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## **Our Terms and Conditions for Investment Services**

Direct clients, Intermediaries and Trustees

**January 2022**

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This document contains the legally binding terms and conditions on which EFG Harris Allday (EFGHA), a division of EFG Private Bank Limited, provides Investment Services for you. It is essential that you read the terms and conditions and we will ensure that you have a proper opportunity to do so. If you have any questions or if there is anything that you do not understand, please let us know.

Our terms and conditions are designed so that you only need to read the sections that are applicable for the type of business that we provide to you. We set out below the sections of the terms and conditions that you should read, depending on client type:

Section	Terms and Conditions relevance by Client Type		
	Direct Clients (Where you deal with one of our relationship managers directly rather than through a third party)	Intermediaries acting on behalf of clients (Where a client has appointed a third party, such as a financial adviser, to deal with us on its behalf)	Trustees (Where you appoint us to manage the assets of a trust that you act as trustee for)
<b>1 Terms that apply to all of our Investment Services</b>	X	X	X
<b>2 Discretionary investment management</b>	If we provide you with our discretionary managed service.		
<b>3 Advisory services</b>	If we provide you with either of our advisory services.		
<b>4 Execution only services</b>	If we provide you with our execution only service.		
<b>5 Custody</b>	X	X	X
<b>6 Terms which apply in relation to the appointment of a third party</b>		X	
<b>7 Terms which apply when you have an ISA or JISA with us</b>	If you have an ISA or JISA with us.		
<b>8 Additional terms which apply to particular client types</b>	X		X
<b>9 Risk warnings</b>	X	X	X
<b>10 Reporting to you</b>	X	X	X
<b>11 Our charges</b>	X	X	X
<b>12 Definitions</b>	X	X	X

While it is important that you read all of the terms that apply to you, we set out below what we consider to be terms that we wish to draw your specific attention to (particularly those in bold, dealing with your and our liability under this Agreement):

Term Number	Heading of Term
1.17.1	Unclear, unauthorised, and fraudulent instructions
1.17.3	Your responsibility for our losses where we act on your Instructions
<b>1.18</b>	<b>Your liability and undertakings</b>
<b>1.19</b>	<b>The extent of our responsibility for our actions and the actions of others</b>
1.20	Delegation
1.21.2	Notice of us ending the Agreement
1.22.1	Amendments
1.22.2	Assignment/Transfer
2.6	Risks of discretionary management
5.1.2	Appointment of a Sub-Custodian
5.1.9	Our rights over your assets
5.1.16	Transfer of business
5.2.3	Our responsibility
9	Risk warnings
11	Our charges

If you are willing to accept the terms and conditions set out in this Agreement, please sign and date the declaration at the end of the Application Form and return it to us.

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## 1. TERMS THAT APPLY TO ALL OF OUR INVESTMENT SERVICES

**This section shall apply to ALL clients**

### 1.1 The Agreement

The agreement between us (the “**Agreement**”) in relation to the provision of our Investment Services comprises:

- a) these terms and conditions;
- b) any supplementary terms and conditions given to you in relation to the provision of our Investment Services;
- c) our Scope and Cost of our Services document; and
- d) Our Application Forms and Investor Profile Forms,

all as may be amended from time to time.

The purpose of this Agreement is to set out the terms and conditions upon which we agree to provide you with our Investment Services.

We may, from time to time, introduce you to one or more of our Associates. Where we effect such an introduction, any services we provide you may be separate and apart from the services for which you have engaged such Associates. Separate terms and conditions may apply to services we provide you and those which are provided to you by our Associates. Our Associates are each separately responsible for their own services and any actions or omissions undertaken in the course of providing them.

### 1.2 Effective date

1.2.1 This Agreement shall replace and supersede any prior investment services terms and conditions between you and us (including prior Scope and Costs of our Services documents and application forms (including previous investor profile forms)) and any prior oral or written representations or other agreements between you and us which relate to our Investment Services.

1.2.2 The version of the terms and conditions on our Website is the latest version in force and forms part of our Agreement in accordance with section 1.1. If you are commencing a new relationship with us, this Agreement shall come into force on the date of receipt and acceptance by us of a duly signed Application Form and completed Investor Profile Form. By continuing to do business with us, you are indicating your continued acceptance of this Agreement.

### 1.3 Our regulator

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our FCA registration number is 144036. The PRA's registered address is 20 Moorgate, London EC2R 6DA, and the FCA's registered address is 12 Endeavour Square, London E20 1JN.

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#### **1.4 Our contact details**

Our registered office is Park House, 116 Park Street, London W1K 6AP.

Our correspondence address is EFGHA, 33 Great Charles Street, Birmingham B3 3JN.

#### **1.5 FCA client classification**

We are treating you as a Retail Client for the purposes of the FCA Rules unless otherwise agreed with you in writing. Under the FCA Rules, you have the right to request in writing a different categorisation, however, this may limit the level of protection you have.

Where an election to be treated as a Professional Client is accepted by us, we will provide you with a Professional Client categorisation letter setting out the implications of such classification.

It is your responsibility to inform us about any change in your circumstances which might affect our determination of the appropriate categorisation for you.

#### **1.6 Anti-money laundering**

To comply with anti-money laundering requirements, we are required to obtain information concerning persons who wish to use our Investment Services, including any third parties with rights, control or beneficial ownership over your Portfolio(s). Please note that we are unable to provide such services to you until we have received certain required information and related documents.

By signing the Application Form you consent to us using a credit scoring or other electronic data check mechanism when considering your application, to verify your identity and also when providing you with Investment Services under this Agreement. In the same circumstances, we may search files of credit reference agencies, who may keep a record of the search. We may also carry out identity and anti-fraud checks. Your information may also be used for debt tracing.

If we cannot verify your identity electronically, you must provide us with evidence of your identity, address and any other information we may require.

To use our Investment Services you must provide us with evidence of your identity, address and any other information we may require. You agree to provide any further information or documentation we may require once we have started to provide Investment Services to you to meet our ongoing legal or regulatory obligations. It is your responsibility to inform us about any change in your circumstances.

We will periodically review and update our anti-money laundering assessments and may ask you for further confirmation of the above mentioned information throughout our relationship.

#### **1.7 Additional documentation**

Some Complex Investments (for example exposure to certain derivatives, foreign exchange contracts, contingent convertible instruments and structured products) are not covered by this Agreement, unless you enter into certain additional agreements (unless you are deemed or elect to be treated as a Professional Client for regulatory purposes pursuant to section 1.5). We will only make such investments available to you at our sole discretion and subject to

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Applicable Regulations. If you would like access to such investments, please discuss this with your Investment Manager and we will provide you with further information. Please note that we will not be able to provide you with access to crypto currencies.

## **1.8 Terms relating to effecting transactions in investments for you**

### **1.8.1 Securities depositories, etc.**

You authorise us and others appointed by us, when required for the purposes of the provision of our Investment Services, to use securities depositories, clearing and settlement houses and similar securities systems.

### **1.8.2 Market exchange rules and practice**

When carrying out transactions on your behalf, we, or others appointed by us, will do so in accordance with the rules and regulations of the relevant market or exchange and you will be bound by anything that those rules and regulations oblige us to do. You authorise us and others appointed by us to take all steps that may be required or permitted by the market or exchange concerned and otherwise to act in accordance with good market practice.

### **1.8.3 Order Handling and Best Execution Policy**

In effecting transactions with or for you under this Agreement, we are under a regulatory duty to take all sufficient steps to obtain the best possible result for you taking into account certain 'execution factors', including price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an Order. This is also known as 'best execution'. Where we arrange for the execution of your Orders with a third party, we are under a duty to do so in accordance with your best interests.

***Our Order Handling and Best Execution Policy (the "Policy") is available on our Website and a copy can be provided upon request to your EFGHA Investment Manager. By signing the Application Form, you confirm your consent to the Policy.***

You will be given notice of any material changes to the Policy and, if you continue to use our services after that period you will be deemed to have consented to the change of policy.

Please note that any specific instructions you may give in relation to the execution of Orders on your behalf (for example, as to how and where a particular Order should be executed) may, in relation to those matters covered by the instructions, prevent us from taking steps described in our Policy which have been designed and implemented to help obtain the best possible result. Giving us specific instructions as to execution may therefore adversely affect the price you receive.

### **1.8.4 Limit orders**

Under FCA rule COBS 11.4.1 R, unless a client expressly instructs otherwise, a firm must, in the case of a client limit order (i.e. any specific instruction from you to us to buy or sell an investment at a specified price limit or better and for a specified size) in respect of shares admitted to trading on a regulated market or traded on a trading

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venue which is not immediately executed under prevailing market conditions, take measures to facilitate the earliest possible execution of that order by making public immediately that client limit order in a manner which is easily accessible to other market participants.

In signing the Application Form, you instruct us not to make public client limit orders in respect of shares admitted for trading on a regulated market or traded on an MTF or OTF which are not immediately executed under prevailing market conditions.

#### **1.8.5 Dealing off-market**

You consent to us executing orders for your Portfolio outside a regulated market or MTF or OTF when we believe this to be in your best interests.

#### **1.8.6 Aggregated transactions**

We will only aggregate your orders if we believe it is unlikely that the aggregation will work overall to your disadvantage, however you should note that the effect of aggregation may work to your disadvantage in relation to a particular order.

#### **1.8.7 Aggregated portfolio management**

Under certain circumstances you may request that we manage your Portfolio, along with one or more portfolios belonging to a party related to you, on an aggregated basis for asset allocation purposes. Further declarations will apply to these arrangements that will require agreement by you and such related parties.

#### **1.8.8 Group investments**

We may, in the provision of our Investment Services, invest on your behalf in collective investment schemes or in investment trusts (funds) which are operated, managed or advised by us or one of our Associates (or in respect of which we or one of our Associates is otherwise associated). Where investments are made into funds managed by us and/or an Associate of ours, these funds may borrow from us (in order to leverage the fund) for which the fund will pay us interest.

#### **1.8.9 Overseas transactions**

When we enter into transactions on your behalf in assets or investments denominated in non-Sterling currencies, we may carry out any necessary foreign exchange transactions (together with any hedging transactions on a transaction-by-transaction basis) at the same time that your order is entered into.

Income or other receipts deriving from the assets or investments in your Portfolio may be converted, where necessary, into the base currency of your Portfolio.

### **1.9 Tax status**

We will not be liable for the taxation consequences of any transaction or in relation to the operation of your Portfolio (including the appointment of a Third Party Custodian), nor will we be liable for taxation levies arising for any reason. You have sole responsibility for the management of your tax affairs and complying with any laws and regulations in this regard. You confirm that you have been and are compliant with all tax declarations and reporting



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obligations in relation to the assets and monies in your accounts and any gains or income they produce. The value to you of the services we provide may depend on your tax status. We will not provide you with this advice and you should seek your own tax advice as to whether such services are appropriate for you.

### **1.10 Suitability**

Where we are responsible for suitability, in providing our Discretionary Investment Management Services, Advisory Investment Management Services and Advisory Dealing Services to you we are required by the FCA to obtain the necessary information from you regarding your knowledge and experience in the investment field relevant to the specific type of investment or service provided to you, your financial situation, your capacity for loss, your appetite for risk and your Investment Objectives (see section 1.11) and time horizon in order to assess the suitability of our advice, and of the transactions to be entered into by us on your behalf. We collect this information in your Investor Profile Form.

The reason we assess suitability is to enable us to act in your best interests. We may rely on information you provide for this purpose about your knowledge, experience, financial situation, Investment Objectives and attitude to risk, unless it is manifestly out of date, inaccurate or incomplete.

You should notify us of any change to this information and we will need your confirmation of any change to your Investor Profile Form. You are responsible for ensuring that the information you provide and have provided to us for this purpose about your knowledge, experience, financial situation, investment objectives and attitude to risk is accurate, complete and up to date. Should you not provide this, we may not be able to continue to provide you with advice or manage your portfolio.

We will review our suitability assessment at least annually, so you will be required to refresh your suitability information at least once a year.

Where you are being introduced by an authorised and regulated financial adviser, they will take responsibility for the suitability assessment, as outlined in the Application Form documentation and as set out at section 6.

### **1.11 Your Investment Objectives**

Although we will exercise reasonable skill, care and diligence in managing your Portfolio, events or circumstances outside our reasonable control including, but not limited to, changes in the price or value of assets of a Portfolio brought about through market movements may prevent or hinder us from achieving your Investment Objectives (where established) and consequently we cannot undertake that your Investment Objectives will be achieved. Similarly, any benchmark is used for comparison purposes only and not as an assurance or guarantee of performance of your Portfolio or any part of it.

We cannot accept all Investment Restrictions, but where we do we shall use reasonable endeavours to observe them. You agree that this may affect performance and may result in a lower overall return than a Portfolio without such constraints.

Subject to FCA Rules on suitability, including any necessary completion of a new Investor Profile Form and supporting documents, you may change your specified investment strategy by giving one week's notice to us.

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### **1.12 Material interests**

You acknowledge that we are part of a group of companies which is involved in a full range of services including banking, financial planning and the provision of Investment Services. As such, we or an Associate may have a material interest or a conflict of interest in the services or transactions we carry out with or for you.

We may, without asking you first, effect transactions for you when we have a direct or indirect material interest (or a relationship with another party) which may involve a conflict with our duty to you. Please refer to section 1.13 as to how we identify and prevent or manage conflicts of interest.

The Investment Services which we provide to you are not exclusive. We may manage and give advice in relation to the assets of other clients (and be paid for this) so long as our duties under this Agreement are not thereby impaired. This may involve investments of the same kind as held by you.

Neither we nor any Associate are obliged to disclose to you, to use for your benefit or to take into consideration, any information which comes to our notice while acting in relation to the investments of any other person, if the use or disclosure would (or might) be a breach of duty of confidence owed to any other person.

We may accept minor non-monetary benefits from third parties in connection with the Investment Services we provide to you (such as information relating to investments or Investment Services or participation in conferences or other training events on the benefits and features of specific financial instruments or Investment Services) to the extent permitted by Applicable Regulations.

You authorise us to deal on your behalf in each of the above and any similar situations. We are under no obligation to account to you for any profit, remuneration or commission received by us or an Associate as a result of any of these, or similar, situations.

We may receive third party research material or services in return for direct payments by us out of our own resources.

### **1.13 Conflicts of Interest Policy**

We are required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from adversely affecting the interests of our clients.

