



TERMS OF BUSINESS  
February 2018



## INTRODUCTION

Thank you for choosing Tacit Investment Management. This document sets out the way in which we shall provide investment services to you. Our terms and conditions are designed to provide you with a clear and concise explanation of our services, how we deliver these services and your rights and obligations should you elect to enter into an investment management agreement with us.

These terms contain the following sections:

- **Key Points** section, to explain some key provisions of these terms;
- **Contents Page** to help you find the relevant section when you need it;
- **Section 1**, which sets out the terms that govern our relationship with you, and your rights and your obligations to us
- **Section 2**, which deals with the general terms that apply to all our investment services
- **Section 3**, which deals with the terms that apply to our Discretionary Investment Management services
- **Section 4**, which deals with the terms that apply to our Execution Only Service & Unadvised Transactions
- **Section 5**, which contains information on the range and risk associated with some of investments we may transact and hold on your behalf
- **Section 6**, which deals with how we treat your personal information
- **Section 7**, which provides details about us

**Your contractual relationship with us is governed by the following documents;**

- **Tacit Investment Management Terms of Business (this document)**
- **Your Investment Management Agreement**
- **Any document detailing your Schedule of Fee's & Charges (including Interest rates)**
- **Rexigon Securities Limited Terms of Business (this document)**
- **Additional Terms For ISAs (this document)**

**Hereafter, taken together these documents will be referred to as "the Agreement"**

You can ask us, at any time, for a copy of any or all these documents. If the terms in this document are inconsistent with any term in another document in the "**Agreement**", the term in that document will apply.

You should read these terms in conjunction with the Terms of Business provided by our chosen third-party service provider or "**Custodian**".

If you are an existing client of Tacit Investment Management, these terms replace all our existing terms of business and any communication that you may have received from us in connection with such terms.

For new clients, these terms will become effective immediately upon your signing of the Investment Management Agreement.

For existing clients, we will notify you of the effective date of these Terms which will be no shorter than 30 days after such notification to change your previous terms of business has been posted to you.

By signing this "**Agreement**" you agree to appoint **Tacit Investment Management, 31 Southampton Row, London, WC1B 5HJ, ('TIML')** to manage investments covered by this "**Agreement**" based on the services you have selected in your Investment Management Agreement.

You should only sign this "**Agreement**" when you are happy that we have explained to your satisfaction the risks involved and have discussed with you your investment objectives. It is important that you understand the contents of these documents, and that you retain them for future reference.

If you are in any doubt about any term of this "**Agreement**" you should consult your solicitor, accountant or other professional adviser.

Any reference to the Regulator in these Terms refers to the Financial Conduct Authority or any successor body.

## KEY POINTS

We set out below some key points to consider before entering into the “**Agreement**”. This is not a substitute for reading the “**Agreement**” and you must familiarise yourself with all aspects of the “**Agreement**” that apply to the services you have chosen.

- We provide investment management services. Some of these services will only be available to certain types of clients and some are only available in certain jurisdictions.
- We will provide you with confirmation of how your investments continue to meet your objectives and circumstances on at least an annual basis. We will ask you to review your objectives, restrictions and limits periodically and to advise us in writing of any material change in your personal circumstances or investment requirements.
- There are risks involved in any investment. Please take time to read **Part 6 Investment and Risk Warnings**, which contains information on some of the general risks of investing and the nature and risks of particular types of investments.
- It may take time to act on certain instructions and we may need to clarify instructions. As a result, you should always ensure you leave sufficient time to meet any personal financial deadlines.
- You must ensure you keep us updated with any changes in your personal information. Some services may no longer be available if your personal information changes (for example, if you become resident in another country).
- We can change the provisions of the “**Agreement**” from time to time for various reasons we have set out. We can also stop providing services by giving you advance notice, or, in certain circumstances, without giving you notice.
- It is important that you look after any passwords or other security details and immediately inform us if you think that somebody else may have knowledge of them.
- In certain circumstances, we will have the right to “set off” amounts you owe us against any amounts we owe you, including against any amounts in your accounts, and under certain circumstances may dispose of your investments to clear any amounts that you may owe us.
- You may have access to a financial ombudsman if things go wrong and may be protected by a deposit or investment protection scheme. Details are set out in the “**Agreement**”.
- This “**Agreement**” shall commence on the date of signature of your Investment Management Agreement and shall remain in force until terminated.

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## 1 YOUR RELATIONSHIP WITH US

Whichever investment management services you choose, this section will apply to our relationship with you.

### 1.1 COMMENCEMENT

We will open your accounts with the “**Custodian**” once we have received all of the relevant documentation and undertaken our identification checks in accordance with United Kingdom (‘UK’) anti-money laundering legislation; these Terms will commence from the date you sign the investment management agreement.

Where we are managing your investments within an Individual Savings Account (ISAs), and Junior Individual Savings Account (JISAs), we will initiate applications, subscriptions and conduct administrative activities (including changes to the underlying ISA Manager) on your behalf.

We reserve the right to decline to open an account for you without giving a reason.

Any cash and investments that are delivered by you will be recorded in your account(s). Whilst we will make every effort to ensure that the transfer of any cash or investments to the “**Custodian**” is carried out promptly, most of this process depends on the third party delivering the assets who may insist upon the sale of any investments before transfer. Therefore, we cannot accept responsibility for any loss that you may suffer as a result of being unable to deal during the re-registration process. Any advice that has been given to you regarding the assets will be dependent on the transfer process being completed. Similarly, we cannot accept any dealing instructions from you during the re-registration process. We will confirm when the re-registration process has been completed.

### 1.2 CONTACTING US

You can contact us through your usual contact or by post or telephone using the contact details we have provided you with.

We may also agree that you can contact us electronically. We will tell you what methods of communication you can use to contact us and for what purpose. There is no guarantee that all means of communication will be secure, virus free or successfully delivered. We are not liable to you, and you accept responsibility if, due to circumstances beyond our reasonable control, communications are intercepted, delayed, corrupted, not received or received by someone else. If we think this has happened, we will endeavour to contact you in person.

### 1.3 ACCEPTING INSTRUCTIONS FROM YOU

You can normally give us instructions in the same ways that you can contact us. We will inform you of any limitations and we may, for example, require you to set up security procedures or take other steps before being able to give us instructions in certain ways.

We will treat an instruction as genuine if we believe in good faith that the instruction is from you or any authorised person (for example, because it appears to have been signed by you or an authorised person or the security procedures have been completed) and there are no circumstances we are, or should reasonably be, aware of that cast doubt on the authenticity of

the instruction. We shall not be liable for acting in good faith upon any such instruction, confirmation or authority notwithstanding that it shall subsequently be shown that the same was not given or signed or sent by you.

Before we will act on an instruction, we will take steps to check that the instruction is clear, is given by you, or on your behalf, and meets any specific requirements that apply to the particular product or service.

We may assume, unless we are aware of an obvious error, that the information you give us for an instruction, including any account number quoted in the instruction, is correct.

Unless we agree otherwise, instructions are effective when we receive them. We will not generally acknowledge receipt of instructions other than by acting on them.

We may set Cut-Off Times by which instructions must be received by us on a Working Day in order for us to process them on the same day. In the majority of cases, we endeavour to process instructions received by midday by the end of same business day, but this may not always be possible depending upon the type of instructions. Instructions or payments received after midday or on or for a non-Working Day will be processed on the next Working Day.

You may need us to act on an instruction before a deadline, for example, before a subscription period expires. Where that is the case, you must ensure that you allow reasonable time for us to process your instruction and communicate it to any relevant third parties, taking into account that we may require written instructions in some circumstances. We will not be liable for any failure to meet a deadline where clear instructions are not received from you within a reasonable period of time before the deadline.

### 1.4 STOPPING YOUR INSTRUCTIONS

We start processing instructions immediately after we receive them and may not be able to stop or change them once processing has commenced.

### 1.5 REFUSING INSTRUCTIONS FROM YOU

We can refuse to act on any instruction or accept a payment into an Account(s) if we reasonably believe that:

- The instruction is not clear, does not satisfy any requirements that apply to the service or product or was not given by you or an authorised person; or
- We are concerned that the instruction may not have come from you or an authorised person
- By carrying out the instruction we, or another Group Company, might break a law, regulation, code or other duty which applies to us, or become exposed to action or censure from any government, regulator or law enforcement agency; or
- It is for a payment to or from, or you are trying to make a payment in, a restricted country. We will tell you which countries are “restricted” on request or if you try to instruct a payment to a restricted country; or

- For any other reason, such as suspected fraud, we want to check the instruction with you, we can ask you to confirm it in a manner reasonably acceptable to us and we will not act on your original instruction until you have confirmed it.

Unless Statutory or Regulatory Requirements prevent us from doing so, we will endeavour to tell you, if we refuse to act on any instruction, our reasons for refusing to act, and what you can do to correct any errors in the instruction. We will communicate this to you at the earliest opportunity.

## 1.6 AUTHORISED PERSONS

If you have selected an authorised person(s) to act for you, then subject to any specific limitations that we agree when you appoint that person(s), the authorised person(s) may give any instructions for you and may otherwise enter into transactions with us for you, including:

- Entering into agreements with us for the provision of further products or services which they consider to be in your best interests;
- Giving us instructions and setting up security procedures for the provision of instructions in connection with our services and products; and
- Changing the authorised person(s) at any time by giving us written notice.

We may act on instructions given by authorised persons and may disclose any other details about your Account(s) to them.

As our client, you alone will be responsible for:

- Instructions given by a person you have told us is authorised to give instructions on your behalf; and
- The manner in which an authorised person uses your Account(s).

We will continue to act on instructions from an authorised person until we receive written notice from you that they are no longer authorised. If one or more authorised person dies, loses their legal capacity or renounces the powers granted to them, we will assume the remaining authorised persons continue to be authorised unless you tell us otherwise in writing.

Unless otherwise agreed between us, individuals authorised to give instructions on accounts of unincorporated clubs, charities, societies and other forms of association are individually and jointly liable for money owed to us. This means that we have the right to demand repayment of the full amount owed to us, and not just a proportional share of it, from all or any of the authorised signatories.

## 1.7 HOW WE CAN CONTACT YOU

We will contact you by post, telephone, fax or electronically using the details you have given us. We may also provide information on our website where we consider it appropriate to do so.

We may leave messages for you to contact us on an answering machine, or with the person answering the telephone, unless you tell us not to. We may record or monitor telephone calls and electronic communications for the purposes of training, checking instructions, verifying your identity and ensuring that we are meeting our service standards and regulatory obligations. These

recordings may be used as evidence if there is a dispute between us, and under certain circumstances, may be provided to statutory, regulatory or law enforcement bodies.

Unless you tell us not to, we may send correspondence, such as statements of accounts and notices, electronically, in which case we will assume you received them on the next Working Day.

If we send correspondence by post, we will assume it has been received by you:

- No later than four Working Days after posting, if sent to an address in the country where we provide the service (and we will treat the UK as a single country for these purposes); or
- No later than ten Working Days after posting, if sent internationally.

## 1.8 ONLINE SERVICES

We will take all reasonable steps to ensure the security of, and prevent unauthorised access to, our online services.

While we will make reasonable efforts to provide our online services at all times, we may suspend the operation of our online services where we reasonably consider it necessary, including for technical problems, emergencies, maintenance, regulatory reasons and where we decide it is sensible for our protection or to ensure the continued availability of the online services.

You must follow the procedures and instructions in any user guidance that we give you from time to time and tell us as soon as you can if you become aware of any failure, delay, malfunction, virus or error in the sending or receiving of instructions, or any suspected fraud.

We will not be liable for any losses you may suffer due to any failure of the online services, transmission failure or delays or similar technical errors, or problems with the software or data feeds provided by third parties, to the extent that the failure is beyond our reasonable control.

You should ensure your computer, modem or any other device and browser that you use complies with the standards and requirements we tell you from time to time and carry out your own regular virus checks and security updates.

If you use our online services outside of the jurisdiction in which we provide services to you, you do so at your own risk, as it may be against the law in that particular country.

The records we maintain of any online messages, instructions, payments or other transactions will be final evidence of those messages, instructions, payments or other transactions and of the time they are given or carried out, except where there is an obvious mistake.

You are responsible if, when you use our online services, you give us incorrect instructions or mistakenly instruct us to make the same payment more than once.

## 1.9 YOUR OBLIGATIONS

To help prevent fraud and help protect your Accounts and Assets, you must:

- Keep your Security Information secret at all times and not disclose it to anyone;
- Take all reasonable care to prevent unauthorised or fraudulent use of your Security Information by others; and
- Contact us without undue delay using the contact details provided if you know or suspect that someone knows your Security Information or is impersonating you.

You must inform us immediately if your contact details change, as we will use the most recent contact details on our records whenever we send you correspondence. If you do not tell us, the security of your information could be at risk, and you might not receive communications which could be important, including notices about changes to the Agreement.

You must also tell us immediately if your residency or citizenship status changes, or if there is any other material change to the information you have given us, as this may affect the services we provide. You must give us any information we reasonably request in relation to your identity or financial affairs.

You must ensure that your information can be accessed or used only by people who have your permission to do so.

You must check any confirmation of transactions or statements that we send you when you receive it and contact us without undue delay if you think it is inconsistent with your instructions or you believe the information to be inaccurate.

## 1.10 OUR LIABILITY TO YOU

We are not liable to you for any losses unless directly caused by our negligence, wilful default or fraud.

We are not liable to you for any losses arising from any cause beyond our reasonable control, the effect of which is beyond our reasonable control to avoid, or we could not reasonably have foreseen when you provided us with your instruction.

