

## **PANMURE GORDON (UK) LIMITED**

One New Change, LONDON EC4M 9AF

Contact: The Compliance department - +44 (0) 20 7886 2500

Authorised and regulated by the Financial Conduct Authority

Member of the London Stock Exchange

## **PROFESSIONAL CLIENT TERMS OF BUSINESS**

**December 2017**

Set out below are the terms on which Panmure Gordon (UK) Limited (referred to here as "**we**", "**us**" or "**our**") will provide the services set out in clause 1 to you.

These terms (this "**Agreement**") will apply to you, to any accounts opened with us by you or on your behalf, to any trades or transactions effected with or through us and to any future accounts that you may open with us and shall apply if you act as a fund manager to the funds and assets of your underlying clients ("**Your Clients**"). This Agreement is legally binding and supersedes any earlier agreement provided by us in respect of the same services. You understand that by entering into transactions with us, you are agreeing to the terms set out in this Agreement.

### **1. OUR PARTICULARS**

Panmure Gordon (UK) Limited is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange. Our registered office is at One New Change, London EC4M 9AF. The FCA's registered office is 25 The North Colonnade, London E14 5HS. We are registered on the Financial Services Register with registration number 403721.

In accordance with the rules of the FCA as set out from time to time in the FCA Handbook (the "**Rules**"), we hereby notify you that with effect from your receipt of this Agreement, we have categorised you as a Professional Client (as defined in the Rules). You agree that you are responsible for keeping us informed about any change that could affect your client categorisation. You have the right to request a different categorisation, however we may choose not to deal with you on any other basis.

Where you are acting as agent on behalf of a counterparty you represent, warrant and undertake that you are either are a 'firm' or an 'overseas financial services institution' (as defined in the Rules) and that we shall therefore be entitled to treat you alone as our client in accordance with the Rules. No counterparty (including Your Clients) shall be treated as our client or indirect client. By entering into this Agreement you agree that we owe no duties to Your Clients, save to the extent that any such duties are expressly set out in this Agreement.

You agree that you will keep us informed of any changes in the information that could affect your client categorisation or which is relevant to our ability to assess the suitability or appropriateness of any investments for you. This includes information in relation to your:

- (a) knowledge and experience in relation to the type of investments to which our Service relate;
- (b) financial situation and ability to bear loss; and
- (c) investment objective and risk tolerance.

## 2. THE SERVICES WE PROVIDE

- 2.1 All transactions will be undertaken on an "execution only" basis. Execution only services are provided by us when we execute trades on your behalf but without providing advice or personal recommendations. We will not advise you about the merits of a particular transaction, any corporate action or the composition of your account. We will not have any discretion in relation to your account and will act for you only in accordance with instructions given by you to us, and will not seek your further instructions, either before or after effecting the transaction on your behalf. Where an execution-only order is accepted by us we are not responsible for ensuring the investment is suitable for you.
- 2.2 If you instruct us to enter into an execution-only transaction in relation to shares that have been admitted to trading on a regulated market or an equivalent market in a country outside the European Economic Area, money market instruments, bonds or other forms of securitised debt, units in a UCITS fund or other "non-complex" financial instruments and if we enter into such a transaction then:
- (a) we shall not have any duty to advise you in respect of either that execution-only transaction or any subsequent or potential sale of any asset acquired under that execution-only transaction; and
  - (b) we are not responsible for assessing the suitability and appropriateness of that execution-only transaction in the context of your investment objectives.
- 2.3 Where you effect an execution-only transaction in an investment that is not of the kind described above (a complex financial instrument) we shall owe you a duty under the FCA Rules to assess the appropriateness of the execution-only transaction by reference to your experience, knowledge and understanding of the risks involved. If we consider (on the basis of the information that we hold about you) that the execution-only transaction is not appropriate for you, we shall warn you about this. If, notwithstanding the warning that we have given you, you ask us to proceed with the execution-only transaction and we execute the transaction for you, you shall be solely responsible for that decision and we shall have no liability to you in respect of it. The provisions of this clause shall be without prejudice to our general rights to refuse to execute your orders or instructions.
- 2.4 You agree to supply us with all information that we request to enable us to assess the appropriateness of execution-only transactions.
- 2.5 We will not give you any taxation or investment advice on transactions.
- 2.6 Our services will cover the following investments:
- (a) shares in British or 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) depository receipts or other types of instrument relating to investments falling within (a) or (b) above; and
  - (d) unit trusts, mutual funds and similar schemes in the United Kingdom or elsewhere. The services to be provided by us may include executing transactions in unregulated collective investment schemes,

