

## 1) NOVUM SECURITIES LIMITED

1.1 Novum Securities Limited (“Novum Securities”, “we” or “us”) is registered in England and Wales as company number 5879560. Its registered address and principal place of business is Lansdowne House, 57 Berkeley Square, London W1J 6ER. Tel +44 (0) 20 7399 9400 email [enquiries@novumsecurities.com](mailto:enquiries@novumsecurities.com). Novum Securities is authorised and regulated by the Financial Conduct Authority (FCA), 12 Endeavour Square, London E20 1JN and is a member of the London Stock Exchange and a member of the Aquis Stock Exchange.

## 2) COMMENCEMENT

2.1 This Agreement sets forth the terms and conditions to all transactions between you and Novum Securities to the exclusion of any other terms which might otherwise apply by virtue of any previous course of dealings.

2.2 This Agreement shall take effect as of the date on which Novum Securities commences business with you. By conducting business with us, you will be deemed to have agreed and accepted this Agreement, which will therefore become legally binding on you.

## 3) OUR SERVICES

We will provide the following brokerage services for or on behalf of clients:

- 3.1 Executing as principal transactions in securities, units or interests in collective investment schemes and such other investments which we may determine from time to time;
- 3.2 Executing as agent transactions in securities, derivatives (which shall include futures, options, contracts for differences, spread bets, rolling spot forex contracts) and such other investments which we may determine from time to time;
- 3.3 Arranging transactions in investments which we may determine from time to time; collectively referred to as “Client Business” in this Agreement.
- 3.4 For Client Business, Novum Securities reserves the right, where it considers it appropriate to appoint a settlement agent, clearer and/or custodian (each a “Clearing Agent”). Where we do so, you agree that you will be, and at all times remain liable to the Clearing Agent as principal in relation to any transactions which are to be performed under these terms. You agree that the terms of Schedule 1 of this Agreement will be binding on you and may be directly enforced against you by such Clearing Agent. Where Novum Securities is using the Services of Global Prime Partners Limited ‘GPP’ as the Clearing Agent for your Client Business then the provisions of Schedule 5 shall apply (the “Supplemental Agreement”). Where a Supplemental Agreement applies, it shall govern the relationship between you and the Clearing Agent and to the extent there is any inconsistency between this Client Agreement (including Schedules 1 to 4) and the Supplemental Agreement, the latter shall prevail.
- 3.5 We will also execute as principal transactions on our account with counterparties in such investments which we may determine from time to time (“Market Business”). Where we undertake Market Business with you as counterparty you acknowledge and agree that we are not executing transactions on your behalf.
- 3.6 You will enter into all transactions as principal unless otherwise agreed in writing by us. Where we agree to you acting as agent for or on behalf of any other person, you agree that the terms of Schedule 2 of this Agreement will be binding and enforceable on you.
- 3.7 We may, at our entire discretion, arrange for any transaction to be effected with or through the agency of an intermediate broker, who may be an affiliate of ours, and may not be in the United Kingdom. Neither, we nor our respective directors, officers, employees or agents will be liable to you for any act or omission of an intermediate broker or agent. No responsibility will be accepted for intermediate brokers or agents selected by you.

## 4) EXECUTION SERVICES

- 4.1 We deal with you on an execution-only basis and will not make personal recommendations or advise you on the merits or suitability of purchasing, selling or otherwise dealing in particular investments or executing particular transactions, their legal, tax, accounting or other consequences or the composition of any account or any other rights or obligations attaching to such investments or transactions. You should bear in mind that merely explaining the terms of a transaction or investment or its performance characteristics does not itself amount to advice on the merits of the investment. If you consider that you have been provided with investment advice, you acknowledge that it is given without authority and you should not rely on it.
- 4.2 Where we do provide general trading recommendations, market commentary, guidance on shareholding disclosure or other information:
- 4.3 This is incidental to your dealing relationship with us. It is provided solely to enable you to make your own investment decisions and does not amount to a personal recommendation or to advice;
- 4.4 We give no representation, warranty or guarantee as to the accuracy or completeness of such information or as to the legal, tax or accountancy consequences of any transaction;
- 4.5 Where information is in the form of a document containing a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, you agree that you will not pass it on contrary to that restriction.

## 5) RESEARCH

5.1 Novum Securities does not provide research services.

## 6) CLIENT CATEGORISATION

- 6.1 We shall separately notify you of your client classification.
- 6.2 In certain circumstances you may request a different classification to the one we give you. Where we have classified you as a Professional Client pursuant to your request you will lose the protections afforded to Retail Clients (apart from those also provided to Professional Clients) under FCA Rules. These are summarised in Schedule 3 of this Agreement. You hereby agree that you will lose any right to bring a claim for damages against us for a breach of any such protections where you are classified as a Professional Client pursuant to your request.
- 6.3 Where you are classified as an Eligible Counterparty pursuant to your request you will lose the protections afforded to Professional Clients (apart from those also provided to Eligible Counterparties) under FCA Rules. You hereby agree that you will lose any right to bring a claim for damages against us for a breach of any such protections where you are classified as an Eligible Counterparty pursuant to your request.

6.4 Novum Securities will only permit re-classifying elective professionals as eligible counterparties if they fall under the categories as defined in Article 71 of the MiFID II Delegated Regulation. These include entities which are required to be authorized or regulated to operate in the financial markets, large undertaking which meet certain size requirement and national and regional governments.

## **7) RISK WARNINGS**

7.1 At Schedule 4 of this Agreement you are provided with a General Risk Disclosure Notice in compliance with FCA Rules. The General Risk Disclosure Notice sets out the particular investment risks of investing in complex investments. Your execution of this Agreement will be treated as your informed acknowledgment that you have carefully read and are prepared to accept the risks outlined in the General Risk Disclosure Notice. If there is anything you do not understand it is recommended that you seek specialist independent financial and/or legal advice, in particular, regarding the suitability of complex investment trading.

## **8) YOUR ACCOUNT**

8.1 Account holders will be liable, joint account holders will be jointly and severally liable. We may discharge our obligations to make any payment or accounts to all such holders by making such payment or account to any one or more of them. Where your account is set up as a Joint Account, we are authorised to act on the instructions of any one owner, without enquiry, with regard to trading in the account and the disposition of any and all assets in the account.

8.2 Partners of a partnership will be jointly and severally liable and we may discharge its obligations to make any payment or account to all such holders by making such payment or account to any one or more of them.

8.3 Where accounts are held for companies and unincorporated associations, the Company or unincorporated association will be treated as the Customer and the directors of the Company or members of participants in an unincorporated association shall, to the extent they have assumed personal liability to the Customer also be personally liable for the liabilities and obligations of the Company or an incorporated association concerned.

8.4 Where accounts are opened by the trustees of any trusts the trustees will be treated as the Customer and shall be jointly and severally liable and we may discharge our obligations to make any payment or account to all such trustees by making such payment or account to any one or more of them.

## **9) OUR CHARGES AND EXPENSES**

Novum Securities is entitled to charge you:

9.1 Commission on any transactions executed by Novum Securities on your instructions at such rates as shall be determined by Novum Securities and notified to you (any such notification shall be deemed to be incorporated into, and form part of this Agreement). Commission is calculated according to the value ("ad valorem") on the consideration of each transaction, and is usually deducted from the sales proceeds of a transaction, or added to the total amount payable. In certain circumstances, commission may be charged separately. A flat rate minimum commission charge may apply on smaller transactions;

9.2 Such fees and charges as shall be notified to you in writing from time to time (and any such written notification shall be deemed to be incorporated into and form part of this Agreement);

9.3 Any out-of-pocket expenses incurred in the provision of services under this Agreement;

9.4 Any interest payable in accordance with clause 8;

9.5 Any applicable value added tax, duties or any charges levied by the relevant exchange or other investment bodies.

9.6 If you fail to pay any amount when due and payable to Novum Securities, we reserve the right to charge you interest on any such amount until the date payment is received by us at the effective cost to us of borrowing the due amount in the relevant money markets or commercial rate obtainable by us as determined by us in our absolute discretion. Interest will accrue on a daily basis and will be due and payable as a separate debt.

9.7 If we receive or recover any amount in respect of an obligation of yours in a currency other than that in which such amount was payable, whether pursuant to a judgement of any court or otherwise, you shall indemnify us and hold us harmless from and against any cost (including costs of conversion) and loss suffered by us as a result of receiving such amount in a currency other than the currency in which it was due.

9.8 You are responsible for all taxes (UK or foreign) that may arise in relation to a transaction, whether under current or changed law or practice. We shall have no responsibility for any of your tax liabilities, or for providing information or advice in respect of such liabilities and shall not be responsible for notifying you of a change in tax law or practice. In the event that we become liable to pay any tax on your behalf arising from or incidental to transactions executed by you with us you shall reimburse us on demand in full for the amount of such tax paid by us.

## **10) CONFLICTS OF INTEREST**

10.1 Your attention is drawn to the fact that when Novum Securities deals on your behalf, Novum Securities, or some other person or associate connected with them, may have an interest, relationship or arrangement that is material in relation to the transaction, investment or service concerned.

10.2 Without limiting the nature of such interests, examples includes where we or an affiliate could be:

Dealing in the investment, a related investment or an asset underlying the investment, as principal for our (or its) own account or that of someone else. This could include selling to you or buying from you and also dealing with or using the services of an intermediate broker or other agent who may be an affiliate;

Matching (e.g. by way of a cross) your transaction with that of another customer by acting on his behalf as well as yours;

Buying from you and selling immediately to another customer, or vice versa;

Holding a position (including a short position) in the investment concerned, a related investment or asset underlying the investment;

Quoting prices to the market in the investment, a related investment or asset underlying the investment;

Advising and providing other services to affiliates or other customers who may have interests in investments or underlying assets which conflict with your own.

10.3 You accept that we may:

Have interests which conflict with you interests or

Owe duties which conflict with duties which would otherwise be owed to you;

and you consent to our acting in any manner which we consider appropriate in such cases subject to Applicable Regulations.