We are not liable to you if we fail to take any action which in our opinion would breach any Regulatory Requirement or relevant market practice. To the extent there is any conflict between the **"Agreement"** and our duties under any Regulatory Requirement or relevant market practice, we will act in a way we reasonably consider necessary to comply with such Regulatory Requirement or relevant market practice. We will not be treated as having breached the **"Agreement"** as a result.

## 1.11 OUR REMUNERATION AND CHARGES

This section provides details of what fees we will charge for our investment management services as well as other ancillary charges that may be applied.

We will charge fees and commissions, pay credit interest and charge debit interest in accordance with any published document detailing your Schedule of Fee's & Charges (including Interest rates, or as otherwise agreed in writing). We will not charge you until we have discussed your payment options and agreed with you how we are to be paid.

You are liable for any costs we properly incur under the **"Agreement"**, including reasonable commissions, transfer and registration fees, stamp duties, PTM Levy or any other taxes and other fiscal liabilities and any losses we suffer if you fail to carry out your obligations under the **"Agreement"**.

We will charge you VAT or comparable sales taxes where Regulatory Requirements require us to do so.

We may pass on brokerage charges for transactions we execute for you. These charges will be indicated on the confirmation and periodic statement or otherwise in accordance with any Regulatory Requirements which may be in force from time to time.

We may levy a dealing charge on transactions effected for you. Where we do so:

- these will be as set out in any published document detailing your Schedule of Fee's & Charges;
- or as we otherwise agree with you;
- we may pay a portion of the charge in the form of commission to a third party outside of Tacit Investment Management;

We may pay interest or charge interest, fees and other charges under the Agreement by crediting the relevant account or by debiting any account you hold with us in accordance with the **"Security and set off"** clauses.

If you do not pay us amounts when due, we may charge default interest as set out in our published tariffs.

Our fees and charges can be paid either by cheque, or you can authorise our service provider or **"Custodian"** (where your investments are held), to deduct our fees from your portfolio, where they allow this. We do not accept payments by cash.

- **Payment by cheque:** If you pay for our services by cheque you agree to settle our fees on presentation of our quarterly fee invoice. Invoices are payable within 30 days. We reserve the right to charge interest on invoices outstanding beyond the agreed payment period at a rate of base rate plus 2% pa.
- **Payment via your accounts:** If your investments are held via our third-party service provider, you may choose to pay for our services out of the funds held within your accounts held with us (where the custodian offers this facility). We will review the amount in the cash account on an ongoing basis. If there is insufficient cash available to pay our fees, they will realise investments to settle our fees. This will generally involve the last investment made.

If a third party imposes any additional charge or cost as a result of your default in complying with your obligations under this agreement or with any reasonable request by us pursuant to this agreement, then any such charge or costs shall be borne by you.

## 1.12 ENDING YOUR RELATIONSHIP WITH US

Unless we have told you that restrictions apply to a particular service or product, you or we can end your relationship with us or any service or product and our authority to act on your behalf, at any time without penalty.

Notice of this termination must be given in writing and will take effect from the date of receipt.

Termination is without prejudice to any transactions already initiated which will be completed according to this agreement unless otherwise agreed in writing.

You will be liable to pay for any services provided prior to termination and any fees outstanding, if applicable. Cancellation will not affect accrued rights, existing commitments or any contractual provision intended to survive termination of the agreement.

You agree on termination to pay:

- Our fees pro rata to the date of cancellation/termination; and
- Any additional expenses necessarily incurred by us in cancelling the agreement and any losses necessarily realised in settling or concluding outstanding obligations and transferring your assets to a new custodian.

On termination we may retain and/or realise any of your assets as may be required to settle the transactions already initiated, and to pay any outstanding liabilities of yours.

On termination of an investment service, you must tell us whether you want your investments transferred to another broker, registered in your own name or sold. If stock is registered in your own name, it may take several weeks for you to receive the share certificates. If we terminate an investment service and you do not tell us what you want to do then following our reasonable attempts to contact you, we may take reasonable steps as are necessary to return your assets to you, or (where we terminate to close or transfer a business) we may sell your assets and send the proceeds of sale to you.

Where investments cannot be transferred to another broker or registered in your own name, we will sell them for you when you instruct us to do so. We will pay all proceeds of the sales into an account in your name by a payment method we decide. The Agreement will continue to apply until we have transferred the investments or paid you the proceeds.

Where we are unable to transfer your investments and you cannot sell or redeem them, we may continue to hold the investments in custody for you. We will charge you for this but will not do anything other than hold the assets for you. If we incur any further charges to hold and administer investments that cannot be transferred or redeemed, we will pass these charges onto you.

When an Account(s) is closed, you must cancel any direct payments to or from your Account. Where someone attempts to make a payment into an Account which has been closed, we will take reasonable steps to return the payment to the sender.

### 1.13 YOUR RIGHT TO CANCEL

You have the right to cancel this agreement within 14 days of it coming into effect.

If you wish to cancel, you must send written notice by post to your usual contact at Tacit. You will have no further obligations in relation to the service or product you cancel and you will not be charged any fee.

The cancellation period will start on the date on which we agree to provide the further service or product, or, if later, the date you receive the relevant terms.

On cancellation we will promptly complete any transactions already initiated. There may, however, be a shortfall if we have carried out transactions on your behalf during the cancellation period due to market fluctuations. In these circumstances the market risk will be borne by you.

Cancellation will not affect accrued rights, existing commitments or any contractual provision intended to survive termination of the agreement. You agree on cancellation to pay:

- our fees pro rata to the date of cancellation and
- any additional expenses necessarily incurred by us in cancelling the agreement and any losses necessarily realised in settling or concluding outstanding obligations and transferring your assets to a new custodian.

On cancellation we may retain and/or realise any of your assets as may be required to settle the transactions already initiated, and to pay any outstanding liabilities of yours.

If you do not exercise the right to cancel within the cancellation period, the agreement will remain in full force and effect. You are of course able to cancel the agreement in line with the termination clause below.

### 1.14 IN THE EVENT OF DEATH

For account(s) with only one account holder the account(s) will be suspended from the date we receive notification of the account holder's death. We may close any open position which carries a future contingent liability, and we may complete any transactions already initiated. We also reserve the right to net off any positions on accounts which come under the umbrella of a master header account. The account will continue to incur charges until it is closed.

For joint tenancy account(s), the account(s) may be suspended upon the death of one of the account holders, until we receive a certified copy of the death certificate.

The "**Agreement**" will continue to bind your estate until terminated by your Executor, or us giving notice to your validly appointed Executor. Your estate must provide us with such information as we may reasonably require to confirm your death and the appointment of your Executor (or such other valid personal representative).

Where we provide you with our discretionary investment management service and you die, we will, where Regulatory Requirements allow, operate a "care and maintenance" service through which we will continue to provide custody in respect of your assets but will cease to actively manage them in accordance with the investment mandate. The relevant execution-only schedule of fees will apply to these services. Copies of the published tariffs are available on request.

No instructions will be accepted in relation to the account(s) until title to the account has been established to our satisfaction and/or that of the Custodian as appropriate, at which point Your Executor may instruct us to sell, transfer or otherwise dispose of Your assets.

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 Executor's instructions where Regulatory Requirements allow us to do so.

Regardless of anything in the Agreement, if the Agreement is not terminated within two 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. Your estate or your Executor will be liable for all reasonable costs associated with us taking this action, or considering taking action,

except to the extent that costs arise because of our negligence, wilful default or fraud.

### 1.15 DORMANT ACCOUNTS

Where you have not traded on an account for a period exceeding twelve months and we are not holding assets on your behalf, your account will be designated as dormant.

We will immediately notify you in writing of our intention to close your account and reimburse any monies held, net of any applicable fees or charges, within 30 days of the account being formally closed.

### 1.16 SINGLE FINANCIAL RELATIONSHIP

You can ask us to treat you as if you have a single financial relationship with other clients (for example, other members of your family). Where you and the other connected clients authorise us to do this:

- We will provide you with advice in relation to your combined accounts(s) and portfolio and you may jointly set objectives and a risk profile for the combined relationship;
- You authorise us to share with each of you information about the others' account(s), including account balances and the performance of your investments; and
- You agree that any of you may give instructions in relation to the others' accounts or investments and we do not need to seek confirmation from the holder of the account or investment before carrying out those instructions.

If, now or in the future, you have Accounts or services that are not included in the single financial relationship, the advice we provide in relation to your single financial relationship will ignore the existence of those Accounts or services and the advice we give you on those Accounts or services will ignore the existence of the single financial relationship. This may mean that you receive different advice than you would if we took all your Accounts or services into account.

Unless you tell us otherwise, we will assume that any products or services you contract for in the future will be part of the single financial relationship and information about them will be given to all of you.

### 1.17 JOINT ACCOUNTS

Where more than one of you has entered into this Agreement, we will treat you as joint tenants, which means that the assets are held without division by two or more parties. In exceptional circumstances, at your written request to us and at our discretion, we may agree to treat the parties to a joint account as tenants in common going forward

Each of you is individually and jointly liable for any monies owed to us, unless we have agreed otherwise in writing, and we retain the right to demand repayment from all or any of the account holders for all or part of any such monies;

We will accept instructions from any party to a joint account, and any action that we take as a result of such instructions (including any instructions to sell, withdraw assets, payment instructions, close any account or the provision of accounting information to one or more of them) will be binding on all parties to the account,

except that, if we know or reasonably suspect that there may be a dispute or conflict of interest between you, we may validly seek instructions from each of you.

You must inform us promptly when a party to a joint account dies. In this event, the Agreement will continue and the ownership of the assets in a joint tenancy account will automatically pass to the surviving Account Holder(s), who shall have full authority over the account, but we may act on the instructions of any Executor, personal representative (or, as applicable, liquidator) appointed over the deceased's estate if we receive proof of their authority;

We may contact and otherwise deal only with the Account holder named first in our records, subject to any legal requirements or unless you request otherwise; and you may ask us to remove a person (or persons) from a joint Account, including by converting it to a sole Account. We may require authority from all Account holders before doing so. Any person removed from the Account will continue to be liable for all obligations and liabilities under the Agreement relating to the period before they were removed from the Account.

Where you own investments individually, these investments may be placed into a joint Account. If they are, they will be owned jointly.

### 1.18 SECURITY AND SET OFF

We, may, where the Regulatory environment allows, retain, transfer or sell any of your Assets so far as is reasonably necessary:

- To settle any transactions entered into on your behalf; or
- To pay any of your outstanding liabilities arising in relation to transactions, arising under the Agreement or any other arrangement you have with us or them.

We, or they, may also take such steps if we, or they, reasonably believe that you will be unable to settle your transactions or pay your outstanding liabilities when they become due.

In respect of purchases in investments undertaken by you with us or by us on your behalf, you agree to pay the cash amount required to settle the transaction on the settlement date in advance of actual delivery of securities to your account.

### 1.19 LANGUAGE AND JURISDICTION

The Agreement is supplied in English, and all communication between you and us will be in English. If we provide you with a translation of the Agreement or any communication, the English language version will be the only legally binding version and will prevail if there is any inconsistency.

This agreement is governed by and should be interpreted in accordance with the Laws of England and Wales and you agree to submit to the non-exclusive jurisdiction of the English Courts.

### 1.20 LEGAL AND ACCOUNTING ADVICE

Neither our firm nor our employees are qualified to render legal or accounting advice or to prepare any legal or accounting documents. It is hereby understood and agreed that the onus is on you, the client, to refer to a solicitor or accountant any point of law or accountancy that may arise during the course of any discussions with us.

## 1.21 IMPORTANT NOTE ABOUT YOUR TAX POSITION

We may ask questions about your personal tax position and may explain our understanding of the generic legal or tax position relating to our products or services. This is to provide you with information on those products or services and to assist us in selecting which products or services may be appropriate for you. We do not provide legal or tax advice. We recommend that you obtain your own independent advice, tailored to your particular circumstances. You cannot rely on our information as a substitute for taking your own independent legal or tax advice.

You have sole responsibility for the management of your legal and tax affairs, including making any applicable filings, payments and complying with any applicable laws and regulations.

You confirm that you have been and are compliant with all tax declaration and reporting obligations relating to the Assets held in your Account(s) and any income or gains they produce.

You will inform us of any change in your circumstances that are relevant to the Tax Obligations, including any change in your address, residency status or nationality.

In some jurisdictions, we may be required to pass information about you to local tax authorities or deduct withholding taxes from any interest or income we pay or pass on to you.

## 1.22 VARIATIONS & CHANGES TO TERMS

### 1.22.1 TERMS THAT APPLY TO ALL CHANGES

We may change any of the provisions of the **"Agreement"** for any reason not listed below in circumstances where:

- You are able to end the **"Agreement"** without charge; or
- We agree to waive any charge that would otherwise apply.

We may also change any of the other terms of the **"Agreement"** for any of the following reasons, where we reasonably consider that the change:

- Would make the terms easier to understand or fairer to you; or
- Is made in your best interests and there is no increased cost to you.
- Would not be to your disadvantage;
- Will improve the service that we provide to you;
- Is a result of a Regulatory Requirement (or where we reasonably expect that there will be a change in a Regulatory Requirement);
- Replaces an existing service or facility with a new one; or
- Withdrawal of a service or facility which has become obsolete, or has ceased to be widely used, or has not been used by you at any time in the previous year;

### 1.22.2 CHANGES TO THIRD PARTY PROVIDERS

In this **"Agreement"** a **"Custodian"** is appointed by us under our discretion as a third-party provider of services on your behalf. Details of these third-party providers are provided in section 8 of this agreement.

