

October 2018

## **Retail Client Terms of Business ("Agreement")**

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Canaccord Genuity Limited ("CGL") authorised and regulated by the Financial Conduct Authority ("FCA"), which has its principal place of business at 25, The North Colonnade, London, E14 5HS. Our registered office is: 88 Wood Street, London EC2V 7QR and our FCA registration number is 182011. As such we are subject to the FCA Rules in our dealings with you.

This Agreement sets out the terms on which we will provide execution only investment services and, if applicable, custody services, to you. This Agreement shall be effective from the date of receipt unless you have previously received any terms of business from us, in which case these terms will replace the earlier terms with effect from thirty Business Days from the date of receipt.

**This Agreement contains legally binding terms of business and so it is important that you read it carefully. If there is anything in this Agreement that you do not understand please contact us as soon as possible.**

**PLEASE NOTE THAT IF YOU PLACE ANY ORDERS WITH US, OR OTHERWISE ENGAGE OUR SERVICES, YOU WILL BE DEEMED TO HAVE ACCEPTED OUR TERMS**

Capitalised terms used in this Agreement are defined at paragraph 36.

Capitalised words and phrases used in this Agreement have, unless the context requires otherwise, their meanings set out in the 'Definitions' section at the end of this Agreement. For the purpose of this Agreement, references to "we", "our", or "us" refer to CGL and references to "you" or "your" refer to you unless otherwise stated.

## 1. Our dealing relationship

- 1.1 For the purposes of the FCA Rules we have classified you as a Retail Client.
- 1.2 Pursuant to the FCA Rules, you may request a different categorisation, which will result in the loss of certain regulatory protections. We are not obliged to accept any such request, however where we do so, we will provide you with a written notice of the protections lost.
- 1.3 Please note that whenever we deal with or for you it will be on the basis that only you are our client under this Agreement and that even if you are acting as an agent and have identified your client to us, that client will not be our client for the purposes of the FCA Rules.
- 1.4 This Agreement and all information, statements and notifications will be in English and we will communicate with you, and you agree to communicate with us, in English.

## 2. Our services

- 2.1. We will deal with or for you on an execution only basis covered at paragraph 2.4 in the following investments:
  - (a) shares in British and foreign companies;
  - (b) debenture stock, loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments including government, public agency, municipal and corporate issues;
  - (c) warrants subscribing for investments falling within (a) or (b) above;
  - (d) depository receipts relating to investments falling within (a) or (b) above;
  - (e) investments which are similar or related to any of the foregoing.

We may also provide such other services as may be agreed between us in writing from time to time.

Any investment involves a degree of risk and some investments are more risky than others. Before making any investment decision you must ensure that you understand the risks of making such an investment. Please see Exhibit A attached to this Agreement for a non-exhaustive summary of the risks inherent in investing in certain financial instruments and in certain markets.

- 2.2. All transactions will be subject to the rules and customs of the Trading Venue or market and/or any clearing house through which the transactions are executed and to all Applicable Law, including the City Code on Take-overs and Mergers, (collectively "Applicable Regulations") so that:
  - (a) if there is any conflict between the provisions of this Agreement and any Applicable Regulations, the Applicable Regulations will prevail;
  - (b) we may take or omit to take any action we consider fit in order to ensure compliance with Applicable Regulations; and
  - (c) all Applicable Regulations and whatever we do or do not do in order to comply with them will be binding on you.
- 2.3. Our service under this Agreement is on an execution only basis. This means that we execute transactions in investments for you in accordance with your specific instructions, and we do not give advice on the merits of the transaction and where you are wholly responsible for all investment decisions you make with regard to selling, buying or holding investments.
- 2.4. In dealing with you, we may act either as a principal or as an agent either for you or for any third party. The basis on which we act in respect of any particular transaction will be specified in the contract note or ETC relating to such transaction. In the absence of any other specific agreement, we may in our discretion decide whether to act exclusively as a principal or exclusively as an agent, or partly as a principal and partly as an agent. The use of terms "commission", "charge" or similar expressions in a contract note or confirmation will not imply an agency relationship.
- 2.5. You agree that we may execute an order on your behalf outside a Trading Venue, through a Systematic Internaliser (as defined by the FCA).

### **3. Instructions**

- 3.1. We shall be entitled to rely on and treat as binding any instructions which we reasonably believe to be from you or from your agent(s), whether received by telephone, electronically, which we have accepted in good faith. If we need clarification in relation to any instructions or if we fail to receive the instructions during normal business hours or in reasonably sufficient time for us to act upon them, you acknowledge that there may be a reasonable delay in us acting on your instructions. We shall not be required to do anything or refrain from doing anything which would in our opinion infringe any Applicable Law to which we are subject. We may do whatever we consider necessary to comply with Applicable Law.
- 3.2. You may ask us to sell or (provided you have sufficient funds available) purchase any particular investment. We may, in our reasonable discretion, refuse to accept your instructions. Where we do so, we will provide you with notice in writing of such refusal. If we accept your instructions we shall use reasonable endeavours to effect them, but shall be under no liability for any loss or expense incurred by reason of our reasonable delay or any change in market conditions before the particular transaction can be effected or other rights can be exercised. We may postpone execution of an order if we believe on reasonable grounds that it is in your best interests to do so.
- 3.3. We will inform you of any material difficulty relevant to the proper carrying out of your orders promptly on becoming aware of any such difficulty.
- 3.4. Any instructions or other communications given to us by you or on your behalf in respect of safe custody investments shall be given in writing or by facsimile or by telephone (or by other agreed electronic medium) by you or any person you have granted a valid power of attorney to. We may rely on and act on

any instruction or communication which we reasonably believe has been given in accordance with this paragraph 3.3.

- 3.5. Any instructions or communications received by us which relate to investments held by a Sub-Custodian shall be communicated by us to the relevant sub-custodian.
- 3.6. We shall act in accordance with authorised instructions received by us from you unless such instructions are not received in reasonable time for the required action to be taken, or we or the relevant sub-custodian (as the case may be) have been advised that compliance may not be practicable or might involve a contravention of Applicable Law and, in our reasonable opinion, be unreasonable in the circumstances.
- 3.7. You may give us instructions to automatically buy or sell shares in the market when a stock reaches a price pre-determined by you (a "Limit Order"). In the case of a Limit Order to sell, your order will be executed if the price obtainable in the market is equal to or higher than the price you have set. In the case of a Limit Order to buy, your order will be executed if the price obtainable in the market is equal to or lower than the price you have set. You are responsible for cancelling any Limit Order instructions set on stocks that you wish to withdraw.
- 3.8. In entering into this Agreement, you instruct us not to immediately make public any unexecuted Limit Orders.

## **4. Appropriateness**

- 4.1. We will only execute a transaction for you in respect of non-complex products (as that term is described in the FCA Rules) on an execution only basis and, consequently, we are not required to assess the suitability or appropriateness of the investment and therefore you do not benefit from the protection of the FCA Rules on assessing suitability and appropriateness. Therefore we do not assess whether:
  - (a) the relevant product meets your investment objectives;
  - (b) you would be able to financially bear the risk of any loss that the product may cause; or
  - (c) you have the necessary knowledge and experience to understand the risks involved.

## **5. Our charges**

- 5.1. Our charges shall be as agreed between us. You will also pay any applicable value added tax, stamp duty and other similar costs.
- 5.2. Any charges due to us and any other transaction costs shall be paid by you as stated in the relevant contract note and may be set off against any payment due from us to you. Details of any such charge or cost will be set out on the relevant contract note or confirmation, and we can provide you with further details on request.
- 5.3. Where any part of the total costs and charges is to be paid in, or represents, an amount of foreign currency, we will provide you with an indication of the currency involved, applicable conversion rates and costs, and the arrangements for payment.
- 5.4. You recognise that we may effect business on your instructions in countries where it is standard practice to levy fines, pay interest penalties or pay damages where settlement is delayed for any reason. You agree that the cost of any such fines, interest, penalties and/or damages resulting from actions or absence of actions taken by you will be paid by you.
- 5.5. We may share our charges with any connected company, including a holding company or sister company, without disclosing that fact to you. Further details of this are available from us on request.

