

NOVUM SECURITIES LIMITED

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 8-10 Grosvenor Gardens, London SW1W 0DH. Tel +44 (0) 20 7399 9400 email enquiries@novumsecurities.com. Novum Securities is authorised and regulated by the Financial Conduct Authority (FCA), 25 The North Colonnade, Canary Wharf, London E14 5HS and is a member of the London Stock Exchange.

COMMENCEMENT

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.

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.

OUR SERVICES

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

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;

Executing as agent transactions in 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;

Arranging transactions in investments which we may determine from time to time;

collectively referred to as “Client Business” in this Agreement.

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 Pershing Securities Limited 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.

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.

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.

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.

EXECUTION SERVICES

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.

Where we do provide general trading recommendations, market commentary, guidance on shareholding disclosure or other information:

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;

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;

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.

RESEARCH

Novum Securities does not provide research services.

CLIENT CATEGORISATION

We shall separately notify you of your client classification.

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.

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.

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.

RISK WARNINGS

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.

YOUR ACCOUNT

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.

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.

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.

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.

OUR CHARGES AND EXPENSES

Novum Securities is entitled to charge you:

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;

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);

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

Any interest payable in accordance with clause 8.2;

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

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.

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.

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.

CONFLICTS OF INTEREST

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.

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.

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.

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.

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.

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.

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.

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.

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.

INSTRUCTIONS AND DEALINGS

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:

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;

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

Once an order has been accepted for immediate execution by Novum Securities it may only be amended or withdrawn by agreement.

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.

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.

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.

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.

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

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.

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.

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.

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).

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.

ON AND OFF-EXCHANGE AND GREY MARKET INVESTMENTS

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.

AGGREGATION OF ORDERS

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.

WAREHOUSING

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.

SOFT COMMISSION

We may enter into soft commission agreements with third parties under which we may receive goods or services in return for our using such third parties' services in carrying out our role under this Agreement. We will only do so in accordance with FCA Rules and we will provide you with a summary of our policy on soft commissions to you on request. We shall not be obliged to account to you for any such goods or services received.

CLIENT MONEY

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.

REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

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.

COLLECTIVE INVESTMENT SCHEMES

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.

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

YOUR OBLIGATIONS UNDER THE TAKEOVER CODE AND FSMA

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.

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.

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.

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.

CONTRACT NOTES AND STATEMENTS

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

All contract notes, advice notes or similar communications will be dispatched or transmitted to you at the address shown in Novum Securities' records for this purpose and shall be conclusive and binding on you unless objection in writing is received by Novum Securities within two business days of the date thereof. In proving delivery, it will be sufficient for Novum Securities to prove that the communication was correctly addressed and posted or delivered or that was transmitted to the correct facsimile number.

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.

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.

ANTI-MONEY LAUNDERING

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.

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.

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.

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.

LIABILITY

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.

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.

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.

You shall always inform Novum Securities of any breach of this Agreement and afford it a reasonable opportunity of correcting it.

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.

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.

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.

EVENT OF DEFAULT

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 3.2 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 clauses 23.3 to 23.10 of this Agreement.

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.

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.

We may without notice treat any transactions in investments that is then outstanding as having been cancelled or terminated; and/or

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

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.

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.

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.

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.

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

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.

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.

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.

INDEMNITY

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.

FORCE MAJEURE

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.

TERMINATION

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.

COMPLAINTS AND COMPENSATION

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

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

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.

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 for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. Further information is available on request or can be found in the FCA's Handbook, under COMP at:

<http://fcahandbook.info/FCA/html/handbook/COMP>

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

Financial Services Compensation Scheme

PO Box 300

Mitcheldean, GL17 1DY

You can telephone the FSCS on +44 02(0) 7741 4100 and additional information can be found at their website www.fscs.org.uk

DATA PROTECTION

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.

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.

USE

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. 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 if the Web Site - <http://www.novumsecurities.com/>

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.

SECURITY

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.

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.

RECORDING OF TELEPHONE CALLS

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.

GENERAL

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

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.

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.

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

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.

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.

CHANGES TO THIS AGREEMENT

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.

SUCCESSORS & ASSIGNS

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.

ENTIRE AGREEMENT

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.

NO WAIVER

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.

GOVERNING LAW

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 1.8 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.