We may make such amendments to this agreement as necessary to reflect the appointment of a new third-party service provider or custodian, without notice to you, and shall notify you in advance

of any such changes under this clause where Regulatory Requirements allow. For the avoidance of doubt, a change of Custodian shall not constitute a variation of this agreement.

Where we give you advance notice, if you do not want to be treated as accepting a change, you must, before it comes into effect, tell us that you want to terminate the Agreement with us.

### 1.22.3 CHANGES TO OUR CHARGES

If we provide a new service or facility in connection with an account(s) or service we may introduce a new charge for providing you with that service or facility.

We may change our charges or introduce a new charge if there is a change in (or we reasonably expect that there will be a change in):

- The costs we incur in carrying out the activity for which the charge is or will be made; or
- Regulatory Requirements.

Any change or new charge will be a fair proportion, as reasonably estimated by us, of the impact of the underlying change on the costs we incur in our investment management business.

### 1.22.4 NOTIFYING YOU OF CHANGES & VARIATIONS

If we provide a new service or facility in connection with an account(s) or a service, we may introduce a new charge for providing you with that service or facility.

We may change our charges or introduce a new charge if there is a change in (or we reasonably expect that there will be a change in):

- The costs we incur in carrying out the activity for which the charge is or will be made; or
- Relevant Regulatory Requirements.

Any change or new charge will be a fair proportion, as reasonably estimated by us, of the impact of the underlying change on the costs we incur in our investment management business.

## 1.23 YOUR REGULATORY CATEGORISATION

Where we provide you with investment services, for the purposes of Regulatory Requirements, we will treat you as a **"Retail Client"** unless we agree with you otherwise. Categorisation as a retail client affords you the highest degree of consumer protection. However, this does not necessarily mean that you will automatically be eligible to bring a claim as an "eligible complainant" under either any investor compensation schemes or ombudsman service available in the relevant jurisdiction.

As a retail client, you may have the right to elect to be re-categorised as a professional client. Professional clients typically have greater knowledge and experience of investing in financial markets and a higher appetite for risk and are given a lesser degree of consumer protection under Regulatory Requirements.

Some retail clients elect to be re-categorised as professional clients in spite of the lesser degree of protection, because they find it administratively convenient and it can help them access

products which require more knowledge and experience. You have the right to request this either generally or in respect of a particular service, type of transaction or product. You must make any such request in writing to your usual contact.

We will only accept such a request if we are permitted to do so in accordance with the criteria in Regulatory Requirements (which require us to review your financial situation and your ability to bear the risk of a lesser degree of consumer protection).

We will consider any requests received on a case-by-case basis against the criteria set out in Regulatory Requirements. We will inform you of any limitations that such a re-categorisation will entail, together with the scope of that re-categorisation. If, following such a request, you are categorised as a professional client, you must keep us informed of any change in your financial circumstances which may affect your categorisation as a professional client. We will provide you with further details about the kind of information which may be relevant to your categorisation and which you will need to provide to us.

If we notify you that we will treat you as a professional client, you may request to be treated as a retail client either generally or in relation to one or more particular services, or in relation to one or more types of transaction or product.

If you are categorised as a professional client, based upon the information that you have provided to us to achieve such classification, we are entitled to assume that you are able to financially bear any investment risks consistent with your investment objectives.

If, having reviewed your financial situation, objectives, knowledge and experience, we do not consider you eligible to be classified as a professional client, we will classify you as a retail client and advise you of this decision in writing.

If you fulfil certain criteria, we may agree to treat you as an eligible counterparty for the purpose of Regulatory Requirements. Please contact us for further details.

## 1.24 TRUSTEES

If you agree to receive a service as the trustee of a trust, we may discuss with you the policy that you wish to adopt in the management of the trust's assets. The record of our discussions will be the policy statement that you may be required to make by applicable trust law, or you might choose to provide us with a separate policy statement. We will follow the policy statement as defined or provided separately by you. You must inform us immediately of any changes to the policy statement.

The trustees must ensure that all material provided by us that is relevant to the management of the trust assets is provided to any newly joined co-trustee.

## 1.25 SEVERABILITY

If any provision of the Agreement is or becomes invalid or unenforceable, the provision will be treated as if it were not in the Agreement, and the remaining provisions of the Agreement will remain valid and enforceable.

## 1.26 THIRD PARTY RIGHTS

Unless a term of the Agreement provides otherwise (and subject to Regulatory Requirements), a person who is not a party to the Agreement will have no right to enforce any of its terms or any recourse in Law.

## 1.27 CLIENT MONEY

We are not permitted to hold client money and we cannot accept a cheque made out to us (unless it is in respect of a service for which we have sent you an invoice) or handle cash.

Client money is held and protected by our duly authorised third-party service provider and "Custodian" as detailed in **Section 8.1.3**

## 1.28 DEPOSITS AND INVESTMENT PROTECTION

Tacit Investment Management is authorised and regulated by the Financial Conduct Authority (FCA), 25 The North Colonnade, Canary Wharf, London, E14 5HS.

Our permitted business includes advising on and managing investments. You can confirm our permissions status on the Financial Services Register by visiting the FCA's website [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register) or by contacting the FCA on 0800 111 6768.

Unless we notify you in writing to the contrary, we will be treating you as a **Retail Client**. This means that you are afforded the highest level of protection under the regulatory regime and should have the right, as an eligible complainant, to take any complaint to the Financial Ombudsman Service (FOS).

## 1.29 FINANCIAL SERVICES COMPENSATION SCHEME

Tacit Investment Management are also covered by the Financial Services Compensation Scheme ('FSCS'). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Compensation is available for both deposits (bank accounts) and certain investments. Compensation is limited as follows:

- Deposits – limited to 100% of the first £85,000.
- Investments – limited to 100% of the first £50,000.

This protection may only be available to certain types of clients (for example, it may not be available for corporate clients) and may be subject to certain limits, which will be reviewed from time to time. The amounts listed below are currently in force at the date of this publication. For the most up-to-date amounts, or for further details of the relevant schemes, please contact us or the relevant scheme.

## 1.30 COMPLAINTS

During your relationship with us, you may wish to make a complaint. For this reason, we have a documented complaints procedure for handling your complaint fairly and promptly, which is available on request

You may register a complaint by the following methods:

**In writing:** The Compliance Officer  
Tacit Investment Management,  
3 Brindley Place  
Birmingham,  
B1 2JB

**By phone:** +44 (0)207 051 6450

**By e-mail:** [compliance@tacitim.com](mailto:compliance@tacitim.com)

We will try to resolve your complaint as quickly as possible and to your complete satisfaction.

If we are unable to assist you further, you may be able to refer your complaint to the Financial Ombudsman Service ('FOS') for independent assessment. The Financial Ombudsman is a free and independent organisation that specialises in settling disputes between clients and financial firms.

We may also, on occasion, advise on other financial products which are not regulated by the Financial Conduct Authority (FCA). The Financial Services Compensation Scheme does not apply to any of these products. Further information about compensation scheme arrangements is available from the FSCS. You can visit the Financial Ombudsman Service website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## 2 OUR INVESTMENT MANAGEMENT SERVICES

### 2.1 INTRODUCTION

We provide investment management services where we undertake transactions on your behalf (this includes buying, selling or holding investments) through our "**Custodian**" where we;

- Exercise our discretion to buy and sell investments on your behalf through our Discretionary Investment Management service;
- Undertake to buy and sell investments on your behalf on **your** instruction, where we have not advised you on that transaction, through our "Execution Only Service",

Before providing you with a Discretionary Investment Management service, we will carry out an assessment of your personal and financial circumstances, agree with you and document an Investment Strategy and an Investment Objective for each relevant service or for your Assets generally.

Any discretionary investment management proposals (or recommendations where appropriate) that we make will only be made after we have assessed your needs and considered your financial objectives, your capacity for financial loss and attitude to any risks that may be involved.

The information you provide will enable us to check that your investments and the Investment Strategy remain suitable for you.

We will confirm to you in writing the basis of our recommendations along with the details of any specific risks associated with the products recommended by us.

We will contact you from time to time and ask for up to date information on your personal and financial circumstances and to re-confirm your investment objectives. If your personal and financial circumstances do change, or you wish to amend your investment objectives, you should contact us immediately.

If we are unable to check this because you do not provide us with the information, we may have to stop providing our services to you.

### 2.2 INVOLVEMENT OF YOUR THIRD PARTY FINANCIAL ADVISER

If you have accessed any of our investment management services via a third-party financial adviser ("FA"), your financial adviser shall ensure it has conducted sufficient research and due diligence on Tacit Investment Management to recommend our investment management services to you. We shall comply with all reasonable due diligence requests made by, or on behalf of, your financial adviser.

Your financial adviser may provide a certified copy of the information obtained by them to ensure compliance with applicable anti-money laundering laws or an introduction certificate (as further defined in the Joint Money Laundering Steering Group Guidance Notes as amended from time to time).

We may rely upon the information provided by your financial adviser to perform an assessment of your overall circumstances, financial planning objectives and knowledge and experience to ensure that an investment management service and investment strategy is provided to you. Whilst their opinions may be based on sound reasoning, we shall not rely exclusively on the opinions of the financial adviser in discharging our responsibilities in the delivery of our investment management services to you.

Your financial adviser shall monitor your account(s) to ensure the on-going appropriateness of our investment management service, given your overall financial planning and investment objectives.

With your written agreement, we may act as paying agent in respect of any fees payable by you to your financial adviser in connection with the services they provide to you. If we are facilitating payments to your adviser, we shall make clear the difference between any Adviser Payments and the charges specific to Tacit's investment management services.

Your financial adviser is responsible for agreeing the Adviser Payments with you and will provide us with, or assist us to obtain, validation of your agreement to the Adviser Payment in such form as is satisfactory to us.

You must inform us immediately if you change or stop using a 3<sup>rd</sup> party financial adviser and must give us written details of any new financial adviser you wish us to engage with in relation to your account.

For the duration of this Agreement, your FA will be responsible for the continuing suitability of the Investment Strategy and we will remain responsible for the portfolio construction and continuing suitability of holdings within your chosen Investment Strategy.

## 2.3 MANAGEMENT OF YOUR ACCOUNT(S)

We will manage your account(s) to an appropriate Investment Strategy, subject to your Investment Management Agreement.

The details in the Investment Management Agreement are based upon the information discussed and recorded as part of your becoming a client of Tacit. This sets out our understanding of your specific investment objectives, and any restrictions or particular instructions you may have given to us in respect of the ongoing management of your portfolio.

The Investment Management Agreement will make particular reference to our understanding of the investment risks that you are prepared to take in order to achieve your objectives.

Your stated objectives and requirements will be reiterated in a report or similar document which will be issued to you with our initial proposal and also included in any subsequent proposals.

We will ask you to review your Investment Management Agreement at regular intervals and to immediately advise us in writing of any material change in your circumstances and requirements.

We will apply the Investment Strategy that has been agreed with you to all of the investment accounts detailed in the Investment Management Agreement. If you wish some of your accounts to be managed to a different investment strategy, then you will need to complete a separate Investment Management Agreement for each portfolio.

Whilst your investments are held in individual account(s), we are able to manage some or all of your account(s) on a consolidated basis and apply the Investment Strategy defined in your Investment Management Agreement across all of the account(s) that form your consolidated portfolio.

Should you wish to have your account(s) managed on a consolidated basis, you should understand that managing them on this basis has additional implications and risks which you will be asked to acknowledge in your Investment Management Agreement as follow;

- You understand that the investment strategy is applied at a consolidated level and not to the individual account(s)
- You understand that individual investment accounts included in a consolidated strategy may hold concentrated positions in asset classes and individual securities, and therefore be less diversified compared to your chosen investment strategy
- You understand that individual accounts that form part of your consolidated portfolio may have differing total return and risk to capital profiles to each other and to your chosen investment strategy and risk profile.

Your Investment Management Agreement will also allow you to confirm any restrictions which you can ask us to apply when managing your portfolio in terms of the types of investments or markets we can consider as well as on amounts held. If your restrictions or conditions are incompatible with or detrimental to the investment strategy, we may be unable to provide you with services.

Where your investments are held overseas, there may be different settlement, legal and regulatory requirements from those applying in the United Kingdom, together with different practices for the separate identification of clients and investments.

We will not borrow on your behalf, nor will we commit you to a contract that may need borrowing in order to achieve performance. We will not commit your monies to an obligation as an underwriter of any issue or offer for sale of securities.

Our responsibilities to you in respect of your investments will be limited to the management of your portfolio as covered by this **"Agreement"**.

We will not offer any broader financial planning and/or tax planning services e.g. capital gains tax and inheritance tax considerations and accept no responsibility for your broader financial / tax planning arrangements or requirements. It is recommended that you speak to your financial advisor in relation to your wider financial planning needs.

## 2.4 CORPORATE ACTIONS

Unless we agree otherwise with you, where we hold assets which give you rights in relation to a company, including if we become aware of any proposed class action or group litigation, where such assets are held by us in connection with our Discretionary Investment Management Service, we may deal with these matters at our sole discretion (including taking no action).

Where such Assets are held by us under any other service:

- We will not be responsible for taking any action in relation to these matters;
- We will not be obliged to notify you or obtain your instructions in relation to these matters;
- If we do seek but do not receive your instructions by any deadline stated by us, we will take such action as we consider appropriate (including taking no action); and
- If we seek and receive your instructions by any deadline stated by us, we will take such action as we reasonably consider appropriate, including action that does not accord with your instructions where following such instructions is not reasonably practicable.

## 2.5 INCOME AND ENTITLEMENTS

The Custodian will collect any income arising from the assets on your behalf. Dividend payments and interest will be paid in cash, following deduction of any applicable tax and will only be available to you following market settlement of such payment. Please refer to section 8.1.2 for more information.