- 5.6. You agree, as a retail client, that we may in certain circumstances provide you with more limited information on costs and charges than, were it not for this agreement, would otherwise be required under Applicable Law. Specifically, you agree that we will not provide you with information on the following, unless specifically requested:
- the illustration showing the cumulative effect of costs on return (where applicable); and
  - an indication of the currency involved and the applicable conversion rates and costs where any part of the total costs and charges is expressed in a foreign currency.
- 5.7. Our ex-ante Costs & Charges information Document (and any amendments thereto) will be displayed at <http://www.canaccordgenuity.com/en/cm/SiteInformation/Disclaimer/UK-Disclosures>

## **6. Accounting for transactions**

- 6.1. We will promptly, following execution of an order for you, provide you with the essential information concerning the execution of that order in a durable medium.
- 6.2. We will account to you for any transaction we have executed for you by way of a notice confirming execution of the order in the form of a contract note or ETC.
- 6.3. If you have a preferred method of confirmation, please tell us and in the absence of your specific instructions, we will account to you by using a contract note.
- 6.4. We will provide confirmations no later than the first business day following execution of the order. On request, and in addition to the above, we will provide you with information about the status of your order.
- 6.5. Contract notes or ETCs shall, in the absence of manifest error, be conclusive and deemed acknowledged by you as correct (even if we request but do not receive specific acknowledgement or acceptance) unless we receive from you written notice to the contrary within ten Business Days of receipt by you of the contract note or ETC, or we notify you of an error.
- 6.6. Where we execute a series of transactions over a period of days to achieve one order, all of the transactions shall be treated as executed at the time of the last transaction and you will receive one contract note or ETC.
- 6.7. The venue where the transaction has been executed will be disclosed on the contract note or ETC.

## **7. Aggregation**

- 7.1. We may aggregate your order with our own orders, orders of persons connected with us and orders of other clients. We will only aggregate your order with our own orders and those of persons connected with us where you will receive a more favourable price. We will only aggregate your orders with those of other clients (not connected with us) if it is likely that overall it will work to the advantage of the clients concerned. However, for some, it may work to their disadvantage.

## **8. Settlement**

- 8.1. In the course of settling transactions with or for you we may, in certain circumstances, receive or hold money or assets belonging to you. We will normally settle transactions on a Delivery Versus Payment basis and in entering into this Agreement; you agree that we may at our discretion use the Delivery Versus Payment exemption as permitted by the FCA CASS Rules. The Delivery Versus Payment exemption essentially allows us to disapply the FCA CASS Rules relating to your money or assets for a short period of

time when settling your transaction within a Commercial Settlement System, subject always to Applicable Law.

- 8.2. You agree that you will settle your transactions on a prompt basis in accordance with applicable market requirements and that settlement instructions will be supplied to us no later than the day on which a trade is executed. You should note that failure to provide such information on time could result in settlement difficulties which could incur additional costs and we therefore reserve the right to pass such additional costs to you.
- 8.3. Transactions effected on your behalf, with the exception of new issues and placings, will generate contract notes or ETCs showing amounts due to you or from you on the given settlement date. Settlement will take place automatically after a fixed number of Business Days from the date of the trade. We may, however, agree special arrangements for settlement with you. In every case you are obliged to make available cleared funds to settle purchases on or before the due date and, in the case of sales, make delivery of the relevant certificates and signed transfer forms which (unless already in our possession) must be delivered at least one Business Day prior to the due date.
- 8.4. All transactions are undertaken with the object of actual settlement. We are not obliged to settle transactions or accounts with you unless and until we have received all necessary documents or money. You should note that, for overseas securities, there may be different settlement, legal and regulatory practices from the UK, and different practices for the separate identification of your investments where we arrange for these to be held overseas.
- 8.5. If you do not pay any amount or deliver stock when it is due or we settle the trade on the market for you out of other funds, we reserve the right to make a charge representing interest from time to time as set out in paragraph 15.1(b).

## **9. Best execution**

- 9.1. We will execute your orders in accordance with our Order Execution Policy, a copy of which has been provided to you and you confirm that you have read and agree to our Order Execution Policy. We will consider the continued placement of orders by you to constitute your continued consent to our Order Execution Policy as in effect from time to time. We may amend our Order Execution Policy from time to time by giving you not less than thirty days' written notice unless otherwise required in order to comply with any Applicable Law, rules or regulations. The Order Execution Policy must be read in conjunction with this Agreement and forms part of it.

## **10. Trade and transaction reporting**

- 10.1. We may be obliged to make information about certain trades' public. You agree and acknowledge that any and all proprietary rights in such transaction information are owned by us and you waive any duty of confidentiality attaching to the information which we reasonably disclose.
- 10.2. We acknowledge that on any day when we execute a transaction reportable under Article 20 of MiFIR, that we will only execute such transactions on or through an EEA trading venue, or an exchange or platform which has been assessed as equivalent for the purpose of compliance with the reporting obligation under Article 20, or an SI who will assume reporting obligations. All reportable instruments will be either traded on or reported to a venue and not on an OTC basis between us, unless specified at the time of trading.
- 10.3. We will not offer any form of Transaction Reporting service, nor can we be relied upon to Transaction Report any trades on your behalf. We will report all trades executed between us under our own obligations, to the approved authority. We operate solely in a Principal/Riskless Principal capacity and such transactions will be reported as DEAL trades by us. For the clarification of the reporting trades, it is noted that any Electronic NoE or order progress received from us is purely for information purposes and the order remains with us until the actual contracted booking of the trade.

- 10.4. You will not take any action, or fail to take any action in circumstances where taking such action or failing to take such action would amount to market abuse.

## **11. Material interests, conflicts of interest, Information Barriers and dual agency**

11.1. **Policy of independence:** We operate a policy of independence which requires our employees to act in your best interests and to disregard any conflicts of interest in providing our services to you. We are obliged by Applicable Law to prevent or manage conflicts of interest. However, you should be aware that we may:

- (a) enter into a transaction with you or for you, where we are in some way interested in the transaction or investment concerned;
- (b) suggest that you to use the services of a third party in which we hold an interest. (In this case, your agreement or arrangement with the third party may not be subject to these terms but may be subject to the terms upon which the third party carries on business);
- (c) arrange for your transactions to be executed, in whole or in part, through an affiliate or agent;
- (d) not be liable to account to you for any benefit, commission or remuneration which we receive from a third party as a result of any of your transactions, unless we are required to do so by any Applicable Law;
- (e) make a market in securities which you buy or sell under these terms;
- (f) have other interests which conflict with your interests and owe duties to others which conflict with the duties which would otherwise be owed to you; and you consent to our acting in the manner we consider appropriate.

11.2. **Possible conflicts of interest:** Without limiting the nature of these interests, such examples include where we or an affiliate or agent:

- (a) deal in the investment, a related investment or an asset underlying the investment, as principal for our own account or that of someone else. This could include selling to you or buying from you and also dealing with or using the services of an intermediate broker or other agent who may be an affiliate. Such dealing could include entering into hedging activities in connection with any structured or complex transaction with you, or anyone else, at any time, including, where applicable, prior to the time of fixing any strike or settlement price under transactions;
- (b) match your transaction with that of another client by acting on its behalf as well as yours;
- (c) buy from you and sell immediately to another client, or vice versa;
- (d) hold a position (including a short position) in the investment concerned, a related investment or an asset underlying the investment;
- (e) quote prices to the market in the investment, a related investment or asset underlying the investment;
- (f) are involved as an underwriter or in some other capacity in a takeover, a new issue or another transaction involving the investment, a related investment or the issuer; or
- (g) are advising and providing other services to affiliates or other clients which may have interests in investments or underlying assets which conflict with your own.