Cannot be reclassified as an eligible counterparty client

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

It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined 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**1 RELATIONSHIP WITH PERSHING SECURITIES LIMITED**

- 1.1 To help us provide our services to you we have entered into an agreement with Pershing Securities Limited (“PSL”) under which PSL provides **clearing and settlement, safe custody** and other associated services to our clients (“the PSL Agreement”) in order to carry out the investment transactions we execute or arrange for our clients and to hold the related investments and cash. When we consider it necessary or desirable in connection with our services to you, we may agree with PSL that it will also provide other services, such as investment dealing services, under the PSL Agreement. The PSL agreement covers both us and you as one of our clients. Please note that any terms set out in bold in these terms of business are described further in the Glossary which is set out in Annex 1 to these terms of business.
- 1.2 PSL is a company registered in England, company number 2474912. Its registered office is at Royal Liver Building, Pier Head, Liverpool, Merseyside L3 1LL. PSL is authorised and regulated by the Financial Conduct Authority (“FCA”) which is located at 25 The North Colonnade, Canary Wharf, London E14 5HS. PSL is also a member of the London Stock Exchange (“LSE”).
- 1.3 So that you can understand your rights and obligations in relation to the PSL Agreement, the main terms of the PSL Agreement which affect you are summarised below. If you have any questions about the PSL Agreement or these terms of business you should contact us to discuss this as soon as possible, and before you accept the terms of business or instruct us to act for you. As with any agreement or contract, you should also take any independent legal, financial or other advice which you think you need before accepting these terms.
- 1.4 By accepting these terms of business, you agree that:
- (a) we are authorised to enter into the PSL Agreement on your behalf, acting as your agent;
 - (b) accepting these terms means that there is a contract between you and us and also between you and PSL. As a result of that contract, you will be bound by both our terms of business and the PSL Agreement (as set out or summarised below);
 - (c) we may give instructions to PSL on your behalf as allowed by our terms of business and the PSL Agreement and may provide information about you to PSL. When PSL receives such instructions or information from us, PSL is entitled to rely on them without making any further checks or enquiries; and
 - (d) PSL is authorised to hold cash and investments on your behalf and can transfer such cash or investments from your account to meet your settlement or other obligations to PSL.
- 1.5 When you read these terms, it is important you understand that you will be a client or customer of ours, but you will also become a client of PSL for settlement and safe custody purposes.
- 1.6 We retain responsibility (including responsibility for complying with any related regulatory requirements) and PSL shall not have any responsibility for the following matters:
- (a) our own operations;
 - (b) the opening of an account for you;
 - (c) the supervision and operation of your account for you;
 - (d) our ongoing relationship with you;
 - (e) making all necessary anti-money-laundering compliance checks;
 - (f) explaining to you the types of investments covered and any risks relating to investments, investment transactions or any investment strategy to be pursued on your behalf;
 - (g) accepting and executing orders for investment transactions, following your instructions or within the mandate given by you;

- (h) any required assessment of the suitability or appropriateness of transactions and investments for you or, where permitted and necessary, warning you of any possible inappropriateness of an investment;
- (i) if required, providing any investment advice to you or taking investment management decisions on your behalf;
- (j) reviewing your accounts for market abuse, insider trading and compliance with FCA Rules and any other applicable legal and regulatory requirements to which we or you may be subject; and
- (k) giving instructions to PSL which are proper, accurate and in accordance with any instructions or mandate you give us.

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

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

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

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

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

3 YOUR ACCOUNTS WITH PSL

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

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

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

- (e) if your liabilities in relation to your account, and amounts owing by you to PSL, exceed or are likely to exceed the value of the cash and investments PSL holds for you.

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

- 3.3 You may at any time when there are no outstanding obligations owed by you to PSL, give notice in writing to us to stop receiving services from PSL and close your accounts with PSL.
- 3.4 If either you or PSL decide to close your accounts with PSL you will need to give instructions on the future custody of your investments so that PSL can transfer your money and investments (after deducting amounts owed to it) to your new custodian.