all or any of which are hereinafter referred to as "**Securities**". There are no restrictions on the markets on which transactions may be executed. You agree and expressly consent to us executing transactions on your behalf outside a regulated market, multilateral trading facility or organised trading facility. You should refer to the risk warnings in Schedule A in relation to such Securities, and other relevant risk warnings.

- 2.7 When providing execution only services, where we disclose the target market for a particular product to you it is your responsibility to verify that you fall within the target market criteria disclosed by us for the product and we will not be responsible for undertaking this assessment for you. We will deal with you on an execution only basis and you will therefore not benefit from the protection of the Rules on assessing suitability. Therefore, we will not assess whether:
- (a) the requested product or service meets your investment objectives and risk tolerance;
  - (b) you will be able to financially bear the risk of any loss that the product or service may cause; or
  - (c) you have the necessary knowledge and experience to understand the risks involved.
- 2.8 Unless we agree otherwise with you in writing, we shall not be responsible for managing or supervising the management of any of your investments nor shall we accept responsibility for advising on the composition of your portfolio of investments.
- 2.9 We will not enter into any contingent liability transactions (as defined in the Rules) with or for you.
- 2.10 We may from time to time provide other services as are agreed between us in writing or may, in our absolute discretion and without having to give you any reason for so doing, refuse to provide particular services.
- 2.11 Additional terms and conditions may be applicable to the services described above, and where necessary these will be communicated to you at the relevant time. We will not provide services which require us to make further communication to or for you until we have received back signed copies of any requested paperwork.
- 2.12 We may appoint and use any person as our agent, on any terms we think appropriate, to assist us in the provision of the services under this Agreement, and any such person may not be in the United Kingdom. Without prejudice to the foregoing, we may carry out any transaction with or for you directly or, in our absolute discretion, with or through an agent, broker, intermediary, member of an exchange/clearing institution or other third party (each a **"Third Party"**). You will reimburse us for any charges, commissions or fees of any such Third Party in accordance with clauses 5 and 6.
- 2.13 We may provide or arrange for the provision of any or all of our services to you under this Agreement, or carry out any activity connected with such services or with any of your transactions or your accounts with us, including, without limitation, any administrative, execution or settlement function, from any Panmure Group (as defined below) offices, by any Panmure Group member, whether located in the United Kingdom or elsewhere. For the purposes of this Agreement the Panmure Group means Panmure Gordon (UK) Limited and its "group" as defined in the Financial Services and Markets Act 2000 as amended and each member of the Panmure Group's directors, employees, agents and nominees.

### 3. **ORDERS AND INSTRUCTIONS**

- 3.1 All client orders and trading instructions given to us by you or on your behalf ("**Instructions**") are at your own risk and must be given in English, orally or in writing or electronically or by any other means agreed with us in advance. Further, we may, at our absolute discretion, notify you from time to time of any testing or other security procedures which we may require to be followed in connection with the giving of such Instructions. We shall be entitled to rely and act on and treat as binding any Instructions which we reasonably believe to be given by or from you or your agent on your behalf and which we have accepted in good faith without further enquiry on our part as to the genuineness, authority or identity of the person giving or purporting to give such Instructions. Orders received electronically are not deemed to have been accepted for execution until we execute them on your behalf. Our sending to you of an acknowledgement of receipt is not an

agreement on our part to execute your order. We accept no responsibility or liability for transmission errors or failures that occur outside our own systems.

3.2 We may (in our absolute discretion) refuse to accept or act on your Instructions if:

- (a) we are in doubt as to the authenticity of those Instructions;
- (b) in our opinion, in acting on them we (or you, as appropriate) would or may be in breach of any law, market practice, or the rules and regulations of any relevant regulatory body or organisation to which a Panmure Group member belongs or is subject, in respect of the investment activities covered by this Agreement, or to do so would be unreasonable in the circumstances; or
- (c) there are insufficient funds in any relevant account.