To that end, we maintain a Conflicts of Interest Policy, the purpose of which is to identify potential conflicts and set out the procedures to prevent or manage such conflicts, taking into account circumstances where we might make a financial gain or avoid a financial loss at your expense; have an interest in the outcome of a service provided to you distinct from your interests; have a financial or other incentive to favour the interest of another client(s) over your interests; carry on the same business as you; or receive from another person an inducement in relation to a service provided to you, in the form of monies, goods or services, other than the standard commission or fee for that service.

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A summary of our Conflicts of Interest Policy as of the date of this Agreement is set out below:

- a) Where a conflict of interest arises, we will always put your interests before our own;
- b) Where we have a material interest in a transaction with you, all reasonable steps will be taken to ensure fair treatment and that our material interest is communicated to you;
- c) We have established procedures to ensure fair treatment between all our clients. For example, when executing an aggregated order which is not filled, securities which are obtained are allocated fairly between clients in accordance with our Order Handling and Best Execution Policy;
- d) We do not enter into dealing arrangements that could compromise our ability to comply with best execution requirements;
- e) We have a policy designed to minimise the risk of conflicts arising in situations where staff receive or provide gifts/inducements from or to clients or third parties;
- f) We have a personal account dealing procedure to reduce potential conflicts of interest in situations where staff deal on their own account;
- g) If the arrangements put in place by us to manage conflicts of interest are not sufficient to ensure with reasonable confidence that the risk of damage to your interests will be prevented, then as a last resort we will disclose the general nature or sources of conflicts to you (or both) and the steps taken to mitigate those risks, with sufficient detail in accordance with Applicable Regulations to enable you to make an informed decision as to whether to proceed;
- h) If we are unable to manage an actual or perceived conflict of interest through disclosure then we may decline to act for you.

***A copy of our full Conflicts of Interest Policy is available upon request.***

#### **1.14 Data protection and confidentiality of information**

We consider client confidentiality to be very important and take our responsibilities seriously. We are committed to keeping your personal information safe, protecting your privacy and ensuring that adequate safeguards are in place to maintain high standards of confidentiality at all times. We process personal information in accordance with applicable data protection legislation. Please read our privacy policy to understand how we use and protect the information you provide us (a copy of our privacy policy can be accessed here: [www.efgbank.com/dataprivacy.html](http://www.efgbank.com/dataprivacy.html)).

We are not obliged to disclose to you or take into consideration information, the disclosure of which would be a breach of duty or confidence owed to any other person, or which comes to the notice of an employee, officer or agent of ours, but not to the actual notice of the individual(s) advising you or managing your Portfolio.

We may record all telephone and electronic communications between us. We will retain a copy of such recording for a period of five (or requested by the FCA, seven years) from the date of recording, and you may request a copy of such recordings on request during this time period. All recordings of telephone calls and electronic communications are our property and you agree that we may use them in evidence if there is a dispute between us or for any other matter.

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### **1.15 Complaints and investor compensation**

If you have a complaint in respect of our Investment Services, you should in the first instance write to our Compliance Department at our Head Office. We will promptly acknowledge your complaint in writing and do our best to deal with it as quickly as possible. You may also have a right to complain directly to the Financial Ombudsman Service, which is located at Exchange Tower, London E14 9SR. If you want to exercise this right, please let us know and we will send you further details. You can also get more information and a complaint form from [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). Further details of our internal complaints policy are available on request.

We participate in the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations to you. This depends on the type of business, your position and the circumstances of the claim. Currently, for eligible claims for investment business, up to £85,000 is covered per eligible person. Please be aware that where we hold your client money with a third party bank that fails (which is known as a “secondary pooling event”), it may take longer than seven calendar days for the FSCS to compensate you. Further information is available from us or from the FSCS, which is located at 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU. You should note that this scheme is not normally available to professional clients. Please visit [www.fscs.org.uk](http://www.fscs.org.uk) for further details.

### **1.16 Communications**

We may contact you by post, telephone or email using the details you have given us. You consent to us communicating with you by placing information on our Website and you specifically consent to us providing you with documents (including the latest version of this Agreement that is in force from time to time) by placing such information on our Website, by email or other means of electronic communication. If you would prefer us to provide hard copies of communications or documents to you, you may request this in writing.

When speaking by telephone, we will first be required to verify your identity in line with our internal procedures. We will only contact you by telephone where permitted by Applicable Regulations.

If you grant us authorisation in the Application Form (or otherwise agree with us in writing (which includes via email)), we will communicate with you by email. You accept that the privacy and security of communicating through these means cannot be guaranteed as it is subject to inherent security risks such as unauthorised interception or modification. In addition, you accept that delivery of email is not guaranteed. We accept no responsibility for loss suffered as a result of any form of interception or modification by third parties. You also acknowledge that in communicating with us using the above means, the privacy and security of such communication cannot be guaranteed. If you choose to communicate with us via email, we will not be liable for any loss caused by the compromise of confidential details during the transmission via email.

Any instructions, notices, requests or other communications to be given to you and/or, as appropriate, a third party authorised by you, shall be sent to the address and/or email address as set out in the Application Form or any other address(es) you notify to us in writing or, in the case of an email address, which you use to communicate with us. You agree that you are responsible for notifying us if your address or email address or other details change and will notify us in writing of such change as soon as possible.

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### 1.17 Your Instructions and Orders

We will accept Instructions or Orders from you when you have an Advisory Dealing, Advisory Investment Management or Execution-Only mandate with us. We will not accept your Instructions or Orders when you have a Discretionary Investment Management Arrangement with us.

Instructions or Orders shall only be given by email (from an authorised email address), telephone and post. We no longer communicate with our customers via fax.

We will only treat instructions or Orders as “received” by us when:

- a) by email, at the time your EFGHA Investment Manager confirms the Instruction or Order with you. For urgent matters please contact your EFGHA Investment Manager if you do not receive confirmation of acceptance of instructions within 15 minutes. We will not accept changes to address or bank details by email. We will not be liable for any loss occurring as a result of a delay in confirming any information issued by email;
- b) by telephone, at the end of the phone call in which you orally give us your instruction; and
- c) by post, at the time your EFGHA Investment Manager has received and read your Instruction or Order and subsequently confirms the Instruction or Order with you by telephone or email. Unless we tell you to the contrary, please write to us at our correspondence addresses set out at section 1.4.

Due to the nature of postal correspondence, there are likely to be delays between you posting your Instruction or Order and this being read and confirmed by your EFGHA Investment Manager. We recommend that Instructions or Orders are instead given by telephone or email.

#### 1.17.1 Unclear, unauthorised and fraudulent instructions

If your Instructions or Orders appear to be unclear, incomplete or fraudulent, we may delay acting on such Instructions or Orders until we receive the clarification we need and will not consider such Instructions or Orders as having been “received”. We will not be responsible for any loss you may suffer if any apparently unclear, incomplete or fraudulent Instruction or Order (as determined by us in our sole discretion) is not actioned or we are delayed in acting on such Instruction or Order whilst waiting for clarification.

**As long as we act in accordance with Applicable Regulations and our internal policies, you agree that it is reasonable for us to rely on unauthorised or fraudulent Instructions or Orders which appear or purport to be sent by you or a third party authorised by you and that we shall not be liable for any loss suffered should we execute such an Instruction or Order.**

#### 1.17.2 When we may not act on your Instructions

We reserve the right, acting reasonably, not to act on Instructions received from you if:

- a) to do so would involve us or you in a breach of legal and/or regulatory requirements;
- b) we believe that to do so would be impracticable or against your best interests (for example, if we have reasonable grounds to consider that you are instructing us under duress);

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- c) to do so would run the risk of us suffering financial loss; or
- d) we believe you have not provided us with enough information to assess the appropriateness or suitability of certain type of investments.

If we intend not to act on your Instructions, we will discuss this with you and provide you with our reasons for our refusal to act.

#### **1.17.1 Your responsibility for our losses where we act on your Instructions**

**You (and where you are an individual or individuals your personal representatives) shall be responsible on our written demand for all direct losses, costs and expenses and/or other liabilities incurred by us, our agents, or any nominee as a consequence of the acceptance of instructions from you over the telephone, post, email or other electronic means.** This section shall not apply to the extent of any losses or liability caused by a breach of this Agreement by us or the fraud, gross negligence or wilful default of us, our agents or a nominee.

#### **1.18 Your liability and undertakings**

**It is important that you read this section as it covers the extent of your liability to us.**

##### **1.18.1 Acceptance and authority**

You agree to accept and to be bound by the terms of this Agreement and undertake that you have full power and authority to enter into, and to instruct us, on the terms of this Agreement.

##### **1.18.2 Information**

You undertake:

- a) that all the information you have supplied to us is complete and accurate;
- b) to notify us promptly of any change to the information supplied by you;
- c) to supply us with all information, documentation or copy documentation that we require in order to allow us to carry out our on-boarding procedures; and
- d) to provide us with any additional information which may be reasonably required by us in order that we can fulfil our legal, regulatory and contractual obligations in connection with or relating to this Agreement (such as the information that allows us to assess if investments are suitable or appropriate for you, as required).

##### **1.18.3 Your Portfolio**

You undertake that:

- a) Unless otherwise disclosed to us, the investments and cash comprising your Portfolio are within your beneficial ownership and are and will remain, for the term of this Agreement, free from all liens, charges and any other encumbrances;
- b) while this Agreement continues you will not, except through us, deal, or authorise anyone else to deal in the investments in your Portfolio;

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- c) while this Agreement continues you will not, either directly or indirectly, cause us to incur any liability to any third party which is not anticipated by the express terms of this Agreement; and
- d) you shall sign and/or produce, by the time we ask you to, any documents we need to enable us to carry out our duties under this Agreement.

#### **1.18.4 Your liability when you breach the terms of this Agreement**

**You (and where you are an individual or individuals your personal representatives) shall be responsible on our written demand for all direct losses, costs and expenses and/or other liabilities incurred by us, our agents, or any nominee, as a consequence of any breach by you of any of the terms of this Agreement.**

**This section shall not apply to the extent of any losses or liability caused by a breach of this Agreement by us or the fraud, gross negligence or wilful default of us, our agents or a nominee.**

#### **1.19 The extent of our responsibility for our actions and the actions of others**

For the avoidance of doubt, we do not exclude or limit in any way our liability to you where it would be unlawful to do so. This includes liability for death or personal injury caused by our negligence or the negligence of our employees, agents or subcontractors or for fraud or fraudulent misrepresentation.

We will carry out our duties with reasonable skill, care and diligence and in accordance with the instructions and authority you have given us. **As long as we do this, we cannot and do not accept any liability for loss (or the loss of an opportunity to gain) which arises from the provision of our Investment Services for and on your behalf.**

**We will not be liable for:**

- a) **any losses arising from any cause beyond our reasonable control and the effect of which is beyond our reasonable control to avoid, provided that we contact you as soon as possible to let you know that the provision of our duties has been delayed by an event outside of our control and that we take steps to minimise the effect of the delay;**
- b) **any losses that we could not reasonably have anticipated when you gave us an Instruction;**
- c) **any losses incurred if you move to a jurisdiction which means that we are not able to provide you with our services and are required to end this Agreement in accordance with clause 1.22.1;**
- d) **any loss of business, loss of goodwill, loss of opportunity or loss of profit.**

As stated above, it is your responsibility to ensure that you notify us of any change in your personal circumstances or the personal information recorded in the Investor Profile Form. **We accept no liability for any loss suffered by you if this loss has been caused directly or indirectly by your failure to provide us with accurate and up-to-date information or your failure to update information we already hold in your Investor Profile Form or any other documentation that you have provided to us pursuant to this Agreement.**

Applicable to direct clients, intermediaries, and trustees

We are not liable to you if we fail to take any action which in our opinion would breach any regulatory requirement or market practice.

**We will exercise reasonable care in our choice of nominees or agents and we will monitor their continuing suitability in accordance with Applicable Regulations. As long as we do this (and as long as the losses do not arise directly from our fraud, gross negligence or wilful default) we cannot and do not accept responsibility for loss arising from the default of a nominee (other than our own nominee) or agent whether the loss arises from the loss of funds, investments, title documents or otherwise. In those circumstances, you may not have a direct claim against the relevant nominee or agent and may not be able to access the FSCS or, where relevant, an equivalent overseas compensation scheme.**

**We cannot and do not accept responsibility for losses you suffer as a result of our agents, nominees or others appointed by us failing to comply with these terms as a result of circumstances outside our or their reasonable control. These circumstances would include, but not be limited to, failure of or defects in any securities system.**

Neither your Investment Objectives nor your Investment Restrictions will be deemed to be breached as a result of changes in the value of investments caused by movements in the market.

Any Investment Restrictions you impose on us cannot be applied to underlying investments where we invest on your behalf indirectly through a collective investment scheme or other collective or structured investment providing exposure to underlying investments or positions.

Nothing in this Agreement is intended to have, or has, the effect of excluding liabilities that cannot be excluded by Applicable Regulations or otherwise excluding or restricting our duties or liabilities to you under FSMA or the regulatory system.

We will normally act as your agent and you will be bound by our actions. Nevertheless, none of the Investment Services we are to provide shall give rise to any fiduciary or equitable duties which would prevent or hinder us or any Associate in transactions with or for you or others, including programme trades, acting as both market maker and broker, or acting as agent in dealing with other associates or clients and obtaining a profit from any such activity.

## 1.20 Delegation

**For the purposes of this Agreement, we shall have authority, at our discretion and without any prior reference to you, to delegate our functions, duties and authorities under this Agreement to any third party as we shall deem appropriate (who themselves may in turn sub-delegate to a third-party of their choosing). Such delegation will only be made where we have reasonable grounds to be satisfied that it does not, and is not likely to, impair compliance with our duty to act in our clients' best interests. Our liability to you for all matters so delegated shall not be affected by this delegation.**

**We may provide information about you and the investments you hold with us to any person to whom such activities have been delegated. We will give you sixty (60) calendar days written notice of any such delegation. Details of any other third parties to whom we may delegate any functions, duties and authorities under this Agreement are available upon request.**



Applicable to direct clients, intermediaries, and trustees

## **1.21 Ending the Agreement**

### **1.21.1 Notice of you ending the Agreement**

You may end this Agreement by giving us written notice at any time. Such notice must include instructions as to how we should deal with your Portfolio. Specifically, your notice must provide:

- a) instructions as to whether you wish us to a) liquidate your Portfolio and transfer the proceeds to you or a third party; or b) transfer the Portfolio without liquidating it to you or a third party;
- b) (if relevant) instruction as to which third party we should transfer the Portfolio or, as applicable, the proceeds of liquidation of the Portfolio; and
- c) when you wish for the above to take place.