4 COMMUNICATION AND INSTRUCTIONS

- 4.1 PSL will only accept instructions for your accounts from us and not directly from you.
- 4.2 PSL may rely on and act on any instructions which PSL in good faith believes were given by us or our representatives. Such instructions can only be cancelled or changed if we give written notice to PSL sufficiently in advance to enable PSL to prevent the processing of the instructions. If PSL seeks instructions from us and we do not respond within a reasonable time, then PSL may take such action as it considers appropriate on the relevant matter. PSL is not responsible or liable to you for any delays or inaccuracies in the transmission of instructions or other information (or any resulting action or failure to act) where that delay or inaccuracy is as a result of factors outside the reasonable control of PSL. This means that if the delay or inaccuracy is not PSL's fault, then you cannot obtain redress from PSL.
- 4.3 There may be circumstances where PSL refuses to accept any order or other instruction for your account. For example, PSL may do so for any of the reasons set out in paragraphs 3.2(a)-(e) above or where:
 - (a) the transactions falls outside the dealing criteria that PSL applies;
 - (b) PSL cannot carry out the instruction because it cannot access a market; or
 - (c) we or PSL do not have the necessary FCA permission to deal in a particular investment.

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

- 4.4 If you have any questions or concerns relating to your account with PSL, you should tell us and we will deal with PSL on your behalf. You should not contact PSL directly.
- 4.5 All communications whether written, spoken, electronic or in any other form between you, us and/or PSL shall be in English.

5 DEALING

- 5.1 Normally we will be responsible for executing any order or transaction on your behalf. This means that PSL will not owe you a duty of best execution under the FCA Rules or otherwise when it carries out transactions executed by us on your behalf. We shall be responsible for ensuring best execution and for any decision to aggregate transactions for you with those of other people.
- 5.2 We may sometimes agree with PSL that it is to execute transactions for your account when we transmit orders to it. If we do this, we have agreed that, rather than you, we will be PSL's client for the purposes of the FCA Rules. In order for PSL to provide **dealing** services for your account, you need to ensure that:
 - (a) where you are buying investments, there is sufficient cash in your account; and
 - (b) where you are selling investments, documents of title or transfer forms that are required are delivered to PSL,

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

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

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

6 SETTLEMENT OF TRANSACTIONS

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

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

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

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

so that settlement on your transaction can take place.

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

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

- 6.5 PSL is not obliged to credit any cash or investments it receives to your account until it has received them in irrevocable and unconditional settlement of the relevant transaction without the sender being able to reverse the settlement or require redelivery. If for any reason PSL does credit cash or investments to your account earlier than this and PSL reasonably considers that irrevocable and unconditional settlement is unlikely to take place then PSL will be entitled to reverse the entry and require you to give back or redeliver the cash or investments or their equivalent.
- 6.6 In some cases, transactions will be subject to **netting**. You agree, in respect of any transaction which is subject to **netting**, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant **CCP**, **CSD** or agreement with the counterparty. You acknowledge that if net settlement takes place then PSL will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.
- 6.7 If a transaction is undertaken on your behalf on non-UK markets, the specific provisions set out in **Annex 3** shall apply.
- 6.8 Transactions executed on your behalf may settle in the books of a **CCP**, **CSD** or other body or custodian combined with transactions for the account of other clients of ours. If this happens then PSL will allocate between our clients the cash or investments received by it or on its behalf as a result of the settlements in accordance with the client trades we have notified to it. If PSL receives cash or investments for trades that were intended to settle at the same time (but which, for whatever reason, do not do so), then PSL will allocate that cash or investments received by it on the following basis:
- (a) in accordance with any priority for settlements determined by PSL prior to the transactions taking place;
 - (b) if transactions have the same priority, then the allocation will be in order of time, by reference to the intended settlement date of the transaction which we specified to PSL, so that the earliest in time will settle first in each case;
 - (c) where transactions have the same priority and intended settlement date, then the allocation will be by value so that the larger or largest trade by value (not by number of units or size) will be settled first in each case.
 - (d) where these allocations are necessary, they will also be subject to the operation of the relevant **CCP**, **CSD**, custodian or other entity. Such operations may include a **netting** rule or practice, automatic splitting of unsettled transactions or other automatic aggregation, splitting or allocation.
- 6.9 **Time shall be of the essence** with respect to any payment, delivery or other obligation of yours to PSL.