The Settlement Agent may, in its absolute discretion, refuse to accept any order or other Instruction for your account(s). The Settlement Agent will advise us of its decision and the reason for its decision unless the Settlement Agent is precluded from doing so owing to any legal or regulatory constraints.

If we or the Settlement Agent decline or cannot complete an Instruction we will take reasonable steps to notify you promptly of the reason for such refusal unless we are precluded from doing so owing to any legal or regulatory constraints.

We can only cancel your Instructions if we have not yet acted on those Instructions. Such Instructions may only be withdrawn or amended by you with our consent.

3.3 If you place Instructions with us, we may, at our absolute discretion, effect the same for you either as principal (including as a risk less principal) or as your agent, or partly as principal and partly as agent. All transactions we enter into, for or with you, will be subject to the rules and customs of the exchange or market on or through whose facilities the transaction is executed.

3.4 When effecting transactions for you, we will seek to achieve the best possible result for you in accordance with:

- (a) the applicable requirements of the FCA Rules;
- (b) our Order Execution Policy; and
- (c) any specific instructions from you on how a transaction for you should be carried out,
- (d) but in accepting your orders we do not represent or warrant that it will be possible to execute such order or that execution will be possible according to your instructions.

3.5 When executing all client orders we shall comply with our Order Execution Policy unless we act on your specific instructions. A copy of our Order Execution Policy accompanies this Agreement. A copy is also available on our website at <https://www.panmure.com/about-us/legal/legal-regulatory-documentation/> and any material changes to the Order Execution Policy will be made available on our website. Unless you notify us otherwise we will consider the placement of orders by you under this Agreement as confirmation that you have read and agreed and give your consent to our Order Execution Policy as in effect from time to time. We shall be responsible for the execution of any transactions on your behalf. The Settlement Agent shall not owe you any duty of best execution under the Rules or otherwise with respect to any such transactions executed by us.

3.6 Where you place a limit order with us that is not immediately executed, we will not publish your unexecuted order during the period that it remains unexecuted unless we believe that it would be in your best interest to do so, or you expressly request otherwise.

- 3.7 No short selling (selling securities which you do not own) is permitted on your account. You may only sell shares that are held in our nominee account or for which you have a valid share certificate in your possession.

## 4. REPRESENTATIONS AND WARRANTIES

- 4.1 You hereby represent, warrant and undertake on a continuing basis that:

- (a) you have and will comply with all applicable law; and
- (b) any money and other assets placed or traded with us are free of mortgage, charge, pledge, lien, right of set off and any security and do not constitute the proceeds of any activity which is illegal or unlawful under the laws of the United Kingdom or of any applicable jurisdiction or which would be illegal or unlawful were such an activity carried out in the United Kingdom or such other jurisdiction.

- 4.2 Please inform us as soon as possible if there is any material change in any information that you provide to us.

- 4.3 Acceptance of this Agreement shall constitute the formation of a contract between you and us and also between you and the Settlement Agent.

You confirm and agree that:

- (a) we have your authority to enter into the Settlement Agent Agreement on your behalf as your agent and to engage the Settlement Agent to provide settlement, safe custody, nominee and associated services for you and to terminate their engagement;
  - (b) we have your authority to give instructions to the Settlement Agent on your behalf and agree any subsequent amendments to the Settlement Agent Agreement;
  - (c) you agree to be bound by the obligations to the Settlement Agent as set out below; and
  - (d) the Settlement Agent is authorised to transfer cash or investments from your account to meet your settlement or other obligations to the Settlement Agent.
- 4.4 Where you are acting as agent on behalf of another (whether disclosed to us or not) you will be, and at all times remain, liable to us and the Settlement Agent as principal in relation to any transactions which are to be performed under this Agreement and we and the Settlement Agent will treat you only as our client under the Rules. You agree that you will be liable to us and the Settlement Agent jointly and severally with any such underlying person in respect of all obligations and liabilities arising from Instructions given to us and the Settlement Agent.