- 10.4 We will comply with FCA rules, rules of any relevant regulatory authority, rules of a relevant market, all applicable laws and regulations as in force from time to time ("Applicable Regulations") binding on us, but we shall be under no further duty to disclose any interest to you, including any benefit, profit, commission or other remuneration made or received by reason of any transaction or any matching transaction.
- 10.5 We maintain arrangements which restrict access by our employees to information relating to areas of our business with which, and the affairs of clients with whom, they are not directly concerned. Accordingly, we shall not be required to have regard to or disclose to you or make use of any information which belongs to or is confidential to another client or to us or any Affiliate, and we may be unable to advise or deal with you in relation to particular investments without disclosing the reason for this.
- 10.6 Where a material connection exists between us and a connected broker, you hereby agree that you do not require us to give you notice of that.
- 10.7 We have a policy with respect to the management of conflicts of interest. As required by Applicable Regulations we maintain and operate arrangements to take all reasonable steps to prevent conflicts of interest (as defined by FCA rules) from causing damage or the risk of damage to your interests.
- 10.8 We shall not be obliged to disclose to you or take into consideration any fact, matter or finding which might involve a breach of duty or confidence to any other person, or which comes to the notice of any of our directors, officers, employees or agents but does not come to the actual notice of the individual or individuals dealing with you.
- 10.9 The relationship between you and us is as described in this Agreement. Neither that relationship, nor the services we provide nor any other matter, will give rise to any fiduciary or equitable duties on our part which would prevent or hinder us in doing business with or for you, acting as both market maker and broker, principal and agent, or in doing business with any affiliate connected clients and other investors whether for our own account, your account or for the account of any affiliate connected clients and other investors, and generally acting as provided in this Agreement.

## 11) INSTRUCTIONS AND DEALINGS

- 11.1 Unless otherwise agreed by us, orders for execution of transactions between you and us are to be given to us by telephone. Such orders will only be accepted by Novum Securities during specified hours which will be notified to you from time to time. You can only place an order by talking directly to a broker of Novum Securities. No message may be left and no orders may be placed using answer phone or voicemail facilities.
- Where we execute transactions:
- 11.2 We will not be obliged to execute a transaction unless there is sufficient cash or securities in your account to settle the transaction or sufficient collateral held in your account to settle the transaction;
- 11.3 We will not be obliged to execute any transaction if you are in default of any payment or delivery obligation owed to it or we have reason to believe that you will be unable or unwilling to settle the transaction once executed.
- 11.4 Once an order has been accepted for immediate execution by Novum Securities it may only be amended or withdrawn by agreement.
- 11.5 Novum Securities may rely on any instructions, commitments, notices or requests given or which purport or is believed in good faith to be given by you or on your behalf, whether such investments are oral or written. If you have authorised in writing anyone else to give instructions on your behalf, that other person should provide a specimen signature. Unless and until Novum Securities is notified in writing that the authority has been withdrawn, any action taken by Novum Securities in conforming with instructions given under such authority will be binding on you.
- 11.6 You expressly agree that we may contact you from time to time by telephone, fax, or otherwise without your express invitation and you consent to such contact believing it to be an essential part of the service we seek to provide.
- 11.7 Novum Securities may (in its absolute discretion) decline to accept any order or instruction or, having accepted it, refuse to act on it if it believes that the order or instruction concerned (or the consequences of it) is improper, unlawful or would (if executed) expose Novum Securities to financial or other risk.
- 11.8 You expressly agree that with respect to any transactions that we execute on your behalf that we may effect the settlement of the transactions, or instruct a Clearing Agent which acts on your behalf to effect the settlement of the transactions, with a clearing house, central counterparty or central securities depository on a net basis in accordance with the applicable terms of any netting service provided by such clearing house, central counterparty or central securities depository notwithstanding the possible disadvantage to your interests (for which we accept no responsibility or liability) in the event of a default by another client in relation to their transaction the settlement of which has been netted with a transaction we have executed on your behalf.

## 12) BEST EXECUTION & PUBLIC DISPLAY OF ANY LIMITS ATTACHED TO AN ORDER

- 12.1 Where we carry out Client Business, we shall execute transactions in accordance with our order Execution Policy, a copy of which is available on our website. Any updates to the Execution Policy will be published on the website. By signing the Novum Securities Application Form you are taken to have read, understood and consented to the Execution Policy. If you ask us to execute a transaction on your behalf after signing the Novum Securities Application Form you will be deemed to have agreed the contents of our order Execution Policy.
- 12.2 Where we carry out Market Business, we will not act on your behalf in relation to any orders. Rather we will act as market maker. We shall not owe you any obligations of best execution and do not agree to obtain the best possible price for you. In this regard, we are not obliged to comply with the FCA rules on best execution.
- 12.3 By signing the Novum Securities Application Form you acknowledge and agree that we shall not publish any limit order that you give us in relation to a security admitted to trading on a regulated market (as defined by FCA rules), unless agreed or unless we decide in our discretion that it is in your best interests to do so.
- 12.4 We may effect transactions for you in circumstances where the relevant deal is not regulated by the rules of an investment exchange. By signing the Novum Securities Application Form executing this agreement you acknowledge and agree that you have given us your prior express consent to execute such orders outside a regulated market or multi-lateral trading facility (as such terms are defined by FCA rules).
- 12.5 You acknowledge that we are entitled without notice to you to withhold or deduct amounts from any payments, dividends, interest or any other sums whatsoever due to you if we in our sole discretion determine that we are or may be required to do so under the laws, rules or regulations of any jurisdiction.

### 13) ON AND OFF-EXCHANGE AND GREY MARKET INVESTMENTS

13.1 The execution of orders on your behalf will be on execution venues in accordance with our order Execution Policy and to which you have consented by execution of this Agreement.

We may enter into transactions for or with you in:

Securities whose listing on a market is suspended, or the listing of or dealings in which have been discontinued, or which is subject to a market announcement suspending or prohibiting dealings; or

A grey market investment, which is an investment for which application has been made for listing or admission to dealings on a market where the investment's listing or admission has not yet taken place (otherwise than because the application has been rejected) and the investment is not already listed or admitted to dealings on another market.

We may decline to accept an order for execution of a transaction in investments identified at this clause 12 in our sole discretion. We may be unable to accept or execute such a transaction order for reasons including but not limited to restrictions imposed by Applicable Regulations or because there may be insufficient published information on which to base a decision to buy or sell such investments.

### 14) AGGREGATION OF ORDERS

14.1 Where we carry out Client Business we may combine your order with our own orders, orders of connected persons and orders of our customers. By combining your orders with those of other customers we must reasonably believe that we will obtain a more favourable price on your behalf than if your order had been executed separately. However, on occasions, aggregation may result in you obtaining a less favourable price.

### 15) WAREHOUSING

15.1 On occasions you may instruct us to work orders in certain securities, which may take more than 24 hours to complete. We are willing to accept such orders on the following basis:

Orders may be worked for a period up to a maximum of five consecutive days. This period must not include a Saturday or Sunday;

We will not send you contract notes in respect of each individual transaction, which is part of a series of transactions, executed over the period in order to achieve one investment decision or objective;

We will undertake to inform you regularly, on at least a daily basis, of the progress of the order, either orally or by email/facsimile, until the full order is completed or a contract note is rendered for the completed portion of the full order;

Orders may be cancelled by you at any time however you will be liable for all transactions executed up to the point at which we have acknowledged receipt of any such cancellation;

You will be liable for all transactions carried out under the arrangement set out in this agreement. If for any reason we are unable to fill the order in its entirety you will accept any transactions which form part of it.

### 16) CLIENT MONEY

16.1 Novum Securities does not hold "Client Money" in accordance with FCA Client Money Rules. Any money received from you or on your behalf will be immediately transferred to you or a third party on your instruction or in the course of effecting a transaction.

### 17) REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

17.1 You represent, warrant and undertake on a continuing basis that:

you have and will have, and are in compliance with, all necessary authorisations, consent, approvals, powers and authorities to enter into this Agreement and any transactions hereunder and to perform your obligations in respect thereof;

this Agreement constitutes a valid and binding obligation enforceable against you in accordance with its terms;

by entering into this Agreement, you are not in breach of any Applicable Regulations.

all cash, securities or other assets of any nature transferred to or held by us, or nominees and custodians for your account are your sole and beneficial property or are transferred to or held by us, or nominees and custodians with the legal and beneficial owner's unconditional consent and free of such owner's interest and, in any event, will be transferred to or held by us, our nominees and custodians free and clear of any lien, charge or other encumbrance;

you will not charge, assign or otherwise dispose of or create any interest in your own account;

this Agreement, each transaction and the obligations created under them both are binding upon you and enforceable against you in accordance with their terms (subject to applicable principles of equity) and do not and will not violate the terms of any regulation, order, charge or agreement by which you are bound;

unless you have informed us otherwise you act as principal and sole beneficial owner (but not as trustee) in entering into this Agreement and each transaction; any information which you provide or have provided to us in respect of your financial position or other matters is accurate and not misleading in any material respect;

you are willing and financially able to sustain a total loss of funds resulting from transactions;

if you are not resident in the UK, you are solely responsible for ascertaining whether any transaction entered into under this Agreement is lawful under applicable laws of the jurisdiction of your residence;

you will at all times obtain and comply, and do all that is necessary to maintain in full force and effect, all authority, powers, consents, licences and authorisations referred to in this clause;

you will use all reasonable steps to comply with all Applicable Regulations in relation to this Agreement and any transaction, so far as they are applicable to you or us;

upon demand, you will provide us with such information as we may reasonably require to evidence the matters referred to in this clause or to comply with any Applicable Regulations.

You agree to notify Novum Securities should any of the above cease to be true and accurate in any respect.

## 18) COLLECTIVE INVESTMENT SCHEMES

18.1 Novum Securities may offer brokerage services in relation to collective investment schemes. When dealing in collective investment schemes you authorise us (and, if so appointed, a Clearing Agent) to receive contract notes from the manager. You will not have any rights of cancellation under the Financial Services and Markets Act 2000 ("FSMA"), nor will we issue Key Features Documentation unless specifically requested by you.

18.2 We may execute transactions in units in unregulated investment schemes, upon your instruction.

## 19) YOUR OBLIGATIONS UNDER THE TAKEOVER CODE AND FSMA

19.1 This Agreement and all transactions are subject to Applicable Regulations so that:

If there is any conflict between this Agreement any Applicable Regulations, the latter will prevail; and

We may take or omit to take any action we consider necessary to ensure compliance with any Applicable Regulations and whatever we do or fail to do in order to comply with them will be binding on you.