7 CLIENT MONEY

- 7.1 Money held by PSL for your account, will be held in compliance with the FCA Client Asset Rules when these apply to the money. This means, amongst other things, that PSL will hold your money in a special designated client bank account which is an account kept separate from PSL's own funds.
- 7.2 When considering where that client bank account should be, PSL will exercise due skill, care and diligence and will periodically review the adequacy and appropriateness of any bank or credit institution where your money is deposited and of the arrangements for holding your money (such as which banks or credit institutions are used, the amount of client money deposited with the bank or credit institution and any use of fixed term deposits for client money). These requirements will not apply where your money is held with a central bank of a country. It is important to note that PSL is not responsible for any acts, omissions or default of a credit institution or bank chosen by it but only for taking care in its choice and monitoring.
- 7.3 When PSL holds your money in a client account it may be pooled with money belonging to other clients of PSL. Where funds are pooled in this way, you will not have a claim for the specific sum in a specific account. Your claim would be against the client money pool in general and if there is a deficiency in the pool you would share pro rata in that loss. Such a deficiency is likely to arise if a relevant bank or credit institution with which client money is deposited by PSL becomes insolvent or otherwise defaults on its obligations to pay out money when due.
- 7.4 If PSL holds money which is not immediately required to settle an investment transaction, such money will be deposited with a bank or credit institution, together with other clients' money. Money may earn interest at a rate determined by the relevant bank or credit institution. However, the amount of any interest on money that would be credited to your account and made available to you (subject to clauses 11 and 12.3), will be determined by us, and will be as notified by us to you from time to time. Any interest will be calculated on a daily basis and credited to your account every six months. We may decide not to credit your account if the amount of the interest falls below a threshold notified to you by us. Unless we notify you otherwise, you will be entitled to interest at the central bank base rate for Sterling, US Dollars, and the Euro, and the applicable local agent credit rate for other currencies, less a money management fee charged by PSL. PSL charges a fee for managing the balance on your account (the money management fee) and that fee will be applied to

the balance on your account and may be higher than any interest which would otherwise have been credited to your account in which case a charge in the form of debit interest may be charged for that balance as notified to you by us.

- 7.5 If we, or PSL, are unable to contact you (for example if you move and fail to update your address with us), so that we are unable to deliver money held for your account to you, or you fail to respond to our communications requesting any instructions from you concerning such money, with the result that any of your money held by PSL is unclaimed, PSL may transfer such money to a pooled client unclaimed money account subject always to PSL undertaking to make good any valid claim by you. The money held in the client unclaimed money account will be held by PSL in compliance with the FCA Rules.
- 7.6 Sometimes we or PSL will undertake a transaction for you which requires your money or investments to be passed to an **Relevant Party** in order to meet the obligations under that transaction or as **Margin or Collateral**. When a **Relevant Party** is involved then any money or investments passed to the **Relevant Party** may be at risk in the event of its insolvency. By accepting these terms, you acknowledge that this is the case.
- 7.7 Please refer to the provisions of Annex 3 which will apply if your money is held by a credit institution or bank outside the UK or EEA.
- 7.8 PSL may use a bank which is affiliated to PSL to hold client money on your behalf subject always to any specific FCA Rules concerning the use of such affiliated bank.
- 7.9 Money held by PSL in pooled client money accounts as set out in this clause 7, may (in part) be deposited (where permitted under FCA Rules) into a fixed term deposit. Money held in fixed term deposits cannot be withdrawn by PSL until the fixed term expires. This means that the part of the client money pool (as described in clause 7.3 above) which is held in fixed term deposits would not be available for immediate (or next day) withdrawal by you and the return of such client money would be delayed until the fixed term expires. In addition, PSL would not be able to move client money held in a fixed term deposit until the expiry of such fixed term and therefore would not be able to mitigate the risk of any default or insolvency of the relevant bank or credit institution and the possible creation of a deficiency in the client money pool (resulting in a loss as described in clause 7.3) which may arise during such fixed term. By accepting these Terms of Business you acknowledge you are aware of and accept the risks set out in this clause 7.9.

8 CUSTODY AND ADMINISTRATION OF YOUR INVESTMENTS

- 8.1 Subject to clause 8.2, where PSL holds investments for your account it will register those investments in the name of a **nominee company** controlled by PSL or by a member of PSL's group.
- 8.2 In some situations, for example where the rules of a particular market or **CSD** require, PSL will register your investments in the name of an **Eligible Custodian**. PSL will not usually register investments in your name but if it is required to do so, you shall remain responsible for the consequences of any such registration.
- 8.3 If your investments are held overseas the provisions of Annex 3 shall also apply.
- 8.4 When your investments (including any money held for your account are held by a depository or an **Eligible Custodian**, such depository or **Eligible Custodian** may have rights against your investments, arising out of the operation of local law, local regulatory rules, or market practice which may include:
- (a) security rights over them including but not limited to a **mortgage or charge**;
 - (b) rights to withhold or retain them, such as by way of a **lien**;
 - (c) other rights to have the asset paid or transferred to them or to prevent a transaction involving such asset from going ahead; and/or
 - (d) rights to be paid any or all of the proceeds of a transaction involving the asset.