## 5. CHARGES

- 5.1 Where required by applicable regulations, we will, in good time before the provision of services to you, inform you of all costs and charges relating to:

- (a) the services we provide to you;
- (b) any financial instrument we recommend or market to you; and
- (c) any third party payments we receive or pay in connection with the services that we provide to you.

- 5.2 The arrangements for payment or other performance will be provided to you before the

provision of services.

- 5.3 Where we recommend or market the services provided by another firm to you, we will, where required by applicable law, aggregate the costs and charges of the services provided by the other firm and disclose these to you together with the costs and charges relating to the services we provide to you.
- 5.4 Where any part of the total costs and charges is to be paid in or represents an amount of foreign currency we will provide an indication of the currency involved and the applicable currency conversion rates and costs.
- 5.5 All fees, charges and expenses payable in relation to the services and under the provision of this Agreement are subject to any applicable value added, sales, turnover, consumption or similar tax.
- 5.6 You may request a breakdown of the costs or charges applicable to you at any time. If you would like to receive such a breakdown you can do so by contacting your usual Panmure Gordon contact. In consideration of the services performed by us, we may charge you a mark-up or a mark-down or commission on transactions effected with you. These will be as determined by us and notified to you.

## 6. PAYMENTS

- 6.1 You will pay to us on the settlement date (which will be notified to you) all of our commissions and other charges in connection with the provision of our services, calculated on such basis as we may have agreed with or notified to you from time to time, together with any applicable value added tax, stamp duty or similar charge. For the purposes of the foregoing, "**charges**" shall include any brokerage fees, transfer fees, registration fees, custody fees, taxes, duties and all other liabilities, charges, costs and expenses payable and incurred by us, the Settlement Agent or any Third Party in connection with services which we or they provide to you. If we have shared any dealing charge with any Third Party that will be indicated on the relevant contract note.
- 6.2 Any sums owing to us or the Settlement Agent by you in connection with the services provided in accordance with this Agreement:
- (a) shall be paid promptly and without deduction (i.e. set off, counterclaim, taxation or otherwise); and
  - (b) may be deducted from any funds held by us on your behalf or, at our absolute discretion, shall be paid by you as stated in the relevant confirmation.

Failure to settle any sums owing in connection with this Agreement could result in the sale of the shares, or we reserve the right to pledge the shares to a third party to settle your obligation.

- 6.3 It should be noted that other costs, including taxes, may arise in connection with the provision of the services under this Agreement that are not paid via us or imposed by us.

## 7. INTEREST

If you default in paying to us or the Settlement Agent any amount when it is due (the "**Due Amount**"), we reserve the right to charge you interest on the Due Amount, such interest to be payable from (and including) the date of default, at a rate of 1% above the Bank of England base rate. No delay in exercising our right to receive such interest and no partial payment of such interest shall be deemed to compromise our right to receive the full amount of such interest.

## 8. AGGREGATION OF ORDERS

Subject to applicable rules and in accordance with our Order Execution Policy, we and the

Settlement Agent may at our absolute discretion aggregate your orders with our own, with orders of persons connected with us, or with those of our other customers. We will allocate the proceeds of such orders (including partially-filled orders) among the participating clients in a manner which we believe to be fair and equitable and in accordance with our Order Allocation Policy <https://www.panmure.com/about-us/legal/legal-regulatory-documentation/> and FCA Rules. If the combined order is not executed at the same price we may average the prices paid or received and debit or credit you with the average net price. Details of the average price will be furnished to you. Such aggregation may on some occasions operate to your advantage and on others to your disadvantage.