We may refuse to transfer the Portfolio or liquidated proceeds to a particular third party in our sole discretion (including where to do so would be in breach of Applicable Regulations). In which case you may instruct us to take an alternative action, such as transferring the Portfolio or liquidated proceeds to an alternative third party or liquidating it and transferring the proceeds to you.

Without prejudice to any rights that survive the termination of this Agreement, this Agreement will be deemed to end on the date we transfer the Portfolio or the proceeds of the Portfolio to you or a third party. We will cease to provide our investment management and advisory services upon notice of termination (and subject to section 1.21.3 will not execute further orders for you), but will continue to provide Our Custody Services until the date of transfer or liquidation. We will operate the account on a 'sell only basis under our Execution Only Service and the relevant Execution Only schedule of fees will apply.

Please bear in mind that if you give us notice to end this Agreement with immediate effect, and ask us to sell your investments, this could result in losses for which we will not be liable.

### **1.21.2 Notice of us ending the Agreement**

We may end this Agreement by giving you sixty (60) calendar days' written notice at any time.

**We may also end this Agreement with immediate effect by written notice if:**

- a) **you breach any of the terms of the Agreement and you fail to correct such breach within ten (10) calendar days' written notice;**
- b) **we reasonably suspect you have acted, or will act, fraudulently or in breach of Applicable Regulations in relation to this Agreement;**
- c) **we need to do so for regulatory, legal, tax or operational reasons, including if it becomes illegal for us to provide Investment Services to you (for example, if you move to a jurisdiction in relation to which we cannot provide our services);**

Applicable to direct clients, intermediaries, and trustees

- d) **you fail to cooperate with us in relation to any reasonable requests made of you to assist us in meeting our legal and regulatory requirements, including the failure to provide us with required documentation;**
- e) **You are named, or caught by the provisions of, any sanctions issued by any country or jurisdiction (including, but not limited to,) the USA, all or any part of the European Union, all or any part of the UK, Switzerland, Canada, or Hong Kong; or**
- f) **we are instructed to do so by one of our Associates for regulatory, legal, tax or operational reasons; or**
- g) **you become bankrupt or unable to pay your debts as they fall due or where we reasonably believe you may not be able to meet your obligations under this Agreement.**

Where we give you notice that we will be terminating the Agreement in accordance with this Agreement, we shall act on any instruction you have provided as to the liquidation of your Portfolio and the transference of the proceeds of this liquidation, or the Portfolio itself, to a third party. If we have not received any instruction from you following the above notice as to the third party to whom the above should be transferred, we reserve the right to liquidate the Portfolio and hold the liquidated proceeds in custody until such time as you provide this detail. We reserve the right to continue to charge our fees for custody in these circumstances.

We may refuse to transfer the Portfolio or liquidated proceeds to a particular third party in our sole discretion (including where to do so would be in breach of Applicable Regulations). In which case you may instruct us to take an alternative action, such as transferring the Portfolio or liquidated proceeds to an alternative third party or liquidating it and transferring the proceeds to you. We will continue providing our investment management and advisory services to you up until the date of transfer or liquidation of the proceeds, unless there are regulatory, legal, tax or operational reasons that prevent us from doing so.

### **1.21.3 Transactions in progress**

When notice is served to terminate this Agreement, transactions already initiated to which we or our agents are committed will be completed.

### **1.21.4 Consequences of ending**

When this Agreement ends we may charge you for:

- a) periodic charges which have accrued and are due;
- b) any additional expenses we or our agents necessarily incur on termination of this Agreement; and
- c) any losses necessarily realised by us in settling or concluding outstanding obligations,

but will not ask you for any additional payment.

Applicable to direct clients, intermediaries, and trustees

Termination of this Agreement is without prejudice to the accrued rights and liabilities of the parties.

#### **1.21.5 Death and dealing with personal representatives and insolvency practitioners**

This Agreement will continue to bind your estate until terminated by your validly appointed personal representatives or us giving notice to your personal representatives. We will only act on the Instructions of your personal representatives where they provide us with such information as we may reasonably require to confirm your death and the appointment of the personal representatives. Such Instructions shall be carried out in accordance with these terms and conditions. We reserve the right not to act on instructions which conflict with these terms and conditions.

Where we provide you with Discretionary Investment Management Services and Advisory Investment Management Services and you die, we will, until we receive Instruction, continue to provide Our Custody Services in respect of your assets (if you have appointed us to do so) and will react to Corporate Events on a case by case basis. Your Portfolio will be suspended and we will close any open positions and then will cease to actively manage your Portfolio in accordance with the Investment Objectives. The relevant execution only schedule of fees will apply to these services. We also reserve the right following the closing of any open position to liquidate your portfolio at our own discretion and hold the liquidated proceeds in custody.

Once we have received the grant of representation for your estate (or such other formal appointment, as applicable in your jurisdiction), we will act in accordance with your personal representatives' Instructions as appropriate (and will take Instructions on an execution only basis from your personal representatives).

If the Agreement is not terminated within two (2) years of the date of your death, we may, where regulatory requirements allow, take such action as we reasonably consider appropriate to close your account.

If you are a non-natural person and we receive notice of your winding up or similar procedure in any jurisdiction, we will act on the instructions of your proven representatives.

### **1.22 General**

#### **1.22.1 Amendments**

We may amend the Agreement by sending you a written notice describing the relevant changes. We will notify you of any such amendments but it is your responsibility to ensure that you keep informed of such changes.

Such amendments proposed by us will take effect on the date notified to you by us, which shall be a date not less than sixty (60) Business Days after the date of issue of our notice unless circumstances (such as legal or regulatory requirements) dictate a shorter period.

Applicable to direct clients, intermediaries, and trustees

Should it be the case that either Party considers that, as a consequence of Brexit, the subsequent performance of this Agreement materially (i) increases the costs of either Party performing its obligations under the Agreement; (ii) reduces either Party's income under the Agreement; or (iii) otherwise adversely affects the benefit a Party derives from the Agreement, such Party may give notice to the other of the same, and shall promptly supply such details and evidence as may reasonably be required by the other Party. Within fourteen (14) calendar days of the other Party receiving such notice, the Parties shall discuss in good faith and agree whether any amendments are required to this Agreement as a result of Brexit, such that the provisions of this Agreement maintain the same overall balance of obligations, benefits, liabilities and risk between the Parties as applied at the date of this Agreement. The Parties agree that the imposition of tariffs and other trade barriers relating to the subject matter of this Agreement and not in existence at the date of the Agreement shall be considered a material change in the overall balance.

Should it be the case that following good faith discussions between the Parties, the Parties are of the view that the reasons for giving such notice remain, but that no amendment of the Agreement allows for the overall balance of obligations, benefits, liabilities and risk between the Parties as applied at the date of this Agreement to be maintained, this Agreement shall be terminated fourteen (14) calendar days following receipt of such notice.

Upon termination of the Agreement, under this section 1.21.1, neither party shall be liable to the other party, (except in instances of negligence or fraud) for any loss suffered as a result of Brexit, and/or any adverse effect Brexit has had on the performance of a party's obligations under this Agreement.

If you are to relocate outside of the United Kingdom, due to the impact of Brexit, we may not be able to continue to provide you with our Investment Services as we are no longer able to passport those services into European jurisdictions. As such, we may need to stop providing you services and end this agreement with immediate effect.

#### **Assignment/Transfer**

This Agreement is personal to you and you may not assign or transfer any of your rights or responsibilities under it without our prior written consent. **We may assign our rights and transfer our responsibilities under this Agreement to an Associate upon giving you ten (10) calendar days' prior written notice. In signing the Application Form, you agree that we may assign our rights and transfer our responsibilities under this Agreement to a third party upon giving you sixty (60) calendar days' prior written notice.** Where we assign our rights and transfer our responsibilities, we will notify you of the identity of the transferor in our notice to you. In the event of a transfer of our business under this section you consent to us transferring the control of your client money in accordance with the provisions of section 5. Where we transfer any of our rights or obligations under this Agreement to an Associate or third party, we may provide that person with any information relating to you that they may reasonably require. If you do not agree with the assignment or transfer, you may terminate this Agreement without penalty.

Applicable to direct clients, intermediaries, and trustees

You represent and warrant that you will not, without our explicit prior consent:

- a) charge or encumber your Account to any third party or debtor; and/or
- b) declare a trust over your Account(s).

For the avoidance of doubt, we are not to be held liable for breaching any agreement and/or arrangement you make with a third party regarding your Account(s) held by us, unless we are also a party to that agreement and/or arrangement.

#### **1.22.2 Severance**

If any court or competent authority finds that any provision of this Agreement (or part of any provision) is invalid, illegal or unenforceable, that provision or part provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of this Agreement shall not be affected.

If any invalid, unenforceable or illegal provision of this Agreement would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

#### **1.22.3 No Rights under Contracts (Rights of Third Parties) Act 1999**

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

#### **1.22.4 Language**

This Agreement is supplied in English and all communications from us to you for the duration of this Agreement shall be in English.

#### **1.22.5 Governing law**

This Agreement (and any non-contractual matters arising out of or in connection with it) is governed by and shall be construed in accordance with the laws of England and Wales and shall be subject to the non-exclusive jurisdiction of the English and Welsh courts.

Applicable to those receiving a discretionary managed service

## **2. DISCRETIONARY INVESTMENT SERVICES**

**This Section applies to clients who appoint us to carry out our Discretionary Investment Management Service**

### **2.1 Our Discretionary Investment Management Service**

The basis of our Discretionary Investment Management Service is that we agree with you an investment mandate which takes into account your risk tolerance, Investment Objectives and Investment Restrictions, and time horizon and we use our discretion to buy and sell investments for your Portfolio matching your investment strategy.

We will select one or more benchmarks against which to assess the performance of your Portfolio and will report to you periodically on the results of our Discretionary Investment Management Service.

We will **not facilitate execution only orders under our Discretionary Investment Management Service.**

### **2.2 Our discretion**

Subject to the controls described in section 2.4, you grant to us complete discretion over your Portfolio and (without limiting our discretion) grant us authority, without prior reference to you, to:

- a) buy, sell, retain, exchange or otherwise deal in investments and other assets;
- b) retain monies as cash;
- c) advise on and execute transactions on any markets;
- d) subscribe to issues and offers for sale and accept placings, underwritings and sub-underwritings of any investments (including any issues, offers, placings, underwritings and sub-underwritings where we or a member of our group are acting as underwriter, sub-underwriter, broker or adviser to the issuing company or other entity concerned);
- e) negotiate and execute counterparty and Portfolio opening documentation; and
- f) otherwise act as we think appropriate regarding the management of your Portfolio.

### **2.3 The investments in respect of which we have the right to exercise discretion**

Subject to the controls described in section 2.4, you authorise us to exercise our discretion over the following types of investments (denominated in any currency) subject to us (when acting as custodian) or your Third Party Custodian being able to hold these:

- a) shares;
- b) fixed interest securities including bonds;
- c) gilts and certificates of deposit;
- d) units in regulated funds (including unit trusts and open ended investment companies);

Applicable to those receiving a discretionary managed service

- e) exchange traded funds;
- f) shares in investment trusts;
- g) structured capital at risk products (e.g. structured investment products);
- h) transactions to hedge currency exposure within a Portfolio;
- i) warrants to subscribe for shares; and
- j) mutual funds and other collective investment schemes (including unit trusts and open ended investment companies) in the UK and elsewhere (whether regulated or unregulated).

## 2.4 Controls on our discretion

We will tailor our Discretionary Management decisions to match your investment strategy and as a consequence may not buy or deal in for your Portfolio all of the investments described in section 2.3. Tailoring our discretion to match your investment strategy is part of a wider responsibility that we have, not to effect or arrange a discretionary transaction with or for you unless that transaction is suitable for you and your Portfolio having regard to the information you have provided to us and other relevant facts about you of which we are, or reasonably should be, aware. Further details of our suitability assessments are set out in section 1.10.

We shall not (unless otherwise agreed in writing with you) commit you to supplement your Portfolio either by borrowing on your behalf or committing you to a contract the performance of which may require you to supplement your Portfolio except in either case where there is a temporary shortfall of cash in the Portfolio and then subject to such limits as we consider appropriate.

We shall not, (unless otherwise agreed in writing with you) on your behalf, enter into contingent liability transactions under the terms of which you may be liable to make further payments either when the transaction is completed or when the transaction is closed out early.

## 2.5 Transfer of cash and/or other assets into your Portfolio

We will provide you with reasonable assistance in arranging the transfer of cash and assets into your Portfolio. We cannot, however, be responsible for any direct or indirect loss to you as a result of a delay in such a transfer which is due to the actions or inactivity of you, your previous investment manager or your previous custodian (or bank, should your transfer in constitute cash), or where the assets are not suitable for transfer into the Portfolio.

## 2.6 Risks of discretionary management

Please bear in mind the nature of the powers you grant to us as a discretionary investment manager. Subject to following your investment strategy, we have the right, without consulting you, to purchase, sell and otherwise deal in investments on your behalf.

The risks involved in a grant of discretionary powers is that we as manager (although acting professionally and within our obligations under the agreement and FCA Rules) may choose investments that prove loss making or otherwise do not meet your Investment Objectives. **Other than where we have acted negligently, fraudulently or in wilful default we will not be liable for any such loss sustained.**

Applicable to those receiving an advisory service

### 3. ADVISORY SERVICES

**This Section applies to clients who have appointed us to provide advisory services**

#### 3.1 Our Advisory Investment Management Service

The basis of our Advisory Investment Management Service is that we will agree with you an investment strategy which takes into account your risk tolerance, Investment Objectives, time horizon and Investment Restrictions. We will regularly review the composition of your Portfolio and make recommendations to you to help ensure the type and proportion of assets held remain in line with the investment strategy. The decision to proceed with our recommendations will be yours.

We will carry out any transactions instructed by you on your behalf which are based on our recommendations. **We will not however facilitate execution only orders under our Advisory Investment Management Service.**

We will select one or more benchmarks against which to assess the performance of your Portfolio and will report to you periodically on the results of our Advisory Investment Management Service.