PSL has agreed with the **Eligible Custodians** that such rights as set out in this clause 8.4 are limited to those in respect of debts arising out of (i) properly incurred charges and liabilities arising from the safekeeping, administration and provision of services (including the settlement of transactions as set out in clause 6) with respect to the investments held by the **Eligible Custodian**; or (ii) arise under the rules of a **CSD, CCP** or local settlement system.

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

- (a) your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register;

- (b) In the course of settlement of transactions from the omnibus account (due to the nature of such holding and the operation of settlements into and from an omnibus account) circumstances could arise whereby your assets as held in the pool are used to satisfy the transaction of another client whose assets are also held in the omnibus account. You should note that Pershing has in place systems and controls to reduce the occurrence of such events and to mitigate the risk to you from such circumstances as required under FCA Rules;
- (c) if there is an irreconcilable shortfall following any loss by or default of, PSL or the **Eligible Custodian** (or a **nominee company**) then you may not receive your full entitlement and may share in any shortfall on a pro rated basis with any other investors;
- (d) sometimes PSL will receive investments or money on behalf of more than one client in connection with pooled holdings (for instance in a bonus or rights issue or takeover). In such circumstances PSL may, in accordance with FCA Rules, allocate such investments between clients on whatever basis it considers fair and reasonable in accordance with its allocation policy in force at the time;
- (e) if a share issue or other corporate event favoured the small investor (as defined by the issuer making the issue or creating the corporate event) your actual allocation may be less than it would be if your investments were registered in your own name; and
- (f) sometimes amounts or investments may arise which would not have arisen if the investments had been registered in your own name. You may not be entitled to any such additional amounts.

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

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

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

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

8.9 If any notification is given to you pursuant to clause 8.7 from PSL, you must ensure that you provide instructions to us, for onward transmission to PSL in sufficient time to ensure that PSL is able to act upon such instructions. The instructions given, their consequences, and the consequences of failing to give us instructions, will be entirely your responsibility. Neither we nor PSL is obliged to do more than give one notification on the relevant matter.

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

8.11 Sometimes PSL or an **Eligible Custodian** who is holding your investments may receive dividends, interest and other rights or payments after local withholding or similar taxes or other deductions are made from those sums. You accept that PSL or any **Eligible Custodian** may, if it is required to do so to comply with legal or regulatory requirements, withhold or deduct tax or other amounts from any such payments. Any costs PSL or an **Eligible Custodian** incurs when complying with these obligations may be deducted by PSL from your account. If you are eligible to reclaim any such withholdings or deductions then this will be your responsibility and not that of PSL or an **Eligible Custodian**, to do so.

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

8.13 In some circumstances PSL may refuse to hold any investment or investments for you. This may occur in any of the circumstances outlined in clause 3.2 of these terms or if the investment concerned is of a kind for which PSL does not have facilities, or arrangements with appropriate **Eligible Custodians**, to hold or if holding the investment would expose PSL to liabilities. We will notify you if PSL chooses to exercise this discretion unless legal or regulatory constraints prevent such disclosure.

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

9 CONSEQUENCES OF YOUR DEFAULT

9.1 If you fail to pay cash or investments (as relevant) when due to meet any settlement obligations or if you otherwise fail to meet any of your other obligations to PSL then you should be aware that there will be certain consequences as a result of such failure, as further described in the remainder of this clause 9.

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

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

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

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

9.5 Where PSL exercises its rights to use your cash or dispose of your investments under clause 9.3 above, it will have no further obligation to you (and neither you nor we will have any right to require PSL to account to you, or to anyone else, for any investments or cash received when the relevant transaction is settled.