## 2.6 ENCASHING YOUR ASSETS

If you ask us to transfer cash to you or a third party such as a financial adviser, we will first check whether:

- There are sufficient funds available in the relevant currency in your assets or account(s); and
- These funds available are not needed to settle any transaction under the **"Agreement"**.

If these conditions are not met, we will take reasonable steps to:

- Convert cash held in an account(S) to the relevant currency; or
- Liquidate or, as applicable, convert your Assets (in a manner we reasonably decide), to realise the amount required in time to make the transfer in full. You acknowledge that this

might result in you obtaining a worse price for your assets than might otherwise be the case in the ordinary course of business.

We will then transfer the funds to you:

- Once sufficient funds become available in the relevant currency; or
- On any later date you specify in your instructions (or, where that later date is not a Working Day, on the next following Working Day).

In deciding whether you have funds available to make a payment, we:

- Add together the amount in your account(s); and
- Deduct the total amount of the payments (including instructions relating to the purchase of investments) that you have asked us to make from the account(s) which have not yet been paid.

We do not have to take account of regular credits or any amounts received after we have decided not to make a payment.

Please be aware that we are unable to make any payments from your account to individuals other than yourself.

## 2.7 CLIENT REPORTING

### 2.7.1 DISCRETIONARY INVESTMENT MANAGEMENT

Where you receive our discretionary investment management service, we will, unless agreed otherwise, provide a valuation report showing all transactions during the relevant period and all of your Assets and liabilities at the end of the relevant period:

- On at least a quarterly basis;
- Notify you by the close of business the following day, if your account experiences a fall of 10% in value since your last quarterly valuation report; and
- On a monthly basis, if your portfolio includes leveraged investments or contingent liability Transactions.

You may choose to receive valuation statements on a more frequent basis and/or elect to receive contract notes on a transaction-by-transaction basis.

### 2.7.2 CONTRACT NOTES

For all other services, each time we execute a transaction on your behalf we will provide a contract note setting out (amongst other things) the amount you will receive or pay on settlement, and send it to you by:

- The first Working Day after execution; or
- The first Working Day after we receive confirmation from a third party who has executed the order

You should tell us as soon as possible if the information on any contract note we send to you is incorrect. If the original contract note is incorrect, you agree to return it to us if we ask for it and repay any overpayments immediately. We may purchase replacement investments at your cost. We will charge you interest on any overpayment where we consider it reasonable to do so.

You must notify us immediately:

- If you do not receive a contract note by post informing you that we have carried out your dealing instructions within three Working Days of you placing them;
- If you do not receive a contract note electronically (if that is your preference) within 24 hours of issuing your dealing instructions to us; or
- If you receive a contract note of a deal which you did not place.

We will provide information about the status of any pending order, on your request.

If you purchase units or shares in a Collective Investment Scheme and your orders are periodically executed as a series of orders, you will receive a contract note at least once every six months detailing each order executed during that period.

### 2.7.3 CUSTODY STATEMENTS

If your Assets are held on your behalf with a chosen “**Custodian**”, you will receive a statement (subject to Regulatory Requirements) detailing:

- All investments and any money held by the “**Custodian**” in your Account at the end of that period;
- The extent to which your investments or money have been the subject of securities financing transactions (such as stock lending transactions); and
- Any benefit you have accrued from your participation in any securities financing transaction, and the basis upon which the benefit has accrued.

This information may be included within the valuation report that we routinely send to you.

### 2.7.4 VALUATIONS AND BENCHMARKS

Valuations of your Assets in a periodic statement (or generally) will be based on:

- Any market information we reasonably consider appropriate; and
- Information from sources we reasonably believe are reliable.

We will send valuations of your portfolio every quarter. Unless otherwise agreed, we will not provide information about executed transactions on a transaction-by-transaction basis.

Your statements may show transactions that have not been settled, but we are not required to include unsettled transactions in your statements.

In order for you to be able to assess the performance of your portfolio, benchmarks are used against which your portfolio performance can be compared. The benchmarks against which your portfolio can be legitimately assessed are detailed in your Investment Management Agreement.

The base currency of your portfolio will be Sterling (GBP) unless agreed otherwise with you in writing.

We are not responsible for any inaccuracies in the information we rely on that are provided by third-parties. As market prices

fluctuate, the value of your Assets may have changed by the time you receive the statement.

### 2.7.5 CORRECTIONS

If we or a counterparty make an error executing your order, we may choose to correct the error either through or outside your Account. If we correct the error through your Account, you will see the steps taken to correct the error in your transaction statement. We will always endeavour to make the correction outside your Account if we believe there could be a change in your Tax Obligations if the correction is undertaken through your Account.

## 2.8 BEST EXECUTION

In placing or transmitting applications on your behalf to third parties, we will take all reasonable steps to ensure that we obtain the best possible result for you. This is referred to as 'best execution'.

We take all reasonable steps to obtain the best possible result for the execution of client orders. We will endeavour to act in the clients' best interests at all times when placing orders with other entities for execution.

We transmit or place orders with other third-parties for execution and do not execute trades ourselves. Our Execution Policy will duplicate the other third parties' own internal policy, assuming they are also authorised by the FCA.

We will nonetheless review the execution arrangements of the third parties we wish to use to determine whether they will allow us to comply with the FCA's best execution requirements.

Where relevant, this includes asking those third parties with whom orders are transmitted / placed for a copy of their execution policy and relevant execution metrics.

We may combine your instructions with those of other clients. At times this may work to your advantage and others to your disadvantage.

### 2.8.1 OVERVIEW

It is in the interests of our clients and our firm that we obtain the best possible result when placing orders with other firms e.g. third-party brokers and fund managers, for the execution of client orders or when transmitting orders on behalf of clients. We are required to take all reasonable steps to provide best execution when carrying out such transactions and, on your request, to provide you with a copy of the policy that we have adopted to achieve that objective.

Our execution policy applies to orders in financial instruments such as funds and other securities. You should read this policy in conjunction with your discretionary management agreement.

### 2.8.2 EXECUTION FACTORS

When placing orders with other firms for the execution of orders or when transmitting orders, we will make every effort to ensure the best possible result for our clients taking into account the following factors:

- Price

- Cost
- Speed
- Likelihood of execution and settlement
- Size
- Nature of the order
- Any other relevant consideration

For retail clients, the price and cost of execution of the order will normally be the most important aspect in obtaining the best possible result. We will therefore assume this is the most important outcome for your transaction unless you tell us otherwise.

### 2.8.3 EXECUTING YOUR ORDER

In arranging for the execution of your order:

- We may use a third-party broker or custodian to execute your order
- We may trade as an agent (where our scope of regulatory permissions allow us to do so)

### 2.8.4 COMBINING ORDERS (AGGREGATION)

You acknowledge and agree that:

- When we deal for you, we may combine your order with our own orders and orders of other clients if we believe that aggregation can generally be expected to work to the advantage of all parties concerned;
- On some occasions, aggregation may disadvantage you (for example, in terms of price achieved);
- When we combine orders or when an order cannot be executed as a single transaction, we may execute it in a series of deals and confirm to you the aggregate of these at an average price; and
- We may allow brokers who deal on your behalf to combine deals with their own and their clients' deals, subject to Regulatory Requirements.

When a combined order cannot be filled, we will allocate the order to all participants on a pro rata basis, unless:

- It is not in your interest to receive a reduced allocation (for example, if we are of the view that the deal is not economic when considered against dealing costs); or
- We are prevented from doing so under Regulatory Requirements.

### 2.8.5 SPLIT ORDERS

You acknowledge and agree that when we deal for you, we may split your order into more than one trade if we reasonably believe this to be in your best interests. On some occasions, a split of your order may result in you obtaining a less favourable price.

### 2.8.6 EXECUTION VENUES

All orders placed by us are executed through Rexigon Securities Limited who have responsibilities in relation to the provision of best execution and client order handling.

We undertake periodic monitoring to ensure that they are meeting the relevant requirements.

### 2.8.7 CLIENT SPECIFIC INSTRUCTIONS

If you have given us instructions that price is not the most important factor in executing your order, we will make every effort to comply with your instruction but cannot guarantee this. This may be due to either the nature of the order, or the type of financial instrument you wish to trade in.

We will not accept specific instructions from clients regarding the execution venue where their order is transacted.

### 2.8.8 COLLECTIVE INVESTMENT SCHEMES

For orders in collective investment schemes e.g. Unit Trusts, OEICs and Investment Trusts, we will place the order directly with the third-party service provider/ custodian /Fund manager and/or the operator of the collective investment scheme.

### 2.8.9 CHARGES

It is our policy that commission and charging structures will not influence either the selection of execution venues, or the order flow that follows as a result of the execution process. We will therefore not discriminate between the execution venues we use to arrange execution of your orders, unless the costs will markedly impact the overall quality of the execution provided to you.

### 2.8.10 MONITORING AND REVIEW OF OUR EXECUTION POLICY

We regularly monitor the effectiveness of our execution policy to identify and, where appropriate, correct any deficiencies. In particular, this focuses on the execution quality provided by the third-parties referred to in the policy.

Reviews are carried out regularly (on at least an annual basis) or whenever a material change occurs that affects our ability to continue to obtain the best possible result for our clients.

### 2.8.11 STAFF UNDERSTANDING

All relevant staff are made aware of this policy to highlight and emphasise the importance of best execution.

## 2.9 CONFLICT OF INTERESTS

We will endeavour always to act in the best interests of you our client. However, circumstances can arise where we or one of our other clients may have some form of interest in the business being transacted for you. If this happens or we become aware that our interests or those of one of our other client's conflicts with your interests, we will write to you and obtain your consent before we carry out your instructions and detail the steps we will take to ensure fair treatment.

The purpose of our conflicts of interest policy is to:

- Identify the circumstances which constitute, or may give rise to, a conflict of interest potentially detrimental to one or more of our clients;
- Specify the procedures to be followed and measures to be adopted in order to manage such conflicts of interest

In preparing the policy we have taken into account a number of factors including:

- Whether circumstances might arise where we make a financial gain or avoid a financial loss at the expense of you, our client;
- Whether we have an interest in the outcome of a service provided to you which is distinct from your interests or sufficiently misaligned;
- Whether we have a financial or other incentive to favour the interest of another client or group of clients over your interests

Examples of the potential conflicts of interest we have identified include:

- Where we have confidential information regarding an existing or former client which would be of value to another part of our firm or to other clients of our firm
- If a transaction carried out on your behalf relates to an investment in respect of which we or an associate may benefit from a commission, fee, mark up or mark down payable otherwise than by you as a client, and we or an associate may also receive fees from the counterparty to such a transaction
- If we act as agent for you as a client in relation to transactions in which we are also acting as agent for other clients and associates.

Against this background our conflicts of interest policy can be summarised as follows:

- Where a conflict arises, your interests as a client will always be put before our interests and those of our employees
- Where our firm has a material interest in a transaction to be entered into for you, all reasonable steps will be taken to ensure fair treatment for you
- We have established procedures to ensure fair treatment between clients. For example, when executing an aggregated order for a client which is not filled, securities which are obtained are allocated fairly between clients
- We will not enter into dealing arrangements that could compromise our ability to comply with our best execution obligations
- We have a policy designed to minimise the risk of conflicts arising in situations where staff receive or provide gifts/inducements from clients or third parties
- We have a personal account dealing procedure to reduce potential conflicts in situations where staff deal for their own account
- We have internal organisational arrangements which act as information barriers controlling the disclosure of information within the firm and preventing the unauthorised release of restricted information to other areas of the firm

We have an independence policy that requires staff to act disregarding any material interest or conflict of interest when advising a client or dealing for a client in the exercise of discretion

## 2.10 OTHER BENEFITS WE MAY RECEIVE

From time to time we may attend training events funded and /or delivered by product providers, fund managers and custodian. These events are designed to enhance our knowledge and ultimately therefore enhance the quality of service we provide to our clients.

## 2.11 RESTRICTIONS FOR US RESIDENTS AND CITIZENS

If you are a resident of the US, we cannot provide investment services to you.

## 3 DISCRETIONARY INVESTMENT MANAGEMENT

When we provide a “**Discretionary Investment Management Service**”, we will:

- Enter into an investment or other transactions (this includes buying, selling or holding investments); and
- Exercise any rights you have in relation to your investments.
- Arrange for valuation and safe custody facilities associated to the services outlined above
- Undertake other services as we may agree with you in writing from time to time
- In providing the agreed services we may undertake transactions in relation to a wide range of investments as listed in **Section 5 Investment and Risk Warnings**

### 3.1 MANAGING YOUR PORTFOLIO

We will manage your assets in a Portfolio of account(s) on a discretionary basis with a view to achieving your Investment Objective, subject to any restrictions in your Investment Management Agreement or which otherwise apply to the provision of our services under the Agreement. We will use reasonable endeavors to achieve the Investment Objective, but there are a variety of external and other factors that may prevent the objective from being achieved.

Subject to your Investment Management Agreement and the terms of this “**Agreement**”, you grant us full authority, at our sole discretion, without prior reference to you, to buy, sell, retain, exchange or otherwise deal in investments and other assets, make deposits, subscribe to issues and offers for sale of any investments and otherwise act as we judge appropriate in relation to the management and investment of your portfolio. We may make common investment decisions for a number of client account(s) including your account(s).

You have advised us of your investment and risk profile which shapes the Objectives. These apply to the management of your account(s) from the commencement of this “**Agreement**” and these are set out in the Investment Management Agreement completed by you. The risk category you select will apply to the overall composition of the portfolio rather than individual holdings and therefore, some lower or higher risk investments may be included in your portfolio when it is appropriate and consistent with the investment strategy.