Subject to your investment strategy, including any Investment Restrictions, you authorise us to provide you with recommendations in relation to the types of investment (denominated in any currency) listed below, subject to us (when acting as custodian) or your Third Party Custodian being able to hold these:

- a) shares;
- b) fixed interest securities including bonds;
- c) gilts and certificates of deposit;
- d) units in regulated funds (including unit trusts and open ended investment companies);
- e) exchange traded funds;
- f) shares in investment trusts;
- g) structured capital at risk products (e.g. structured investment products);
- h) transactions to hedge currency exposure within a Portfolio;
- i) warrants to subscribe for shares; and
- j) mutual funds and other collective investment schemes (including unit trusts and open ended investment companies) in the UK and elsewhere (whether regulated or unregulated).

#### 3.2 Our Advisory Dealing Service

The basis of our Advisory Dealing Service is that we will, when requested by you, advise you on the merits of buying and selling individual holdings within your Portfolio. The decision to proceed with our recommendations will be yours. We will have no on-going responsibility to monitor or review the suitability of the investments you hold.



Applicable to those receiving an advisory service

We will carry out any transactions instructed by you on your behalf, based on our recommendations.

**We will carry out execution only dealing orders under this service where you request us to do so. If we are carrying out an execution only transaction for you, the terms at section 4 will apply.**

### **3.3 Terms applicable to both our advisory services**

#### **3.3.1 The extent of our obligations**

Please bear in mind that although the advice we provide will be suitable at the time it is provided:

- your circumstances may change and the advice may need to be reviewed and updated (this will only be carried out when, on your own initiative, you instruct us to do so);
- advice to purchase specific investments may have been based on your instructions to us to devise investment recommendations and ideas for the short term. It may not be appropriate for you to hold such investments for the medium or long term.

When we provide our advisory services we do not accept responsibility for advising you on the continued suitability of individual investments measured against your Investment Objectives or other considerations you described to us at the time the advice was originally given.

#### **3.3.2 Our advice is “restricted advice”**

In line with Applicable Regulations, we will, as necessary, explain the rationale for any advice given in terms of the suitability of the investments and/or strategy recommended.

Our investment advice is classified by the FCA as “restricted advice”. This is advice based on a more restricted analysis of a narrower range of relevant products available on the market than is the case where a firm provides independent advice. We may restrict our advice to a range that is limited to certain issuers or providers. We may also limit our advice to a range of products issued or provided by companies in our group or other entities with which we have close legal or economic relationships. We reserve the right to give advice on specific investments only. Where our advice is restricted, we are still required to ensure that we are not biased and that any relevant product or any relevant transaction we advise you on is suitable to meet your Investment Objectives. We do not provide advice on pension transfers and life insurance. Further, we do not provide tax advice.

#### **3.3.3 Suitability Statement**

We are required to provide you with a suitability statement for each personalised recommendation that we make to you. You confirm that if we provide you with our advice and you instruct us to enter into a transaction over the telephone or by some other means of distance communication that prevents the prior delivery of a suitability statement, we may provide you with our suitability statement after you have been committed to the transaction. Should you prefer to receive the suitability report before entering into a transaction please notify us in advance.

Applicable to those receiving an execution only service

## **4. EXECUTION ONLY SERVICES**

**This Section applies to clients that have appointed us to provide Execution Only services**

### **4.1 Execution Only Services**

The basis of our Execution Only Service is that, where we accept an execution only instruction from you, we will carry out the transaction on your behalf following your explicit instructions without providing you with any investment advice. We will not owe you a duty to give, and will not give you, any advice in relation to the merits of the transaction in question when we deal with you on this basis.

### **4.2 Investments available through the Execution Only Service:**

The types of investments (denominated in any currency) for which we offer an “Execution Only” facility are listed below subject to us (when acting as custodian) or your Third Party Custodian being able to hold these:

- a) shares;
- b) fixed interest securities including bonds;
- c) gilts and certificates of deposit;
- d) units in regulated funds (including unit trusts and open ended investment companies);
- e) exchange traded funds;
- f) shares in investment trusts;
- g) structured capital at risk products (e.g. structured investment products);
- h) transactions to hedge currency exposure within a Portfolio;
- i) warrants to subscribe for shares; and
- j) mutual funds and other collective investment schemes (including unit trusts and open ended investment companies) in the UK and elsewhere (whether regulated or unregulated).

### **4.3 Appropriateness Assessment**

If you ask us to carry out Execution Only transactions in Complex Investments we are required to assess the appropriateness of the transaction, by determining whether you have the necessary experience and knowledge in order to understand the risks involved in relation to the product or service in question.

For that purpose, we will be obliged to obtain information regarding your investment knowledge and experience. We will collect any additional requisite information from you if you request us to execute a transaction in a Complex Investment.

You are responsible for ensuring that the information you provide and have provided to us for this purpose about your knowledge and experience is accurate, complete and up to date.

Applicable to those receiving an execution only service

If, based on the information you have given us, we believe that an investment is not appropriate, we will warn you. However, should you still wish to invest, you may ask us to do so at your own risk. If you wish to proceed with the transaction after having been given this warning, you shall be solely responsible for that decision and you should be aware that:

- a) you may be exposing yourself to risks that fall outside your knowledge and experience and/or which you may not have the knowledge and experience properly to assess and/or control to try to mitigate their consequences for you; and
- b) we will have no responsibility for the action so requested, including the outcome.

We will notify you in advance if we consider a particular investment to be a Complex Investment.

#### **4.4 The extent of our obligations**

Please bear in mind that although we will carry out an appropriateness assessment at the time we receive an instruction from you regarding Complex Investments your circumstances may change and the investment may cease to be appropriate for you.

When we provide our Execution Only Services we do not accept responsibility for advising you on the suitability of the transaction.

Applicable to direct clients, intermediaries, and trustees

## 5. CUSTODY

### **This section applies to ALL clients**

As indicated in the Application Form (or as subsequently notified to us in writing) you have the option of the cash and assets within your Portfolio being held in either of the following ways:

- we can hold your cash and assets as custodian in accordance with the FCA Client Money Rules and the FCA Custody Rules and the provisions of section 5 of this Agreement (Our Custody Services); or
- you can appoint a Third Party Custodian yourself, on terms to be agreed between you and the Third Party Custodian. The scope of our responsibilities in this situation is set out below.

We set out below terms applying (a) When we provide Our Custody Services and; (b) when you appoint a Third Party Custodian:

### **5.1 When we provide you with Our Custody Services**

*The terms in section 5.1 will apply when you ask us to provide you with Our Custody Services.*

When we refer to “Our Custody Services” we mean, in broad terms, us providing the following services in relation to your Portfolio:

- a) dealing with the administration involved in the buying and selling of investments on your behalf;
- b) holding your investments in the name of or under the control of our nominee company or a third party of a type permitted by the FCA Custody Rules;
- c) keeping safe documents of title of your investments;
- d) collecting on your behalf dividends, income and other entitlements accruing to your investments; and
- e) providing to you, at regular intervals, information on your investments.

We reserve the right to refuse to accept any particular investment into our custody including holding certificated securities or bearer instrument on your behalf.

#### **5.1.1 Title to your investments**

We will identify, record and hold all client assets separately from any of our own investments and other assets, and in such a manner that the identity and location of client assets can be identified at any time.

Except as otherwise agreed between us in writing, in accordance with Applicable Regulations we will register or record investments which can be registered in your Portfolio:

- a) in the name of a nominee company which is controlled by us, an Associate, a recognised investment exchange or a Sub-Custodian appointed by us in accordance with section 5.1.2;

Applicable to direct clients, intermediaries, and trustees

- b) in the name of any other third party, in certain circumstances where the investment in question is subject to the law or market practice of a jurisdiction outside the UK and we have taken reasonable steps to determine that it is in your best interests to register or record it that way, or that it is not feasible to do otherwise, because of the nature of the applicable law or market practice;
- c) in our name, if we are prevented from registering or recording the investments in line with the above options and the investment in question is subject to the law or market practice of a jurisdiction outside the UK and we have taken reasonable steps to determine that it is in your best interests to register or record it that way, or that it is not feasible to do otherwise, because of the nature of the applicable law or market practice, and you hereby consent to us registering or recording legal title in this way in those circumstances; or
- d) in your name, if you have a CREST Personal Account (any securities held through the CREST system will be held in your name).

In relation to those of your investments registered in a nominee's name, that nominee will hold the legal title to such investments and you will at all times be the beneficial owner.

#### **5.1.2 Appointment of a Sub-Custodian**

We may deposit your investments or arrange for your investments to be deposited with a Sub-Custodian. We will exercise all due skill, care and diligence in the selection, appointment and periodic review of Sub-Custodians, in accordance with our obligations under the FCA Custody Rules.

Assets that we deposit with a Sub-Custodian will usually be held in a pooled account that is identified as belonging to our clients and we will identify such accounts in our books and records on that basis. If there is a shortfall on such an account in the event of the Sub-Custodian's insolvency, you may share in that shortfall with other clients, depending on the amount you had deposited with them. Any losses arising from such shortfall may be shared pro rata according to each client's individual entitlement. Where your investments are held by EFG Bank AG or third party Sub-Custodians in a chain of sub-custody, different settlement, legal and regulatory requirements, together with different practices for the separate identification of the investments, may apply to those prevailing in the UK.

As long as we have exercised all due skill, care and diligence in the selection, appointment and periodic review of a Sub-Custodian, we will not be liable to you in the event of default by or the insolvency of the Sub-Custodian unless that Sub-Custodian is our Associate.

In the case of transactions carried on outside the UK, any investments held by us or to our order on your behalf may be passed to an intermediate broker, settlement agent or counterparty located outside the UK. In these circumstances, the legal and regulatory regime applying to such an entity may be different from that of the UK. This means that in the event of the insolvency of such an entity, your cash and assets may be treated differently from the manner in which they would be treated if they had been passed to an intermediate broker, settlement agent or counterparty within the UK. Additional information on risks relating to emerging markets is set out in section 9.

Applicable to direct clients, intermediaries, and trustees

### **5.1.3 Our nominee**

We are responsible for the acts and omissions of our nominee company (HALB Nominees Limited) to the same extent as our own acts and omissions.

### **5.1.4 Pooling**

UK investments forming part of your Portfolio may be held with a Central Securities Depository (“**CSD**”). Where we are a participant of the CSD we shall offer you a choice between holding your investments either in an Omnibus Client Segregated Account (“**OSA**”) and an Individual Client Segregated Account (“**CSA**”) (at an additional cost). A CSA is used to hold the securities of a single client and therefore the securities of that client are held separately from the securities of other clients in a nominee account. An OSA is used to hold the securities of a number of clients on a collective basis.

Where we hold your UK investments in an OSA (with a CSD or otherwise), your UK investments may be pooled with those of other clients for administrative reasons but the investments owned by you will always be clearly identified in our records of your Portfolio. In practice, our nominee will generally be identified as the legal owner of the relevant OSA or CSA, and our records will identify which clients the nominee is holding the investments in that account for. The effect of pooling is that individual entitlements to such investments may not be identifiable by separate certificates or other physical documents of title or equivalent electronic records. In the event of an irreconcilable shortfall of client assets the shortfall may be shared pro-rata among all our clients whose investments are registered or held in the same name and you may not receive your full entitlement. This provision is not intended to replace or reduce any claim that you may have against us in respect of any default by us or a Sub-Custodian.

We are required to publicly disclose the levels of protection and the costs associated with the different levels of segregation that the accounts provide and to offer those services on reasonable commercial terms. Please ask your Client Relationship Officer for the full disclosures.

### **5.1.5 Delivery versus payment transactions**

Where we enter into transactions through a commercial settlement system we may make use of the delivery versus payment (DvP) exemption which provides that the FCA Custody Rules will not apply if:

- a) in respect of a purchase for you, we intend for the asset in question to be due to you within one Business Day following the fulfilment of your obligation to pay us; or
- b) in respect of sale for you, we intend for the asset in question to be due to us within one Business Day following our fulfilment of our payment obligation to you.

If the payment or delivery by us to you has not occurred by the close of business on the third Business Day following the date on which we can make use of this exemption, the FCA’s Custody Rules will apply.

By entering into this Agreement you hereby consent to the use of this exemption.

Applicable to direct clients, intermediaries, and trustees

#### **5.1.6 Dividends, interest payments and other entitlements**

We will facilitate the collection of all income due, and the exercise of all other rights and entitlements attaching to, investments in your Portfolio in relation to which we provide our custody service.

Dividends and distributions and any other income will be credited to you immediately once the funds have cleared and been processed by us. Dividends and distributions will be credited to your Portfolio after receipt of funds following any necessary currency conversion.

In the case of pooled accounts, dividends, entitlements to shares and any other benefits arising from Corporate Events will be allocated to you as far as reasonably possible on the same basis as if the underlying securities were held in separate accounts for you. In the case of Corporate Events, entitlements to new shares may be rounded up or down to the nearest whole.

We may retain the benefit of any fractional entitlement to shares in circumstances where the cost of selling these fractions of investments, and apportioning the proceeds between clients, would be greater than their value. We may gift such fractional entitlements to charity.

It is our policy not to offer the choice of taking scrip dividends.

Within the Application Form you should specify your instructions as to how income received should be treated. Your options are:

- a) to reinvest the income received within the Portfolio;
- b) to hold the income as cash within your Portfolio; or
- c) to pay the income received into your bank account.

We will not notify you in your quarterly statements of the dividends and interest payments arising in respect of your investments, which will be credited to your Portfolio in cash.

#### **5.1.7 Shareholder or unitholder meetings**

Unless your investments are held within an EFGHA Individual Savings Account (ISA) or Junior Individual Savings Account (JISA) we will not be obliged to arrange for you to attend shareholders' meetings or unit holders' meetings and vote in person or to direct how a nominee should vote on your behalf, and we reserve the right to recover any reasonable expenses from you for making such arrangements if we decide to do so.

#### **5.1.8 Settlement**

Where any documents or cleared funds are not held by us in your Portfolio, we will not be obliged to settle any transaction or any account on your behalf until we or our settlement agents or, as the case may be, Sub-Custodian, have received all necessary (and properly executed) documents or cleared funds. Our obligations to deliver to you, or to your Portfolio, or to account to you for the proceeds of the disposal of investments are conditional upon the prior receipt by us of appropriate documentation and cleared funds.

Applicable to direct clients, intermediaries, and trustees

Where we enter into a transaction as agent on your behalf it is the other party to the transaction and not us who is responsible for settling the trade with you and delivery or payment (as the case may be) will be at your risk. Our obligation is only to pass on to you, or to credit to your Portfolio, such deliverable document or sale proceeds (as the case may be) as we actually receive. We will have no obligation to cover any loss as a result of a default by a counterparty during the course of a transaction.