Where we conduct any of the activities outlined above, we will manage these conflicts in accordance with Applicable Law. We will disclose to you only where our internal organisational and administrative arrangements are not sufficient to ensure, with reasonable confidence, that risks of damage to your interests will be prevented. Disclosure will, however, be a measure of last resort in accordance with our Conflicts Policy.

- 11.3. **Information Barriers:** We maintain arrangements which restrict access by our employees to information relating to areas of our business (and that of affiliates) with which, and the affairs of clients with whom, they are not directly concerned. Accordingly:
- (a) we will provide services to you from time to time under these terms on the basis of the information known to the particular employees who are at the time handling your affairs;
  - (b) we will not be required to have regard to or disclose to you or make use of any information known to those employees, or to any of our other employees, agents or affiliates, which belongs to or is confidential to another client, or to us or any agent or affiliate, or which is not known to those employees; and
  - (c) in exceptional circumstances, we may be unable to deal with you in relation to particular investments and be unable to disclose the reason for this.
- 11.4. In providing our services under this Agreement, we will not be subject to any fiduciary or equitable duties which would prevent us or persons connected with us from acting in a dual capacity or oblige us to accept responsibilities more extensive than those set out in this Agreement.
- 11.5. If we arrange for any transaction to be effected with, or through the agency of ourselves, we will not be liable to account to you for, or to disclose to you, any profit or charges or other remuneration we make or receive from or by reason of the transaction or any connected transaction. However, we will disclose to you any charges which are payable to us by you.
- 11.6. We may, in our reasonable discretion, and without prior disclosure to you, arrange for any transaction to be effected in whole or in part by the sale to, or the purchase from, you of the relevant investments by another customer of ours. If we do so, we may charge, or otherwise take remuneration from, both customers, and retain the charges or other remuneration.
- 11.7. Nothing in this paragraph 11 creates any legal rights against us.
- 11.8. You have been provided with a summary of our conflicts policy. Further information on this policy is available on request.

## **12. Your money**

- 12.1. We will normally settle transactions on a Delivery Versus Payment basis and when we do this any money received by us will not usually be eligible to be treated as client money under the FCA CASS Rules and will therefore not usually be eligible to be segregated from our own accounts.
- 12.2. If any money held on your behalf qualifies as client money for the purposes of the FCA CASS Rules, we, and any third party who we authorise to hold your money, will deal with your money in accordance with those rules and hold it in a segregated bank account, alongside the money of our other clients.
- 12.3. You agree that we will not pay you any interest on any client money held by us.
- 12.4. When considering which third party bank to use to hold client money, we will exercise all due skill, care and diligence and will periodically (at least annually) review the adequacy and appropriateness of any bank where your money is deposited and of the arrangements for holding your money, in accordance with the FCA CASS Rules. We will not be responsible for any acts, omissions or default of the third party bank.
- 12.5. If necessary, we may also allow another institution (either in the UK or in a jurisdiction outside the UK) such as an exchange, clearing house, overseas settlement agent or other intermediate broker to hold or control your money, but only if we transfer your money for the purpose of a transaction through or with that person or to meet any obligation that you may have to provide collateral for a transaction. If we do this, we will endeavour to ensure your money is held as client money under the FCA CASS Rules or an equivalent regulatory regime.

- 12.6. In the event of our failure (for example due to insolvency), any money held in a client money account by third parties will be segregated from our other assets and will not be available to our creditors. However, in the event of failure (for example due to the insolvency) of a third party, there may be a number of consequences for your money. These are detailed further below:
- (a) **Pooled account:** because your client money will be held with other customers' money in a pooled client money account, **in the event that the third party bank holding the money defaults and there is a shortfall, you will share proportionately in that shortfall with other creditors of the bank where your client money is deposited;**
  - (b) **Non-UK bank accounts:** You should be aware that, where your money is required to be held in a bank located in a jurisdiction outside the UK, the legal and regulatory regimes (including any protections that may be afforded by those regimes) may be different to those available in the UK. We take reasonable care in the selection, appointment and periodic review of any such bank. However, in the event of their failure, your rights and obligations may differ and your money could be less secure and treated differently than if the money were held in a client bank account in the UK.
- 12.7. Please inform us if there is any country in which you do not want us to hold any of your money which qualifies as client money. If you do so, you should be aware that we may not be able to deal for you in investments issued by companies or other issuers dealt on exchanges or markets located in that country.
- 12.8. **Unclaimed money:** You consent to us releasing the balance of any unclaimed client money which we hold on your behalf from our client money bank account and paying the balance to a registered charity of our choice, in which case we will no longer treat it as client money, where:
- (a) we have been unable to trace you, after taking reasonable steps to contact you as required by the FCA CASS Rules, where we will attempt to contact you at your last known address and will give you at least 28 days from the date of our notification to you of our intention to cease to treat the balance as client money to make a claim; and
  - (b) where the balance on the account is £25 or more and there has been no movement on your balance for at least 6 years (except for our periodic charges or debit or credit interest).

Where we do this, however, we undertake to make good any valid claim made by you or on your behalf against any balances we treat in this way where you have provided evidence to support your claim.

Where the balance is under £25 and we have taken the steps required by the FCA CASS Rules to contact you, we may stop treating the balance as client money and donate it to a registered charity of our choice but we will not make good any claim by you against the balance.

## 13. Custody of your investments

**(This section is only applicable where you have informed us that you wish to use us as your custodian)**

- 13.1. We will normally settle transactions on a Delivery Versus Payment basis and when we do this any investments received by us will not usually be eligible to be treated as client assets under the FCA CASS Rules and will therefore not usually be eligible to be segregated from our own accounts.
- 13.2. Acceptance of these terms provides authority for us to hold your investments in safe custody, to transfer securities from your account to meet sales effected for your account, to accept offers, or undertake other matters in relation to your investments covered by this Agreement.

### Instructions

- 13.3. All instructions regarding the administration of investments in your portfolio held by us on your behalf should be made in writing, to us. We do not accept from, or send instructions to third parties, unless a valid power of attorney has been established for this purpose.

### Corporate actions

- 13.4. We will be responsible for:
- (a) claiming and receiving dividends, interest payments and other entitlements accruing;
  - (b) exercising conversion and subscription rights;
  - (c) dealing with takeovers or other offers or capital reorganisations; and
  - (d) exercising voting rights.
- 13.5. We will endeavour to obtain your instructions in respect of paragraph 13.4. above but, if we are unable to obtain your instructions we may, without incurring any liability, use our judgement and act as we think fit in your best interests.