Our obligation is to ensure that any transactions are suitable for you in the context of the overall suitability of the portfolio. As manager of your portfolio, we shall use all reasonable endeavors to discharge our duties to you with due skill and care. We have individual discretion over both asset allocation and individual security selection within your portfolio. The effect of this is that your portfolio and its performance will be specific to you even when compared to a portfolio with a broadly similar investment mandate.

We will agree with you in advance of the provision of our services to compare your portfolio's performance against a defined range of appropriate indices or a specific benchmark. Please note that we do not guarantee to produce any particular level of

performance, or any out performance of a given index or other such benchmark.

Where we wish to submit an application in respect of any new issue of shares, we shall be entitled to assume that no other application will be made either by you or on your behalf unless we are notified by you to the contrary.

If we decide to invest in a Collective Investment Scheme for you, the return which you receive on the shares or units which we invest in for you will be subject to the costs of managing and operating the relevant Collective Investment Scheme.

In exercising our discretion, we may choose classes of shares or units which incur higher charges than others, if we think they better meet your requirements.

### 3.2 NON-DISCRETIONARY HOLDINGS

We may on occasions agree with you in writing to hold or purchase or otherwise deal with certain investments within your portfolio on a non-discretionary basis. In relation to any non-discretionary stocks held, we may, from time to time, but shall not be under any obligation to, contact you in respect of the investments in order to provide advice or information or recommend a transaction.

Where investments are undertaken or held on a non-discretionary basis, you agree that we need not advise you as to whether such investment is suitable for you or in keeping with your stated objective, nor shall we be held responsible for any loss resulting from any non-discretionary investments within your portfolio.

We will exclude any non-discretionary holdings from any portfolio performance calculations.

### 3.3 DISCRETIONARY MANAGEMENT RISKS

We recognise that the subjective nature of discretionary investment management does mean that performance will vary between clients with similar objectives. We have a core investment process which all portfolios are managed against. We monitor portfolios on a regular basis to ensure that any variance remains within acceptable an acceptable range.

However, you should be aware that as a result of individual portfolio manager discretion and any investment restrictions that may you may impose, you may outperform or underperform the “average” client portfolio.

### 3.4 INVESTMENT RESTRICTIONS

You may specify restrictions on our discretion. Such restrictions should be confirmed by you in writing or be noted as part of the Investment Management Agreement when entering into this Agreement.

Unless specified, there is no restriction on the amount or proportion of your portfolio which may be invested at our discretion in any one category of investment or in any one type of investment.

### 3.5 VOTING RIGHTS

As part of our discretionary management of your portfolio, we may decide to exercise or not to exercise voting rights attached to investments held within your portfolio.

## 4 EXECUTION ONLY SERVICE & UNADVISED TRANSACTIONS

When we provide an “**Execution Only Service**”, where we enter into an investment or other transaction (this includes buying, selling or holding investments) on your instruction where we have not advised you on that transaction, our continuing service obligations to you in relation to that transaction are minimal.

This means that:

- We are not obliged to ensure that the transaction is suitable for you.
- You must ensure that you have obtained appropriate information to enable you to make an independent assessment of each and every transaction.
- Any such transactions entered into by you are based on your own judgement and not on any representations, trading suggestions, recommendations, research or information you may have received from us.
- We do not accept responsibility on a continuing basis for advising on the composition of your account(s) or portfolio.
- We are under no duty to monitor or notify you of movements in your account.
- You will not benefit from any protection accorded to Retail Clients by the Regulatory Requirements relating to the suitability of the transaction;

In addition, we do not take any financial responsibility for transactions we undertake for you on an execution-only basis. This means that:

- We will not be liable if any transaction we effect for you results in an overdraft, uncovered position or other unfunded liability, or borrowing against assets in your account(s), or is not fully covered by the security you have provided;
- You remain responsible for any transactions undertaken for you before the date our relationship is terminated until final settlement.

### 4.1 TIMING OF INSTRUCTIONS

Instructions can only be processed by us during normal business and market hours. This means that your instructions may not always be processed as soon as we receive them.

We will not be liable for any Losses that you incur if we are asked by the market to cancel any dealings in the relevant stock after we have placed an order on your behalf.

### 4.2 EXECUTING TRANSACTIONS FOR YOU

If we undertake transactions for you, we will (unless we have indicated or agreed otherwise) be required to provide best execution, and, in doing so, we will comply with our and our “**Custodian**” Execution Policy, which we/they may amend from time to time.

When we process any transaction on your behalf, you authorise the “**Custodian**” to:

- Arrange transactions for you through those markets and exchanges and with or through any counterparties, including third party brokers, as they reasonably think fit;

- Take, or omit to take, steps (including refusing to place an order) which they reasonably believe necessary to comply with market practices or rules and Regulatory Requirements;
- Negotiate and execute contracts with third parties which they reasonably consider to be necessary for the performance of the transaction.

If the service you have selected permits you to give specific dealing instructions and our “**Custodian**” agrees to execute your order in accordance with those instructions:

- It may not be possible for them to obtain the best result that would otherwise be available to you at the time of dealing using their own dealing process; and
- The dealing terms you receive may be adversely affected.

We and our “**Custodian**” may refuse to act on any instruction or, as applicable, carry out any part of a transaction where:

- Your Account does not hold sufficient cleared Funds, Securities or credit limits or other permitted collateral to satisfy all obligations, whether present, future or contingent in relation to that instruction or transaction; or
- To do so would result in an unauthorised overdraft, uncovered position or other unfunded liability, or borrowing against Assets in your Account,
- Our “**Custodian**” may reverse and settle such transactions at your risk. You accept full liability for any resulting Losses.

You must promptly give us any instructions which we may require. If you do not give us prompt instructions, or we are unable to contact you, we may, at our reasonable discretion, take such steps as we reasonably consider necessary or reasonable on your behalf or for our own protection, including halting the execution of your order.

When our “**Custodian**” executes an order for you, they will consider a number of factors in deciding where to route your order for execution. These factors include the total consideration payable (taking account of applicable costs), yield, speed of execution, likelihood of execution and settlement, the size and nature of your order and any potential market impact that may be caused by executing your order. Our “**Custodian**” will generally execute transactions based on the consideration identified and available to them at the point of dealing, unless there is a reason why it is not in your best interests to do so.

You agree that:

- The relative importance of the execution factors may vary from transaction to transaction depending on the circumstances of the trade and the prevailing market conditions;
- When our “**Custodian**” executes your transactions via our Electronic dealing systems, they may poll different brokers to identify the best available terms; and
- If an order cannot be executed automatically, it will be dealt manually by their dealing professionals, who will consider the circumstances of each deal and decide on the appropriate course of action. This may include the prioritisation of another execution factor (such as speed or certainty of execution among others) over the best market price when it is perceived to be in your best interests to do so.

## 5 INVESTMENT AND RISK WARNINGS

### 5.1 GENERAL RISKS

#### 5.1.1 VOLATILITY OF RETURNS

The value of investments and the amount of income derived from them may go down as well as up. All investments can be affected by a variety of factors, including macro-economic market conditions such as the interest or exchange rate environment, or other general political factors in addition to more investment specific factors.

#### 5.1.2 LIQUIDITY AND NON-READILY REALISABLE SECURITIES

Some investments may be very illiquid, meaning that they are infrequently traded, and hence it may be difficult to sell them on within a reasonable timeframe or at a price which reflects "fair" value. In extreme cases an investment may be non-readily realisable. This means that the investment is neither a government security, nor a listed investment, nor an investment that regularly trades on an exchange. In this case there may be no secondary market available, and it may be difficult to obtain any reliable independent information about the value and risks associated with such an investment.

#### 5.1.3 INVESTMENT LEVERAGE, OR GEARING

Use of borrowing to invest increases both the volatility and the risk of an investment. This applies if a company has significant borrowings, or if an investment vehicle otherwise allows an investor to gain much greater economic exposure to an asset than is paid for at the point of sale. It also applies if an investor borrows money for the specific purpose of investing. The impact of leverage can be as follows:

- Movements in the price of an investment leads to much greater volatility in the value of the leveraged position, and this could lead to sudden and large falls in value;
- The impact of interest costs could lead to an increase in any rate of return required to break even; or
- A client may receive back nothing at all if there are significantly large falls in the value of the investment.

#### 5.1.4 FOREIGN EXCHANGE

Investments denominated in foreign currencies open up additional risks related to the relevant exchange rate. Movements in exchange rates may cause the value of an investment to fluctuate either in a favourable or unfavourable manner.

#### 5.1.5 LEGAL OBLIGATIONS AND TAX AFFAIRS

You have sole responsibility for the management of your legal obligations and tax affairs including making any applicable filings and payments and complying with any applicable laws and regulations. We have not and will not provide you with tax or legal advice and we recommend that you obtain your own independent tax and legal advice tailored to your individual circumstances. The tax treatment of investment products can be complex, and the level and basis of taxation may alter during the term of any product. Prospective investors should therefore obtain professional tax advice appropriate to their own circumstances before investing.

## 5.2 RANGE OF INVESTMENTS

This schedule contains important information on the range of investments we may consider transacting and holding on your behalf as part of the management of your accounts or portfolio, along with risks associated with some of the investments.

### 5.2.1 GENERAL INVESTMENTS

- Shares in British and foreign companies (including unlisted or unquoted shares), debenture stock, monies, currencies and loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments including government, public agency, municipal and corporate issues, Eurobonds, fixed interest and other securities denominated in any currency, Treasury Bills and other money market instruments (referred to collectively as 'core investments')
- Warrants to subscribe for relevant core investments
- Depository receipts or other types of instrument relating to core investments and warrants
- Unit trusts, open ended investment companies, mutual funds and other collective investment schemes in the UK and elsewhere, including non-mainstream pooled investments (NMPI) which include unregulated collective investment schemes
- Exchange Traded Products (ETPs)
- Individual hedge funds and funds of hedge funds
- Venture capital and private equity schemes denominated in any currency
- Precious metals, commodities, bullion and gold coin
- All other securities/investments of any type

### 5.2.2 STRUCTURED PRODUCTS

Where we think it appropriate, we may invest in structured products, including structured capital at risk products.

Structured products cover a variety of investment structures but in broad terms (without limiting our discretion in any way) a structured product is an investment which packages two (or more) products into one offering and derives its value based on the return or partial return of one or both products.

## 5.3 RISKS APPLICABLE TO CERTAIN INVESTMENTS

### 5.3.1 MONEY MARKET AND RELATED INVESTMENTS

With regard to investments in cash and cash instruments, UK government bonds, sterling and foreign currency denominated corporate issues and interest-paying instruments such as convertible securities you should bear in mind the following specific risks:

- The risk of default
- Capital erosion in real terms over time due to the effects of inflation
- The value of fixed income securities may fall as well as rise due to market movements
- Where investments in foreign currency denominated instruments are concerned, foreign exchange rates may move in an unfavourable direction adversely affecting the value of the investments in base currency terms
- In the event of default, if compensation is available it may not cover the full amount of the deposit

- available it may not cover the full amount of the deposit

### 5.3.2 DEBT SECURITIES AND FIXED INCOME FUNDS

The value of debt investments (or "bonds") can generally be expected to be more stable than that of equity investments. However, in some circumstances, particularly when interest rate expectations are changing, the value of most bonds is also volatile. The most common use of a bond is to provide a reliable yield, or source of income until maturity. For example, the value of a bond can be adversely affected by a number of factors, such as:

- The issuer's credit rating, which reflects their ability to repay the amounts payable when they fall due;
- The market expectations about future interest and inflation rates;
- amount of interest payable (the coupon);
- The length of time until the debt falls due for repayment; or
- The seniority of a bond within the capital structure of a company, and the quality of any security available.

The factors which are likely to have a major impact on the value of a bond are the perceived financial position of the issuer and changes to market interest rate expectations. Bonds issued by major governments or supranational bodies tend to be lower risk investments, while the risks of other debt securities (such as those with emerging market or corporate issuers) can vary greatly. For example, if an issuer is in financial difficulty, there is an increased risk that they may default on their repayment obligations. In this event, little or no capital may be recovered, and any amounts repaid may take a significant amount of time to obtain.

### 5.3.3 EQUITY SECURITIES AND EQUITY FUNDS

Ownership of an equity security represents a direct stake in the company concerned. Such an investment will participate fully in the economic risk of the company and its value can therefore fall as well as rise.

With regard to investment in equities you should bear in mind the following specific risks:

- Equity markets may fall in value
- Dividend growth is not guaranteed, nor are investee companies obliged to pay a dividend
- Companies may go bankrupt rendering the original equity investment valueless
- Individual equity prices can go down as well as up
- Corporate earnings and financial markets can be volatile
- Where investments in overseas companies are concerned, foreign exchange rates may move in an unfavourable direction adversely affecting the valuation of investments in currency terms

The price volatility of equity markets can change quickly and cannot be assumed to follow historic trends. In adverse market conditions, irrecoverable capital losses could be incurred.

In the worst case, a company could fail and, if this happens, its equity can become worthless. Equity securities are commonly used by investors seeking longer term capital growth.

Examples of typical company characteristics which could heighten equity investment risks are:

- a low market capitalisation;
- a product set that is undiversified or reliance on single markets as a major source of income;
- A significant reliance on borrowing as a source of finance;
- A significant level of fixed costs to pay, irrespective of output, production or turnover levels;
- Major income sources which are seasonal or "cyclical" in nature; and
- Companies trading primarily in emerging markets, particularly during poor market conditions, or in countries where legal property rights may be difficult to enforce.

