Notes on Outsourcing issued by the JFSC and any other applicable Jersey laws and regulations.
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 Relevant Party 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, CCP, 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 nominee company on your behalf.
Security Interest	A "security interest" as defined in the Security Interests (Jersey) Law 2012
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	This term is relevant to you where we have failed to meet our obligations to PSL on your behalf and means in relation to any payment, delivery or other obligation you have to PSL (which remains outstanding) 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

otherwise deemed necessary by PSL under the rules, requirements and procedures of the market or the **CCP**.

1.1 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.

1.2 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.

1.3 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

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 depository 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

3.1 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.

- 3.2 PSL will exercise due skill, care and diligence in the selection, appointment and periodic review of any **Eligible Custodian** it appoints 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.
- 3.3 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.

APPENDIX A: INFORMATION ON PERSHING SECURITIES LIMITED'S ("PSL") EXECUTION POLICY

Introduction

In accordance with regulatory requirements set out by the Financial Conduct Authority ("FCA"), we are required to provide clients with information about the steps we take to obtain the best possible result where we are executing their order. These are set out in our 'Execution Policy', a summary of which is set out in PSL's website at www.pershing.co.uk under 'compliance disclosure'. Hawksmoor will provide a paper copy of the latest version of the PSL Execution Policy on request.



APPENDIX B: CONFLICTS POLICY – PERSHING SECURITIES LIMITED

CONFLICTS OF INTEREST DISCLOSURE (SYSC 10.1.8)

In accordance with regulatory requirements, we have taken reasonable steps to identify conflicts of interest that exist, between Pershing and its clients or between one client and another.

We have also reviewed the organisational and administrative arrangements in place to manage such conflicts and are of the view that, save for the matters outlined below, they are sufficient to ensure with reasonable confidence, that risk of damage to clients' interests will be prevented.

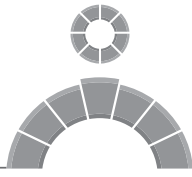
From our Conflicts of Interest Policy, we have identified the following areas where we are not certain that we can manage the conflict (or potential conflicts) fully and thus we hereby advise our clients of this fact. The general nature and/or source of these conflicts are:

- Pershing provides integrated execution, clearing, settlement and custody services to a number of financial services organisations and therefore has potentially competing client interests.
- Pershing holds positions and/or provides transactional related services for more than one client and such clients may have competing objectives in relation to a position or transaction.
- Pershing entities may enter into a transaction in relation to which Pershing has indirectly or directly, a material interest or relationship.
- Pershing may combine orders received from one client with those received for the accounts of other clients (and exceptionally may combine with its own orders). Such aggregation may operate on some occasions to a client's advantage and on some occasions to their disadvantage. Where orders have been aggregated, they will be allocated out to clients on a pro-rata basis.
- Pershing may pass orders to an affiliated company for execution. This will, however, be done in accordance with its Execution Policy.
- Where Pershing exercise a right to vote in relation to a corporate action, it will do so in accordance with clients' instructions and these may reflect competing interests.
- Pershing may place money held on behalf of clients and/or their underlying clients with a bank (in accordance with the relevant regulatory requirements) and earn and retain interest payments from such bank. The client money so held may be placed in term deposits of varying duration with such banks.
- Pershing's non UK entities (PSIL & PCI) may receive payments from fund managers in connection with the provision of services to fund managers through Pershing Nexus Funds. These payments will be made by fund managers to Pershing at a rate which is agreed between the fund manager and Pershing which is calculated by reference to the Annual Management Charge (or "AMC") levied by the fund manager (but is not part of that charge). These arrangements will not affect the price that the investor/intermediary pays for investment in such funds. The amount payable to Pershing will vary from fund to fund. On a typical investment fund with an AMC of between 1 % and 1.50%, Pershing would receive a payment of between 0.5% to 0.75% from the fund manager, of which between 0.15% and 0.25% is retained to cover Pershing's fees for the service. The balance will be paid to the investor/intermediary cash account depending on the arrangements between investor and intermediary. In each case, the amount Pershing is paid will be determined by calculating [rate agreed] x [value of the units held in the relevant fund by Pershing] for each month. Further details are available on request.
- Pershing may have other business relationships with a company in relation to whose securities you are entering into a transaction e.g. as a client, supplier, custodian or banker.
- As a result of Pershing's relationships with its customers and with customers across the Bank of New York Mellon Corporation ("BNYM") Group, there may be circumstances in which we are unable to execute transactions with or for clients, in relation to particular counterparties or in particular investments and we shall not be obliged to disclose the reason why or provide any further information thereto.

- It is possible that an affiliate and member of BNYM Group may have a material interest or a conflict of interest in the service or transactions we carry out with or for you. While there may be some cross-board memberships, the day-to-day management of Pershing act independently.
- In carrying out Pershing's business, employees may learn confidential or proprietary information about its clients, their underlying clients, prospective clients and underlying clients or other third parties. Employees are required to maintain the confidentiality of all such information entrusted to them, except where disclosure is otherwise authorised or legally mandated. Further, employees are not permitted to use such information for their personal gain.
- Pershing employees are not permitted to trade in the shares of its clients unless the client's shares are widely traded on a regulated market and where the service provided by Pershing represents a very small fraction of the client's total business.
- Pershing employees are required to disclose and in most cases must obtain approval for any outside business interest or employment.

This conflicts disclosure is not intended to, and does not, create rights or duties that would not exist if the disclosure had not been made available, nor does it form part of any contract between Pershing entities and any Client.





HAWKSMOOR

INVESTMENT MANAGEMENT

For further information on any of our services, or to arrange a meeting with an investment manager, please call one of our offices.

You can also find more information on Hawksmoor, our services and full contact details on our website at www.hawksmoorim.co.uk

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2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter EX1 3QS. Company Number 6307442 Hawksmoor Investment Management Limited is authorised and regulated by the Financial Conduct Authority

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