#### Registration

- 13.6. UK registered securities which we are holding for you will be held in either their physical form, or in uncertificated form in CREST and if so, will be registered in the name of a client nominee company maintained by us or an Affiliate of ours, with you as beneficial owner in accordance with the FCA CASS Rules.
- 13.7. Should you instruct us in writing that investments purchased through us be registered in the name of some other person (which must not be an Affiliate of ours) whom you specify, the consequences of registration carried out in accordance with your instructions, are entirely at your own risk.
- 13.8. **Sub-Custodians:** In some situations, it may be necessary for us to act through, and hold your investments with, a Sub-Custodian, and you hereby authorise us to appoint any such Sub-Custodian(s) from time to time in connection with the performance of our duties under this Agreement. We will exercise due skill, care and diligence in the selection, appointment and periodic review of any Sub-Custodian as required under the FCA CASS Rules. We shall not be responsible for any acts, omissions or default of any Sub-Custodian unless and only to the extent they result directly from our own negligence, fraud or wilful default in their selection, appointment and periodic review.
- 13.9. **Overseas investments:** If you invest in overseas (non-UK) investments:
- (a) your overseas investments may be registered or recorded in the name of a custodian or in our name in one or more jurisdictions outside the UK, but before your assets are held in this way, we will have taken reasonable steps to determine that we reasonably believe it to be in your best interests to do so, or that it is not practical to do otherwise because of the nature of the Applicable Law and market practice. We will endeavour to ensure that such investments will not be held with any third party in another country which does not regulate the safekeeping of financial instruments unless the nature of the financial instrument requires it. However, assets held overseas may be subject to different settlement, legal and regulatory requirements than those that apply in the UK.
  - (b) Where your investments are held in this manner, they may not be segregated from investments belonging to us and therefore, your protection may be less should a default occur on the part of the person in whose name the investments belonging to you are so recorded.
- 13.10. You acknowledge that Sub-Custodians and other third parties (such as central counterparties, settlement agents and securities depositories), who are located in a jurisdiction outside the EEA, may take a lien over investments held by them and/or that they may be entitled to other security rights over investments or money, including rights of set-off, retention or sale. Where we are required to enter into any such arrangement, we will disclose this information to you.
- 13.11. Investments registered or recorded in the name of a client nominee company, custodian or Sub-Custodian (as outlined above) may be pooled with those of one or more of our other clients. Accordingly, your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register. In the event of a shortfall following any default of the custodian responsible for pooled investments, you may not receive your full entitlement and may share in that

shortfall pro-rata. A further effect of pooling can be that following an allocation or share issue that favours the small investor, your allocation may be less than it otherwise would have been, had your investments been registered in your own name.

- 13.12. As the investments forming your portfolio are held on a pooled basis, additional amounts may arise that would not otherwise have occurred had such investments been registered in your own name (for example, following certain corporate actions). Consequently, you are not entitled to these additional amounts. We allocate such shares to an account which we administer and may use them to offset against any debits arising on dividends or other corporate events.
- 13.13. Some companies provide benefits to shareholders relating to the nature of their business. These benefits will not necessarily be available to you automatically, as your stock will be registered in the name of a nominee company. Should you wish to receive these additional benefits, you should make the necessary arrangements with your broker.
- 13.14. We use a wide range of custodians globally to hold the investments in your portfolio. You should be aware that we may use another company in the Canaccord Financial Inc. group of companies to which we belong as a custodian.
- 13.15. Please note that where your bearer investments are not held by us, but by a third party. Such third party will be a custodian in accordance with the rules of the FCA. We do not accept responsibility, in the absence of our own fraud, negligence or wilful default, for the safe custody obligations of any third party, but prudence will be exercised in the selection of such agents.

#### **Fees and charges**

- 13.16. Any fees or costs payable by you in relation to the safe custody service will be notified to you in accordance with the provisions set out under “Our Charges” above.

#### **Unclaimed assets**

- 13.17. If we have received no instructions in respect of your investments which we hold in safe custody for a period of at least twelve years (notwithstanding any receipts of dividends or similar items), and we have been unable to contact you having taken reasonable steps in accordance with the FCA CASS Rules to trace you and return such investments, (which will include us attempting to contact you at your last known address and giving you at least 28 days from the date of our notification to you of our intention to cease to treat the balance as client money to make a claim) we may decide to (i) liquidate any such investments at market value and pay away the proceeds or (ii) pay away any such investments, in either case to a registered charity of our choice.
- 13.18. We will unconditionally undertake to pay you a sum equal to the value of the relevant custody assets at the time they were liquidated or paid away in the event you seek to claim the custody assets.

#### **Use of third party custodian**

- 13.19. If we do not provide a safe custody service in relation to your investments which are the subject of our dealing services, you shall comply with the following provisions, or notify your Outside Custodian that we execute deals in investments for you and procure that it:
- (a) complies with any instructions which we give in accordance with this Agreement;
  - (b) will, either itself and or by any person delegated by it, be responsible for settlement of all transactions undertaken by us and for resolving any queries regarding settlement, subject to it holding or receiving all necessary documents or funds or, alternatively and if we agree, will liaise with us regarding settlement if we are to settle transactions as explained in paragraph 8.1 to 8.5 above; and

- (c) if so requested, promptly arrange for the execution or production of any documents necessary to carry out any transactions effected in accordance with this Agreement.

## 14. Statements

We will provide you with a statement detailing all investments in your portfolio held on your behalf in safekeeping every twelve months. This statement will also provide details of any cash balance held for you by us as client money. The value of any stock held as collateral, as identified on the annual statement is calculated using the mid-market closing price at the close of business on the date of the valuation. Holdings are reported on a trade date basis.

## 15. Default provisions

- 15.1. If you fail to make due payment in respect of any obligation or liability owing to us including (but not limited to) interest, fees, charges, commission and expenses, we will be entitled to:
  - (a) recover from you all our costs and charges paid or otherwise incurred by reason of your failure and in obtaining or attempting to obtain payment or satisfaction from you; and
  - (b) charge interest on any outstanding sum at a rate not exceeding 4% per annum over the base rate from time to time of Barclays Bank plc (or the nearest equivalent rate in the case of currencies other than Pound Sterling). Interest shall accrue from day to day and will be payable by you 30 days after demand is made of you on overdue amounts from the due date until full settlement after as well as before judgment.
- 15.2. In the event we do not receive either cash or securities when due in respect of any transaction which we, or a third party instructed by us, are to settle or execute, or in the event of you not taking all such steps as may be necessary to secure the due and prompt execution and settlement of any such transaction, we may cancel, close out, terminate or reverse all or any contracts and sell, charge, pledge or otherwise dispose of any investment held for you, at whatever price and in whatever manner we see fit in our reasonable discretion. Should it be necessary to realise any assets as outlined above, we will give you thirty Business Days prior written notice of our intention to do so prior to taking such action.
- 15.3. We shall not be liable to you in respect of any choice made by us in selecting the investments sold. The proceeds of sale (net of costs) will be applied in or towards the discharge of your liabilities and we will account to you for any balance. In the event that such proceeds are insufficient to cover the whole of your liabilities, you will remain liable to us for the balance.
- 15.4. Where you act as agent on behalf of one or more other persons and any of the events specified in paragraph 15.1 above occurs in respect of any one such person, then we shall have the rights set out in paragraph 15.1 and 15.2 in respect of any funds, securities or other assets due or belonging to such person. For the avoidance of doubt, paragraph 15.1 and 15.2 shall not apply to the funds, securities or other assets due or belonging to any person for whom you act as agent unless any of the events specified in paragraph 15.1 has also occurred in respect of that person.

## 16. Exclusion of liability

- 16.1. Neither we, nor any employees, agents or delegates of ours shall be liable for any costs, loss, liability or expense incurred or suffered by you directly or indirectly under or in connection with this Agreement (including, without limitation, any occasioned by the insolvency or other default of any market counterparty), except to the extent such loss is due to our or our employee's negligence, breach of contract, wilful default or fraud or is due to the negligence, breach of contract, wilful default or fraud of our client nominee company or of a Canaccord Financial Inc. group company.

- 16.2. Nothing in this Agreement will exclude or restrict any obligation which we have to you under Applicable Law and any subsidiary legislation and rules made thereunder, in force from time to time. Nor will anything in this Agreement require you to indemnify or compensate us to any extent prohibited by the FCA.

## **17. Disclosure and recording of telephone calls**

- 17.1. In order to assist us in monitoring compliance with the relevant rules of conduct and to avoid misunderstandings, we may make, and keep, a recording of our telephone conversations, and / or keep a record of any electronic communications.
- 17.2. Our recordings shall be and will remain our sole property, however, a copy of the recording of such conversations and communications will be available, on request, for a period of 5 years after the date on which the record is created.
- 17.3. You will accept the recordings as conclusive evidence of orders, instructions or conversations so recorded.
- 17.4. You agree that we may deliver the recordings themselves, and / or copies of transcripts of such recordings to any court or regulatory authority.