## 9. **HOLDING OF MONEY AND ASSETS**

- 9.1 The majority of the transactions we will carry out on your behalf will be settled on a delivery versus payment ("DvP") basis. We will not, in the ordinary course of business hold your money or assets directly with us. Where we do, we will do so in accordance with the FCA's client money and assets ("CASS") Rules. In such circumstances, any money or investments held for or received from you will be treated as client money or assets under the Rules at all times. This means that we will be required to hold such money in a separately designated client bank account, a general client bank account with an approved bank or custodian. Any such monies or assets will be segregated from those belonging to us and will not be used by us in the course of our business activities.
- 9.2 We will not pay to you any interest that may be paid on such monies or assets.
- 9.3 Where funds are held outside the United Kingdom, the following provisions shall apply in relation to your money:
- (a) we may allow another person, such as an exchange, a clearing house or an intermediate broker to hold or control your money where we transfer the client money for the purposes of a transaction for you through or with that person, or to meet your obligation to provide collateral for a transaction; and
  - (b) any right of set-off or lien is limited to properly incurred charges and liabilities arising from the provision of our services and does so as a result of local applicable law of that jurisdiction and that such holding is necessary to gain access to local markets.
- 9.4 If client money is held by us in an approved bank outside the United Kingdom, the legal and regulatory regime applying to the approved bank will be different from that of the United Kingdom and in the event of a default of the approved bank your money may be treated differently to the way in which it would have been treated if your money were held in the United Kingdom.
- 9.5 If there has been no movement on an account for six years (notwithstanding payments or receipts of charges, interest or similar items), we shall be entitled to pay away to a registered charity any money belonging to you. If we do so, such amounts will cease to be client money provided:
- (a) this is permitted and consistent with the arrangements under which your client money is held and we can demonstrate that we have taken reasonable steps to trace you and return the balance; and
  - (b) we undertake to make good any valid claim against such amounts upon provision by you of information to evidence the validity of your claim in the future.
- 9.6 Your money will cease to be client money if it is transferred by us to another entity as part of a transfer of business to that entity where the client money relates to the business being transferred. By entering into this agreement, you consent to such a transfer. We will exercise due skill, care and diligence in assessing whether the entity to whom your client money will be transferred will apply adequate measures to protect these sums.

9.7 We will not generally accept payments from, or send payments to, third parties.

## 10. **HOLDING OF ASSETS**

10.1 We shall not ordinarily be responsible for the safe custody of your assets. Where we do provide custody services on your behalf, paragraphs 9.2 and 10.2 to 10.7 of this Agreement shall apply.

10.2 We will hold your assets with custodians (as defined in the Rules) who may or may not be in the same group (as defined in the Rules) as us.

10.3 Any documents of title or certificates which evidence title to any registered or bearer Securities belonging to you will be held by custodians in accordance with the Rules. Where Securities are in uncertificated form, or otherwise transferable by book entry transfer, they may be held and transferred through any depository or a commercial settlement system or any participant in such system.

10.4 Where we register or record legal title to any assets, it will be registered or recorded in the record of entitlement in one of the following ways:

- (a) in your name or, if you elect in writing, in the name of Your Client;
- (b) in the name of a nominee company, which is controlled by us, by an affiliated company, by a custodian selected by us or by a recognised or designated investment exchange;
- (c) in the name of a third party but only where, due to the nature of the law or market practice of the overseas jurisdiction, it is in your best interests or it is not feasible to do otherwise;
- (d) in our name, but only where we have taken reasonable steps to determine that, due to the nature of the law or market practice of the overseas jurisdiction, it is in your best interests or it is not feasible to do otherwise. Where shares are registered or recorded in our name, your shares may not be segregated from assets belonging to us and, in the event of our default, you may not be as well protected as you would be from claims made on behalf of our general creditors if the investments were registered or recorded in your name.

10.5 With regard to any assets we hold on your behalf we will not, without your specific written instructions, undertake on your behalf:

- (a) taking up any rights;
- (b) exercising any conversion or subscription rights;
- (c) dealing in any way with takeovers, other offers or capital reorganisations;
- (d) exercising any voting rights; or
- (e) claiming and receiving dividends, interest payments and other entitlements accruing to you.

10.6 Entitlements to shares and any other benefits including cash proceeds arising from corporate actions will be distributed amongst all our clients for whom we hold assets which have been pooled in the same proportions as the respective holdings of our clients who have given identical instructions in connection with the relevant corporate action in relation to their holdings of the pooled assets.