If you wish us to sell a certificated holding on your behalf you must sign and transfer all relevant documents to us (such as share certificates and completed share transfer forms) in good time before the transaction. Failure to do so may result in a delay in making the sale. We will not be liable for any loss suffered by you arising from such a delay.

#### **5.1.9 Our rights over your assets**

Subject to the FCA's Custody Rules, if, at any time, you have failed to pay us sums due under this Agreement, we, or a Sub-Custodian shall be entitled (and are irrevocably authorised by you) to, without providing any advance notice, use any cash, or sell any investments, held by or registered with us, our Sub-Custodian or nominee and use the proceeds (after deducting any costs in doing so) to eliminate or reduce any unpaid obligations owed to us. Any surplus remaining after discharging the obligations owed to us will be paid to you. If the cash and proceeds of disposals do not cover all the obligations owed to us, you will still owe us the balance.

You agree that we may set off, transfer or apply (without further notice to you) any obligations or monies owed by us to you in order to satisfy in whole or in part any debt or obligation or sum that is due from you to us.

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

#### **5.1.10 Allocated but unclaimed safe custody assets**

If we have held assets for you for at least twelve (12) years and no instructions have been received from you in respect of the assets for at least twelve (12) years we may, but are not required to:

- a) liquidate an unclaimed safe custody asset we hold for you, at market value, and pay away the proceeds; or
- b) pay away an unclaimed safe custody asset we hold for you to a registered charity of our choice,

provided that this is permitted by law in force at the time and consistent with the arrangements under which the safe custody asset is held; and we have taken reasonable steps to trace you and return the safe custody asset.



Applicable to direct clients, intermediaries, and trustees

We undertake to you that if we divest ourselves of your safe custody asset in the circumstances outlined above, we will pay to you a sum equal to the value of the safe custody asset, at the time it was liquidated or paid away, in the event that you seek to claim the safe custody asset in future. This undertaking will survive termination of this Agreement.

Any costs associated with divesting of safe custody assets will be paid for by us.

#### **5.1.11 How we hold your cash**

We will treat money held by us on your behalf in accordance with the FCA Client Money Rules. We hold your money together with money of other clients in a pool, free of lien, in accounts with trust status with one or more UK Banks, EEA regulated credit institutions or banks authorised in a non-EEA country.

**This means that your money is segregated from our money in a client bank account. In the event of default, you would have a claim against the pool, not against a specific amount in a specific account.**

When executing orders on your behalf, money held by us may be passed to a bank account of an intermediate broker, settlement agent or OTC counterparty located outside the United Kingdom. In these circumstances the legal and regulatory regime applying to that person may be different to that of the United Kingdom. In the event of the failure of that person, your money may be treated differently from the manner in which it would be treated if it had been passed to an equivalent person in the United Kingdom.

We may place your money in deposit accounts which have fixed terms or notice periods of up to ninety-five (95) calendar days to allow us to diversify the banks with which we deposit client money. Such amounts may not be immediately available for distribution to you in the unlikely event that we receive requests for the repayment of a significant proportion of our client money, or in the event of our default or the default of one of the institutions with whom your money is held.

#### **5.1.12 Interest**

If you hold more than one Portfolio with us, the cash held within each Portfolio will be treated separately for the purposes of calculating interest.

Credit interest on client money held by us is calculated on a daily basis by applying the appropriate rates of interest to the cleared balance on the client money as at the end of each day.

Interest is applied quarterly in arrears on the first day of the following quarter unless otherwise agreed with you. If you terminate your custody arrangements with us any accrued interest will be applied to your Portfolio on the date that we stop providing Custody Services to you.

EFGHA will generally receive a higher rate of interest on client money than it pays to clients. The interest that we receive is held in EFGHA's own bank account until it is due and payable to you, at which time the money will be transferred into your client account and treated as client money.

Applicable to direct clients, intermediaries, and trustees

No credit interest will be paid on foreign currency cash balances. EFGHA reserves the right to not credit accrued interest of less than £5.00 in any quarter.

Credit interest rates applicable to client money balances where interest is paid are set by reference to EFGHA's Reference Rate. Details of how EFGHA's Reference Rate is calculated are set out in the Scope of Cost of our Services document. Interest is calculated on a banded basis at a margin under EFGHA's Reference Rate. EFGHA's relevant Reference Rate will be adjusted in response to a change to the market standard reference rate on which EFGHA's Reference Rate is based. If the basis of calculating EFGHA's relevant Reference Rate changes we will normally give you at least sixty (60) Business Days advance notice of this but we may apply a new interest rate and notify you afterwards if the change is favourable to you.

The credit interest rate payable in respect of your client money is available from us on request.

Where interest is paid on client money balances, it will be paid gross of tax where appropriate.

#### **5.1.13 Pre-paid investments**

Certain transactions to acquire securities (e.g. initial public offerings, pre-payment funds) require the settlement value to be paid to the counterparty prior to the settlement date. If you enter into transactions of this type your money will not be held by us as client money and will not be protected by the FCA Client Money Rules after it is transferred to the counterparty. If the counterparty defaults before settlement of the transaction you may lose all, or part, of your money transferred to the counterparty or not receive your money back immediately. We will have no obligation to cover any loss as a result of a default by a counterparty.

#### **5.1.14 Unclaimed cash balances**

If we have held cash balances for you for at least six (6) years during which time there has been no activity on the account we may, but are not required to, cease to treat the cash balance as client money and such sums may be paid to a registered charity of our choice, provided that this is permitted by law in force at the time; and we have taken reasonable steps to trace you and return the cash balance.

We undertake to you that if we divest ourselves of your client money in the circumstances outlined above and the cash balance was over £25 we will pay to you a sum equal to the sum paid away, in the event that you seek to claim the cash in future. This undertaking will survive termination of this Agreement.

Any costs associated with divesting of the client money will be paid for by us.

#### **5.1.15 Shortfalls**

Where we identify a discrepancy involving a shortfall in the client money we hold for you we may, at our discretion, and in accordance with FCA Client Money Rules, lend to you a sufficient amount of our own money to cover the value of that shortfall. We will hold such money for you in accordance with the FCA's Client Money Rules until the shortfall is resolved. To the extent that the relevant shortfall is resolved a corresponding amount of your cash balance will be immediately repayable to us.

Applicable to direct clients, intermediaries, and trustees

#### **5.1.16 Transfer of business**

If we transfer all or part of our business to a third party (the “recipient”) which includes the management of your Portfolio(s), in signing the Application Form **you agree that we may transfer any client money that forms part of a relevant Portfolio to such recipient** provided that such transfer takes place in accordance with Applicable Regulations and:

- a) your client money will be held by the recipient on your behalf in accordance with FCA Client Money Rules; or
- b) if your client money will not be held by the recipient in accordance with the FCA Client Money Rules and having exercised all due skill, care and diligence in assessing whether the recipient will apply adequate measures to protect your money, we are satisfied that your money will not be subject to a lower level of protection than that which we offer under this Agreement.

#### **5.1.17 Treatment of assets on termination**

On termination of this Agreement:

- a) you will have sixty (60) calendar days from the notice of termination to provide us with the details of another firm, should you wish to have your assets transferred to them; or
- b) your investments will be sold and the proceeds transferred to you. We will keep the proceeds in custody until you provide us with the necessary details to transfer them to you and that transfer is effective (including if we provide you a cheque, once that cheque has been cashed), subject to a fee as outlined in the Scope of Costs & Charges document.

#### **5.1.18 Voting rights and Corporate Events**

If your investments are held by our nominee or are otherwise under our control and we are notified of any Corporate Events attaching to your investments, we will take the following steps:

- i. where it relates to an investment held within a Discretionary Investment Managed Portfolio, we will decide what action to take and will not notify you of Corporate Events or meetings;
- ii. where it relates to an investment held within an Advisory Investment Managed, Advisory Dealing Service or Execution Only account we are required to transmit information, without delay, to shareholders to facilitate the exercise of voting rights attached to shares. We will notify you of any voluntary corporate action or meetings where there is a decision or election to be made;
- iii. we will not notify you of any mandatory corporate action (meaning that the outcome is not something over which you have a choice).

Applicable to direct clients, intermediaries, and trustees

Where we have provided notice of a Corporate Event or meeting where there is a decision or election to be made, you are responsible for ensuring that instructions are provided to us by the time stated in the notice. If we do not receive an instruction within the terms and timing of the notice, we will not vote on your behalf. If a Corporate Event requires additional funds from you, it is your responsibility to ensure that cleared funds are available in your Portfolio by the time stated in the notice. We are not responsible for the consequences of any failure to provide instructions to us by the stated time once notification has been given, or the consequences of any default option applied on your behalf or any alternative instructions we receive. The ability to exercise voting rights can be subject to restrictions due to holdings being pooled. We shall not be under any obligation to inform you of the opportunity to vote in respect of matters not relating to corporate actions.

We do not believe it is currently appropriate to establish a formal Engagement Policy pursuant to the Shareholder Rights Directive.

## 5.2 Third Party Custodian

*These terms and conditions apply when you have appointed your own Third Party Custodian to hold the assets in your Portfolio. In this situation, **we will not be responsible for the safekeeping and administration of your assets.***

### 5.2.1 Appointment of a Third Party Custodian

The selection, appointment and use of the Third Party Custodian, including any Associate, are your sole responsibility, however you agree to seek our prior written consent to the appointment of a new Third Party Custodian.

You must also ensure that the Third Party Custodian enters into arrangements with regard to the provision of custody services, for the whole or relevant part of your Portfolio, which are satisfactory to us and enable us to provide services to you under this Agreement. Further, by engaging us to provide services relevant to assets held in custody with a Third Party Custodian, you hereby instruct us to do all other acts, and things relevant to the assets underlying your Portfolio that may be necessary or desirable to complete or perform our obligations in connection with the services you engage us for. The agreement that you enter into with the Third Party Custodian must include the following requirements:

- a) the Third Party Custodian must promptly notify us of all income received in respect of your Portfolio and of any other events affecting the investments or assets contained in your Portfolio and supply to us promptly copies of all custody and settlement bank account statements;
- b) the Third Party Custodian must provide us with electronically readable reports for reconciliation purposes;
- c) the Third Party Custodian must take instructions from us in relation to your Portfolio;
- d) the Third Party Custodian must provide us with cash statements on a regular basis and on our reasonable request;

Applicable to direct clients, intermediaries, and trustees

- e) You must ensure that the Third Party Custodian can settle any transactions effected by us.

### **5.2.2 The responsibility of the Third Party Custodian**

The Third Party Custodian is responsible for the following functions:

- a) dealing with the administration involved in the buying and selling of your investments;
- b) holding your investments in its name and under its control or in the name of and under the control of its nominee (or as otherwise permitted by Applicable Regulations and your agreement with the Third Party Custodian);
- c) collecting dividends, income and other entitlements arising in respect of your investments;
- d) providing to us, at regular intervals, information on investments held by them (including details of the identity of investments bought and sold and valuations of investments held at the end of the report period). We use this information when we report directly to you on your investments; and
- e) implementing instructions received from us on the exercise of voting rights and other rights arising in respect of your investments.

### **5.2.3 Our responsibility**

We shall have no liability for custody arrangements where a Third Party Custodian is appointed (including, without limitation, the expenses, fees and charges of the Third Party Custodian) or the acts or omissions of the Third Party Custodian, including any failure to execute instructions we remit on your behalf. In addition, we will not be responsible for supervising the Third Party Custodian. You acknowledge that the appointment of a Third Party Custodian may restrict the services we provide to you.

We will not be responsible for supervising or paying the fees of a Third Party Custodian or for ensuring that you comply with any terms and conditions you have agreed with a Third Party Custodian.

### **5.2.4 Assets held by the Third Party Custodian**

All assets purchased or otherwise held for the benefit of your Portfolio shall be held by the Third Party Custodian. All certificates and other documents of title relating to securities and other instruments of your Portfolio shall be retained and kept safe by the Third Party Custodian which shall be solely responsible for settlement of all transactions undertaken on your Portfolio's behalf.

### **5.2.5 Settlement**

All transactions for the Portfolio will be settled by payment to or delivery by the Third Party Custodian of cash or securities due to or from the Portfolio. We will advise the Third Party Custodian of all transactions which we have effected for the Portfolio.

Applicable to direct clients, intermediaries, and trustees

**5.2.6 Cash balances**

If, as a result of executing a transaction on your behalf, we are required to hold any money on your behalf before returning it to the Third Party Custodian we shall hold such money as client money in accordance with the Client Money Rules and the provisions of section 5.1.11 of these terms and conditions.

**5.2.7 Best execution**

Where this Agreement requires funds to be placed on deposit with the Third Party Custodian or currency transactions to be effected or currency risks hedged with the Third Party Custodian, you acknowledge that we are relieved of any obligation of best execution in relation to the relevant transactions except to the extent it is required under the Applicable Regulations.

**5.2.8 The composition of your Portfolio – regular analyses and valuations/ information**

We will rely upon the information provided by the Third Party Custodian to provide you with our reports on your Portfolio.

**5.2.9 Additional fees**

We may charge additional fees or expenses where a Third Party Custodian is appointed – we will provide details of any additional charges or expenses to you separately. You authorise us to claim all charges and expenses due to us from the Third Party Custodian. If we cannot collect charges and expenses in this way we will invoice you and the invoice will be payable on receipt.

Applicable to intermediaries

## 6. WHEN YOU INSTRUCT US TO DEAL WITH A THIRD PARTY

**This Section applies to clients who direct us to take instructions from a third party**

### 6.1 Communication to us by a third party authorised by you

If you authorise us to accept the Instructions of a third party in your Application Form, and we agree, we will do so until we receive notice to the contrary from you.

### 6.2 Financial advisers

There are two scenarios where we will take Instructions from your financial adviser:

1. When you directly appoint a financial adviser to deal with us in relation to the provision of our Investment Services (by naming them in your Application Form); and
2. When your financial adviser instructs us directly to provide our services to you on your behalf.

The following terms apply to our taking Instructions from your financial adviser, no matter how we have been appointed:

- a) we require the financial adviser to be an authorised/registered financial adviser under the laws of the jurisdiction in which he or she is based;
- b) you confirm and undertake to us that the financial adviser has your authority to give instructions to us on your behalf and you direct us to implement those Instructions. The same rules apply to written, telephoned, or emailed instructions received from an authorised third party as they do to instructions received from you and you must ensure that your authorised third party complies with these rules;
- c) we will also provide the financial adviser with copies of all documentation, information or notices we are obliged to provide you with under the terms of this Agreement at the same time as these are provided to you;
- d) The Investment Services we provide where you use a financial adviser are based on relevant information provided to us on a timely basis and the absence of such information may affect adversely the quality of the services we provide to you.