## **18. Money laundering**

- 18.1. We are required under law and regulation to verify the identity of our customers. This means that we may request, inter alia, documentary proof of your name and address at any time during our business relationship. If you cannot satisfactorily prove your identity you may not be able to open an account with us or may have to close an existing account. We will retain this information after you close your account as required by law and regulation.
- 18.2. You agree that your bank or building society may give us details of any accounts held by you if requested in order for us to do this.
- 18.3. You consent to us carrying out, at our discretion, a credit reference check at any time before opening an account for you or buying or selling investments for you. We may refuse to open the account or to buy or sell as a result of the credit reference check.

## **19. Tax**

- 19.1. We may be required to pass information about you to tax authorities, or deduct withholding taxes from any interest or income we pay or pass on to you.

If you (or a person with whom you hold a joint account or asset) are subject to tax or reporting in another country or jurisdiction (or we have reason to believe or are required to presume that this may be the case), CGL and our of its Affiliates may be required by legislation, regulation, order or by agreement with tax authorities of that country or jurisdiction to report on an ongoing basis certain information about you and your accounts and assets and other products you hold with us on an individual or aggregated basis:

- (a) to a relevant tax authority which may then pass that information to the tax authorities where you are subject to tax; or
- (b) directly to the tax authorities in that country.

If you are not an individual, we may also have to report information about your direct and indirect shareholders or other owners or interest holders and, if you are a trust, your beneficiaries, settlors or trustees.

You confirm that you have been and are compliant with all Tax Obligations. You will inform us of any change in your circumstances that are relevant to the Tax Obligations, including any change in your address or nationality.

If we are required to report information about you, this would include (but is not limited to) information about you, your accounts and assets, for example your account number(s), the amounts of payments including interest paid or credited to the account(s), the account balance(s) or asset value(s), your name, address and country of residence and your social security number/taxpayer identification number or similar (if applicable). You may need to provide us with further information, if we ask for it, about your identity and status.

If a withholding tax under the European Savings Directive or any similar or equivalent measures applies, we will withhold tax at the applicable rate.

To the greatest extent permitted by Applicable Law, We will not be liable to you for any losses you may suffer as a result of our complying with legislation, regulations, orders or agreements with tax authorities in accordance with this condition, or if we make an incorrect determination as to whether or not you should be treated as being subject to tax or tax reporting obligations where the incorrect determination results from our reliance on incorrect information provided to us by you or any third party, unless that loss is caused by our gross negligence, wilful default of this clause or fraud.

If you ask us to make a payment to an account based at a financial institution which does not participate or comply with relevant tax legislation, regulations, orders or agreements with tax authorities we may be required, and you authorise us, to withhold certain amounts from the payment (but we will tell you if this is the case).

## **20. Confirmations, Undertakings, Representations and Warranties**

- 20.1. You confirm that any cash and/or assets held by you or transferred to us by you is beneficially owned by you, and is and shall remain free from:
- (a) any right of a third party to make claims against it;
  - (b) any and all rights of a third party to withhold or retain it (such as a lien);
  - (c) security rights over it (such as a mortgage or a charge); and
  - (d) any other third party rights to have any of the cash or assets paid or transferred to them or to prevent any transfer of such cash or assets from going ahead, or any right to be paid all or any of the proceeds of a transaction,
- so that settlement of your transaction can take place.
- 20.2. You confirm and undertake that you have and will have all necessary consents (and, if you are not an individual, powers in your constitution) and authorities to enable all transactions in investments under this Agreement to be effected.
- 20.3. Unless we agree otherwise, you agree that under no circumstances will you expect us to be responsible to any person other than yourself for the execution of any transactions and undertake that you are duly authorised to instruct us under this Agreement and in relation to all transactions under it and that you will be liable in respect of any obligations or liabilities arising under this Agreement.
- 20.4. It is of crucial importance that the information you provide to us is accurate and up to date. Accordingly, you represent that: (i) any information which you have provided to us in opening your account with us or otherwise in relation to your status, residence and domicile for taxation purposes is complete and correct, (ii) you agree to provide any further information properly required by any competent legal, regulatory, tax or other authority and (iii) you agree to update us as soon as possible of any changes to the information you have provided to us.
- 20.5. Where you are eligible for one, you represent that you have a Legal Entity Identifier (LEI) code, and that you will: (i) renew the code, (ii) maintain the code and (iii) promptly notify us of any changes to this code. . Our LEI is ZBU7V5NIMN4ILRFC23. Our Firm Name is CANACCORD GENUITY LIMITED

## 21. General

- 21.1. Our rights, remedies and powers contained in this Agreement are cumulative and not exclusive of any rights, remedies or powers provided by law. No failure to exercise or delay in exercising them shall operate as a waiver of them, nor shall any single or partial exercise of them preclude any other or further exercise of them.

## 22. Assignability

- 22.1. We may arrange for any associated company to perform any functions which are required to be performed under this Agreement, but this shall not affect our liability to you.
- 22.2. Neither your rights under this Agreement nor your rights or interest in any transaction effected nor monies or assets held for you shall be capable of being assigned in any way.
- 22.3. We may at any time assign or transfer any of our rights and/or obligations under this Agreement or delegate all or any of the functions under this Agreement to a third party, provided that we have given you at least ten Business Days written notice to you to that effect. Where we do this, you authorise us to transfer any of your client money and/or investments held by us or on our behalf to the third party, or someone nominated by that person. We will only transfer your money and/or assets to another person who either will hold them under the FCA CASS Rules or to whom we have exercised all due skill, care and diligence in assessing whether that person will apply adequate measures to protect your money and/or assets. Where we intend to do this we will give you ten Business Days prior written notice and, following any transfer, no later than seven Business Days later, we will write to you to advise you that it has taken place and the successor will write following this to you or provide the new terms and conditions that apply to your client money and investment protection, treatment and transfer, including the relevant compensation scheme arrangements that may apply.
- 22.4. If you object to any assignment we make under 21.3, you may terminate this Agreement with immediate effect by providing us with notice of this in writing. We will not make a charge for transferring any investments we hold for you if you terminate under this paragraph.

## 23. Notices

- 23.1. Any notices, demands, acknowledgements or requests to be given by you or us may, subject to any express provision of this Agreement, be given orally or in writing. Written communications to you shall be deemed to have been received in the case of a notice or other communication by hand on the date of delivery, by post on the second Business Day after posting and in the case of an email on the date on which transmission is confirmed. Written communications to us shall be treated as having been given for the purposes of this Agreement only when actually received by us.
- 23.2. Written communications under this Agreement should be marked for the attention of the Compliance Officer and served by hand or sent by post or email to us at our registered address:
- Canaccord Genuity Limited  
88 Wood Street  
London EC2V 7QR  
Email: London-UK-Compliance@canaccordgenuity.com
- 23.3. We may rely on any instructions, notices or requests of any person who is or is believed in good faith to be a person designated or authorised by you to give them.

## 24. Invalidity of provisions

- 24.1. Each provision of this Agreement is severable and if any provision of this Agreement is or becomes invalid or contravenes Applicable Law, the remaining provisions will not be affected.

## 25. Force majeure

- 25.1. Neither you nor we shall be in breach of our obligations under this Agreement nor shall we be liable for any loss or damage incurred or suffered by you if there is any total or partial failure of, or any delay or interruption in, the performance of our duties and obligations under this Agreement resulting from any events or circumstances beyond our control.

## 26. Changes

- 26.1. We may from time to time change the terms of this Agreement for the following reasons:
- (a) to comply with or reflect a change of Applicable Law or a decision by an ombudsman;
  - (b) to make them more favourable to you or to correct a mistake or oversight (provided that any correction would not be detrimental to your rights); or
  - (c) to provide for the introduction of new systems, services, procedures, processes, changes in technology and products (provided that any change would not be detrimental to your rights).
- 26.2. We will notify you of any proposed change to this Agreement by sending you a copy of the proposed changes at least thirty days prior to the changes becoming effective, either electronically or by post. If, as a result of changes we propose to make, you wish to terminate the Agreement, you may do so in accordance with **paragraph 30** (Termination). We will not make a charge for transferring any investments or money we hold for you if you terminate under this **paragraph**.
- 26.3. You can amend this Agreement by sending us a written notice specifying clearly the amendment that you wish to make. However, any such amendment will only become effective when we confirm in writing our agreement to it, which we are not obliged to do.