19.2 If a market or stock exchange (or any person acting at the direction of, or as a result of action taken by a market or stock exchange) take any action which affects a transaction, then we may take any action which we, at our discretion, consider desirable to correspond with such action or to mitigate any loss as a result of such action. Any such action shall be binding on you.

19.3 In order to comply with its obligations under the Companies Act 1985 & 2006, FSMA, the FCA Handbook, the United Kingdom Listing Authority's Listing Rules, the City Code on Takeovers and Mergers, and any other Applicable Regulations (together the "Legislation") we may be required to make certain disclosures relating to your transactions, which may or may not include disclosing your identity. In addition to complying with its obligations under the Legislation, we may comply with any request for information regarding any transaction from the Takeover Panel, the FCA or any other relevant regulatory or governmental authority. You agree that such compliance does not cause us to breach any obligation of confidentiality which we owe to you pursuant to this Agreement.

19.4 Notwithstanding the foregoing, we neither have nor assume any responsibility for your responding and notification obligations with respect to major shareholdings or short sales under FSMA, the FCA Handbook, the City Code on Takeovers and Mergers or other Applicable Regulations.

## 20) CONTRACT NOTES AND STATEMENTS

20.1 Under normal circumstances, a contract note will be issued on the trade date or the next following business day.

20.2 We shall send you contract notes, advice notes or similar communications electronically or provide you with online access to these. By signing the Novum Securities Application Form you confirm your consent to receiving such communications electronically. You must notify us in writing if you wish to only receive such communications in hard copy rather than electronically.

20.3 As an execution-only customer we will not normally provide you with valuations though, where Novum Securities is executing contingent liability investments for you and there may be uncovered open positions, we will provide statements at suitable intervals and on request.

## 21) ANTI-MONEY LAUNDERING

21.1 All transactions dealt with by Novum Securities will be covered by statutory and other requirements relating to anti-money laundering (jointly "the Money Laundering Regulations") including, amongst others, the Money Laundering Regulations 2003, the Money Laundering Regulations 2007, the Proceeds of Crime Act 2002, the FCA Money Laundering Sourcebook and the Joint Money Laundering Steering Group (JMLSG) Guidance Notes for the Financial Sector as amended from time to time.

21.2 Where you are a regulated firm in a country with equivalence status (see Appendix D JMLSG Guidance Notes as amended from time to time) and place orders for execution on behalf of your clients (whether as principal or as agent), you undertake full responsibility for the identification procedures necessary under the Money Laundering Regulations in respect of any transaction you instruct with Novum Securities.

21.3 Clients (who are not regulated firms) should be aware that Novum Securities may make enquiries by reference to a credit reference agency to confirm the identity of each client (or other named individual as it sees fit), as well as require two pieces of identification such as a passport and utility bill as required by the Money Laundering Regulations.

21.4 If Novum Securities has reason to believe that a transaction is suspicious in its nature, it is the responsibility of Novum Securities to report the details of this transaction to the National Crime Agency and Novum Securities will not be able to notify you that such a report has been made.

## 22) LIABILITY

22.1 Neither Novum Securities nor its employees, agents, delegates or affiliates shall be liable for any loss (including any incidental, indirect or consequential loss) incurred or suffered by you or any other person under or in connection with this Agreement unless such loss arises from their negligence, wilful default or fraud as determined by a competent court in a formal non-appealable judgment. Novum Securities reserves the right to decline to execute any investment transaction for you, for any reason whatsoever.

22.2 Nothing in this Agreement (i) shall exclude or limit each party's liability for death or personal injury caused by that party's negligence; and (ii) purports to exclude or restrict any duty or liability owed by us to you under the Financial Services and Markets Act 2000 ("FSMA") or rules of the FCA which Novum Securities is not permitted to exclude or restrict. If there is any conflict between this Agreement and the FCA rules, the latter will prevail.

22.3 We assume no greater responsibility or fiduciary duty than that imposed by FCA Rules, Applicable Regulations or the express terms of this Agreement. Except as expressly provided in this Agreement, all conditions, representations and warranties by Novum Securities (express or implied, statutory or otherwise) are

excluded to the extent permitted by law including without limitation any implied warranties or conditions as to reasonable care and skill, quality or fitness for purpose.

- 22.4 You shall always inform Novum Securities of any breach of this Agreement and afford it a reasonable opportunity of correcting it.
- 22.5 Novum Securities will not be liable for the following loss or damage however caused and even if foreseeable by it;
- Loss of profits, loss of use of profits, business, revenue, goodwill or anticipated savings;
  - loss of or damage to your or a third party's data;
  - special, indirect or consequential loss;
  - loss arising from any claim made against you by a third party;
  - loss or damage arising from your failure to fulfil your responsibilities or any matter under your control or the control of a third party;
  - loss or damage arising from Novum Securities acting in accordance with your instructions or those of your officers, employees, agents or third parties engaged by you;
  - loss or damage arising from following statutory requirements or Guidance relating thereto, including but not limited to the Proceeds of Crime Act 2002.
- 22.6 Novum Securities shall not be held liable for any loss you may incur arising from any delay or change in market conditions before such transactions may be effected, whether caused by telecommunications failure, labour dispute, or any other reason, outside their control.
- 22.7 The value of your investments and the income arising therefrom, may decrease as well as increase. Novum Securities shall not be held liable for any loss incurred by you arising from changes in market conditions or market fluctuations.

### 23) EVENT OF DEFAULT

- 23.1 You confirm that in the event of us not receiving either cash or securities when due, in respect of any transaction which Novum Securities are to settle or execute or arrange or in the event of you not taking all such steps as may be necessary to secure the due and prompt execution and settlement of any such transaction or where we consider that you are in breach of this Agreement or where we have determined, in our sole discretion, that you have not performed (or where we reasonably determine that you may not be able or willing in the future to perform) any of your obligations to us or any Clearing Agent appointed pursuant to clause 3.4 of this Agreement or where you are in breach of any exchange, FCA or other regulatory requirement or an "Insolvency Event" occurs in relation to you or to any part of your group (where applicable) then this shall constitute an "Event of Default" and we may exercise our rights under clause 23 of this Agreement.
- 23.2 For the purposes of this Agreement an Insolvency Event shall be deemed to include any circumstances in which you or a member of your group becomes the subject of a petition for bankruptcy or winding-up, has a receiver or administrative receiver, administrator, liquidator, trustee in bankruptcy or analogous person appointed with respect to it or any of its assets, or proposes or enters into a scheme of arrangement or composition with its creditors. For the purposes of this clause 23, the actions contemplated by it shall be deemed to have occurred immediately before the occurrence of the insolvency event.
- 23.3 Upon the occurrence of an Event of Default:
- You authorise Novum Securities to set off, transfer or apply (without prior written notice) any indebtedness, liabilities or obligations of Novum Securities to you or any credit balance (whether or not due and payable) with respect to any transaction under this Agreement and any such interest on it in or towards the satisfaction of any indebtedness, liabilities or obligations or any sum that is due from you to Novum Securities in any respect whatsoever (whether or not expressed in the same currency and including, without limitation, any payment of fees or charges due to Novum Securities and payment pursuant to any indemnity). For the avoidance of doubt: any reference in this sub-clause to any indebtedness, obligations or liabilities shall include all indebtedness, obligations or liabilities of any nature, whether present or future, actual or contingent, several or joint, secured or unsecured; and Novum Securities is not obliged to exercise its rights under this clause, which are without prejudice to any other rights to which Novum Securities is otherwise entitled.
- 23.4 We may without notice treat any transactions in investments that is then outstanding as having been cancelled or terminated; and/or
- 23.5 We may without notice sell, charge, pledge, realise, borrow or otherwise deal with investments or other assets we or any Clearing Agents are holding for you on any terms we consider appropriate and the proceeds of any sale or realisation of such investments or other assets or any money from time to time held by us under this Agreement shall be applied towards the satisfaction of the liabilities you to owe to us to realise sufficient funds to cover any outstanding amount including interest; and/or
- 23.6 We may without notice close out, replace or reverse any such transactions, enter into any other transaction or take, or refrain from taking, such other action at such times and in such manner as we consider necessary or appropriate to cover, reduce or eliminate any loss or liability under or in respect of any contracts, positions or commitments.
- 23.7 The proceeds of sale (net of costs) will be applied in or towards the discharge of your liabilities and we will account to you for any balance. In the event that such proceeds are insufficient to cover the whole of your liabilities, including interest, you will remain liable for the balance.
- 23.8 We shall not be responsible for advising you about the investment merits of any transaction effected by Novum Securities pursuant to this clause, which shall be treated as an 'execution-only' order.
- 23.9 Neither we nor any agent or intermediary instructed by us shall be liable to you for any loss or liability or loss or profit or gain incurred or suffered by you or your agents in consequence of any exercise by us of any rights or remedy hereunder and any purchase, sale, transaction or other action may be undertaken by us at such price and on such terms as we shall in our absolute discretion determine.
- 23.10 In exercising its rights or remedies under this Agreement, the powers conferred by section 101 of the Law of Property Act 1925 shall be exercisable (as varied and extended by this Agreement). Section 103 of the Law of Property Act 1925 shall not apply to this Agreement.
- 23.11 In exercising any right or remedy pursuant to this clause 23, we are authorised to effect such currency conversions and enter into such foreign exchange transactions with, or on your behalf, at such rates and in such manner as we may, in our absolute discretion, determine.
- 23.12 You agree that we shall take a general lien or security interest over your investments held in safe custody, except in relation to any charges relating to the administration or safekeeping of those investments.

23.13 You grant to us an irrevocable authority to transfer investments, money or collateral and take such other action as we may, in our absolute discretion, consider necessary to protect our interests and you agree to ratify and confirm any documents executed or actions taken in exercise of such authority following an Event of Default.

## 24) INDEMNITY

24.1 You hereby irrevocably and unconditionally agree to indemnify or reimburse Novum Securities and our agents on demand, and keep Novum Securities fully and effectively indemnified (whether before or after the termination of this Agreement) from and against any and all acts, proceedings, claims, demands, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever which may be imposed on, incurred by or assessed against Novum Securities as a direct or indirect result of our acting under this Agreement including (without limitation) our entering into any transaction with or for you, our entering into an agreement with a Clearing Agent, or acting upon any instructions received from you, in respect of which you or any counterparty or bank do not make good and timely delivery or payment, or in relation to any transaction we arrange for you and which you do not duly settle.