10.7 We may hold your assets overseas or we may pass them to a Third Party who may hold them overseas, in which case we hereby notify you and you hereby agree and accept that there may be different settlement, legal and regulatory requirements in such overseas jurisdictions from those applying in the United Kingdom as well as different practices for the separate

identification of your assets.

## 11. SETTLEMENT

- 11.1 (a) In the event of your failure to make any payment to which you have committed yourself to in advance, we reserve the right to retain any funds held by the Settlement Agent and due to you and to offset the liability against those funds. If you have not paid any money so committed within seven days after the due date, we further reserve the right to sell any of your securities or your units in unit trusts, held by the Settlement Agent, and to use those proceeds to meet your liability. All debits and credits arising from such proceeds will be held to your account, along with any charges we may make under paragraph 10 above.
- (b) The provisions of this paragraph 11.1 will survive the termination or expiry of this Agreement.
- (c) All transactions will be due for settlement in accordance with market requirements (this will be shown on the relevant contract note). You undertake to procure that the Settlement Agent will receive all cash and securities when due with respect to any transaction which is settled on your behalf and that all cash or investments held by, or transferred to, the Settlement Agent will be and remain free of any lien, charge or encumbrance. All payments due to the Settlement Agent will be made without set-off, counterclaim or deduction. All cash and investments held or transferred to the Settlement Agent (or its nominees) will be subject to a first fixed charge by way of security for your obligations to the Settlement Agent.
- (d) You acknowledge that in settling transactions on your behalf, the Settlement Agent is acting as agent on your behalf and that the Settlement Agent will not be responsible for any default or failure on the part of any counterparty to a transaction or of any depositary or transfer agent and delivery or payment will be at your entire risk.
- (e) You acknowledge that you shall not have any rights in respect of any cash or investments that are due to be received pursuant to a transaction and that the Settlement Agent shall have no obligation to account to you for any such cash or investments until you have performed your obligations in relation to such transactions and the Settlement Agent, as your agent, has been able to settle the transaction. The Settlement Agent shall, without further notice to you, be entitled to sell or otherwise dispose of any such investments and apply any proceeds or any such cash received by the Settlement Agent under a relevant settlement in discharge or reduction of any of your obligations in relation to such transactions.
- (f) Any transactions undertaken on your behalf on non-UK markets shall be subject to the rules of the relevant overseas exchange, clearing system or depositary and any terms of the foreign agent or custodian employed by the Settlement Agent, including but not limited to, any right of reversal of any transaction (including any delivery or redelivery of any investment and any payment) on the part of any such entity or person.

## 12. CONFIRMATIONS AND TRADE REPORTING

- 12.1 No later than the first business day following a purchase or sale or, if a confirmation is received by us from a third party, no later than the first business day following receipt of the confirmation from the third party by us, a contract note stating the price at which the shares were purchased or sold and the appropriate charges will be issued to you. Each such confirmation will record the essential details of the transaction as required by the Rules. You expressly agree to the use of email as a method of communication. If you would prefer to receive confirmation by post please let us know by contacting [client.services@panmure.com](mailto:client.services@panmure.com).
- 12.2 Please check all contracts, confirmations and statements as soon as possible. Any objection must be made within 24 hours of your receipt of the relevant confirmation.
- 12.3 We may be obliged to make information about certain transactions 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.

- 12.4 We will comply with our obligations under applicable regulations in relation to transactions executed with you or on your behalf. To enable us to comply with our obligations, you agree to promptly deliver to us any information that we may from time to time request to enable us to complete and submit transaction reports to the relevant competent authority. You consent to us providing information about you and transactions executed with or for you to competent authorities in the course of submitting transaction reports and to us making public relevant details of quotes provided to you and transactions executed for you in accordance with applicable regulations.
- 12.5 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, and not knowingly take any step or omit to take any step that would cause us to commit market abuse or fail to observe such proper standards.

### 13. CUSTODY OF YOUR INVESTMENT

- 13.1 Acceptance of this Agreement provides authority for the Settlement Agent to hold your investment in safe custody, to transfer securities from your account to meet sales effected for your account, acceptance of offers, or other matters covered by this Agreement.
- (a) UK registered securities which the Settlement Agent is holding for you, will be held in either their physical possession, or in uncertificated form, and if so, will be registered in the name of the Settlement Agent's nominee company in accordance with the Rules.
- (b) The Settlement Agent is responsible for the acts of its nominee to the same extent as for its own acts, including, for the avoidance of doubt, for losses arising from fraud, wilful default or negligence.