## 27. Confidentiality

- 27.1. We attach great importance to client confidentiality. However, we reserve the right to disclose any information about you or your investments that is requested by the FCA or any other regulatory authority to which we are, or any affiliated company is, subject and to any market or exchange on which we may deal or to any person to whom we are otherwise required by law or Applicable Law to disclose such information.
- 27.2. We shall be under no duty to disclose to you or use for your benefit anything that may come to the attention of ourselves or any person connected with us or any of their employees either in the course of rendering similar services to others (whether or not that employee is involved in providing our services to you or is separated from such persons by a Chinese wall), or in the event that such disclosure or use would be in breach of duty or confidence to any other person.

## 28. Data protection

- 28.1. You hereby acknowledge at times “personal data” (as such terms are defined in relevant Data Protection Laws) relating to you, and where applicable, your employees, directors, associated parties and underlying clients may be processed by us for the purposes of the provision of the services under this Agreement. You acknowledge that we will act as a data controller, and in certain circumstances, data processor (both as defined in relevant Data Protection Laws) in respect of such personal data.

- 28.2. The personal data collected may be transferred to, and stored at, a destination outside the European Economic Area (“EEA”). It may also be processed by staff operating outside the EEA.
- 28.3. The information we hold about you is confidential and will only be disclosed outside CGL, to any of our associated companies or to any law enforcement entity, prudential supervisory body, regulatory agency, court or tribunal, in the following circumstances:
- (a) where the law or a regulatory rule permits, or it is in the public interest;
  - (b) to investigate or prevent fraud or other illegal activity;
  - (c) to your broker, their agents or our agents in connection with running accounts and services for you; or
  - (d) at your request or with your consent.
- 28.4. You consent to the processing of your personal data in accordance with this paragraph 28. You warrant that all other data subjects of personal data which has been provided to us by you have specifically consented to the processing set out under this paragraph 28 and have been provided with all necessary information in respect thereof.
- 28.5. In accordance with the Act, you are entitled, on payment of a fee, to a copy of the information we hold about you. In the first instance, you should direct any such request to us at: The Data Protection Officer, Canaccord Genuity Limited, 88 Wood Street, London EC2V 7QR. You should let us know if you think any information we hold about you is inaccurate, so that we may correct it.
- 28.6. In accordance with paragraph 29, ‘Record Retention’, your requests for the destruction or deletion of any record pertaining to yourself are subject to any overriding legal or other regulatory requirement which we are subject to.

## **29. Record retention**

- 29.1. In accordance with legal and regulatory requirements, we will retain your records for a minimum period of six years following the termination of any relationship between us. This period may be extended by Applicable Law or agreement between us in writing.

## **30. Termination**

- 30.1. You are entitled to terminate these arrangements by giving us 24 hours written notice, as may we by giving you 30 Business Days written notice, unless paragraph 31 below applies.
- 30.2. No penalty will become due from either you or us in respect of the termination of these arrangements.
- 30.3. If these arrangements are terminated, that will not affect any outstanding orders or transactions or any legal rights or obligations which may already have arisen.
- 30.4. Transactions in progress at the date of termination will be completed by us as soon as practicable.
- 30.5. On termination by either of us, we will:
- (a) be entitled to receive from you all fees, costs, charges, expenses and liabilities accrued or incurred under this Agreement up to the date of termination including any additional expenses or losses reasonably and properly incurred in terminating this Agreement and any charges for transferring your investments to you or to another person specified by you;
  - (b) where appropriate, as soon as reasonably practicable after that, deliver or cause your investments to be delivered to you or to a person specified by you.

30.6. Where we provide custody services, we will make arrangements to transfer your investments to you or as you may direct (for example to a new broker) with the intention of instigating such transfer within 28 days of termination. You may be charged a reasonable fee for this to cover any cost in executing this transfer.

## 31. Events of default

31.1. The following events will result in you being in breach of this Agreement and are each an “Event of Default”:

- (a) you fail to make any payment or perform any material provision due under this Agreement, and such failure continues for three Business Days after we give you notice of non-performance;
- (b) you enter into liquidation or bankruptcy, whether compulsorily or voluntarily, or a procedure is commenced against you seeking or proposing liquidation or bankruptcy;
- (c) you become subject to an administration order or having a receiver or similar appointed over all or any of your assets or become subject to any similar order or proceeding commenced in any jurisdiction outside the United Kingdom in consequence of debt;
- (d) any representation made or given by you under this Agreement proves or becomes false or misleading in any material respect;
- (e) we consider it necessary or desirable for our own protection or to prevent what we consider is or might be a violation of any Applicable Law or good standard of market practice or any action is taken or event occurs which we consider might have a material adverse effect upon your ability to perform of your obligations under this Agreement;
- (f) you die or become of unsound mind;
- (g) any act of war, hostilities, civil war, rebellion, insurrection, revolution or civil strife occurs in, or involves, the country in which you are usually resident and which we at our sole reasonable discretion consider it desirable for our protection to treat the same as an Event of Default; or
- (h) any Event of Default (however described) occurs under any other agreement between us.

31.2. At any time following the occurrence of an Event of Default, we may, by written notice to you, terminate this Agreement immediately.

## 32. Complaints

32.1. We take complaints very seriously and have established procedures in accordance with the FCA’s requirements for complaint consideration and handling to ensure that complaints are dealt with fairly and promptly. No charge will be made for the submission of a complaint.

32.2. Our written complaints policy, which is prepared in compliance with the FCA Rules governing complaints, is available to you at: <http://www.canaccordgenuity.com/en/cm/SiteInformation/Disclaimer/UK-Disclosures/>

32.3. If you would like to make a complaint, you should contact us to raise your complaint. You may do this in a number of ways as detailed within the complaints policy, including by writing to us as follows:

The Compliance Officer  
Canaccord Genuity Limited  
88 Wood Street  
London EC2V 7QR

Email: [London-UK-Compliance@canaccordgenuity.com](mailto:London-UK-Compliance@canaccordgenuity.com)

32.4. As an eligible complainant, if we do not provide you with a final response within eight (8) weeks from the date we receive your complaint, or if you do not agree or are dissatisfied with the outcome of the

response, you have the right to refer your complaint to the Financial Ombudsman Service, which is an independent dispute resolution service.

- 32.5. The Financial Ombudsman Service can be contacted at: The Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR.

### **33. Compensation scheme**

We are covered by the Financial Services Compensation Scheme (“FSCS”). The FSCS provides compensation in certain circumstances for customers of authorised financial services firms if the firm is in default. The scheme may provide compensation should we be unable to meet our obligations but is not available to every investor. Compensation is typically paid out because a firm has ceased trading and/or is insolvent. For investments in UK funds and for investment business, the FSCS can cover 100% of eligible investments up to a maximum of £50,000. Investments in non-UK funds are not covered by the compensation scheme, but may be covered by other European compensation schemes. For cash, the FSCS can pay, as at 1 January 2017, a maximum of £85,000 per claimant.

The actual level of compensation paid depends upon the basis of each claim, but a customer’s entitlement to compensation from the scheme will depend on the type of investment made and the circumstances of the claim. The FSCS does not charge customers to have their claim considered by the FSCS. The FSCS only pays compensation for financial loss.

Compensation limits are per person, per firm and per claim category and are on the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk), along with additional information about compensation arrangements at [www.fscs.org.uk](http://www.fscs.org.uk) or you can refer in person to the FSCS by calling 0800 678 1100.