## 25) FORCE MAJEURE

25.1 We shall not be in breach of our obligations under this Agreement if there is any total or partial failure of or delay in performance of their duties and obligations occasioned by any act of God, fire, act of government or state, war, civil commotion, insurrection, embargo, inability to communicate with market makers for whatever reason, failure or malfunction of any telecommunications or computer service, failure of any computer dealing or settlement system, prevention from or hindrance in obtaining any energy or other supplies, labour disputes of whatever nature, late or mistaken delivery or payment by any bank or counterparty or any other reason (whether or not similar in kind to any of the above) beyond reasonable control.

## 26) TERMINATION

26.1 This Agreement may be terminated (without penalty) at any time by either party giving notice in writing to the other party. Such termination will be effective immediately upon receipt of such written notice and shall be without prejudice to completion of transactions already initiated. On termination of these arrangements:

Novum Securities shall, as soon as practicable, subject to fulfilling existing trading commitments comply with your instructions; and

You shall pay to Novum Securities all fees due to Novum Securities, together with all additional expenses necessarily incurred by Novum Securities giving effect to such termination, including outstanding obligations and interest. Any such fees are detailed on the attached tariff and will be payable upon delivery of Novum Securities' invoice or other notification.

Subject to the above and the other terms of this Agreement, transactions in progress will be completed as soon as practicable.

## 27) COMPLAINTS AND COMPENSATION

27.1 All complaints concerning Novum Securities should be directed in the first instance to Novum Securities' Compliance Officer.

27.2 Novum Securities will deal with your complaint in accordance with its complaints handling procedure a copy of which is available on request.

27.3 On receipt of a complaint, Novum will send you a prompt and written acknowledgment that we have received the complaint and are dealing with it. We are afforded eight weeks after the receipt of a complaint to send you a final response. If you remain dissatisfied, you may refer the complaint to the FOS provided you do so within six months.

27.4 Novum Securities is covered by the Financial Services Compensation Scheme (FSCS). Subject to qualifying conditions you may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum compensation of £85,000 per eligible person, per firm. Further information is available on request or can be found in the FCA's Handbook, under COMP at:

<https://www.handbook.fca.org.uk/handbook/COMP/>

or, alternatively, full details are available on request from FSCS:

Financial Services Compensation Scheme  
10<sup>th</sup> Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU

You can telephone the FSCS on 0800 678 1100 and additional information can be found at their website [www.fscs.org.uk](http://www.fscs.org.uk)

## 28) DATA PROTECTION

28.1 Data Protection law says that we are allowed to use personal information only if we have a proper reason to do so.

28.2 The law says we must have one or more of these reasons; carrying out an agreement we have with you, fulfilling a legal obligation, because we have a legitimate business interest or where you agree to it.

28.3 The firm does not sell your information to any third parties. Novum is registered with the Information commission officer with the registration number: ZA399079.

28.4 In accordance with the Data Protection Act 1998, you are entitled, on payment of a fee, to a copy of the personal information we hold about you. You should direct any such request to us. You should let us know if you think any information, we hold about you is inaccurate, so that we may correct it.

28.5 Personal information we hold about you is confidential and will only be disclosed outside in the following circumstances;

where the law or a regulatory rule permits, or it is in the public interest;

to investigate or prevent fraud or other illegal activity;

to your Broker, their Agents or our Agents in connection with running accounts and services for you;

at your request or with your consent.

You consent to the transmittal of your personal data outside of the EEA where necessary, and in the provision of services to you under this Agreement.

You will not be at liberty to request the destruction or deletion of any record pertaining to yourself unless we are required to do so by force of law or other regulatory requirement.

## 29) USE

29.1 Novum Securities may use your personal data for the purposes disclosed in its registration, from time to time, with the Office of the Information Commissioner.

29.2 Novum Securities may disclose personal data if required to do so by law or in the good faith belief that such action is necessary to conform to the edicts of the law or comply with any legal process served on them or their website; and protect and defend their rights and those of their website or users of the website. Except as specifically provided for, Novum Securities does not share the personal information it collects with any third party. Novum Securities may transfer such personal information to its associated companies and the purchaser of all or part of its business. We only pass on your information to such persons in compliance with the Data Protection Act 1998 or where we have a formalised data transfer agreement in place on the Web Site - <http://www.novumsecurities.com/>

29.3 Much of the information received from you when you access Novum Securities' website, such as the domain from which you access the Internet and the date and time you access the website, is not personally identifiable but may be used by Novum Securities purely for monitoring activity on its website. Novum Securities does not use cookies to track your navigational habits. Novum Securities is not responsible for the privacy practices of other sites to which links are provided.

## 30) SECURITY

31.1 Novum Securities has procedures in place designed to protect your information from being lost or tampered with. Novum Securities' employees are subject to strict confidentiality obligations.

31.2 If you have any concerns as to the personal information we hold about you including its accuracy please contact the Compliance Officer and Novum Securities will seek to promptly determine and resolve any issues.

## 31) RECORDING OF TELEPHONE CALLS

31.1 Telephone conversations between you and Novum Securities may be recorded. Novum Securities' recordings shall be and remains our sole property and will be accepted by you as conclusive evidence of the orders, instructions or conversations so recorded. You agree that Novum Securities may deliver copies of transcripts of such recordings to any court or regulatory or government authority for use as evidence.

## 32) GENERAL

32.1 If any provision of this Agreement is or becomes invalid or contravenes FCA rules the remaining provisions shall not become invalid.

32.2 Save as expressly set out, nothing in this Agreement creates a partnership or establishes a relationship of principal and agent or any other fiduciary relationship between the parties.

32.3 Unless otherwise agreed, all notices, instructions and other communications to be given by us to you under this Agreement may be verbal or in writing and shall be given to your last known home address, place of work, telephone number (including a telephone answering machine), fax number, e-mail address or other contact details. All notices, instructions and other communications to be given to Novum Securities by you under this Agreement should be sent to the Compliance Officer.

32.4 Subject to Applicable Regulations, any communications between us using electronic signatures will be binding to the same extent as if they were in writing.

32.5 By signing the Novum Securities Application Form this Agreement you give your consent to the receipt of communications by electronic means, notwithstanding that certain communications would otherwise be required to be made using a durable medium under applicable regulations. If you no longer wish to communicate in this way, you must revoke your consent in writing. If you do not wish to communicate via electronic means at all, you must inform us of your wishes prior to you signing the Novum Securities Application Form this Agreement.

32.6 A person who is not a party to this Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this Agreement.

## 33) CHANGES TO THIS AGREEMENT

33.1 We may amend this agreement by not less than 10 business days written notice to you, except where it is impracticable in the circumstances. Such amendment will become effective on the date specified in the notice. Any other amendment must be agreed in writing between us. Unless otherwise agreed, an amendment will not affect any outstanding order or transaction or any legal rights or obligations which may already have arisen. If you do not wish to accept any amendment made by us to these Terms of Business you may by notice to us close your account in accordance with this Agreement.

## 34) SUCCESSORS & ASSIGNS

34.1 Novum Securities may transfer its rights and obligations under this Agreement to any third party. Your rights and obligations hereunder may not be transferred or assigned to any third party without Novum Securities' prior written agreement.

## 35) ENTIRE AGREEMENT

35.1 This Agreement and the documents referred to in it, constitute the entire agreement between the parties and supersede all other agreements or arrangements, whether written or oral, express or implied, between the parties or any of them. No variations of this Agreement are effective unless made in writing. You agree that in entering into this Agreement you do not rely on and will have no remedy in respect of any statement, representation, warranty or understanding of any person whether party to this Agreement or not, other than as expressly repeated in this Agreement. Nothing in this paragraph will operate to limit or exclude any liability for fraud.

### **36) NO WAIVER**

36.1 Neither party will be affected by any delay or failure in exercising or any partial exercising of his rights under this Agreement unless he has signed an express written waiver or release.

### **37) GOVERNING LAW**

37.1 This Agreement is governed by the law of England and Wales. You hereby submit to the non-exclusive jurisdiction of the Courts of England.

## **SCHEDULE 1: TERMS APPLICABLE TO THE CLEARING AGENT**

### **APPOINTMENT**

These terms and conditions in Schedule 1 apply where we consider it appropriate to appoint a Clearing Agent pursuant to the terms of clause 3.2 of this Agreement. Where we appoint a Clearing Agent we will give you notice and will enter into an agreement with such Clearing Agent as your agent. Unless we indicate to the contrary, the terms of such Clearing Agent (including any exclusion or limitation of liability) will be binding on you and may be directly enforced against you by such Clearing Agent and you specifically authorise us to enter into such terms on your behalf.

By entering into this Agreement with us you; (i) appoint us as your agent with authority to enter into an agreement with a Clearing Agent and to give instructions to the Clearing Agent on your behalf and to agree any changes to the Clearing Agent's terms and conditions on your behalf; (ii) agree that these terms in Schedule 1 will constitute the formation of a contract between you and ourselves and also between you and the Clearing Agent, and that you will be bound by the Clearing Agent's terms and conditions for providing services; and (iii) give the Clearing Agent authority to transfer cash or investments from your account to meet your settlement or other obligations to the Clearing Agent.

### **SERVICES**

Where appointed the Clearing Agent may provide or arrange either clearing, settlement, safe custody, nominee or associated services to you pursuant to this agreement. The terms on which these services will be provided are summarised in your agreement with the Clearing Agent. The Clearing Agent may also exercise rights in relation to your accounts as set out in this Agreement. This Agreement may be amended by the Clearing Agent from time to time, by providing us with notice in writing. We will notify you of any material amendments introduced by the Clearing Agent. All references to the Clearing Agent shall be read and construed as including any third party clearer, settlement or other agent appointed by the Clearing Agent and any obligations, rights and duties of you or the Clearing Agent shall accordingly be read and construed as a right, duty or obligation of you to or from such third party as the case may be where any such third party has been appointed and notified to you.