The equity of some smaller companies may trade in very small sums per share, and an investment into this kind of equity will usually involve a proportionately large difference between the market buying and selling price. The effect of this difference means that an immediate sale may realise significant losses.

Other smaller companies may not be subject to the rules of a listing authority. Such companies are likely to be high risk ventures and may have an unproven trading history or management team. These equity shares may not be readily sold, and it could be difficult to realise or to value them independently due to the lack of a secondary trading market.

The risks involved in equity investment can often be managed through investment via diversified investment vehicles, or by investing directly in a wide range of different companies, industries, countries and currencies.

### 5.3.4 INVESTMENT TRUSTS

The investment trusts we select may use a strategy known as gearing to potentially enhance the return of the trust. This is often a most effective strategy, but it is not without risk, and it is these risks that we wish to draw to your attention:

- Movements in the price of the securities may be more volatile than the movements in the price of underlying investments;
- The investment may be subject to sudden and large falls in value; and
- You may get nothing back at all if there is a sufficiently large fall in value in the investment.

### 5.3.5 COLLECTIVE INVESTMENT SCHEMES

Investments in collective investment schemes are made with a view to increasing the range of investments available to you thereby enhancing the scope for investment returns whilst at the same time providing diversity to reduce risk. Collective investment schemes will generally not be managed by us or an associate, but we select collective investment schemes on the back of detailed research to ensure suitability for your profile and quality of underlying managers. The performance of collective investment schemes invested in is subject to periodic review.

### 5.3.6 NON-MAINSTREAM POOLED INVESTMENTS (INCLUDING UNREGULATED COLLECTIVE INVESTMENT SCHEMES)

Certain non-mainstream pooled investments (NMPI) including unregulated collective investment schemes (UCIS) that we invest in are unregulated e.g. not subject to authorisation by the FCA and their constitution and operating characteristics are not subject to independent scrutiny by a regulator. Typically, they tend to be higher risk. Our due diligence procedures are aimed at

ensuring that NMPI schemes we invest in meet high standards in their constitutional and operating characteristics and indeed management. However, you should be aware that if a particular NMPI scheme should fail, you may have no recourse to the Financial Services Compensation Scheme (FSCS) in relation to that particular scheme.

### 5.3.7 WARRANTS

Warrants will not be purchased by us as investments in their own right but may be allotted as a right or entitlement in respect of investments held in your portfolio. A warrant is a time-limited right to subscribe for shares, debentures, and 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.

### 5.3.8 HEDGE FUNDS

Hedge Funds differ from traditional collective investment schemes in their ability to utilise an unrestricted number of and often speculative investment techniques, including short-selling, options and derivatives, to enhance performance

Investments undertaken by hedge funds may be narrowly based around a specific type of asset or trading strategy, and the returns experienced by investors in these funds may be adversely affected by very specific market or industry circumstances. It is therefore important to understand the type of strategy and investment to be used in any hedge fund prior to investment.

The type of strategies and investments envisaged by a hedge fund will be a key determinant of how risky the investment will be. Strategies may range from lower risk absolute return funds up to high risk or speculative funds which make use of extensive leverage in an attempt to make maximum gain from their investment strategy.

Common hedge fund structures involve a combination of entities, of varying legal form, located in a mixture of onshore major financial centres and offshore low tax and light touch regulatory regimes. The optimal location and form of each entity within the structure is frequently determined according to factors such as tax efficiency, proximity to major markets and appropriate regulatory regime.

### 5.3.9 PRIVATE EQUITY AND PRIVATE EQUITY FUNDS

Private equity funds commonly invest in any form of equity or company that is not openly traded via a public investment exchange. The companies concerned will therefore raise finance privately and will not be subject to stringent listing rules or filing requirements as a result. This factor means that private equity funds may invest in a wide range of unlisted companies. They may be small start-up companies with little or no proven track record and range up to firms which are of a significant size with a long and established trading history. A number of attributes of private equity investment give rise to unique risk factors such as:

- Non-transferable investments, or a long "lock up" period during which the investment cannot be sold. Even if a buyer is found, it may not be possible to sell and any sale which is permitted may not occur at a price which reflects fair value;

- The committed capital may be drawn down during a capital commitment period. Investors must be capable of making payments to satisfy the capital calls made throughout the commitment period;
- A focused portfolio of investments, which could lead to exposure to an undiversified economic exposure to the underlying assets;
- Possible use of significant leverage or borrowing, which amplifies possible risks;
- A possible lack of scrutiny or accountability of management to shareholders for decisions they make; and
- Distributions are generally made in cash, however if a fund is unable to sell its interest in a private company, it may distribute minority interests in these companies to fund investors.

It is important that you are familiar with the terms of, and risks associated with, any fund that you invest in.

### 5.3.10 ILLIQUID INVESTMENTS

We may purchase securities in respect of which there is no recognised market. It may therefore be difficult to deal in any such investment or to obtain reliable information about its value or the extent of the risks to which it is exposed. The investment trusts we select may use a strategy known as gearing to potentially enhance the return of the trust. This is often a most effective strategy, but it is not without risk, and it is these risks that we wish to draw to your attention:

- Movements in the price of the securities may be more volatile than the movements in the price of underlying investments;
- The investment may be subject to sudden and large falls in value; and
- You may get nothing back at all if there is a sufficiently large fall in value in the investment.

### 5.3.11 STRUCTURED PRODUCTS

These are usually share-based investments from banking, insurance or investment management firms and can offer attractive returns. A structured product is a bespoke investment vehicle that offers a combination of an element of capital protection with a degree of participation in the return from a volatile underlying asset. You should however bear in mind the following risks:

- The return of initial capital invested at the end of the investment period is not guaranteed and, therefore, you may get back less than what was originally invested;
- The amount of initial capital repaid may be geared, which means that a small percentage fall in the related index may result in a larger reduction in the amount repaid to you;
- The maximum benefit achievable is only available after a set period;
- Early redemption may result in redemption penalties and a poor return;
- The initial capital invested may be placed into high risk investments, such as non-investment grade bonds;
- The rate of income or growth may depend on specified conditions being met;
- You should not allow us to enter into such a transaction unless you are prepared to lose some, or all of the money invested.

Please contact us if you have any doubts about the suitability of any investments within your own portfolio. We will be pleased to discuss your concerns and to provide further information about investments that we may select, upon request.

### 5.3.12 COMMODITIES LINKED PRODUCTS

Commodity based investments may be impacted by a variety of political, economic, environmental and seasonal factors. These relate to real world issues that impact either on demand or on the available supply of the commodity in question. Their value can fall as well as rise, and in some cases may be mean reverting in nature.

Investment into commodities is often achieved either via a structured product over a commodities index or basket of different commodities, or by using a commodity derivative. Please refer to the risk disclosures for each of these products for further information.

### 5.3.13 PROPERTY OR PROPERTY DEVELOPMENT FUNDS

Investment in real property or property funds involves a number of risks particular to this class of asset. Notably fixed property is immovable and might not be easy to sell or to value independently. As a result of the illiquid nature of property it may take time to realise any investment made even when participating in a property fund. There is no guarantee that the underlying properties will remain occupied, or that they might not incur significant maintenance or restoration costs which may impact on the returns available. All property is subject to local risks which may be unique in nature, which may be caused by factors such as the prevailing legal, economic, environmental or political circumstances.

Investors in property development funds face additional risks related to the successful completion of the development project both on time and according to budget. Even if a project is successfully completed, there is no guarantee that properties will either be sold or tenanted at the intended cost or timeframe.

Commercial property is also subject to risks related to the type of use associated with the property, and the prosperity of the local or national economy relevant to the tenants and their business.

Returns available from property funds may also be affected by leverage where borrowing is used to finance either construction or purchase.

In order to maintain fairness and equity between unitholders remaining in and unitholders leaving a fund, in exceptional circumstances, there may be delay switching or encashing all or part of unit holding in the funds for typically up to one month or, in the case of units of a fund which invests directly or indirectly in buildings or land, for up to six months. If there is delay, the switch or encashment will generally use the unit prices that apply on the day on which the switch actually takes place.

## 5.4 STABILISATION RISK WARNING

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it.

Stabilisation can help to counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

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

### 5.4.1 THE STABILISATION RULES:

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

The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, or of the price at which they are prepared to buy the securities.

## 6 YOUR PERSONAL INFORMATION

To provide our services properly, Tacit Investment Management need to collect information about your personal and financial circumstances. We take your privacy seriously and will only use your personal information to deliver our services.

Processing of your personal data is necessary for the performance of our contract for services with you and in meeting our obligations to preventing money laundering or terrorist financing. This is the lawful basis on which we rely for the processing of your data. (Please see the reference to special categories of data below). Our policy is to gather and process only that personal data which is necessary for us to conduct our services appropriately with you and to prevent money laundering or terrorist financing.

We adopt a transparent approach to the processing of your personal data. Sometimes, we may need to pass your personal information to other organisations. For example, should you appoint a Financial Adviser, we may share information about you to ensure we have the necessary information to perform our contract of services with you.

We may engage the services of third-party providers of professional services in order to enhance the services we provide to you. These parties may also need to process your personal data in the performance of their contract with us. Your personal information may be transferred electronically and we, or any relevant third party, may contact you in future by what we believe to be the most appropriate means of communication at the time (e.g. telephone/ email /letter etc.).

The organisations to whom we may pass your details also have their own obligations to deal with your personal information appropriately. Sometimes a product or service may be administered from a country outside Europe. If this is the case, the firm must put a contract in place to ensure that your information is adequately protected in line with standards in force from time to time in the UK.

We will issue you with our Privacy Notice. This is a separate document which provides more information about the nature of our personal data processing activities and includes details of our retention and deletion policies as well as your rights of access to the personal information that we hold on you.

As part of this agreement we'll ask you to consent to the transfer of personal information in accordance with the protections outlined above.

Special categories of personal data: there are certain categories of personal data that are sensitive by nature. The categories include: data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership and data concerning health. Depending on the nature of the products and services that you engage us for we may need to obtain your sensitive personal data particularly in relation to health. Our policy is that should we require any special category of personal data we will only gather this with your explicit consent.

If you are concerned about any aspect of our privacy arrangements, please speak to us.

## 7 ABOUT TACIT INVESTMENT MANAGEMENT

### 7.1 OUR BUSINESS

Tacit Investment Management offers a range investment advice and management product and services to its clients.

### 7.2 COMPANY DETAILS

TIML Limited is authorised and regulated by the Financial Conduct Authority. FCA Number: 670184.

Registered office: 31 Southampton Row, London, WC1B 5HJ. Registered in England and Wales number 09228395.

### 7.3 OUR OFFICES & CONTACT DETAILS

#### London Office (Registered Office)

31 Southampton Row  
London  
WC1B 5HJ

Tel: +44 (0)20 3051 6450  
www.tacitim.com

#### Birmingham Office (Branch Office)

2<sup>nd</sup> Floor, 3 Brindley Place  
Birmingham  
B1 2JB

Tel:+44 (0)20 3051 6450  
www.tacitim.com

## 8 THIRD PARTY ARRANGEMENTS

We use the services of a "Custodian" for custody, settlement, and other administration services. The terms under which these third-party services are provided to you are set out below in the accompanying service provider Terms of Business. By signing this agreement, you accept those Terms of Business as a supplement to this agreement.

## 8.1 TERMS OF BUSINESS FOR OUR THIRD-PARTY CUSTODIAN.

These terms and conditions and annexes ("Terms") together with the Custody Agreement, will constitute a legal agreement between you and Rexigon Securities Limited ("we" or "us").

These documents are referred to collectively as "this Agreement" and set out the terms on which we will provide services to you. References herein to statutes, the rules of the Financial Conducts Authority ("FCA") including the FCA Handbook ("FCA Rules"), and any other regulations shall be taken to include any amendments made to them from time to time. Any words or phrases used in this Agreement which are defined in the FCA Rules shall have the same meanings in this Agreement.

By signing the Custody Agreement, you confirm that you, or the entity on whose behalf you are signing, accept these Terms and will be bound by this Agreement. This Agreement will come into effect the later either of the date that we receive a satisfactorily completed and signed Custody Agreement from you or that we take control of any relevant assets.

### 8.1.1 REGULATORY STATUS

Rexigon Securities Limited, a company incorporated under the Companies Acts (Company Number 09486463) and having its registered office at Longcroft House, 2/8 Victoria Avenue, London EC2M 4NS which is authorised and regulated by the Financial Conduct Authority (FCA) (registered number 733400) and authorised as an ISA Manager by HMRC Ref Z1960 (Rexigon Securities).

We are required to act in accordance with the rules of the FCA.

For the purposes of the FCA on custody and safe keeping of asset rules, you are a direct client of Rexigon Securities and we are responsible to you for protection of your assets including any money that is not due to us as a fee. However, for all other purposes you are a client of Tacit Investment Management and all communications including any instruction to buy, sell or move assets must be done through Tacit Investment Management. Rexigon Securities will not accept any communications from you directly. We will also provide all reports, whether mandated by FCA, or requested by you, to your agent Tacit Investment Management for onward transmission. Any reports sent to Tacit Investment Management as your agent will be deemed to have been sent to you directly.

For all purposes including FCA Rules Tacit Investment Management is acting as your authorised agent and we will accept their instructions as if made by you directly.