**You undertake to let us know immediately if the financial adviser ceases to act for you.**

#### 6.2.1 When you appoint a financial adviser to deal with us in the provision of our Investment Services

The following terms will apply when you appoint your financial adviser to deal with us in your Application Form (rather than the financial adviser instructing us directly):

- a) you and not the financial adviser will be treated as our client for the purposes of the FCA Rules;
- b) For the avoidance of doubt, we will be responsible for assessing suitability, not your financial adviser.

Applicable to intermediaries

### **6.2.2 When your financial adviser instructs us to provide our services to you on your behalf**

The following terms will apply when your financial adviser has instructed us to provide our services to you on your behalf:

- a) your financial adviser will be treated as our client;
- b) your financial adviser will be responsible for assessing suitability, rather than us, and we shall be entitled to rely on their suitability assessment when we provide our services;
- c) we shall be entitled to rely on any information about you transmitted to us by your financial adviser and any recommendations in respect of the service that have been provided to you by your financial adviser;
- d) your financial adviser will remain responsible for the completeness and accuracy of any information about you transmitted by it to us and the suitability for you of any advice or recommendations provided to you;
- e) we require a written and binding undertaking from your financial adviser:
  - i) that they have taken all necessary steps to collect and assess such personal and financial information concerning you as will allow them to assess the suitability of the services to be provided by us and any investment mandate agreed with you;
  - ii) that they will keep your personal and financial information under regular review and notify us promptly of material changes to the information from time to time;
  - iii) that if at any time they no longer believe that the Investment Services we provide are suitable for you they will notify us immediately.

### **6.3 Those clients who appoint any other third-party as their agent to deal with us in the provision of our Investment Services**

If you wish us to take Instructions from a third party who is not a financial adviser (such as an accountant, solicitor or other third party), you designate the following additional terms apply:

- a) you and not the third-party will be treated as our client for the purposes of the FCA Rules;
- b) you confirm and undertake to us that the third party has your authority to give Instructions to us on your behalf and you direct us to implement those instructions;
- c) we will also provide the third party with copies of all documentation, information or notices we are obliged to provide you with under the terms of this Agreement at the same time as these are provided to you;
- d) we require a written and binding undertaking from your third party agent:
  - i) that he or she has taken all necessary steps to collect and assess such personal and financial information concerning you; and
  - ii) that he or she will keep your personal and financial information under regular review and notify us promptly of material changes to the information from time to time.



Applicable to those with an ISA or JISA account

## **7. TERMS WHICH APPLY WHEN YOU HAVE AN INDIVIDUAL SAVINGS ACCOUNT OR JUNIOR INDIVIDUAL SAVINGS ACCOUNT WITH US**

**This Section applies to clients who have ISAs and JISAs with us**

### ***Individual Savings Account***

#### **7.1 Our Stocks and Shares ISA**

Where you are eligible and have signed an application, we agree to provide to you your ISA. We are the ISA manager in respect of your ISA and will manage your ISA in accordance with the ISA Rules. To the extent that the ISA Rules impose requirements on you, you undertake to comply with all such requirements.

Unless you notify us to the contrary, the investments within your ISA shall be managed in accordance with your Portfolio designation as Discretionary Management, Advisory Investment Managed, Advisory Dealing or Execution Only (and you should also read the relevant sections of these terms relating to those services).

Our Terms and Conditions for Investment Services will apply (save to the extent of any inconsistency with the ISA Rules or this section 7) to the investments held within your ISA from time to time. In the event of any inconsistency between this section 7 and the ISA Rules, the ISA Rules will apply.

Investment in your ISA may only be made by subscription in cash, with the exception of shares which you have exercised the right to acquire or which have been appropriated to you in accordance with the provisions of a savings related share option scheme or an approved profit sharing scheme, or which form part of an Additional Permitted Subscription and such shares will be treated as fulfilling the condition as to payment of cash.

You may subscribe to your ISA up to the annual subscription limit permitted under the ISA Rules as set out in the ISA application form. The ISA Rules allow you to invest in one cash ISA, one stocks and shares ISA, one innovative finance ISA and one lifetime ISA, up to the annual ISA subscription limit, each tax year.

If you are the surviving spouse or civil partner of a person who held an ISA (either with us or with another investment manager) you may make Additional Permitted Subscriptions in accordance with the ISA Rules.

The fees and charges applicable to your ISA are set out in the Scope and Cost of our Services document.

#### **7.2 Opening an ISA**

You agree that completion and submission of an application for an ISA constitutes acceptance of this Agreement and specifically this section 7 which will take effect upon acceptance by us of your application.

#### **7.3 Our mandate and your overall Investment Objectives**

The investments eligible for inclusion in your ISA shall be Qualifying Investments. Where we are providing you Discretionary Investment Management and Advisory Investment Management

Applicable to those with an ISA or JISA account

we shall assume that the investment and risk mandate (as well as any Investment Objectives and Investment Restrictions) for your ISA is the same as for the rest of your Portfolio (as that mandate may be changed from time to time), to the extent that following such mandate is consistent with the requirement for your ISA to include only Qualifying Investments. Where we are providing you Advisory Dealing or Execution Only Services, we shall provide such services in relation to your ISA in accordance with the terms set out herein that relate to our Advisory and Execution Only Services.

In selecting investments for your ISA consistently with a Discretionary Management mandate or advising you where we have an Advisory Investment Management Mandate or an Advisory Dealing Mandate we will take into account the holdings across your whole Portfolio and not just within the ISA.

#### **7.4 Your undertakings in relation to your ISA**

You undertake to notify us immediately of any change in your status which affects your ability to subscribe to an ISA (e.g. if you become non-resident).

You undertake that:

- a) the investments within your ISA are, and will remain in, your beneficial ownership and will not be used as security for a loan;
- b) you are entitled to subscribe for an ISA under the ISA Rules (please ask your EFGHA Investment Manager for guidance if you are unsure); and
- c) all cash subscribed to your ISA belongs to you.

#### **7.5 Transfer of your ISA**

Upon receipt of your request for a transfer we will let you know the precise conditions that apply to the transfer and the method of transfer, each as required by the ISA Rules.

##### ***Transfers out***

Upon your written request and subject to the ISA rules, your ISA, with all rights and obligations of the parties to it, may be transferred to another ISA manager within a time period stipulated by you. Your new ISA manager will ask you to fill in a transfer application form. A transfer may be made in respect of current year ISA subscriptions and the investments bought with those (and any income arising) in whole and/or previous years' ISA subscriptions and the investments bought with those subscriptions (and any income arising) in whole or in part.

We will effect the transfer (by transfer of the investments and/or cash direct to the new ISA manager) within the time stipulated by you (and in accordance with any legislation governing the transfer provided the transferee approves the transfer) and is an approved ISA manager. The minimum period which you may stipulate for us to effect the transfer within is thirty (30) calendar days. Transfers out will normally take thirty (30) calendar days, but occasionally may take longer to complete due to factors outside our control.

Upon receipt of your request for a transfer we will let you know the precise conditions that apply to the transfer and the method of transfer, each as required by the ISA Rules.

Applicable to those with an ISA or JISA account

When you request us to transfer your ISA we may (as set out in the Scope and Cost of our Services document) apply a transfer fee and, in addition, we may charge you for:

- a) accrued but unpaid charges and expenses;
- b) any additional expenses we or our agents necessarily incur on the closure of your ISA (including expenses of sale or transfer of the ISA investments);
- c) any losses necessarily realised by us or our agents in settling or concluding outstanding obligations; and
- d) an amount equal to tax which may have become payable in respect of your ISA, but will not ask you for any additional payment.

## **7.6 Withdrawals**

If you wish to withdraw investments or monies from your ISA you can do so by instructing us in writing to (within a time period specified by you) transfer all or part of the investments held in your ISA and proceeds arising from those investments to be transferred or paid to you. In the event of a cash withdrawal you must specify the amount in cash you wish to withdraw. Where you request a transfer or withdrawal and your ISA holds units or shares in a UK UCITS (Undertaking in Collective Investment Transferable Securities), a non-UCITS retail scheme or a recognised UCITS, and dealings have been suspended in accordance with COLL 7.2, we may extend the minimum period specified for the suspension to seven (7) calendar days after the suspension ends.

To meet your request we will use any available cash balances first and then, if we have a Discretionary Management mandate, we will select investments within your ISA to sell. For all other mandates we will seek your instructions as to which investments to sell. The amount to be withdrawn will be paid to you as soon as sufficient cash is held in your ISA. The minimum period which you may stipulate for us to effect the withdrawal within is thirty (30) calendar days however please note a cash payment may be several weeks after your cash withdrawal instructions are received.

You will not incur a tax liability by making a withdrawal from your ISA. Please note carefully that your annual allowance is not affected by withdrawals. Irrespective of any withdrawals that you may make in a tax year we cannot accept further subscriptions in the same tax year if your annual allowance limit has been reached.

In the event that you withdraw all of your cash from your account, we will close your ISA in accordance with section 7.12.

## **7.7 Nominee and Custody Services**

The title to all investments held in your ISA will be registered in the name of our nominee(s) (including our nominee company or a Sub-Custodian or their nominee company); however, you will nonetheless remain the beneficial owner of the investments held in your ISA. The terms and conditions in section 5 will apply (save to the extent of any inconsistency with the ISA Rules or this section 7) to Our Custody Services regarding investments held within your ISA. Where relevant share certificates or other documents evidencing title to ISA investments will be held by us or as we may direct.

Applicable to those with an ISA or JISA account

We will be responsible for making all reasonable efforts both to collect all income due and to vest other entitlements in respect of investments in your ISA held by us (or others appointed by us) as nominee or custodian, on your behalf and (when and if applicable) subject to changes in current legislation:

- a) we will arrange for all tax credits on dividends to be claimed, where permissible;
- b) we will make claims, conduct appeals and agree on your behalf liabilities for and reliefs from tax in respect of your ISA.

In all other respects as regards taxation, you or your other professional advisors must remain responsible for the management of your own tax affairs.

Cash received in respect of investments in your ISA (e.g. dividends, interest payments and other cash payments) will be held within the ISA in accordance with section 5 and in accordance with the FCA Client Money Rules and reinvested unless you opt for income to be distributed. Please note that we are entitled to deduct our charges from cash held within your ISA from time to time, unless you request that we take the fee from another account (such as your taxable Portfolio).

Subject to the ISA Rules, cash may be temporarily held within your ISA pending investment or reinvestment.

## **7.8 Company reports**

Please contact us if you wish to receive copies of the annual report and accounts (as well as additional information) issued by, or attend meetings (and vote at such meetings) of the companies whose shares you wish to hold within your ISA. These services may be subject to additional charges.

## **7.9 Delegation**

We will satisfy ourselves that any person to whom under the terms of this Agreement we delegate any of our functions or responsibilities in relation to your ISA is competent to carry out those functions and responsibilities.

## **7.10 Notification of voiding of your ISA**

We will notify you if by reason of any failure to satisfy the provisions of the ISA Rules your ISA has, or will, become void. If your ISA is made void we may, by agreement with you, either transfer your investments to you or sell the investments and transfer the proceeds of sale to you. If your ISA is made void, you may lose some or all of your tax exemption. We will notify HMRC if your ISA has, or will, become void and we will pass on full details of the void ISA to HMRC, including your personal details and you hereby authorise us to do so.

## **7.11 Cancellation rights**

You may cancel an ISA by notifying us in writing within fourteen (14) calendar days of applying for the ISA. During this fourteen (14) day cancellation period, HMRC will treat the position as if no subscription to an ISA had been made in the first place and your right to subscribe to an alternative ISA offered by us or another ISA provider within the same tax year will be unaffected.

Applicable to those with an ISA or JISA account

### **7.12 Closure of your ISA by us**

We may close your ISA on thirty (30) calendar days' notice or on immediate notice if required to do so by any competent regulatory authority, the ISA Rules or Applicable Regulations. We shall not be responsible for any loss that results except to the extent that such loss arises directly from our negligence, breach of regulation or fraud. Termination of this Agreement will result in the closure of the ISA.

Termination by us will not prevent us from keeping your ISA open until any remaining claims for dividends or tax reclaims are finalised.

If your ISA is closed you may choose to have all the investments held in your ISA transferred into your name, the name of a new custodian or, where applicable, the name of your new ISA manager (see section 7.5 above).

We reserve the right to charge you the fees set out at section 7.5.

### **7.13 Provisions applying on your death**

If you die on or after 6 April 2018, following your death your ISA will automatically stop being exempt from tax upon the earlier of:

- a) the date of completion of the administration of your estate;
- b) the third anniversary of your death; or
- c) the date of withdrawal of all investments and cash from your ISA.

If your death occurred on or before 5 April 2018, your ISA automatically stops being exempt from tax upon the date of your death.

No further subscriptions may be made to your ISA on or after the date of your death and we will require your personal representatives to notify us of your death before we will accept any instructions in relation to your ISA.

### ***Junior Individual Savings Account***

#### **7.14 Junior Individual Savings Account ("JISA")**

In respect of a JISA, a reference to "you" or "your" is a reference to the registered contact for the JISA, initially being the person who applies for the JISA, and then whoever assumes the responsibility by written application to become the registered contact for the JISA.

A child over the age of 16 is entitled to be the registered contact for a JISA. If a child is not the registered contact but has reached the age of 16, the child may apply to us to assume that responsibility by written application.

If you are the registered contact and have declared that you have parental responsibility for the child, you acknowledge that we may require that you provide additional information or documentation to establish that you have parental responsibility for the child.

Applicable to those with an ISA or JISA account

### **7.15 Our stocks and shares JISA**

Our JISA is a stocks and shares ISA set up in the name of a child who is under 18 years of age who does not have a Child Trust Fund (“CTF”) opened in their name. However, a JISA may be set up by transferring the full balance of an existing CTF to a JISA and closing the CTF.

We will operate the JISA in accordance with the ISA Rules. To the extent that the ISA Rules impose requirements on you, you undertake to comply with all such requirements.

The terms applying in relation to ISAs in part 7.1 to 7.12 (excluding 7.6) shall apply to JISAs, substituting the term “ISA” for “JISA” and “you” for “the child”, where appropriate, assuming that your child shall be the beneficial owner of the investments within the JISA.