Where we appoint a Clearing Agent, Novum Securities retains responsibility for compliance with regulatory requirements regarding our own operations and the supervision of your account. In particular, we remain responsible for approving the opening of accounts; anti-money laundering compliance; accepting and executing securities orders and for our ongoing relationship with you. Neither Novum Securities nor the Clearing Agent provides or is obliged to provide investment advice or give advice or offer any opinion regarding the suitability of any transaction or order. You should direct all enquiries regarding your account to Novum Securities and not to the Clearing Agent. The Clearing Agent will not accept instructions from you direct.

### **CLIENT MONEY**

Where we appoint a Clearing Agent, pursuant to clause 3.2 of the Agreement, any money or investments received by the Clearing Agent may be treated as Client Money or Safe Custody Assets respectively and will accordingly be subject to FCA client money and FCA safe custody rules. Such money or investments received by the Clearing Agent may also be subject to the terms of the agreement of the Clearing Agent.

### **CHARGE OVER YOUR ACCOUNT**

All transactions will be due for settlement in accordance with market requirements (as shown on the relevant contract note or advice). You must ensure that the appointed Clearing Agent receives all cash (including but not limited to initial and variation margin payments) and securities when due with respect to any transaction which it is to settle on your behalf and that all cash or investments held by, or transferred to the Clearing Agent are and will remain free of any lien, charge or encumbrance. Any payments due to the Clearing Agent must be made without set-off, counterclaim or deduction. You hereby charge, by way of fixed first charge, and grant a pledge over and a general lien and right of set-off with respect to, all cash and investments held by or transferred to a Clearing Agent (or its nominee company, clearing agent or custodian) as continuing security for the performance of your obligations to the Clearing Agent. You hereby charge by way of first fixed equitable charge over all certificates or documents of title relating to investments held from time to time for your account.

In the event of a Clearing Agent not receiving either cash (including but not limited to initial and variation margin payments) or securities when due (as shown in the relevant contract note or advice) or in the event of you or us not taking all such steps as may be necessary to secure the due and prompt settlement of any such transaction (or if the Clearing Agent reasonably considers that you have not or are unlikely to perform your obligations to the Clearing Agent), the Clearing Agent may cancel, close out, terminate or reverse all or any contracts or transactions and sell, charge, pledge or otherwise dispose of any investment or other assets held for you and will not incur any liability to you in doing so. You also agree that the Clearing Agent may take any steps that it deems necessary to reduce or eliminate any liability arising as a result of providing any services to you and that the Clearing Agent will not incur any liability to you in doing so.

### **CLEARING AGENT INDEMNITY**

You hereby indemnify the Clearing Agent on an after-tax basis on demand against all costs, claims, liabilities or expenses (including legal costs) duties and taxes (other than corporation tax on the net income of the Clearing Agent) which arise directly or indirectly as a result of:

- the provision of its services in relation to your account or the enforcement of the Clearing Agent's rights hereunder with respect to such account;
- any breach by you of any provision hereof or any default or failure in the performance of your obligations including, without limitation, any failure to make delivery or payment when due; and
- any representation or warranty given by or on your behalf being untrue or misleading in any respect.

## COMPLAINTS AND COMPENSATION

If you have a complaint concerning an aspect of the service provided to you by the Clearing Agent your complaint should be sent to the Compliance Officer at the Clearing Agent.

## SCHEDULE 2: AGENCY SUPPLEMENT

### APPLICATION AND SCOPE

Scope of these terms: These terms in Schedule 2 set out the basis on which we will provide the services referred to in the Agreement to you where you are acting as agent for a third party ("Counterparty") which is a Counterparty agreed to in writing by us from time to time on behalf of which you are to enter as agent into transactions with us; and where a Counterparty does not constitute a single legal person, means the trustees, individuals or other persons who are the primary representatives of the organisation, trust or fund on whose behalf they are dealing. Where you are acting for your own account the supplemental terms set out in this Schedule shall not apply.

Notification: You will notify us before placing any order on behalf of a Counterparty that you are acting as agent for that Counterparty and inform us of the identity, address and any other details which we require in respect of each Counterparty to enable us to form a credit and counterparty risk assessment in respect of any transaction.

Instructions: You may give us oral and written instructions and orders. We shall not accept nor act upon any instructions received by anyone other than persons whom we reasonably believe to be duly authorised by you ("Authorised Persons"). If we refuse to act on any instruction or order, we shall notify you as soon as practicable of our refusal. You agree not to give us instructions on behalf of Counterparties which are on the US Department of Treasury's Office of Foreign Assets Control (OFAC) list of specially designated nationals and blocked persons and that instructions that you give to us will not, when executed, cause us to breach the OFAC sanctions programme.

Capacity: Each transaction will be entered into by you as agent for and on behalf of the Counterparty specified by you (whether by code name or otherwise) in accordance with clause below. Unless we agree otherwise in writing, we shall treat you alone as our customer and we shall not treat any Counterparty as our customer for the purposes of the FCA rules.

Nature of Counterparties: You represent, warrant and undertake on your own behalf and as agent for the Counterparties that no Counterparty will be a state or a separate entity within the meaning of the State Immunity Act 1978 and that a Counterparty shall, at the time an instruction is given in respect of it, have the characteristics and conform to any criteria agreed between us from time to time.

Counterparty accounts: We shall, in respect of each Counterparty, establish and maintain one or more separate sub-accounts (each a "Counterparty Account").

You undertake, as agent for the relevant Counterparty and on your own behalf, in respect of each instruction given, to specify within two hours of giving an instruction (or such other time as we may reasonably specify) the Counterparty Account to which the relevant instruction relates.

Until you specify a specific Counterparty Account you shall be personally liable, as principal, in respect of the relevant transaction.

You further undertake, as agent for each Counterparty and on your own behalf, to notify us immediately if any two or more Counterparty Accounts relate to the same Counterparty.

Separate administration: We shall, subject to these terms, administer Counterparty Accounts which we reasonably believe relate to different Counterparties separately.

We shall not exercise any power to consolidate accounts or set off amounts owing between Counterparty Accounts relating to different Counterparties.

Documentation: You agree to forward to a Counterparty any documentation in relation to such Counterparty that we are required to provide under the FCA rules and which we make available to you for that purpose.

### ADVICE

Limitations: You, as agent for the Counterparties and on your own behalf, retain full responsibility for making all investment decisions with respect to any Counterparty. We will not be responsible for judging the merits or suitability of any transaction to be entered into on behalf of a Counterparty. Unless otherwise required under Applicable Regulations, we shall have no responsibility for your or any Counterparty's compliance with any laws or rules governing or affecting your conduct or that of any Counterparty, or for your or any Counterparty's compliance with any laws or rules governing or affecting transactions.

#### Representations, Warranties and Covenants

As agent for each Counterparty and on your own behalf, you represent and warrant to us as of the date these terms come into effect and as of the date of each transaction that:-

You and the Counterparty each have all necessary authority, powers, consents, licences and authorisations and have taken all necessary action to enable you lawfully to enter into and perform these terms, the Agreement and each transaction;

The person(s) entering into these terms, the Agreement and each transaction have been duly authorised to do so;

These terms, the Agreement, each transaction and the obligations created under each of them are binding upon, and are enforceable against, you and/or the Counterparty (as applicable) in accordance with their terms (subject to applicable principles of equity) and do not and will not violate the terms of any regulation, order, charge or agreement by which you or the Counterparty is bound;

No event of default or potential event of default has occurred and is continuing with respect to you or the Counterparty;

Each of you and the Counterparty is permitted under its constitution and any applicable law or regulation and is financially able to sustain any loss which may result from transactions, and that entering into transactions is a suitable investment vehicle for the Counterparty;

The relevant Counterparty owns, with full title guarantee, all investments, or collateral deposited with, transferred to us or charged in our favour, by you acting as agent for the Counterparty and such investments, or collateral are free from any prior mortgage, charge, lien or other encumbrance whatsoever and neither you acting as agent for the relevant Counterparty, nor the Counterparty itself, will further pledge or charge such investments, or collateral or grant any lien over them while it is pledged or charged to us except with our prior written consent; and

Any information which you provide or have provided to us in respect of your or the Counterparty's financial position, domicile, or other matters is accurate and not misleading in any material respect.

Covenants: You, as agent for each Counterparty and on your own behalf, covenant to us that you will:

Ensure at all times that you and the Counterparty obtain and comply with the terms of and do all that is necessary to maintain in full force and effect all authority, powers, consents, licences and authorisations referred to above;

Promptly notify us of the occurrence of any event of default or potential event of default with respect to yourself or the Counterparty.

Provide to us on request such information regarding your and the Counterparty's financial or business affairs as we may reasonably require to evidence the authority, powers, consents, licenses and authorisations referred to above or to comply with any Applicable Regulations;

Provide to us on request copies of the relevant sections of the Counterparty's constitutive documents relating to its capacity to enter into transactions and appoint an agent to act on its behalf and that any such extract will, to the best of your knowledge, be true and accurate in all material respects and you will not omit or withhold any information which would render the information so supplied to be false or inaccurate in any material respect; and

Either:

execute as agent for the Counterparty where you are duly authorised to do so, or, in each other case:

procure that the Counterparty executes, as applicable, on our request all such transfers, powers of attorney and other documents as we may require to vest any assets or otherwise grant any security interest.

## ANTI-MONEY LAUNDERING

You represent, warrant and undertake that you are now and will be at all material times in the future in compliance with all Applicable Regulations concerning money-laundering. We are required to follow the Applicable Regulations concerning money-laundering relating to the identification of the Counterparty unless either of the following sub-terms apply, and if satisfactory evidence of identity has not been obtained by us within a reasonable time period, we reserve the right to cease to deal with you.

If you are a regulated credit or financial institution in the UK or EU, we shall deal with you on the understanding that you are complying with EU regulations concerning money-laundering and that evidence of the identification of any Counterparty will have been obtained and recorded under procedures maintained by you.

If you are a regulated credit or financial institution based or incorporated in Jersey, Guernsey, the Isle of Man or a non-EU country which is a member of the Financial Action Task Force, and you are or will be dealing as agent on behalf of any Counterparty, we require your written assurance that evidence of the identification of any Counterparty for whom you act as agent will have been obtained and recorded under procedures maintained by you in accordance with local regulations concerning money-laundering. If you are unable to provide us with such written assurance, we reserve the right to cease to deal with you.