We will provide, on your request, information concerning the conditions governing compensation and the formalities which must be completed to obtain compensation.

### **34. Judgment currency**

If, under any Applicable Law and whether pursuant to a judgment as to your insolvency, liquidation, bankruptcy or otherwise, any payment obligation owing by you under this Agreement falls to be satisfied in a currency (“the Other Currency”) other than the currency (“the Original Currency”) in which such payment obligation is due, then, to the extent that any amount in the Other Currency actually received by us (when converted into the Original Currency at the relevant rate of exchange on the relevant date) falls short of the amount due under this Agreement, you will be liable to say us any such shortfall.

For the purposes of this paragraph, the “relevant rate of exchange” is the rate at which we are able on the relevant date to purchase the Original Currency with the Other Currency and the “relevant date” is the date of payment or if, in the case of insolvency, liquidation or bankruptcy or for any other reason, conversion on the date of payment is not permitted by Applicable Law, the nearest date to the date of payment which is permitted.

### **35. Governing law**

- 35.1. Both parties agree that the law of England and Wales governs this Agreement (and any non-contractual obligations arising out of or in connection with it).
- 35.2. Both parties submit to the exclusive jurisdiction of the courts of England and Wales in relation to any dispute under or in respect of this Agreement (and any non-contractual obligations arising out of or in connection with it).

### **36. Third party rights**

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

## 37. Definitions

“Affiliate”	means, any company within the Canaccord Genuity Group Inc. group, connected by ownership or legal structure, as defined in the FCA Rules.
“Applicable Law”	means: <ul style="list-style-type: none"> <li>iii. the rules and guidance of the FCA or any other rules of a relevant regulatory authority,</li> <li>ii. the rules of a relevant market or clearing house, and</li> <li>iii. other applicable laws, rules and regulations as in force from time to time as applicable to this Agreement.</li> </ul>
“Business Day”	means a day (other than a Saturday or Sunday) on which banks are open for general business in London.
“Commercial Settlement System”	means, as defined in the FCA Rules, a system commercially available to firms that are members or participants of the system, a purpose of which is to facilitate the settlement of transactions using money and/or assets held on one or more settlement accounts.
“CREST”	means the centralised settlement system for securities trades on the London Stock Exchange.
“Data Protection Laws”	means the Data Protection Act 1998, the Data Protection Bill (as amended and updated) and, once in effect, the General Data Protection Regulation (2016/679) (“GDPR”).
“Delivery Versus Payment”	means a settlement procedure in which the buyer and the seller of an asset agree that the seller will pay the buyer upon the asset’s delivery to the seller.
“ETC”	means electronic trade confirmation, in which we confirm the details of transactions.
“FCA CASS Rules”	means the rules of the FCA relating to the protection of client money or assets as defined in the FCA Rules.
“FCA Rules”	means the guidance, rules and regulations of the FCA made pursuant to its powers under the Financial Services and Markets Act.
“FCA”	means the Financial Conduct Authority or any body that may replace it, being the regulator of the financial services industry in the UK that authorises and regulates CGL.
“Limit Order”	means an order to buy or sell a financial instrument at a specified price limit or better and for a specified amount.
“Multi-Lateral Trading Facility”	has the meaning set out in the FCA Rules.
“Organised Trading Facility”	has the meaning set out in the FCA Rules.
"Outside Custodian"	means a custodian appointed by you to provide safe custody services in relation to your investments.
"Order Execution Policy"	means our policy which sets out how we will deal with your orders, as amended from time to time.
"Regulated Market"	has the meaning set out in the FCA Rules.

"Retail Client"	means as defined in the FCA Rules.
"Sub-Custodian"	means a bank or financial institution providing custody services in respect of a particular market or jurisdiction, on behalf of CGL.
"Systematic Internaliser"	Has the meaning set out in the FCA Rules
"Trading Venue"	has the meaning set out in the FCA Rules.

## Exhibit A: Risk warnings

All investments involve a degree of risk of some kind. This Exhibit describes some of the risks which could be relevant to the services we provide to you and to the investment products we trade with you or on your behalf. We may provide further risk information during the course of our services to you, as appropriate. Our services relate to certain investments whose prices are dependent on fluctuations in the financial markets outside our control. Investments and the income from them may go down as well as up and you may get back less than the amount you invested. Past performance is not a guide to future performance. This Exhibit cannot disclose all the risks associated with the products we make available to you. You should not invest in or deal in any financial product unless you understand its nature and the extent of your exposure to risk. You should also be satisfied that it is suitable for you in the light of your circumstances and financial position. Different investment products have varied levels of exposure to risks and to different combinations of risks. This information is not intended to constitute a comprehensive statement of all the risks to which you might be exposed and there may be others that exist now or which may arise in the future.

### Currency risk

Investments denominated in a currency other than sterling or ones that undertake transactions on foreign markets, which include the financial markets of developing countries (Emerging Markets – see below), may expose you to greater risks caused by fluctuations in foreign exchange rates. This can adversely affect the value of your return and the value of your investment. Investments in emerging markets are exposed to additional risks, including accelerated inflation, exchange rate fluctuations, adverse repatriation laws and fiscal measures, and macroeconomic and political factors.

### Liquidity risk

There may be difficulty in selling an investment caused by a number of factors, including but not limited to insolvency of the investment, adverse stock market conditions, selling restrictions placed on funds by their managers (sometimes referred to as gating, lockups, notice periods or suspension of redemptions). In these circumstances you may not be able to sell such investments in a timely manner and the value of those investments may fall significantly.

### Market risk (systematic risk)

Market risk defines the extent to which returns from all investments change in the same way because they have been subject to the same underlying stimulus such as a change in the interest rate outlook or prospective growth path. You cannot manage systematic risk by diversifying your portfolio.

### Non-systematic risk

Non-systematic risk defines the extent to which the returns change from one specific asset such as a company (equity) or bond, as the result of new information or news flow. That is, the returns change in response to very specific information about that specific asset but which has no other implications for other similar assets. This risk can be diversified away.

### Credit risk

Credit risk defines the extent to which a recipient of a loan (typically, in an investment context, a company or a government) is likely to repay that loan and/or any interest accruing to it. Whenever an investor buys a bond, he is extending a loan to the issuer of the bond. There are a number of independent agencies that assess credit risk for companies and government entities that issue bonds (debt), and their measure of credit risk is usually referred to as a credit rating.

### Suspensions of trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

### Stabilisation

You may enter transactions in newly issued securities in respect of which we are the stabilisation manager and the price of which may have been influenced by measures taken to stabilise it. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to

it. The FCA allows stabilisation in order to help counter the fact that when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found. As long as the stabilisation manager follows FCA Rules (and rules set out in the Market Abuse Regulation), it is entitled to buy back the securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation. The stabilisation rules limit the period when a stabilisation manager may stabilise a new issue, fix the price at which the issue may be stabilised (in the case of shares and warrants, but not bonds) and require disclosure of the fact that a stabilisation manager may be stabilising but not that it is actually doing so. The fact that a new issue, or a related security, is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

### **Emerging Markets**

You should be aware that there may be potential risks posed by volatile political, legal and commercial conditions in emerging markets which may affect the value of or result in the loss of investments. The quality and reliability of official data published by governments and their agencies in emerging markets might not be equivalent to that available in developed markets. In addition, the absence of developed securities markets as well as potentially underdeveloped banking and telecommunications systems in such countries may give rise to greater custody, settlement, clearing and registration risks. Foreign investment in issuers in emerging markets may be restricted – sometimes such restrictions may not be published and investors may not be readily made aware of them. In such circumstances, there may be restrictions on repatriation of capital or an investment may have to be scaled down to comply with local foreign ownership restrictions.