### 8.1.2 CUSTODY OF YOUR ASSETS

#### 8.1.2.1 REGISTRATION

We will act as custodian in accordance with the FCA Rules ("the Custodian") in respect of all investments that we hold on your behalf. Wherever practicable, unless otherwise instructed, all investments which are capable of being registered, which are purchased through us, will be registered or otherwise recorded in the name of our nominee service, Rexigon (Nominees) Limited, or that of a nominee service controlled by a recognised or designated investment exchange (a "Nominee"), or in the name of a third party (or its nominee service) selected by us in

accordance with the FCA Rules (a "Sub-Custodian"). We will identify, record and hold all clients' assets separately from any of our own investments and other assets, and in such a manner that the identity and location of clients' assets can be identified at any time. 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. We reserve the right to refuse to accept any particular investment into our custody.

We will take due care in selecting suitable Sub-Custodians to hold your investments but will not be liable in the event of default by or the insolvency of a Sub-Custodian unless that Sub-Custodian is an Associate. We will not be liable for any loss arising from default by or the insolvency of any securities depository.

We only accept liability for our nominee service, which we shall be responsible for to the same extent as for our own acts (including, for the avoidance of doubt, losses arising from fraud, wilful default or negligence), but not for that of any other Sub-Custodians. We will remain responsible for our own default where any Sub-Custodians are used.

[Upon termination of this Agreement in accordance with section 14 (Termination), we shall be entitled to charge a fee, as set out in the Schedule of Charges from time to time, for the transfer of stock out of a Nominee account.]

#### 8.1.2.2 PHYSICAL CUSTODY

Occasionally share certificates and other documents of title become invalid and cease to have tradeable value. This can be for various reasons from the restructuring of the company to the company ceasing to exist. Accordingly, in accepting this Agreement, you give your consent for us to dispose of invalid investment documentation which may be held on your behalf, and to remove the record of such holdings from your valuations and custody reports.

#### 8.1.2.3 POOLING

Your investments will be pooled with those of other clients for administrative reasons, but they will be strictly segregated and identified in our records and they will not be used for the account of any other client. The effect of pooling is that individual client entitlements may not be identifiable by separate Certificates, other physical documents of title or equivalent electronic record. In the event of an unreconcilable shortfall after the default of a Sub-Custodian, clients may share in that shortfall pro rata.

Stock which we hold for you on a pooled basis may attract different treatment during corporate actions or other events, and your options may be limited. In such cases any rights or other benefits will be shared pro-rata among all shareholders whose holdings are affected.

#### 8.1.2.4 OVERSEAS INVESTMENTS

Where we purchase and/or hold non-UK investments for you outside the UK, these may be registered or recorded directly in the name of a Sub-Custodian, rather than that of a Nominee, due to the legal requirements or the nature of market practice in the jurisdiction(s) concerned, it is in your best interests to do so or it is not feasible to do otherwise. A list of the jurisdictions in which this may be done will be supplied on request. As a consequence of registering your investments overseas they may not be

segregated from investments belonging to us or the Sub-Custodian and therefore your protection may be less should a default occur on the part of the Sub-Custodian in whose name the investments are registered or recorded. Investments belonging to you which are held overseas may be subject to different settlement, legal and regulatory requirements than those which apply within the UK. We will not be liable for the insolvency, acts or omissions of any Sub-Custodian referred to in this sub-section.

In the case of trades transacted outside the UK, any stock 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 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.

#### 8.1.2.5 REPORTING, EXERCISE OF VOTING RIGHTS AND CORPORATE EVENTS

We will neither notify you of nor arrange the exercise of any voting rights attaching to your investments, whether exercisable at an AGM or otherwise. We will not notify you of any AGMs or EGMs applicable to your investments.

We shall not be obliged to arrange for you to attend shareholder's meetings or unit holder's meetings and vote in person or to direct how a Nominee should vote on your behalf.

Where a Corporate Event results in a fractional entitlement to part of a share then we will sell such fractional shares and credit your account with a cash value subject to a minimum charge for administration.

Where Corporate Events (such as partial redemptions) affect some but not all nominee investments held in a pooled account, we shall allocate the investments so affected to relevant clients in such a fair and equitable manner as we consider appropriate.

We shall be under no duty to notify you of or act upon any Corporate Event unless the relevant investments are registered in the name of a Nominee.

If we are notified of a class action or group litigation that is being proposed or taken concerning investments that a Nominee is holding, or has held, on your behalf we will be under no obligation to inform you or otherwise act on that notification.

#### 8.1.2.6 SETTLEMENT

Where any documents or cleared funds are not held by us as part of your account, 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 documents or cleared funds. Our obligations to deliver to you, or to your account, 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.

Where we have acted as your agent, 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

account, such deliverable documents or sale proceeds (as the case may be) as we actually receive.

#### 8.1.2.7 OUR RIGHTS OVER YOUR ASSETS

You hereby covenant to pay all sums due under this agreement and hereby grant us, subject to HM Treasury's regulations in respect of ISAs, a first security interest over any and all cash, investments, documents of title, certificates and other assets of yours, whether in sole or joint names or otherwise, which are held by or registered with us or our agents or a Sub-Custodian or Nominee or held in a CREST personal membership account pursuant to the terms of this Agreement, as continuing security for the discharge of all your obligations (including any charges, claims or costs) made or incurred by us under this Agreement and that we may, without prior notice, realise sufficient of such cash or investments to meet such obligations. You agree that you will not withdraw or seek to withdraw any property which is subject to the above security interest or in any way encumber, assign, transfer or deal with such property without our prior consent. Our security interest will not be affected in any way by any indulgence or relief given by us. In addition, you hereby grant us rights of lien and set-off over any property which is subject to the above security interest. Any obligation on our part to deliver any investments or other assets to you or make any payment to you or perform any other obligations to you under this Agreement shall be subject to your performing all obligations that you owe us under this Agreement.

#### 8.1.2.8 POWER TO SELL OR CLOSE OUT

Subject to the FCA Rules, if, at any time, we have reason to believe that you may be unable or unwilling to meet any liabilities which you have incurred to us or which may have been incurred on your behalf or to comply with any other obligations under this Agreement, including any of those matters detailed in section 14 (Termination), we shall be entitled (and are irrevocably authorised by you) to take any or all of the following actions:

- Sell investments bought on your behalf but for which you have not paid on or before the relevant settlement date;
- Close open sold positions (by buying in investments or otherwise) in the event that the relevant securities have not been delivered by you on or before the relevant settlement day;
- Sell any securities held or registered by us in or in a Nominee or by a Sub-Custodian to our order or acquired on your behalf; and
- Take any other steps we may consider necessary or appropriate meet any obligations which you may have to comply with under this Agreement or otherwise to protect our position.

#### 8.1.3 CLIENT MONEY

We will hold and deal with your money in accordance with the FCA Rules. Any money which is not due and payable to us and is not otherwise paid to you will be segregated from our money and held by us in a Client Bank Account at an FCA Approved Bank, or invested in a fixed term deposit account or Qualifying Money Market Fund(s), in which case your money will be held in accordance with the custody rules rather than the client money rules of the FCA. Cash held by us in sterling in a Client Bank Account on your behalf will earn interest at a rate which will be

advised to you by Tacit Investment Management. Cash held in foreign currencies will not earn any interest.

On occasion, it may be necessary or appropriate for your money to be held in a Client Bank Account at an Approved Bank outside the UK or for it to be passed to an intermediate broker, settlement agent or counterparty located in a jurisdiction outside the UK. In such circumstances, the legal and regulatory regime applying to the Approved Bank, intermediate broker, settlement agent or counterparty will be different from that of the UK, and in the event of failure of any such party, your money may be treated in a different manner from that which would apply if it was held in the UK.

#### 8.1.4 DEALING SERVICE

We will provide you with an execution-only dealing service in relation to the purchase or sale of financial products. At no time will we or our agents provide you with advice and you will be dealing on an execution-only basis. We will not advise you on the merits of that transaction, and we will not take account of the information you have provided about your objectives and requirements and we will not be required to ensure that the transaction is suitable for you.

However, in providing execution-only services, we may, on occasion, in relation to certain transactions or products, be subject to an obligation under the FCA Rules to assess the appropriateness of the transaction or product for you by asking you to disclose whether you have the necessary experience and knowledge in order to understand the risks involved in relation to the specific type of transaction or product offered or requested. In such circumstances, where on the basis of the information received, we consider the product or service is not appropriate for you, we will provide you with warning to that effect. Where we have provided the warning described above and you ask us to proceed with the transaction, you agree and acknowledge that we may proceed with the transaction, though you should note that we may also, at our discretion, refuse to undertake any transaction for you. Where such requests are made by your advisor, we will not make any assessment of appropriateness of the transaction and will rely on your advisor's assessment as being appropriate.

You agree that we may aggregate your orders with orders of other clients so long as we reasonably believe that this is in the overall best interests of the clients. Despite this, the effect of aggregation may operate on some occasions to your disadvantage.

Where we execute any transaction on your behalf, it will, subject to the FCA Rules, ordinarily be executed by us as your agent. However, we may, from time to time, act as a riskless principal (i.e. executing transactions as principal on your behalf in markets where trading as agent is not practicable/permissible

#### 8.1.5 CHARGES AND FEES

You will pay us such charges and fees for our services as are set out in the accompanying Schedule of Charges or as may be agreed separately in writing from time to time.

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 a result of our provision of services to you. You agree that you will also pay any Value Added Tax ("VAT"), or any other applicable

tax or levy that is due or chargeable in relation to any charges or fees.

We will ordinarily deduct any charges due from the proceeds of the relevant transaction where possible. You agree that we may deduct any sums that you owe us in relation to fees and charges directly from any assets held on your behalf.

We may retain, or we may direct a Sub-Custodian (see section 2 above) to retain a lien or security interest over any assets of the account to the extent that any costs losses or claims detailed in this Agreement, for which you are obliged to indemnify us, remain unpaid.

#### 8.1.6 NON-UK TAXATION

If you are a taxpayer and/or resident outside the UK or hold non-UK investments, you may be liable to account to non-UK tax authorities for any capital or income earned. You will retain sole responsibility in relation to these matters.

Where, due to either UK legislation or to contractual arrangements that we have entered into with foreign tax authorities, we are required to identify your tax status and/or withhold tax, then you agree to provide us with all information as may be required, and you further confirm that in the absence of all requisite information, we may take steps including:

- Notifying the relevant tax authority;
- Requiring the transfer of overseas investments to a Sub-Custodian;
- Arranging for the sale of such investments on your behalf; and
- Withholding the appropriate level of tax on such capital or income.

In particular, you should note that in accordance with US Internal Revenue Service regulations, we are required to identify beneficial owners of US securities.

#### 8.1.7 CLIENT WARRANTIES

You warrant that you have full power to enter into this Agreement with us, and that the monies you invest with us shall be free from all liens and charges and undertake that no liens or charges will arise from any acts or omissions on your part, other than as agreed between us from time to time.

You undertake not to deal, except through Tacit Investment Management, with any of the cash or assets held in your account and not to authorise anyone else to deal in any of them.

You warrant that any information which you have provided to us in relation to your status, residence and domicile for taxation purposes is complete and correct, and you agree to provide any further information properly required by any competent authority.

You will notify us promptly if there is any material change in any information you have provided pursuant to us and will provide such other relevant information as we may from time to time reasonably request in order to fulfil our regulatory and contractual obligations. You acknowledge that any failure to provide such information may adversely affect the quality of the services that we may provide.

#### 8.1.8 LIABILITY AND INDEMNITY

Neither we, nor any of our directors, employees, delegates (including Sub-Custodians) or agents, shall be liable for any loss, damage liability, claim or expense sustained by you as a direct or indirect result of the provision by us of our services, save that nothing in this Agreement shall exclude or restrict any liability of us resulting directly from our negligence, fraud or wilful default or any contravention by us of the FCA Rules. We shall not be liable for any indirect or consequential loss or loss of profit) or for any losses that arise from any damage to your business or reputation.

You undertake to indemnify us and each of our directors, employees' delegates and agents ("Indemnified Persons") on an after-tax basis, against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than our corporation tax) which are caused by:

- the provision by us of our services to you;
- any material breach by you of any of the terms of this Agreement;
- any default or failure by you in performing your obligations to make delivery or payment when due; or
- any defect in title or any fraud or forgery in relation to any investments delivered to us or a Sub-Custodian by you or on your behalf or in relation to any instrument of transfer in relation to such investments (including any electronic instruction) purporting to transfer such investments.

In relation to trustees, liability under this Agreement shall be limited, in the absence of fraud, to the assets of the trust.

Neither we nor any Sub-Custodian shall be entitled to be indemnified against the consequences of our own negligence or wilful default or any contravention by us of any provision of FCA Rules.

The provisions of this section shall continue to apply notwithstanding the fact that we or any Sub-Custodian cease to provide services and shall be in addition to any other right of indemnity or claim of any Indemnified Person whether pursuant to this Agreement or otherwise and shall not be affected by any forbearance, whether as to payment, time, performance or otherwise.

We do not give any warranty or undertaking as to the suitability of any assets bought or transferred into your account.

#### 8.1.9 FORCE MAJEURE

Neither we, nor any of our directors, employees, delegates (including Sub-Custodians) or agents shall be liable for any circumstance or failure to provide any of the services if such circumstance or failure results wholly or partly from any event or state of affairs beyond our reasonable control (including, without limitation, any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action, the suspension or limitation of trading by any exchange or clearing house or any fire, flood or other natural disaster) and, in such circumstances, any of our obligations shall be suspended pending resolution of the event or state of affairs in question.

#### 8.1.10 CONFLICTS OF INTEREST

We, or our Associates may provide services or enter into transactions in relation to which we, or our Associates have,

directly or indirectly, a material interest or a relationship of any description with a third party which may involve a conflict of interest or potential conflict of interest with you. We will ensure that such transactions are affected on terms which are not materially less favourable than if the conflict had not existed.