## DISCHARGE

Discharge: Where under any term any payment or other performance (including the delivery of securities or any other property) is due from us, it shall be a discharge of our obligation to make such payment or performance to you notwithstanding that any Counterparty shall be interested (whether beneficially or otherwise) in such payment or performance.

## INDEMNITY

Notwithstanding that you may act as agent you undertake as principal to indemnify us in respect of any liabilities, costs, damages and losses incurred in relation to any transaction effected by you as agent on behalf of any Counterparty.

## SCHEDULE 3: ELECTIVE PROFESSIONAL CLIENT

**This notification is given to you in accordance with FCA rules applicable from 1 November 2007 (COBS TP 1.6R and COBS 3.3.1R(2)).**

**You have been classified by us as an Elective Professional Client because you satisfy at least two of the following criteria:**

- You have carried out transactions, in significant size, on the relevant Market at an average frequency of 10 per quarter over the previous four quarters;
- The size of your financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds EUR 500,000;
- You work or have worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

**As a consequence of classification as an Elective Professional Client, you will lose the following protections afforded to Retail Clients (apart from those which are also provided to Elective Professional Clients) under FCA rules:**

Direct offer financial promotions - we will not be obliged to comply with COBS Rules relating to restrictions on and the required contents of direct offer financial promotions. We do not need to provide you in a direct offer financial promotion, with sufficient information for you to make an informed assessment of the investment to which it relates.

Understanding of risk - we will not be required to provide you with the written risk warnings and notice required for Retail Clients in relation to transactions in complex financial instruments, in particular derivatives and warrants, and stocklending.

Disclosure of charges, remuneration and Commission - we will not be required to disclose in writing before conducting any designated business on your behalf the basis or amount of their charges for conducting that business, or the amount of remuneration or Commission or other income payable to Novum Securities or any of its Affiliates for conducting the regulated business.

Financial Ombudsman Service and Investor Compensation Scheme - Access to the Financial Ombudsman and the right to claim compensation under the Financial Services Compensation Scheme will not extend to you as an Elective Professional customer.

**Your attention is also drawn to the following rules, which are limited in their application to Elective Professional Clients with the following possible consequences for Clients:**

- Financial promotion - Certain COBS Rules relating to the form, content and checking and otherwise concerning financial promotions generally will not apply.
- Appropriateness - we are entitled to assume that you have the necessary level of experience and knowledge to understand the risks involved in relation to any investment, service, product or transaction. Where we provide you with investment advice, we are entitled to assume that you have the requisite knowledge and experience to understand the risks involved.
- Confirmation of transactions to customers - The COBS Rules relating to the confirmation of transactions will apply in a modified form. Provisions regarding extra reporting requirements for dealings with Retail customers and provision of hard copies of confirmations not accessed electronically will not apply.
- Communication - we may have regard to your expertise as an Elective Professional customer when complying with the requirements under the regulatory system that communications be clear, fair and not misleading. Additionally, we may have regard to your expertise as an Elective Professional Client when complying with the requirements to provide you with a general description of the nature and risks of particular transactions. If you have any queries on this warning or require any further information, you should contact our Compliance Officer.

## **SCHEDULE 4: GENERAL RISK DISCLOSURE NOTICE**

**This notice includes warnings in relation to warrants and derivatives, stabilisation and the risks associated with investment generally. You should read the notice carefully.**

**This notice cannot disclose all the risks and other significant aspects of warrants and/or derivative products such as futures, options, and contracts for differences.**

**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. Certain strategies, such as a spread position or a straddle, may be as risky as a simple long or short position.**

**Although warrants and/or derivative instruments 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.**

### **WARRANTS**

A warrant is a 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 time-limited right to subscribe 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 time-scale 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.

### **OFF-EXCHANGE WARRANT TRANSACTIONS**

Transactions in off-exchange warrants may involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate your position, or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

### **SECURITISED DERIVATIVES**

These instruments may give you a time-limited right or an absolute right to acquire or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment. Or they may give you rights under a contract for differences which allow for speculation on fluctuations in the value of the property of any description or an index, such as the FTSE 100 index. In both cases, the investment or property may be referred to as the "underlying instrument".

These instruments often involve a high degree of gearing or leverage, so that a relatively small movement in the price of the underlying investment results in a much larger movement, unfavourable or favourable, in the price of the instrument. The price of these instruments can therefore be volatile.

These instruments have a limited life, and may (unless there is some form of guaranteed return to the amount you are investing in the product) expire worthless if the underlying instrument does not perform as expected. You should only buy this product if you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

You should consider carefully whether or not this product is suitable for you in light of your circumstances and financial position, and if in any doubt please seek professional advice.

## **FUTURES**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The gearing or leverage often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements, which are set out in paragraph 9.

## **OPTIONS**

There are many different types of options with different characteristics subject to the following conditions.

**Buying options:** Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the future. This will expose you to the risks described under 'futures' and 'contingent liability investment transactions'.

**Writing options:** If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset which you have contracted to sell (when the options will be known as 'covered call options') the risk is reduced. If you do not own the underlying asset ('uncovered call options') the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

**Traditional options:** Certain London Stock Exchange member firms under special exchange rules write a particular type of option called a 'traditional option'. These may involve greater risk than other options. Two-way prices are not usually quoted and there is no exchange market on which to close out an open position or to effect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage his exposure to risk.

Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

## **CONTRACTS FOR DIFFERENCES**

Futures and options contracts can also be referred to as contracts for differences. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option and you should be aware of these as set out in paragraphs 4 and 5 respectively. Transactions in contracts for differences may also have a contingent liability and you should be aware of the implications of this as set out in paragraph 9.

## **OFF-EXCHANGE TRANSACTIONS IN DERIVATIVES**

It may not always be apparent whether or not a particular derivative is arranged on exchange or in an off-exchange derivative transaction.

While some off-exchange markets are highly liquid, transactions in off-exchange or non-transferable derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

## **FOREIGN MARKETS**

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. On request, your firm must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which it will accept liability for any default of a foreign firm through whom it deals. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates. Such enhanced risks include the risks of political or economic policy changes on a foreign media, which may substantially and permanently alter the conditions, terms, marketability or price of foreign investors.

## **CONTINGENT LIABILITY INVESTMENT TRANSACTIONS**

Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If you trade in futures contracts for differences or sell options, you may sustain a total loss of the margin you deposit with your firm to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit.

Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

Contingent liability investment transactions which are not so traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

## **LIMITED LIABILITY TRANSACTIONS**

Before entering into a limited liability transaction, you should obtain from your firm or the firm with whom you are dealing a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you before you enter into the transaction.

The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

## **COLLATERAL**

If you deposit collateral as security, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral depending on whether you are trading on a recognised or designated investment exchange, with the rules of that exchange (and the associated clearing house) applying or trading off-exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited and may have to accept payment in cash.

## **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.

## **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.

## **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. 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.

## **INSOLVENCY**

Any insolvency or default 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.

## **PENNY SHARES**

You should be aware that there is an extra risk of losing money when shares are bought in some smaller companies including penny shares (low value shares and other securities in relation to which the bid/offer spread is 10% or more of the offer price). There is a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them. The price may change quickly and it may go down as well as up.

## **STOCK LENDING**

We may effect stocklending transactions for you. As such, you will cease to be entitled to the securities held in your account but instead be entitled to the return of equivalent securities. Further details are available on request. You should consult your tax advisor as stock lending may affect your tax position.

## **PRICES**

The prices quoted may not necessarily reflect the broader market. Although we expect that these prices will be reasonably related to those available on what is known as the interbank market, prices we use may vary from those available to banks and other participants in the interbank market.

## **WEEKEND RISK**

Various situations, developments or events may arise over a weekend (from and including 4:30 pm on a Friday to but excluding 6:00 pm on the immediately following Sunday) when the markets generally close for trading, that may cause the markets to open at a significantly different price from where they closed on Friday afternoon. Our customers will not be able to use our communication systems to place or change orders over the weekend and at other times when the markets are generally closed. There is a substantial risk that stop-loss orders left to protect open positions held over the weekend will be executed at levels significantly worse than their specified price.

## ELECTRONIC TRADING

Customers that trade on an electronic trading system are exposed to risks associated with the system or communication network including the failure of hardware and software, system or network down time and access or connection failures, the individual customer's systems and the communications infrastructure (for example the internet) connecting any electronic trading platform(s) or networks with customers.

## STABILISATION RISK WARNING NOTICE

This statement complies with the rules of the Financial Conduct Authority (FCA)

Novum Securities Limited (Novum Securities Limited) or its 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 Novum Securities Limited carries out any such transaction on your behalf; or

to authorise Novum Securities Limited 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 being carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back 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 following are 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 him to disclose that he may be stabilising but not that he is actually doing so.

The fact that a new issue or a 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.

## SCHEDULE 5: SUPPLEMENTAL TERMS OF CLEARING AGENT

### Schedule for disclosure by Novum to its Customers

#### Introduction

The numbered paragraphs in this Schedule set out, amongst other things, various disclosures and requests for consent that must be obtained by the Client in respect of the Customers for GPP's benefit. Further to the obligations reflected in the body of this Agreement, the Client is under an obligation to ensure that the Customers receive a copy of this Schedule 4 and on an ongoing basis consent to the matters set out below.

#### INTERPRETATION

This Schedule is drafted from the narrative perspective of the Client addressing the relevant Customer. References in this Schedule 4 to "we", "our" and similar terms should be taken to mean to the discretionary fund manager identified in the recitals as the Client. References to "you", "your" and similar terms should be taken to mean the underlying client of the discretionary fund manager defined as the "Customer" in the body of this Agreement. Other capitalised terms are defined below in the context in which they appear.