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

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

9.8 The provisions in this clause 9 will continue to apply even if we or PSL stop providing services to you, so long as any obligations for your account remain outstanding. They apply in addition to any other right PSL has, and they will not be affected by any failure by PSL or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

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

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

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

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

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

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

10.4 You will not be liable to indemnify PSL under this clause 10 and PSL will have no right or claim against you or us if any consequences to PSL are caused by its own negligence, wilful default, fraud or any breach of the FCA Rules.

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

10.6 The provisions in this clause 10 will continue to apply even if we or PSL stop providing services to you. They apply in addition to any other right of indemnity or claim of any Indemnified Person whether or not under these terms, and they will not be affected by any failure by PSL or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

11 CHARGES

11.1 The fees and charges payable by you in relation to the services provided by PSL (in particular, the money management fee), and any taxes payable through PSL, will be set out in the fees and charges information provided to you by us from time to time. PSL can either pay these out of the assets and money it holds for you for your account or by way of set off as described at clause 9 above or require you to pay them directly to PSL or to PSL through us. You may also be liable for other taxes or charges which are not payable through PSL.

12 PSL’S CONFLICTS OF INTEREST

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

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

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

- 12.3 PSL may place money held for your account with a bank or other financial institution (in accordance with the FCA rules) and earn interest and retain some or all of that interest from that bank or financial institution.
- 12.4 A summary of PSL's conflicts policy (including further disclosure concerning the payments PSL may receive from fund managers) is published on PSL's website at www.pershing.co.uk under the heading of "compliance disclosures" (a hard copy is available on request from us).
- 12.5 You acknowledge that neither PSL nor any of its associates is required to disclose or account to you for any profit made as a result of acting in any manner described above.

13 DATA PROTECTION AND CONFIDENTIALITY OF INFORMATION

- 13.1 PSL may store, use or otherwise process personal information about you which is provided by you or us on your behalf. The purposes for which it can store, use or process such personal information are providing investment and other services under these Terms, administering your account and other purposes closely related to those activities. This includes (but is not limited to) using information for the purposes for credit and anti-money laundering enquiries or assessments. In the United Kingdom PSL operates and has made all the appropriate notifications in accordance with applicable data protection legislation.
- 13.2 Any information that we and PSL hold about you is confidential to you and will only be used in connection with providing services under these Terms (as may be set out in more detail in PSL's published privacy policy as referred to in clause 17). Information of a confidential nature will be treated as such provided that such information is not already in the public domain. PSL will only disclose your information to third parties in the following circumstances:
- (a) If required by law or if requested by any regulatory authority or exchange having control or jurisdiction over you, us or PSL (or any associate of us or PSL);
 - (b) to investigate or to prevent fraud, market abuse or other illegal activity;
 - (c) in connection with the provision of services to you by us or PSL;
 - (d) for purposes closely related to the provision of the services or the administration of your account including without limitation for the purposes of credit enquiries or assessments;
 - (e) if it is in public interest to disclose such information; or
 - (f) at your request or with your consent.
- 13.3 The restrictions on the use of confidential information described above are subject at all times to a general proviso that PSL may disclose your information to certain permitted third parties including members of its own group (associates) and its professional advisors (including accountants and lawyers) who are subject to confidentiality codes.
- 13.4 Neither we nor PSL will sell rent or trade your personal information to any third party for marketing purposes unless you give your express consent.
- 13.5 You should note that by signing or otherwise accepting these Terms you agree that PSL is allowed to send your information internationally including to countries outside the EEA such as the United States of America. Some countries where your information is sent will offer different levels of protection in relation to personal information, not all of which will be as high as the UK. PSL will however, always take steps to ensure that your information is used by third parties only in accordance with PSL's policy.
- 13.6 You are entitled to a copy of any information PSL holds about you. In the first instance, you should direct any such requests to us and we will pass your request on to PSL. PSL is entitled to by law to charge a fee of £10 to meet the cost of providing you with details of the information it holds about you. You should let us know if you think any information PSL holds about you is inaccurate and we will ask PSL to correct it.