### **7.16 JISA closure or withdrawals**

In accordance with the ISA Rules, no withdrawals of investments (including cash and income earned by JISA investments) can be made from the JISA until:

- a) the JISA is closed when the child reaches the age of 18, dies, or where closure is otherwise permitted by the ISA Rules; or
- b) where the child is terminally ill and a terminal illness claim has been agreed in accordance with the ISA Rules.

In the event that the child dies, the JISA will be valued for probate as at the date of death and dealt with as instructed by the executor or administrator of the child’s estate.

When a child reaches the age of 18, we will no longer accept new subscriptions into the JISA, we will convert the JISA to an ‘adult’ ISA, and the JISA will be closed. Before the child reaches the age of 18 we will write to the child in relation to their options in respect of the JISA. Where the child retains their investments from their former JISA in their ISA after the child reaches the age of 18, the ‘ISAs’ section of this Agreement will apply and we may require the child to agree to our terms in relation to the ISA before the child can make any subscriptions or withdrawals from the ISA.

Applicable to direct clients and trustees

## **8. ADDITIONAL TERMS WHICH APPLY TO PARTICULAR TYPES OF CLIENT**

**This Section applies if you are a particular type of client including a trustee, individuals applying jointly, pension scheme, corporate vehicle or US taxpayer**

### **8.1 Trusts**

#### **8.1.1 Trustee Act 2000**

If you are required to make a policy statement under section 15 of the Trustee Act 2000 we will, in the management of your Portfolio, comply with that policy statement or any revised or replaced policy statement provided by you.

#### **8.1.2 Changes in trustees during the term of this Agreement**

At our option this Agreement shall continue in full force and effect notwithstanding any change in the composition of the trustees whether by death, retirement or addition of trustees or otherwise.

#### **8.1.3 Joint and several liability**

Each of you accepts joint and several liability for the obligations accepted by you under this Agreement. Save in respect of liability arising directly or indirectly from fraud or wilful default, the liabilities of the trustees under the terms of this Agreement shall be limited to the assets of the trust from time to time.

### **8.2 Individuals applying jointly**

#### **8.2.1 Joint and several liability**

Your Portfolio may be held in the joint names of two or more individuals. In this situation, all joint account holders are bound by this Agreement and your obligations under this Agreement will be joint and several and any reference in this Agreement to you as the client shall be construed (where appropriate) as a reference to any one or more of you. Where there is a change of joint holders other than as a result of death, you will notify us as soon as practicable in writing.

#### **8.2.2 Instructions from you**

Unless we are instructed otherwise in writing:

- a) we will be entitled to accept and act on the instructions from any one of you. In certain circumstances we may require instructions to be given in writing by all joint account owners. This includes instructions to change Portfolio or address details or to register assets into a single name;
- b) any notice given to any one of you will be deemed to be given to all of you; and
- c) we will treat each joint account holder as having the right to all of the assets in your Portfolio and will not be concerned with the actual division or ownership of the assets between you and the other joint account holder(s).

Applicable to direct clients and trustees

### **8.3 Disputes**

In the event of a dispute between you and any of the other joint account holders we may freeze your Portfolio, until we receive further clear written instructions from all joint account holders or a court order.

### **8.4 Death during the term of the Agreement**

Upon the death of any individual joint account holder this Agreement will not terminate and we may treat the surviving joint account holder(s) as the only person(s) entitled to or interested in the Portfolio.

### **8.5 Partnerships**

#### **8.5.1 Changes in composition of non-incorporated partnerships**

This Agreement shall continue in full force and effect notwithstanding any change in the composition of a non-incorporated partnership whether by the death, retirement or addition of partners to the partnership or otherwise.

#### **8.5.2 Joint and several liability**

If you are a partner in a non-incorporated partnership each of you accepts joint and several liability for the obligations accepted by you under this Agreement.

### **8.6 Pension schemes**

#### **8.6.1 Payments**

We undertake to ensure that any proceeds paid from the Portfolio to you shall be paid only into a scheme bank account in the name of the trustees.

#### **8.6.2 Pensions Act 1995**

Nothing in this Agreement is intended to nor shall exclude any liability of ours under the Pensions Act 1995.

#### **8.6.3 Pensioner trustee**

Any financial undertakings (including indemnities) made by you under this Agreement are, where applicable, treated as being made by the managing trustees and not by the Pensioner Trustee.

### **8.7 Unincorporated associations**

If you are members of an unincorporated association, the following additional terms apply:

#### **8.7.1 Changes in membership during the term of this Agreement**

At our option this Agreement shall continue in full force and effect notwithstanding any change in the composition of the membership whether by death, retirement or addition of members or otherwise.

#### **8.7.2 Joint and several liability**

Each of you accepts joint and several liability for the obligations accepted by you under this Agreement.



Applicable to direct clients, intermediaries, and trustees

## 9. RISK WARNINGS

**This Section applies to ALL clients**

*Risk warnings are provided for your information and protection. We strongly encourage you to read them and to contact us if you have any questions or require further clarification. This document cannot cover all risks but is meant to act as a general guide to the most significant aspects of the risk associated with any products and services we may offer you. Should you have any questions that are not dealt with here, you should raise them with your EFGHA Investment Manager.*

### 9.1 Performance Risk

The value and income of investments and securities is dependent on market performance, and may therefore fall as well as rise. Investors may not get back the full amount of capital invested, and should be aware that past performance is not a guide to future performance.

### 9.2 Inflation Risk

The real value of investments may be adversely affected by inflation, and investors are reminded that, whilst an investment may have historically performed positively in an inflationary environment, past performance is not a guide to future performance.

### 9.3 Interest Rate Risk

Investors are similarly reminded the value of investments may be adversely affected by substantial movements in interest rates.

### 9.4 Allocation and Diversification Risk

Investments in smaller numbers of holdings may carry more risk than investments which are spread across a larger number of holdings. Similarly, investments that focus on specific sectors can carry more risk than investments spread over a number of different industry sectors.

### 9.5 Market Capitalisation Risk

Holdings in smaller companies (by market capitalisation) may have a more limited market than holdings in larger companies, and may therefore be less liquid and have greater price volatility.

### 9.6 International Markets

International markets will involve different risks from the UK markets, and some of the recognised markets in which investments may be traded may be regulated differently to those in the UK.

In particular, investing in emerging markets can carry a high degree of risk and may be considered speculative, as the markets are generally less well regulated, investments may be less liquid, and there may be less reliable arrangements around the trading and settlement of the underlying holdings.

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On request, we will provide an explanation of the relevant risks and protections (if any) which will operate in any international 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 international markets or in foreign denominated investments will be affected by fluctuations in foreign exchange rates.

Where investments are denominated in different currencies from the base currency, foreign exchange rates may cause the value of these investments, and the income from them, to rise or fall. You acknowledge that:

- a) Where a liability in one currency is to be matched by an asset in a different currency; or
- b) In any other transaction where more than one currency is involved,

a movement of exchange rates may have a separate effect, unfavourable as well as favourable, on the gain or loss otherwise experienced on investments.

In certain countries, there may be restrictions on the ability to repatriate investment capital, dividends, interest and other income, or it may require government consent to do so, resulting in delays in, or the refusal to grant consent for the repatriation of some or all of the monies held.

The value of investments may be affected by uncertainties, such as international political, governmental, legal, regulatory and/or taxation changes. Furthermore, the accounting, auditing, financial reporting, legal and/or regulatory standards in certain countries may not provide the same level of investor protection or information to investors, as would generally apply in more developed markets.

Local custody services may be underdeveloped in many emerging market countries, resulting in a higher level of transaction and custody risk involved in dealing in such markets. The costs associated with investing and holding investments in such markets will generally be higher than in organised securities markets, and, in certain circumstances, the full recovery of the underlying holdings may not be possible.

## **9.7 Counterparty/Credit Risk**

The issuers of the underlying holdings (e.g. securities) of an investment may be affected by credit difficulties leading to investors losing some or all of their capital invested and/or any income payable. Investments may also be exposed to credit risk in relation to the counterparties with whom the underlying holdings are traded, and may bear the risk of counterparty default.

## **9.8 Hedging Risk**

Some investments may enter into currency exchange transactions or use techniques and instruments to seek to hedge against fluctuation in the relative value of its Portfolio positions as a result of changes in currency exchange rates and/or interest rates. Although such hedging strategies are intended to minimise the risk of loss due to a decline in the value of a hedged currency, their successful execution cannot be assured, and, conversely, they may limit any potential gain that might be realised should the value of the hedged currency increase.

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### **9.9 Liquidity Risk**

Due to the nature of their underlying holdings, the liquidity of some investments may be limited, meaning that they may not be readily redeemable, and investors should be prepared to hold their investment for the full, prescribed commitment period.

In the event that early redemption is permitted, any value received will be subject to prevailing currency and market rates, as well as any exit penalties, as may be applicable, and the investor could get back less than the original capital invested.

### **9.10 Redemption Risk**

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 amount, because market conditions may make it impossible to execute such an order at the stipulated price.

Similarly, large redemptions of shares in a fund may result in the fund being forced to sell assets at a time and price at which it would not normally prefer to dispose of those assets.

### **9.11 Valuation Risk**

Certain funds may hold any or all of their underlying holdings in illiquid and/or unquoted securities or instruments. Any valuations are subject to substantial uncertainty, and there is no assurance that they will reflect the actual sales or 'close-out' prices of the holdings.

In addition, there is an inherent conflict of interest between the involvement of the investment manager in determining valuations of underlying holdings and their other duties and responsibilities.

### **9.12 Effect of Fees or other Charges**

Where any commissions, fees or other charges are charged to the capital, although the distributable income of the investment may be higher, there is the potential that performance or capital value may be eroded.

Before you begin to trade, you should obtain details of all fees and other charges for which you will be liable. If they 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 commissions, fees or other 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.

### **9.13 Insolvency Risk**

Our insolvency or default, or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash. On request, we will provide an explanation of the

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extent to which it will accept liability for any insolvency of, or default by, other firms involved with your transactions.

#### 9.14 Gearing

Gearing is a strategy used by fund managers with a view to enhancing the return for, or the value of a security without increasing the amount invested by the holders of the security, involving one or more of the following:

- a) borrowing money;
- b) investing in one or more instruments such as (but not limited to) warrants or derivatives, for which a relatively small movement in the value or price of the underlying rights or assets to which the instrument relates, whether favourable or adverse, results in a larger movement in the value or price of the instrument; and
- c) structuring the rights of holders of a security so that a relatively small movement in the price or value of the underlying rights or assets, whether favourable or adverse, results in a larger movement in the price or value of the security.

Gearing may increase any gains in the value of your Portfolio, but may also magnify any losses suffered by your Portfolio.

#### 9.15 Product-specific Information and Risk Warnings

***This section sets out important information and risk warnings on individual products that may be offered under the terms of this Agreement, but explicitly does not disclose all of the risks and other significant aspects of the investments listed. Before dealing in any investment, you should be comfortable that you understand their nature and the extent of your exposure to risk.***

##### 9.15.1 Warrants

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

##### a) 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.

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**b) 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 a fair price is. We will make it clear to you if you are entering into an off-exchange transaction and advise you of any risks involved.

**9.15.2 Collective Investment Schemes**

Collective investment schemes such as investment funds and Open Ended Investment Companies (“OEICs”) and unit trusts, invest monies on a pooled basis in a basket of investments, which typically might include gilts, bonds and quoted equities, but depending on the type of scheme, may also include derivatives, real estate or any other asset. The collective investment scheme then issues shares or units in the vehicle holding the pooled funds and investments. They allow for diversification at a lower cost than might be achieved otherwise. However, you still remain exposed to the risks associated with the underlying investments that the collective investment scheme makes, though potentially to a lesser degree. A collective investment scheme that holds a number of different assets will thus spread its risk and reduce the effect that a change in the value of any single component investment will have on the overall portfolio.

**a) Investment Trusts**

Investment trusts are companies listed on stock exchanges whose main business activity is investing in other companies. Most investment trusts can, and some do, borrow money to make investments. This can increase the volatility of the price of the shares of the investment trust itself, and can increase the risk of the investment in the trust.

The effect of the borrowing is that where there is a rise in the price of the underlying securities, the value of the net assets attributable to each investment trust security rises by a greater percentage, and when the value of the underlying portfolio falls, the net assets attributable to each investment trust security falls by a greater percentage. Investment trusts often pursue a policy of “cross-investing” in other investment trusts, which in turn may also be borrowing money to leverage themselves. So where an investment trust employs a higher degree of direct or indirect leverage, its securities are likely to be subject to significant fluctuations in value, and as a result, holdings in such an investment trust may be subject to sudden falls in value.

**b) Exchange Traded Funds (“ETF”)**

ETF’s are open-ended investment companies comprised of units traded on a regulated market or designated investment exchange. Like an index fund, an ETF represents a basket of stocks that reflects an index such as the FTSE 100. Unlike a typical collective investment scheme (e.g. a unit trust), it trades like any other company on a stock exchange. An ETF’s price changes throughout the day, fluctuating with supply and demand. This is different from a typical collective investment scheme that has its net-asset value (NAV) calculated at the end of each trading day. It is important to note that while an ETF attempts to replicate the return

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on indices, there is no guarantee that they will do so exactly. It is not uncommon to see a 1% or more difference between the actual index's year-end return and that of an ETF. By owning an ETF, you get the diversification of an index fund with the flexibility of an equity investment. Because ETFs trade like stocks, you can margin them and purchase them in very small quantities. The expense ratio of an ETF is often lower than that of a typical collective investment scheme.

**c) Venture Capital Trusts (“VCTs”)**

VCTs are professionally managed collective investment schemes listed on the London Stock Exchange, and are similar to investment trusts. They invest in fledgling venture capital backed unquoted companies. These unquoted companies will ordinarily be at an earlier stage of development than larger quoted companies and will therefore carry a greater risk of failing.

VCTs must be approved by HMRC for the purpose of the scheme. Once invested an investor may be entitled to various Income Tax and Capital Gains Tax (CGT) reliefs, and VCTs are exempt from Corporation Tax on any gains arising on the disposal of their investments. However, in order to take advantage of the tax relief associated with VCTs, you should be aware that you must hold your investments therein for at least five (5) years from the date of purchase.