Should you instruct us in writing (by letter or email) that investments purchased through the Settlement Agent be registered in the name of some other person (which must not be the Settlement Agent or us, or an affiliate of the Settlement Agent or us) whom you specify, the consequences of registration carried out in accordance with your instructions, are entirely your risk. The legitimacy of such registrations also remains your responsibility.

You consent to the fact that overseas investments may be registered or recorded in the name of an eligible custodian or in the name of the Settlement Agent in one or more jurisdictions outside of the United Kingdom, which may also be outside the EEA, where due to legal requirements or the nature of market practice in the jurisdictions concerned, it is in your best interests, or it is not feasible to do otherwise. As a consequence of this, your investments may not be segregated from investments belonging to the Settlement Agent 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. Investments belonging to you which are held overseas may be subject to different settlement, legal and regulatory requirements than those that apply in the United Kingdom. The Settlement Agent will not be liable in the event of a default by a custodian. However, the Settlement Agent does not disclaim responsibility for losses arising directly from its own fraud, wilful default or negligence.

- 13.2 Investments registered or recorded in the name of a nominee or custodian (as outlined above) will 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 an unreconcilable shortfall following any default of the eligible 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.

- 13.3 Investments within your account shall at all times be beneficially owned by you.
- 13.4 You should note that, in extremely restricted circumstances, investments held by the Settlement Agent on your behalf may be registered in your own name, usually where law or market practice dictates, or where it has been specifically agreed between the Settlement Agent and us that the option for such registration will be provided.
- 13.5 The Settlement Agent uses a wide range of eligible custodians globally to hold your investments. You should be aware that the Settlement Agent may use another company in the group of companies to which the Settlement Agent belongs as an eligible custodian.
- 13.6 Because your investments 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. The Settlement Agent allocates such shares to an account which we administer and may use them to offset against any debits arising on dividends or other corporate events.
- 13.7 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.
- 13.8 All instructions regarding the administration of investments held by the Settlement Agent on your behalf should be made in writing, to us, for onward transmission to the Settlement Agent. We do not accept instructions from, or send instructions to third parties, unless a valid power of attorney has been established for this purpose.
- 13.9 With regard to any Securities the Settlement Agent holds on your behalf, we will be responsible for instructing the Settlement Agent to:
- (a) take up any rights;
  - (b) exercise any conversion or subscription rights;
  - (c) deal in any way with takeovers, other offers or capital reorganisations; and
  - (d) exercise any voting rights,
- on the basis that we will use our reasonable endeavours to notify you of a), b) and c) above. We will not instruct the Settlement Agent in relation to any of the above without your specific written instructions. In the event that we require instructions, we will endeavour to give you as much notice as is possible in the circumstances. The consequences of a failure on your part to provide instructions to us by the stated time once notification has been given are entirely your own responsibility.
- 13.10 The Settlement Agent will claim and receive any dividends, interest payments and other entitlements accruing to you, net of any local withholding or similar taxes. If required to do so the Settlement Agent shall deduct tax and you will reimburse the Settlement Agent its costs in so acting.
- 13.11 Dividends, interest payments and cash entitlements due to you will be paid promptly to your account. The Settlement Agent will only accept dividends in cash unless otherwise agreed.
- 13.12 Where you have disposed of any security with a right to receive dividends in respect of such security you shall ensure that any dividend payment received by you and which is properly the property of the purchaser of such security is forthwith forwarded to the Settlement Agent with an indication that the funds are due to the purchaser.
- 13.13 On a periodic basis, we will provide you with a statement detailing all investments held on your behalf in safe keeping. This statement will also provide details of any cash balance held for you as client money. The value of any stock held as collateral, as identified on the

periodic 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.