#### 1. Relationship with GPP

- 1.1 We have entered into an agreement with Global Prime Partners Ltd., ("GPP"), on behalf of ourselves and each of our clients whereby GPP has agreed to provide safe custody services to our clients, including you ("GPP Agreement").
- 1.2 The GPP Agreement binds us as well as you. When you become our client by signing our application form or similar document, you will also accept and be bound by the terms of the GPP Agreement. It is important for you to understand that this means you will be both our client and also a client of GPP.
- 1.3 GPP, with company number 06962351, has its registered office at 101 Wigmore Street, London, W1U 1QU. GPP is authorised and regulated by the Financial Conduct Authority ("FCA") whose address is 12 Endeavour Square, London E20 1JN.
- 1.4 In consideration of GPP making their services available to you, you agree that:
  1. we are authorised to enter into the GPP Agreement on your behalf as your agent;
  2. you are bound by the terms of the GPP Agreement and acknowledge that the GPP Agreement constitutes a contract between you and us and also between you and GPP;

3. we are authorised to give instructions to GPP on your behalf (as provided for in our terms of business with you and the GPP Agreement) and to provide information concerning you to GPP, and GPP shall be entitled to rely on any such instructions or information without further enquiry;
  4. GPP is authorised to hold cash and investments on your behalf and is authorised to transfer cash or investments from your account to meet your settlement or other obligations to GPP.
- 1.5 GPP will not provide you with investment advice nor will it give you advice or offer any opinion regarding the suitability or appropriateness (as relevant) of any transaction or order and will rely solely on information provided to it by us in respect of all such matters. Similarly, we are not responsible for GPP's actions, omissions or any obligation they may owe you under the FCA rules or the regulatory system.

## 2. Communication and Instructions

- 2.1 GPP shall only accept instructions concerning your account(s) from us and not directly from you, unless a separate specific agreement has been entered into relating to the giving of instructions by you to GPP, including such further mandate and/or indemnities as GPP may require from time to time. In the absence of actual notice in writing to the contrary received from us in sufficient time to prevent the processing of any instructions, GPP shall be entitled to rely upon and act in accordance with any instruction which GPP believes in good faith to have been given by us and our agents on your behalf. GPP reserves the right to take such action as it considers appropriate in the event that it has sought instructions from us and we have failed to respond within a reasonable time. GPP will not be responsible for any delays or inaccuracies in the transmission of any instructions or other information due to any cause outside GPP's reasonable control.
- 2.2 GPP may, in its absolute discretion, refuse to accept any order or other instruction for your account(s). GPP will advise us of its decision and may advise us of the reason for its decision unless prevented from doing so by applicable law, Court order or instruction by the FCA.
- 2.3 You should direct all enquiries regarding your account to us and not to GPP.

3. Any communications (whether written, oral, electronic or otherwise) between you, us and/or GPP shall be in English.

## 4. Custody

- 4.1 In this clause: (i) FCA Custody Rules shall mean those rules made by the FCA in relation to the custody of assets including those contained in CASS 6 of the FCA Handbook; (ii) Custody Assets shall mean those investments held by GPP in custody for you pursuant to the terms of the GPP Agreement.
- 4.2 **IMPORTANT:** Where GPP hold registrable Custody Assets for you, normally such investments will be held in your name, in the name of an eligible nominee (specifically Global Prime Partners Nominees Ltd) or in an account designated with your name held by a third party. Where such Custody Assets are subject to the law or market practice outside of the United Kingdom, in certain circumstances permitted by the FCA Custody Rules, GPP may register the Custody Assets in the name of the relevant custodian or sub-custodian or in GPP's name. In circumstances where the Custody Assets are held in GPP's name such investments may not be segregated from GPP's assets and, in the event of a default by GPP, may not be as well protected from claims of GPP's creditors in comparison to if your investments had been segregated from GPP's assets as the relevant assets will be comparatively less identifiable as belonging to you. Similarly, where the Custody Assets are held in the custodian or sub-custodian's name, the title to those assets may not be as well protected as if the assets had been held in your name.
- 4.3 **IMPORTANT:** GPP may pool your Custody Assets with those belonging to other clients and where GPP do this your individual entitlements may not be identifiable by separate certificates, documents of title, entries on the issuers register or any other equivalent electronic records. In the event of an irreconcilable shortfall following a default by any custodian or any third party holding or delivering your Custody Assets, you may not receive your full entitlement and you may share in any shortfall on a pro rata basis with other clients.
- 4.4 GPP will be responsible for receiving and claiming dividends and interest payments to be credited to you. GPP will also credit any trail, renewal or similar commission it receives for your account. All dividends, interest and commission credited to your account or paid to you will be net of any withholding tax and other deductions required to be made by GPP and/or the payee in accordance with applicable legal or regulatory requirements. GPP will provide details of all such deductions required to be made by it and will pass on such information in relation to such deductions by others as it may receive. We will be responsible for any costs and expenses GPP may incur in receiving and claiming dividends, interest payments and commission. GPP, its nominee and any relevant custodian will not be responsible for reclaiming any withholding tax and other deductions but nonetheless may do so.
- 4.5 GPP shall not be responsible for informing us or you of any Corporate Actions or events concerning investments held in custody including take-over offers, capital reorganisations, company meetings, conversion or subscription rights but will nevertheless do so far as reasonably practicable. GPP will take up or participate in such events as instructed by us provided that such instructions are received within such time as GPP may stipulate. All entitlements relating to Corporate Actions in connection with investments held in pooled accounts will be allocated as far as is reasonably possible on a pro-rata basis, however, GPP may if this is not possible adjust the allocation of entitlements in such a way as appears to them to achieve a fair treatment for all participants in the pool.
- 4.6 GPP may appoint agents, nominees and custodians (whether in the United Kingdom or overseas), to hold Custody Assets. GPP may also appoint sub-custodians (including sub-custodians overseas) being qualifying custodians for the purposes of the FCA Rules, to hold investments for your account or us (as the case may be) on such terms as GPP considers appropriate.
- 4.7 GPP will exercise due skill, care and diligence in the selection of agents, nominees and custodians and before nominating a custodian it will undertake a risk assessment of that custodian in accordance with the FCA Custody Rules. GPP will be responsible for the acts and omissions of its nominee, however, in the absence of fraud or wilful default, GPP shall not be responsible for the default of any agents, nominees and custodians, securities depository, intermediate broker, clearing or settlement system or participant in such a system.
- 4.8 GPP may deposit your investments with a third party in a country that does not regulate the holding and safekeeping of financial instruments for the account of another person as permitted by the FCA Custody Rules. To the extent you are a professional client within the meaning of the relevant FCA rules that relate to client classification, you hereby request and instruct GPP to deposit your Custody Assets, where relevant, with sub-custodians located in various jurisdictions that do not regulate the holding and safekeeping of your Custody Assets. You acknowledge that the laws of those jurisdictions do not regulate the holding and safekeeping of your Custody Assets and that legal and regulatory requirements and practices for the separate identification of investments are different from those applying in the United Kingdom. In the event of the insolvency or any other analogous proceedings of a third party holding your custody assets, GPP may only have an unsecured claim against that third party on your behalf and you will be exposed to the risk that the assets received by GPP from the third party are insufficient to satisfy your claim and the claims of all other relevant clients.
- 4.9 Where we arrange for your Custody Assets to be held outside the United Kingdom there may be different settlement, legal and regulatory requirements and different practices for the separate identification of investments from those applying in the United Kingdom. In the event of the insolvency or any other analogous proceedings of a third party holding your custody assets, GPP may only have an unsecured claim against that third party on your behalf and you will be exposed to the risk that the assets received by GPP from the third party are insufficient to satisfy your claim and the claims of all other relevant clients. GPP shall accept no liability to you for the acts, failures to act or the insolvency of any custodian or sub-custodian.
- 4.10 Through us, GPP will provide you with a statement of client assets if and when required by the FCA Custody Rules.

- 4.11 Your investments are subject to the security interests set out in clause 5 below in favour of GPP.
- 4.12 GPP is entitled to grant a security interest or lien over, or right of set-off enabling a third party to dispose of your Custody Assets in order to recover debts that relate to you or the business you conduct. GPP will only grant a security interest or lien over, or right of set-off enabling a third party to dispose of your Custody Assets in order to recover debts that do not relate to you or the business GPP transacts with you or on your behalf where GPP are required to by applicable law or regulation (in summary, where such an interest is required to be granted by the applicable law of a country outside of the United Kingdom). You agree to a third party having such a security interest, lien or right of set-off over your Custody Assets in such circumstances. For the avoidance of doubt, this includes a security interest, lien or right of set-off to facilitate the clearing or settlement of transactions. In addition, if such party becomes insolvent, GPP may only have an unsecured claim against the third party on your behalf and you will be exposed to the risk that the assets received by GPP from the third party are insufficient to satisfy your claim and the claims of all other relevant clients.
- 4.13 Where, through the application of rounding, aggregation or similar exercises or processes, a fractional entitlement to one or more securities arises, you consent to GPP applying such a fraction for its own account. In doing so, you agree that GPP discharges any fiduciary obligation owed to you in relation to such fractions.

## 5. CLIENT Money

- 5.1 In this clause FCA Client Money Rules shall mean those rules made by the FCA in relation to client money, including those contained in CASS 7 of the FCA Handbook.
- 5.2 Any identifiable money (in any currency) received by GPP for your account will be received and held by GPP in accordance with the FCA Client Money Rules ("Client Money"). Your Client Money will (unless we instruct GPP to pay such money into an individual client account) be pooled with Client Money belonging to our other Clients and will be held in an omnibus Client Money account with an approved bank, appointed by GPP in accordance with the FCA Rules.
- 5.3 In the event of an irreconcilable shortfall in a Client Money account following the default of a bank or any third party holding Client Money (such as a clearing house, settlement or money transfer system) you may not receive your full entitlement and may share in any shortfall on a pro rata basis with other affected Clients.
- 5.4 GPP may, from time to time, hold Client Money in a bank account with a bank outside the United Kingdom. In such cases, there may be different settlement, legal and regulatory requirements and different practices for the separate identification of investments from those applying in the United Kingdom. In the event of the insolvency or any other analogous proceedings of a third party holding your Client Money GPP may only have an unsecured claim against that third party on your behalf and you will be exposed to the risk that the money received by GPP from the third party is insufficient to satisfy your claim and the claims of all other relevant clients. GPP shall accept no liability to you for the acts, failures to act or the insolvency of any bank.
- 5.5 GPP will not pay interest on Client Money. However, GPP may, at its discretion, give us a notice at some point in the future stating that it will pay interest on Client Money and on what terms.
- 5.6 You agree that GPP will cease to treat as Client Money any unclaimed balances after a period of six years and GPP has otherwise taken reasonable steps to trace you and return any balance to you and pay the sums to charity. GPP will nevertheless make good any subsequent valid claim against such balances in accordance with the FCA Client Money Rules.
- 5.7 GPP may also appoint third parties (whether in the United Kingdom or overseas), to hold Client Money. GPP will exercise reasonable care in the selection of those third parties in accordance with the FCA Client Money Rules. GPP will be responsible for the acts and omissions of its nominee, however, in the absence of fraud or wilful default, GPP shall not be responsible for the default of any sub-nominee, custodian, sub-custodian, securities depository, intermediate broker or agent, clearing or settlement system or participant in such a system.
- 5.8 Through us, GPP will provide you with a statement of Client Money if and when required by the FCA Client Money Rules.
- 5.9 Your Client Money is subject to the security interests set out in clause 5 below in favour of GPP.
- 5.10 You understand and agree that where Client Money is deposited into an account with a third party, such third party may have a security interest or lien over, or right of set-off in relation to such money to the extent GPP is permitted to grant such rights by the FCA Client Money Rules. For the avoidance of doubt, this includes a security interest, lien or right of set-off to facilitate the clearing or settlement of transactions. In addition, if such party becomes insolvent, GPP may only have an unsecured claim against the third party on your behalf and you will be exposed to the risk that the money received by GPP from the third party is insufficient to satisfy your claim and the claims of all other relevant clients