### **Bonds – Government and Corporate**

Bonds and Notes, also known as fixed-interest investments, are types of loans where a Government or a company issues a bond to raise money. “Gilt-edged” securities - known as “gilts” - are borrowings made by the UK Government. Bonds are issued by most countries, and by companies (corporate bonds). In return for its loan, the issuer of the bond pays an interest amount to the bond purchaser. This interest amount, which is usually a fixed rate, is typically paid semi-annually or annually to the purchaser, for as long as the purchaser continues to own the bond. Many different types of bonds are available, both simple and complex. Most bonds have a pre-determined final payment date (the “maturity” date) - at which time the company returns a set amount of money to investors that own the bond at that time. Consequently, when purchasing a bond, an investor can usually predict when the investor’s money is likely to be repaid. This is important in making longer term investment decisions. Bond prices tend to have an inverse relationship to interest rates. A bond paying a 7% interest rate is likely to be valued more highly when general interest rates are low than when interest rates are high. The length of time to maturity (repayment) of the bond also affects the price of the bond and how much it may fluctuate (risk). The longer the maturity of the bond the more risky its price tends to be. An increase or decrease in interest rates is likely to have a minor impact on the price of a bond maturing in less than a year. The price of a bond maturing in 30 years is likely to be significantly impacted by an interest rate change. Short term bonds are therefore considered to represent lower risk than longer term bonds.

Bonds are generally perceived to be lower risk than shares, although the risk depends on a variety of factors - and it is not the case that all bonds are low risk. Risk factors include:

The ability of the lender to repay. If the lender is unable to repay the principal, the investor may sustain a loss of the entire investment. If the lender is unable to pay the interest, the purchaser will no longer receive the annual or semi-annual interest coupon. Generally, Government issued bonds are lower risk than corporate bonds. Bonds are rated according to the ability of the issuer to pay. These ratings are assigned by third party agencies.

The price of a bond may fluctuate during its life. If the purchaser sells the bond before the maturity date, the price at which it is sold may be lower than the purchase price, so the purchaser may lose money. The longer the time to maturity, the greater the risk that the price may fluctuate in this way.

When a bond is redeemed a purchaser receives cash. The purchaser may wish to find an alternative investment for the cash. If interest rates have fallen since the purchaser originally purchased the bond, the re-invested cash may earn a much lower rate of return. This is known as re-investment risk.

Not all bonds are liquid - i.e. it is not always possible to find a buyer for a bond. Bonds are not traded on a market but “over the counter” between one dealer and another. It is not always easy to determine the price of a bond or how easy it is to buy or sell. Generally, investment grade bonds are more liquid and therefore easier to buy or sell.

## Equities (Shares)

Equities represent a part ownership in a company. As such, the owner of a share participates in the fortune of the company - for good or ill. If the company does well, the shares are likely to rise in price, but if the company does badly, the share price is likely to fall. Holders of ordinary shares are the last to be paid in the event of a company becoming insolvent. However, ordinary shareholders also have the potential for good returns provided the company does well and is perceived to be continuing to do well. Some shares pay a dividend, either semi-annually or quarterly. A dividend is an amount of money, determined by the company's Board of Directors, which is a distribution of the company's profits. Established, profitable companies tend to pay dividends and have a good record of providing a steady stream of dividend payments. Periods of economic difficulty may, however, interrupt such dividend payment for even the most established equities. Younger, less established companies that are building a business tend to retain their profits for re-investment. These are called "growth" companies as their business strategy is to grow their business rapidly. Shares are available in companies of different sizes, industrial sectors, geographical locations, and on different stock markets. Liquidity is an important risk factor when investing in individual equities and is generally driven by the market capitalisation (total value of issued shares) of the company and current market conditions. Liquidity levels can change rapidly and lack of liquidity often restricts trading in equities with smaller market capitalisations (known as mid cap and small cap). Information on overseas investments is not as readily available to the UK public as for UK companies and the financial pages of the national press give little coverage of the subject. Different time zones also mean that you will not always be able to get a real time price for overseas stocks during the UK trading day. Whether investing directly in overseas markets or through collective investment schemes, currency fluctuations need to be taken into account. A gain or loss made on the performance of a stock can easily be offset by a movement in the currency exchange rate. Alternatively a gain or loss on a stock could be compounded to make an even larger one. Liquidity considerations are similar to UK shares. Dealing/administrative costs tend to be higher than UK shares. Shares are usually perceived to represent greater risk than bonds. The price of individual shares can fluctuate considerably and can appreciate or decline rapidly. Shares can also remain in decline over long time periods. Share prices rise and fall according to the health of the company and general economic and market conditions. Individual share price rises and falls can be significant. Stock market investments tend to be more volatile than investments in most bonds. Shares purchased on the Alternative Investment Market (AIM) (especially those known as 'penny shares') carry a higher degree of risk of losing money than other UK shares. This is because the requirements on companies that are listed on AIM are less stringent than those for companies with a full market listing. There is also usually a wider spread between the buying price and the selling price of these shares and if they have to be sold immediately, you may get back less than you paid for them due to a lack of liquidity. The price of these shares may change quickly and they may go down as well as up. It may also be difficult to obtain reliable information about their value or the extent of the risks to which they are exposed.

## Collective Investment Schemes (commonly known as 'funds')

A fund is a term that covers different types of structure, normally Open Ended Investment Companies ('OEICs' - by far the most common) or Unit Trusts. Funds are arrangements that enable a number of investors to 'pool' their money, in order to gain access to professional fund managers. Investments held by these funds may typically include gilts, bonds and quoted equities, but depending on the type of scheme, may hold higher risk instruments such as property, derivatives, unquoted securities and other complex products. The value of a fund, and the income derived from it, can decrease as well as increase and you may not necessarily get back the amount you originally invested. In addition, funds bear investment management risks, insolvency risks and possibly liquidity risks. You should ensure that you understand the nature of any fund before you invest in it.

## Investment trusts

Investment trusts are similar to funds in that they provide a means of pooling your money but they are publicly listed companies whose shares are traded on the London Stock Exchange. The price of their shares will fluctuate according to investor demand and changes in the value of their underlying assets. They will be subject to a combination of the risks associated with shares, bonds and funds in which they are invested. The value of investment trusts, or the income derived from them, can decrease as well as increase and you may not necessarily get back the amount you invested

## Exchange Traded Funds (ETFs)

ETFs are investment funds, traded like shares which hold assets such as shares, commodities or bonds. They normally closely track the performance of a financial index, and as such, their value can go down as well as up and you may get back less than you originally invested. Some ETFs rely on complex investment techniques, or hold riskier underlying assets, to achieve their objectives and therefore you should always ensure you read the documentation provided to ensure you fully understand before you invest the risks you are taking on.

### **Warrants**

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time scale then the investment becomes worthless. You should consider carefully whether warrants are suitable for you in the light of your circumstances and financial position. You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other charges. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a 'covered warrant').

### **Structured Products**

Structured Products are products structured to fulfil a particular trading or market objective. A structured product may combine the features of two or more financial instruments (for example a bond and a derivative). Derivatives often constitute an integral part of a structured product. The product may involve an element of leverage and so a relatively small movement in the value of the relevant underlying asset or index may have a significant effect on the value of the structured product. Structured products are generally not traded on Trading Venues and you take the risk on the counterparty issuing the structure. There is typically no recognised market for these investments and it may, therefore, be difficult for you to deal in the investment or to obtain reliable information about its value or the extent of the risks to which it is exposed. Some structured products include an element of capital protection – however, you should bear in mind that this is not a guarantee that the amount invested will be returned in all circumstances. The capital protection offered is typically subject to the investment being held until maturity and to the creditworthiness of the issuer. Structured products are often high risk investments and you could lose some or all of the money that you have invested in them.

### **Taxation**

The tax treatment of any investment is determined by the specific circumstances of each client. Taxation may change during the lifetime of an investment, and this may result in unanticipated tax liabilities. You should take tax advice on the potential liabilities prior to making an investment. If your circumstances change or you are unsure how an investment might affect your tax position you should seek professional advice.