You agree and acknowledge that we may receive from and pay to third parties (including Associates) fees, commissions or other benefits and may share charges in respect of the services provided to you with third parties (including Associates) and that our fees, unless otherwise agreed, shall not be abated thereby. The amount or basis of any fee, commission or other benefit received by us from such a third party or paid by us to such a third party in connection with a transaction with or for you, and the amount or basis of any charges shared with a third party will be disclosed to you to the extent required by the FCA Rules, and such disclosure may be in summary form only. Further details are available on request.

We will ordinarily act as your agent and you will therefore be bound by our actions under this Agreement. The provision of services under this Agreement shall not give rise to any fiduciary or equitable duties which would oblige us to accept responsibilities more onerous than set out in this Agreement, or which would prevent or hinder us in effecting transactions for you.

We may, in future, in providing services under this Agreement, enter into arrangements in accordance with the FCA Rules for the receipt of goods or services that relate to the execution of trades or the provision of research, and we shall amend our Execution Policy as appropriate and notify you of this, as soon as it becomes relevant. We will provide updated information on an annual basis in accordance with the FCA Rules.

#### 8.1.11 DATA PROTECTION AND CONFIDENTIALITY OF INFORMATION

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) managing the account.

The information we hold about you is confidential and will not be used for any purpose other than in connection with the provision of the services. Information of a confidential nature will be treated as such provided that such information is not already in the public domain. We will only disclose your information to third parties in the following circumstances:

- where required by law or if requested by any regulatory authority or exchange having control or jurisdiction over us (or any respective Associate);
- to investigate or prevent fraud or other illegal activity;
- in connection with the provision of services to you by us;
- for purposes ancillary to the provision of the services or the administration of your account, including, without limitation, for the purposes of credit enquiries or assessments or the verification of your identity and/or any other actions or enquiries we may be obliged to undertake pursuant to our obligations under applicable anti-money laundering legislation or regulations;
- if it is in the public interest to disclose such information; or
- at your request or with your consent, subject to the proviso that we may disclose your information to certain permitted third parties, such as members of our own groups and our professional advisers who are bound by confidentiality codes.

We will not sell, rent or trade your personal information to third parties for marketing purposes.

We may use, store or otherwise process personal information provided by you or us in connection with the provision of the services of the purposes of providing the services, administering your account or for purposes ancillary thereto, including, without limitation, for the purposes of credit enquiries or assessments or the verification of your identity and/or any other actions or enquiries we may be obliged to undertake pursuant to our obligations under applicable anti-money laundering legislation or regulations. In the UK, we operate, and have made all appropriate notifications in accordance with, applicable data protection legislation.

By signing or otherwise consenting to this Agreement, you agree that in appropriate circumstances we may send your information to countries outside the European Economic Area, including the United States of America. Some of these jurisdictions offer differing levels of protection of personal information, not all of which may be as high as the UK.

In accordance with data protection laws you are entitled to a copy of the information we hold about you. You should direct any such request through Tacit Investment Management. Each firm is entitled by law to charge a fee of £10 to meet its costs in providing you with details of the information we hold about you. You should let us know if you think any information, we hold about you is inaccurate, and we will correct it.

#### 8.1.12 COMPLAINTS AND INVESTOR COMPENSATION

All complaints should be directed in the first instance to Tacit Investment Management

We will endeavour to resolve your complaint as quickly as possible, but in any event, will acknowledge receipt of your letter within five business days. The acknowledgement will include a full copy of our internal complaints handling procedure. Upon resolution of your complaint, we will send you a final response letter, which sets out the nature of that resolution and any applicable remedy. If for any reason you are dissatisfied with our final response, you may be entitled to refer your complaint to the Financial Ombudsman Service. A leaflet detailing the procedure will be provided in our final response.

We are covered by the UK Financial Services Compensation Scheme. Compensation may be available from that scheme if we cannot meet our obligations to you. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £50,000 plus any cash on deposit you have will be protected up to the £85,000 per person per firm limit. Further information about compensation arrangements is available from the Financial Services Compensation Scheme. ([www.fscs.org.uk](http://www.fscs.org.uk))

#### 8.1.13 NOTICES

We will send any notices that we are required to send to you to Tacit Investment Management as your agent for onward transmission.

You should send any notices for us to Tacit Investment Management marked for attention of Rexion Securities.

#### 8.1.14 TERMINATION

Either party may terminate this Agreement at any time by giving the other notice in writing which will be effective immediately.

Tacit Investment Management acting as your agent may also terminate this agreement on your behalf. We will accept their instructions as if made by you.

Any termination is subject to the settlement of any outstanding transactions and the payment of any charges and other amounts due.

Termination of this Agreement automatically terminates any custody arrangements currently in place between us. Any securities held in custody will either be re-registered in your name or transferred to another custodian on your instruction.

In the case of a sole account holder, this Agreement will terminate automatically if we are notified of death.

In the case of a company, this Agreement will terminate automatically if we are notified of:

- the calling of a meeting to consider a resolution for winding up the company;
- the presentation of a petition for winding up the company;
- the making of, or any proposals for the making of, a composition or arrangement with any one or more of your creditors;
- an application for the appointment of an administrator or trustee in bankruptcy;
- the appointment of a receiver (whether an administrative receiver or a receiver appointed over particular property).

Upon termination, you must notify us of an alternate custodian details to whom your assets will be transferred, otherwise we may sell your assets and forward the proceeds minus any fees due to us to you the account detail we hold for you. You agree that you remain responsible for ensuring that any fees or costs Associated with termination may be deducted from your account or paid to us before this Agreement is terminated.

##### 8.1.14.1 DORMANT ACCOUNTS

Where you have not traded on an account for a period exceeding 12 months and we are not holding investments or cash on your behalf, we reserve the right to suspend or close your account without prior notification.

We may realise the full cash value of the securities held in your account and then treat that money in accordance with the prevailing FCA rules at the time provided that:

- there has been not movement on your account for 12 years (other than any payment or receipt of charges, interest or similar items);
- we have exhausted all reasonable attempts to contact you at your last known address, notifying you of our intention to no longer treat the balance as client money and giving you 28 days to make a claim;
- we will retain records of all balances released from Client Bank Accounts and undertake to make good any valid claims against any released balances.

#### 8.1.15 DELEGATION, APPOINTMENT OF AGENTS AND ASSIGNMENT

We may delegate any function or service (including custody under section 2) that we are required to provide under this Agreement to a third party, including our Associates and may provide information about you for this purpose. Any such delegation will not affect our liability to you or our obligation to provide any services under this Agreement. Separate liability provisions apply in relations to Sub-Custodians as set out at section 2. We will not be required to provide you with any notice of any arrangements that we may make to delegate any function but will not without your written consent delegate the whole or substantially the whole of our investment discretion.

We may employ agents including Associates to perform any administrative dealing or ancillary services to enable us to perform our services under this Agreement. We will act in good faith and with reasonable skill and care in the selection use and monitoring of agents.

We may assign any part of our rights or obligations under this Agreement to any of our Associates without your consent. However, should we do so, we will provide you with written notice of any assignment. You agree that you will enter into any documentation that we may require you to enter into in order to facilitate such an assignment.

You may not assign or transfer any rights or obligations under this Agreement without our prior consent.

##### 8.1.16 AMENDMENT

We reserve the right to amend the Terms at any time; upon giving 10 business days' notice in advance or earlier if giving such notice is in our reasonable opinion impracticable. You are deemed to have consented to any alteration that may be effected to these terms and conditions if we do not receive notification otherwise from you, in writing, before the time specified for the changes to come into effect.

##### 8.1.17 GENERAL TERMS OF SERVICE

Our obligations to you shall be limited to those set out in this Agreement and in particular we will not owe you any wider duties of a fiduciary nature.

If any provision or term of this Agreement is declared to be illegal, invalid or unenforceable for any reason, that term or provision shall be treated as though it had never been part of this Agreement and will be ineffective without prejudice to the remainder of the term or any other term or provision thereof. Any deletion shall be considered not to materially affect this Agreement.

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.

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

This Agreement shall be governed by English law and you hereby irrevocably submit to the non-exclusive jurisdiction of the courts of England.

We may, as part of our services to you, offer Capital Gains Tax ("CGT") and/or other tax computations or information. Such computations and/or information will be provided in good faith, but we do not give any representation or guarantee as to their accuracy or completeness. We accordingly do not accept responsibility for the consequences of any action(s) that you may take in reliance on it and we expect that you will seek independent expert advice as appropriate to your requirements in this area.

In the provision of the services provided for under this Agreement we may utilise or open accounts with brokers, dealers and other counterparties at our discretion and execute transactions ourselves through accounts established for such purposes. Provided we have discharged our regulatory obligations in the appointment and monitoring of such brokers, dealers and counterparties, we shall have no liability for any loss arising from their failure or default.

#### 8.1.18 INSTRUCTIONS AND COMMUNICATIONS

We will accept instructions, including dealing instructions, only through Tacit Investment Management as your appointed agent.

We may at our discretion accept limit orders from you. We will use our reasonable endeavours to execute such orders; however, we do not guarantee that they will be executed even if the relevant price is met.

You agree to accept partial completion of orders. We accept no liability for the non-completion of or delay in completing orders where this has been caused by systems failure, market closure or other exceptional circumstances. If an order is not immediately executed, you hereby instruct us not to make that order public.

#### 8.1.19 JOINT ACCOUNTS

Unless separate arrangements are put in place at the outset, we will assume that, where you have entered into this Agreement jointly with another person or other persons, you (the joint account holders) will hold any assets in your account as joint tenants, and accordingly, the assets therein will be owned jointly by all of you without any distinction between you as regards ownership of specific assets or proportion thereof. We shall be entitled to hold you jointly and severally liable for any debt or charge arising out of this Agreement and on the death of one of joint tenants, ownership of any assets in the account will pass to the survivor(s).

This Agreement will remain in force notwithstanding the death or other incapacity of any one or all of you until we confirm in writing that we have received either:

- written notice from your personal representative(s) of the death or legal incapacity of all of you; or
- notice of termination from any one of you.
- Notice issued by us will be effective in relation to each of you if served on any one of you.

#### 8.1.20 TRUSTEES

Where you are acting as trustees you will be exclusively responsible for compliance with the Trustee Act 2000 as amended from time to time ("the Act").

## 9 ADDITIONAL TERMS FOR ISAS

The following terms and conditions apply to the TIML Ltd (trading as Tacit Investment Management) ISA Account (the "Plan"). The Plan will be categorised as a Stocks and Shares ISA under HM Treasury's ISA Regulations (the "Treasury Regulations") which means it offers a stocks and shares component only. The Plan will not be managed in accordance with the Charges Access Terms ("CAT") standards published by HM Treasury. All applications must be made in writing in the relevant section of the Custody Agreement. TIML Ltd (t/a Tacit Investment Management) is approved by HM Revenue & Customs ("HMRC") to act as manager of the Plan ("Plan Manager") Ref Z2010.

Your Plan will terminate automatically and at once if the Plan becomes void under the Treasury Regulations.

### 9.1 ISA GENERAL TERMS

You agree that completion and submission of an application for a Plan constitutes acceptance of this Agreement, which will take effect upon acceptance by us of your application.

In accordance with the Treasury Regulations:

- the Plan Investments will be in your beneficial ownership;
- title in the Plan Investments will be vested in the name of Rexigon Securities nominee company owned, or will be held to their order; and
- the certificate evidencing title to each Plan Investment will be held by Rexigon Securities or to their order.

You authorise us to reclaim from HMRC all tax deductions and refunds to which you are entitled in relation to the Plan.

### 9.2 ISA TRANSFERS, CANCELLATION AND WITHDRAWALS

Your attention is drawn to your cancellation rights.

Where we receive a valid instruction to transfer the Plan to another ISA manager any amount which you have subscribed to a Plan in the same tax year as that in which the transfer is to be effective, the instruction shall (regardless of the amount or value which we are instructed to transfer) be taken to extend to the entire subscription (and neither less nor more) of such Plan, as re-valued at the transfer date.

On receipt of your written instructions we will (subject to this Agreement and within such times as shall be agreed) transfer all or part of your ISA, with all rights and obligations of the parties to it, to another ISA manager.

### 9.3 AVOIDING LOSS OF ISA BENEFITS

In the event that compliance with your instructions reduces or extinguishes, or would or might, if carried out, reduce or extinguish any benefits of the Plan, we accept no responsibility for such reduction or extinction if we act in accordance with your instructions. However, we reserve the right not to comply with any instructions which we reasonably believe may lead to such a reduction, and it is further agreed that we may take such action as we consider necessary to avoid or minimise such loss but shall have no liability for failing so to act. In any case where it is our reasonable opinion that you wish your instructions to be carried

out regardless of any possible adverse taxation or other consequences, we will carry out the instructions and not take mitigating action on our own initiative, and you accept the possible consequences of benefits being lost, the Plan being rendered void and/or the retrospective withdrawal of previous benefits.

#### 9.3.1.1 REPAIR OF ISAS

In certain cases of breach of the Treasury Regulations in relation to investment rules or governing subscription to a disallowed combination of ISAs, HMRC may allow the position to be rectified and the ISA to be continued, subject to a penalty or to some action being taken in relation to the ISA. HMRC may impose a time limit for such action to be taken. You agree that, in the absence of alternative instructions from you, we are to seek to maintain HMRC status of the ISA and to take such action and to meet such penalty on your behalf as is required by HMRC to effect the repair of the ISA. Provided that we act in good faith, we shall not be liable for any loss or tax liability incurred by our taking or not taking action in these circumstances, nor if HMRC status of your ISA is nevertheless lost.

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