**d) Enterprise Investment Schemes (“EISs”)**

EISs are tax efficient schemes approved by HMRC to encourage investment into small unquoted companies carrying on a qualifying trade in the United Kingdom. Investment in companies that are not listed on a stock exchange often carries a high risk and the tax relief is intended to offer some compensation for that risk. As such, EIS investments are inherently high risk in nature. The specific risks vary depending on the particular EIS (e.g. an EIS based on investment in a single company is, of its nature, riskier than a more widely diversified EIS). Because the underlying holdings are not listed, the manager of an EIS cannot sell them, and unlike a VCT, the EIS itself is not traded on any market. Investors accordingly have to wait until the manager realises the cash value of the underlying holding(s) before they can redeem the value of their investment. Investors also face risk in relation to CGT. If a capital gain is deferred by means of investment in an EIS, the same gain is re-crystallised when the EIS is sold. If the CGT rate falls, investors benefit, but if it rises then they will lose out.

**e) Property Funds**

These funds are often structured as limited liability partnerships but may also be set up as Real Estate Investment Trusts (REITs) or open-ended investment companies (OEICs). As such they may also be set up to be highly illiquid and you may not be able to realise your investment immediately or the price may reflect a forced seller discount.

### 9.15.3 Equities

If you buy shares or equity in a company, you become a member of the company and therefore share in the financial risk of that company. Equity-based investments are subject to general risks (political risk, interest rate risk, dividend risk, price risk, exchange rate risk, changes in the economic or regulatory environment, tax changes) as well as risks specific to the particular company. If a company issues a dividend, you will be entitled to receive one. However, the dividend per share depends on the

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issuing company's earnings and on its dividend policy. In cases of low profit or losses, dividend payments may be reduced or suspended. In the event of the company going into insolvency, your claim for recovery of your investment will rank behind various creditors of the business, whether secured or unsecured. The value of the equity can go down as well as up and you may lose part or all of your capital.

There are specific risks associated with particular equities:

**a) AIM Shares**

AIM is a market operated by the London Stock Exchange for small and growing companies. AIM-traded shares may carry a higher degree of risk than those listed on the main market as AIM is less regulated and less information is available. Shares in smaller companies tend to be traded less frequently and in smaller amounts than those of larger companies. Price volatility may be greater, making the timing of sales and purchases more difficult.

**b) Foreign Stocks**

As well as the risks associated with the underlying company's business, there are additional risks associated with stock listed overseas, and these are covered in section 9.6 (International Markets).

#### **9.15.4 Bonds**

You should be aware that certain bonds may not be readily realisable. These are investments in which the market is restricted or may become so, with the result that it may be difficult to deal in them and/or to assess what would be a proper market price for them. If you do not wish us to enter into such transactions for you, you should notify us in writing. We will disclose to you any position knowingly held by us or any of our Associates in a non-readily realisable investment that forms part of your Portfolio(s).

Investments in higher yielding bonds issued by borrowers with lower credit ratings may result in a greater risk of default and have a negative impact on income and capital value. Income payments may constitute a return of capital in whole or in part. Income may be achieved by foregoing future capital growth.

#### **9.15.5 Structured Products**

Structured products are fixed term investments and are designed so that the investor's capital remains invested for the full term of the plan. Although it may be possible to liquidate the investment before the end of the term, the amount redeemed could be less than the initial capital invested.

The security of the original capital invested within a structured product depends on the ability of the counterparty (that is, the institution providing the underlying assets, rather than the product provider) to repay the investment at the end of the term. As a result, structured products are generally not covered under the FSCS, and any failure on the part of the counterparty could result in the investor not receiving back any or all of the initial capital invested.

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## 10. REPORTING TO YOU

**This Section applies to ALL clients**

### 10.1 Quarterly Reporting

We will provide you with a statement setting out the value and composition of your Portfolio quarterly or such other frequency as may be required by Applicable Regulations on the following basis:

- a) For Discretionary Management and Advisory Investment Management Portfolios:
  - 1. the statements will include the value of the Portfolio as at the date of the previous statement and provide details of the contents of the Portfolio as at the date of the current statement, changes in composition between those dates and other relevant information in accordance with Applicable Regulations;
  - 2. total management fees and total costs associated with execution and any other fees are reported during the relevant reporting period. A more detailed breakdown of fees and charges will be provided on request;
  - 3. the statement will include a measure of Portfolio performance against your specified Investment Objectives and/or benchmark. This will be calculated net of our fees and will be time-weighted to neutralise the effect of client-instructed capital injections or withdrawals;
- b) assets in the Portfolio will be valued on a traded basis using the last available and relevant mid-market values as at the reporting date. For securities where the price at the valuation date is not available, the last published price or the latest estimated price will be used. Where securities have been delisted they will be deemed unquoted securities and are valued at zero. For structured notes, market values are calculated using a bid market price received from the calculation agent as quoted on Bloomberg or Reuters.
- c) the statement will include details of all investments and cash held on your behalf pursuant to this Agreement;
- d) we will despatch or make accessible online such statements to you within 25 Business Days of the date of the valuation;
- e) We shall forward any appropriate tax vouchers to you or to your duly authorised agent.

Any statement or valuation provided by us shall be for your personal information and for no other purpose. No third party may rely upon any such information.

### 10.2 Reporting when we execute your orders

In addition to our quarterly reporting set out above, when we deal for you on an Execution Only basis, we will provide you with a contract note on a transaction by transaction basis, in hard copy or electronic form, confirming the execution of the order and providing you with details of the order (such as the price and any rate of exchange used for a currency conversion). You should check the contract note carefully.



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### **10.3 Reporting on depreciation of your Portfolio**

We shall inform you where the overall value of the Portfolio, as evaluated at the beginning of each reporting period, depreciates by 10% and thereafter at multiples of 10%, no later than the end of the Business Day in which the threshold is exceeded or, in a case where the threshold is exceeded on a non-Business Day, the close of the next Business Day.

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## 11. OUR CHARGES

**This Section applies to ALL clients**

### 11.1 Charges

***This section of the Agreement should be read carefully together with the Scope and Cost of our Services document. It is important that you understand our fees and charges, how they are calculated and when they are payable.***

#### 11.1.1 Our fees

In consideration for the provision of our Investment Services under this Agreement you will pay us such fees as are set out in the Scope and Cost of our Services document and such other additional fees as we may set out in other documents that we provide to you from time to time and agree with you separately in writing.

Where an annual management fee is agreed for Discretionary Investment Management or Advisory Investment Management Services, the fee will be payable in Sterling (plus VAT where applicable) every quarter in arrears as outlined in the Application Form or such other documents that we provide to you from time to time and agree with you separately in writing.

We will notify you in writing of any changes to our Scope and Cost of our Services document not less than sixty (60) calendar days before such change takes effect. If you do not agree with the change to our fees, you may terminate this Agreement without penalty.

#### 11.1.2 Other fees or charges

In addition to our fees and charges, you agree that you will be responsible for any other fees or charges that may be incurred as result of our provision of services to you. These may include, but are not limited to:

- a) brokerage fees, commissions and other related fees reasonably and properly incurred, which will become payable when the relevant trade to which such fees and/or commission related settles;
- b) management fees and other charges, including the costs of executing trades in securities or payable as a result of investing in collective investment schemes (e.g. front end or exit fees), which will become payable when such fees and/or other charges are incurred; and
- c) exceptional accounting and reporting expenses (for example, if we, or an Associate, are required to furnish to you or to accountants acting on your behalf information materially beyond the periodic reports and other information described in this Agreement, or to provide duplicates of information already furnished).

If the Portfolio is invested in funds managed by us and/or our Associates, all additional investment management, administration and other charges within such funds will be charged to the Portfolio and not be reimbursed. The charges for investment in individual funds provided by us and/or our Associates vary, and a copy of the most

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recent charges for those funds which may currently be included within the mandate selected for your Portfolio will be provided on request (where available from the third party provider).

#### **11.1.3 Payment of our fees and charges on termination (or upon notification of a death)**

In the event of termination of this Agreement (or upon notification of death), the management fees due will be calculated using the average of the month end values of your Portfolio until the date of termination. Management fees for any part month will only be paid in respect of the part of the month during which Investment Management Services were provided to you pursuant to this Agreement. The Fees will be charged to your Portfolio as soon as practical before the closure of the account.

Charges for our Execution Only Services will continue to be payable until assets have been sold or transferred out of our custody.

#### **11.1.4 How we will withdraw our charges**

You authorise us to withdraw any fees or charges owed to us for any of our services directly out of the relevant Portfolio within ten (10) Business Days of the date on which those fees or charges became payable.

We will be entitled to convert one currency into another (or others) to meet any liability in the currency in which it has been incurred or is due.

We may use cash belonging to you held by us, or by a third party (including a Third Party Custodian or Sub-Custodian), in order to pay any outstanding fees or charges. We may also appropriate securities or other assets which are held within your Portfolio (including securities held by us as custodian or by a third party, including a Third Party Custodian or Sub-Custodian) and sell them and apply the proceeds in or towards meeting any of your obligations towards us or a third party.

**We shall retain a charge and security interest over any investments within your Portfolio to the extent that any fees, expenses, costs, losses or claims for which you are liable to us remain unpaid. You also agree that investments within your Portfolio may be subject to a security interest, lien or right of set-off in favour of any Sub-Custodian, nominee or agent appointed by us in respect of fees relating to the administration and safekeeping of such investments or of any depository or settlement system, in all cases in relation to the provision of services by such third parties to one or more of our clients.**

We will notify you of any disposal of investments of yours pursuant to our rights under a charge or security interest. Such disposal will occur if you fail to make payments to us when due. The charge or security interest will apply in respect of each asset or type of asset or class of asset comprised within your Portfolio from time to time to the extent of your indebtedness to us.

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## 12. DEFINITIONS

### This Section applies to ALL clients

To aid clarity, when we use the following defined expressions in these terms and conditions, they have the following meanings:

**“Additional Permitted Subscription”** means an additional subscription which you can apply to make into your ISA following the death, on or after 3 December 2014, of your spouse or civil partner.

**“Agreement”** has the meaning set out in section 1.1.

**“Applicable Regulations”** means all applicable laws, rules, regulations and guidance, including but not limited to, as applicable, the FCA Rules and FSMA.

**“Application Form”** means the form completed by you requesting that we provide you with Investment Services.

**“Associate”** means a company or other entity or person connected to us including any member of the EFG group of companies.

**“Authorised Signatory”** means any person who has been duly authorised by you to take certain actions and information relevant to your Portfolio.

**“Brexit”** means the UK’s withdrawal from the European Union pursuant to Article 50 of the Treaty of Lisbon, which took place on 31 January 2020 at 11pm GMT.

**“Business Day”** means any day of the week that banks are open for business in the United Kingdom excluding Saturdays, Sundays and public holidays.

**“COBS”** means the Conduct of Business Sourcebook of the FCA Rules.

**“Complex Investment”** means an investment that is not specified in the list of non-complex investments set out in the FCA Rules at COBS 10A4 R.

**“Corporate Events”** means any rights issue, calls, conversion, subscription or redemption rights and take-over or other offers arising from capital re-organisations.

**“FCA”** means the Financial Conduct Authority or any successor or replacement regulatory body.

**“FCA Client Money Rules”** means the rules and guidance published from time to time by the FCA in relation to client money, as set out in the Client Assets Sourcebook (“CASS”) of the FCA Rules, in particular Chapter 7.

**“FCA Custody Rules”** means the rules and guidance published from time to time by the FCA in relation to custody of client assets, as set out in CASS, in particular Chapter 6.

**“FCA Rules”** means the rules and guidance published from time to time by the FCA as set out in the FCA’s Handbook of Rules and Guidance.

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**“FSMA”** means the Financial Services and Markets Act 2000 and any amending or replacement legislation which regulates the carrying on of investment or financial services business in the United Kingdom.

**“HMRC”** means Her Majesty’s Revenue & Customs.

**“ISA”** means an individual savings account comprising exclusively of stocks and shares.

**“ISA Rules”** means Individual Savings Account Regulations 1998 and the relevant HMRC rules and guidance as amended from time to time.

**“Instructions”** means an instruction from you to us (and from anyone you specify that has authority to give us instructions in your Investor Profile Form, which may relate to the placing of an Order.

**“Investment Objectives”** means the investment objectives as agreed between us and detailed in your Investor Profile Form, and as may subsequently be amended and agreed between us in writing.

**“Investor Profile Form”** means the form completed by you and us which sets out your Investment Objectives, Investment Restrictions, your financial circumstances, knowledge and experience and other information relating to your attitude to investments and risk.

**“Investment Restrictions”** means the investment restrictions as agreed between us and detailed in your Investor Profile Form, and as may subsequently be amended and agreed between us in writing.

**“Investment Services”** means those Investment Services provided under these terms and conditions, including our Discretionary Investment Management Service, our Advisory Investment Management Service, our Advisory Dealing Service, our Execution Only Service and Our Custody Services.

**“MTF”** means a multilateral trading facility.

**“OTF”** means organised trading facility.

**“Order”** means: (i) an order to EFGHA from the Client to execute a transaction; (ii) any other order to EFGHA from the Client to execute a transaction in circumstances giving rise to duties similar to those arising on an order to execute a transaction; and (iii) a decision by EFGHA in the exercise of discretion to execute a transaction with or from the Client.

**“Portfolio”** means the assets (including un-invested cash) entrusted from time to time by you to our management and/or our custody.

**“PRA”** means the Prudential Regulation Authority or any successor or replacement regulatory body.

**“Qualifying Investments”** investments permitted by the ISA Rules for a stocks and shares ISA.

**“Professional Client”** has the definition given at COBS 3.5.

**“Retail Client”** has the definition given at COBS 3.4.

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**“Scope and Cost of our Services”** means the document setting out details of our services, our fees and other charges which may be applied to your account, a copy of which is available upon request to your EFGHA Investment Manager (and is annexed to this Agreement).

**“Sub-Custodian”** means a third party with which we or, if applicable, your Third Party Custodian may deposit safe custody assets that we or your Third Party Custodian hold on behalf of our respective clients, in accordance with the FCA Custody Rules and/or other Applicable Regulations.

**“Third Party Custodian”** means a firm other than us which is appointed by you to provide custody services in relation to your Portfolio.

**“Website”** means our website, which is: <https://www.efgha.com>.

Any references to **“we”** or **“us”** mean EFG Private Bank Limited (**“EFG”**) and includes its operating division, EFG Harris Allday (**“EFGHA”**).

References to **“you”** mean the client.

Any reference to a person shall be to all legal persons of whatsoever kind and however constituted and shall include natural persons, partnerships, firms, other unincorporated bodies and companies and corporate bodies.

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