14 COMPLAINTS

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

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

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

15 INVESTOR COMPENSATION

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

16 AMENDMENT

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

17 PROVISION OF INFORMATION VIA A WEBSITE

17.1 PSL may provide the following information to you via their website www.pershing.co.uk (under the "disclosures" section). Such information may be amended from time to time by PSL:

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

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

18 GENERAL

- 18.1 PSL's obligations to you are limited to those set out in these terms. PSL shall in particular not owe any wider duties of a fiduciary nature to you.
- 18.2 No third party shall be entitled to enforce these terms in any circumstances.
- 18.3 Any failure by PSL (whether on an ongoing basis or not) to insist upon strict compliance with any of these Terms is not deemed to amount to PSL giving up or waiving any of any of its rights or remedies under them. The rights and remedies conferred on PSL will be cumulative and the exercise or waiver of any part of them will not stop or inhibit the exercising by PSL of any other additional rights and remedies.
- 18.4 These terms are governed by English Law and you irrevocably agree to submit, for the benefit of PSL, to the non exclusive jurisdiction of the Courts of England.

ANNEX 1
GLOSSARY

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

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

ANNEX 2**CCP AND CSD TRANSACTIONS****1 SETTLEMENT OF CCP AND CSD TRANSACTIONS**

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

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

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

1.3 We and you acknowledge and agree that:

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

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

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

ANNEX 3**OVERSEAS INVESTMENTS****1 SETTLEMENT OF TRANSACTIONS**

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

2 CLIENT MONEY

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

3 CUSTODY AND ADMINISTRATION OF YOUR INVESTMENTS

3.1 Whether or not they are registered or recorded in the name of PSL, or an **Eligible Custodian**, investments belonging to you which are held abroad may be subject to different settlement, legal and regulatory requirements from those applying in the UK or the EEA. Your rights may therefore also differ. In particular, such investments, by their nature may require, in order to effect settlement of your transaction, that the investment is held in a country that may not impose specific regulation covering the safekeeping of investments. Subject to PSL, satisfying itself that the arrangements for the holding of your investment in such market by the **Eligible Custodian** it appointed are adequate (based on the due diligence referred to in clause 3.2 of this Annex 3), PSL will deposit such investment with such **Eligible Custodian** notwithstanding the risks outlined in this Annex 3.

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

3.3 Overseas investments may be registered or recorded in the name of PSL or in the name of an **Eligible Custodian**. Your acceptance of these terms indicates your consent to the possibility of registration in such manner. However any such registration in one of these ways will only be done after PSL has taken reasonable steps to determine that it is in your best interests to do so or that it is not feasible to do otherwise because of the nature of the applicable law and market practice in the jurisdiction where the transaction occurs. Registration in this way means that your investments may not be kept separate from other investments belonging to PSL or the relevant **Eligible Custodian**. Your protection may therefore be less, as if the person in whose name your investment is recorded defaults on its obligations, your investment may not be separately identifiable as yours. Accordingly it may be subject to other third party claims including claims by the general creditors of the defaulting person.

ADDITIONAL CLAUSES

AGENT AS CLIENT

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

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

TRUSTEE AS CLIENT

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

- We will only cause PSL to be obliged to settle any transaction where we have full management control and full authority to instruct use of sufficient of the assets or cash of the Trust to meet any obligation incurred by PSL on behalf of the Trust and that we have full authority to direct the custodian, if any, of the underlying customer’s assets and cash to meet any obligations so incurred and that we have sufficient authority and consents to perform our obligations under these terms.
- We are not aware of any reason why the cash or assets of the Trust which are the subject of our management (as described above) could not be used to meet such obligations.
- We will not effect any transaction for the account of the Trust if we have any reason to believe that the Trustees of the Trust will not be willing or able to meet their obligations in respect of such transaction and will notify PSL as soon as reasonably practicable if we have any reason to believe that the Trustees will not be willing or able to meet their obligations in respect of any transaction; and
- We believe on reasonable enquiry and on reasonable ground that the Trustees of the Trust will have all requisite power and legal capacity to enter into any such transaction and to perform their obligations under these terms.

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

- You will supply us with all relevant information of which you are aware in relation to the matters covered by our above warranties and you will not do anything to cause us to be in breach of our obligations as set out above;
- Any payment or accounting made by PSL to any one or more of the trustees will be treated as made to all of them;

- If you (or where you are more than one person any of you) become aware that any warranty given to PSL above has become untrue you will notify PSL and us in writing as soon as reasonably practicable on becoming so aware; and
- Your aggregate liability to us PSL and any other person under these terms shall be limited to the net value of the asset from time to time under your control in your capacity as the Trustees of the Trust save that this limitation shall not apply in respect of any liability to PSL for any breach of your obligations to PSL under this sub-clause.