## 6. Security

- 6.1 As continuing security for the performance of your obligations pursuant to the terms of the GPP Agreement including, without limit, the payment of all sums due to GPP from you, you agree to grant and grant GPP:
- 5.1.1 a first fixed legal charge over all investments held for your account from time to time in respect of which title has been transferred to GPP its agents, nominees and custodians;
- 5.1.2 a first fixed equitable charge over all certificates or documents of title relating to investments held from time to time for your account by or to the order of GPP;
- 5.1.3 a first fixed charge over your rights in respect of any investments which are held by GPP (or to its order) for your account;
- 5.1.4 a pledge, lien and right of set-off over and in respect of, all and any investments, documents of title to property, documents representing property and all money, investments and other assets of any nature held by or subject to the control of GPP (its nominees and custodians) for the your account (including, without limitation, the benefit of all contractual rights and obligations and any proceeds of sale), (together, the "Charges").
- 6.2 GPP shall have, to the greatest extent permitted by law and the FCA Rules, all of the rights of a secured party with respect to any money or other assets charged to it and you confirm that you will, at the request of GPP, take such action as may be required to perfect or enforce any security interest and each irrevocably appoints GPP as their attorney to take any such action on their behalf.
- 6.3 You represent and warrant to GPP that you are the sole and beneficial owner of all money, investments or other assets of any nature transferred to or held by GPP their nominees and custodians or the same are transferred to or held by GPP their nominees and custodians with the legal and beneficial owner's unconditional consent and, in any event, are and will be transferred to or held by GPP their nominees and custodians free and clear of any lien, charge or other encumbrance and that you will not charge, assign or otherwise dispose of or create any interest therein.
- 6.4 If you fail to comply with any of your obligations to GPP, the Charges shall be enforceable and the powers conferred by Section 101 of the Law of Property Act 1925 (as varied and extended by this Agreement) shall be exercisable. Section 103 of the Law of Property Act 1925 shall not apply to this Agreement. In such circumstances GPP may without prior notice to you or us, sell, charge, pledge, deposit, realise, borrow or otherwise deal, with any investments or other assets GPP their nominees and custodians are holding for your account on any terms it considers appropriate. The proceeds of any sale or realisation of such

investments or other assets and any moneys from time to time deposited with or held by GPP their nominees and custodians under this Agreement, shall be applied towards the satisfaction of your liabilities to GPP.

6.5 Provided GPP has acted reasonably, GPP shall have no liability to you for any cost, loss, liability and expense, including without limit any loss of profit or loss of opportunity incurred or suffered by you in consequence of any exercise by GPP of any right or remedy under this Clause 5 and any purchase, sale, or other transaction or action that may be undertaken by GPP shall be at such price and on such terms as GPP shall, in its absolute discretion, determine.

6.6 In exercising any right or remedy pursuant to this Clause 5, GPP is authorised to combine accounts, effect such currency conversions and enter into such foreign exchange transactions with, or on behalf of, you, at such rates and in such manner as GPP may, in its absolute discretion, determine.

6.7 No third party shall be required to enquire as to the validity of the exercise by GPP of its powers under this Clause 5.

## 7. Liability

7.1 Neither GPP, nor any of its directors, employees or agents, shall be liable for any loss or damage sustained by you as a direct or indirect result of the provision by GPP of its services, save that nothing in the terms set out in this Schedule exclude or restrict any liability of GPP resulting from:

1. death or personal injury;
2. breach of any obligation owed to you under the regulatory system; or
3. the negligence, fraud or wilful default of GPP.

7.2 GPP shall not in any event be liable for loss of profits, loss of opportunity, loss of business, loss of savings, loss of goodwill, claims by third parties, loss of anticipated savings (whether direct or indirect) or for any type of special, direct, indirect or consequential loss howsoever caused, even if caused by GPP negligence and/or breach of contract and even if such loss was reasonably foreseeable or GPP had been advised of the possibility of the Client incurring the same.

7.3

## 8. Conflicts of Interest

8.1 GPP or its associates may provide services or enter into bargains in relation to which GPP, or its associates, has, directly or indirectly, a material interest or a relationship of any description with a third party which may involve a conflict of interest or potential conflict of interest with you. GPP or any of its associates may, for example:

1. be the Client to a transaction that is executed by GPP (whether or not involving a mark-up or a mark-down by GPP or its associates);
2. be the financial adviser to the issuer of the investment to which any instructions relate;
3. have a (long or a short) position in the investments to which any instructions relate; or
4. be connected to the issuer of the investment to which any instructions relate.

8.2 GPP may receive remuneration from fund managers in connection with GPP providing services to them. These payments are calculated by reference to the value of assets that GPP holds in custody for its Customers.

8.3 GPP has adopted conflict of interest policies in accordance with the FCA's requirement for authorised firms to manage conflicts of interest fairly. Through us, you may ask GPP for further information in relation to such policies.

8.4 You acknowledge that neither GPP 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.

## 9. Complaints

9.1 In the event of any complaint regarding GPP's services you should contact the Head of Compliance ([compliance@gpp.group](mailto:compliance@gpp.group)) of GPP.

9.2 The Head of Compliance will, as soon as is practicable, investigate the matter with any employees who may be directly concerned to determine the appropriate course of action. After investigating the Head of Compliance will write to the complainant detailing the results of the investigation and offering, where appropriate, redress.

9.3 GPP will consider a complaint to be closed in any of the following circumstances:

- (a) If at any time a complainant has accepted in writing an offer of redress or has written to GPP confirming that he/she is satisfied with GPP's response to the complaint (or simply confirms in writing that he/she wishes to withdraw the complaint). The Head of Compliance will write to the complainant acknowledging receipt, making redress (if appropriate) and confirming that the complaint has been closed; or
- (b) If the complainant has not replied to an initial or interim letter offering redress having been invited to do so within eight weeks of the date of the letter.

9.4 If you are an eligible complainant (as defined in the FCA Rules) you may have the right to refer your complaint to the Financial Ombudsman Service. The Financial Ombudsman Service is a free and independent statutory dispute-resolution scheme for financial services. Details of who are eligible complainants can be obtained from the Financial Ombudsman Service. The Financial Ombudsman Service's website is [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) and they can be contacted at:

2. The Financial Ombudsman Service
3. Exchange Tower
4. London E14 9SR
5. United Kingdom
6. Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)
7. Telephone: 0800 0234 567 or 0300 1239 123

## 10. Investor Compensation

10.1 GPP is covered by the UK Financial Services Compensation Scheme ("FSCS"). Depending on the type of business and your circumstances, compensation, may be available from that scheme if GPP cannot meet its obligations to you. Eligibility also depends upon the type of business and the circumstances of the claim. Claims made to the FSCS are subject to maximum limits on compensation. The claim limit for investment business is £85,000 per person, per authorised firm.

10.2 Further information about the FSCS, including who may be eligible to make a claim should the need arise, is available on the FSCS website (see [www.fscs.org.uk](http://www.fscs.org.uk)).

**11. OTHER MATTERS**

- 11.1 GPP will categorise you as the same client categorisation as we have adopted and such categorisation will apply to the business that GPP conducts with you.
- 11.2 We will provide you with any relevant costs disclosure from GPP.
- 11.3 In the course of providing services to you, GPP may pay or receive or share fees, commissions or other non-monetary benefits with or from any other person to the extent permitted by the FCA Rules. Through us, GPP will separately notify you of the details of any such arrangements if required by the FCA rules.
- 11.4 GPP may be required under the FCA Rules to provide you with certain information in a “durable medium” and may wish to do so in a durable medium other than paper. You give your express consent to GPP to provide this information to you by means of a durable medium that is not paper including via a client portal accessible through a secure login or email that is personally addressed to you.
- 11.5 You also give your express consent to GPP to provide information which is required by the FCA rules that is not personally addressed to you by means of a website. You specifically consent to GPP providing this information on our website: <https://www.gpp.group/>.
- 11.6 You give your express consent to GPP to act on our instructions in relation to payments that concern your money or assets (including, without limitation, the payment of fees to us).

**12. Amendment**

- 12.1 You agree that GPP has, subject to applicable law, the right under the GPP Agreement to alter these terms at any time, upon giving prior notice to us unless it is impracticable in the circumstances to give such notice. We are unable to influence any such amendments

**13. General**

- 13.1 GPP’s obligations to you shall be limited to those set out in this Schedule and GPP shall, in particular, not owe any wider duties of a fiduciary nature to you.
- 13.2 No third party shall be entitled to enforce the terms set out in this Schedule in any circumstances.
- 13.3 Any failure by GPP (whether continued or not) to insist upon strict compliance with any of the terms set out this Schedule shall not constitute nor be deemed to constitute a waiver by GPP of any of its rights or remedies.
- 13.4 The terms set out in this Schedule shall be governed by English law and you hereby irrevocably submit for the benefit of GPP to the non-exclusive jurisdiction of the courts of England.