- 13.14 Any fees or costs payable by you in relation to the safe custody service will be notified to you on our current charging schedule.
- 13.15 You warrant to us that all cash, securities or other assets of any nature transferred to or held by the Settlement Agent (or any nominee company or custodian selected by the Settlement Agent) are owned solely and beneficially by you or are transferred to or held by the Settlement Agent (or such nominee or custodian) with the legal and beneficial owner's unconditional consent and free of such owner's interest, and further free and clear of any lien, charge or other encumbrance and undertake you will not charge, assign or otherwise dispose of or create any interest therein.
- 13.16 You agree, at the Settlement Agent's request, to take such action as the Settlement Agent may require to perfect or enforce any security interest referred to above and you hereby irrevocably appoint the Settlement Agent as your attorney to take any such action on your behalf. You acknowledge and agree that if you fail to comply with any of your obligations under this Agreement, the security interests referred to above shall be enforceable and the powers conferred by Section 101 of the Law of Property Act 1925 (as varied and extended by this Agreement) shall be exercisable. Section 103 of the Law of Property Act 1925 shall not apply to this Agreement.
- 13.17 Subject to the Rules and without prejudice to any other rights which we may have, we and the Settlement Agent shall be entitled at any time to retain, make deductions from or set-off amounts or credit balances which we owe to you (for example, in payment for any Securities bought by us from you or sold by us on your behalf) or are holding for you (either directly or through a sub-custodian and on whatever account) in order to meet any liabilities which you may have incurred to us or the Settlement Agent or which we may have incurred on your behalf under this Agreement. In addition, we and the Settlement Agent shall have the right at any time without notice to combine, set-off against and/or consolidate all or any of your accounts with us or with any Panmure Group member or the Settlement Agent in such manner as we or the Settlement Agent may determine under the terms of this Agreement.
- 13.18 You hereby grant to the Settlement Agent a first fixed charge (with full title guarantee) and a general lien and right of set-off with respect to all cash, investments or other assets of any description paid or delivered (or which are due to be paid or delivered) to the Settlement Agent for your account in settlement of any transaction. Therefore, you confirm that in the event of the Settlement Agent not receiving either cash or securities when due, in respect of any transaction which we are to settle or execute, or in the event of you or us not taking all such steps as may be necessary to secure the due and prompt execution and settlement of any such transaction, we or the Settlement Agent 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 matter we or the Settlement Agent see fit in our or its absolute discretion, (without being responsible for any loss or diminution in price), and may enter into any other transaction, or do, or not do anything (including the application of client money to you) which would, or could have the effect of reducing, or eliminating any liability under any transaction, position or commitment undertaken for you. For the avoidance of doubt, any asset held for you can be realised in order to discharge any obligation you have to us or the Settlement Agent, including any investment held in safekeeping by the Settlement Agent, and investments held in the course of settlement. Should it be necessary to realise any assets as outlined, we or the Settlement Agent will give you 7 business days' notice prior to taking such action.
- 13.19 Neither the Settlement Agent nor we shall be liable to you in respect of any choice made by the Settlement Agent or 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 the Settlement Agent 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 for the balance.

13.20 All cash and investments held or transferred to the Settlement Agent (or its nominees) will be subject to a first fixed charge by way of security for your obligations to the Settlement Agent.

13.21 In exercising any right or remedy under this Agreement, we may use such currency conversions at such rates and in such manner as we may, in our absolute discretion, determine.

## 14. **VARIATION**

The parties may by agreement in writing vary, qualify, alter or amend any one or more of the terms in this Agreement. Notwithstanding this, we and the Settlement Agent may amend the Agreement on giving thirty business days' prior notice to you (unless it is impractical in the circumstances to do so) where, in our opinion, such amendment is required in order to comply with applicable laws and / or the rules of any regulatory body or organisation to which we or the Settlement Agent belong or are subject.

## 15. **COMPLAINTS PROCEDURE**

We and the Settlement Agent both operate a complaints procedure, details of which are available from your usual business contact on request. If you are not satisfied with the response of your usual business contact (or if you prefer not to raise the matter with such person) you may communicate with our Complaints Officer directly in connection with your grievance or complaint by writing to the Compliance Department or by email to [panmurecompliance@panmure.com](mailto:panmurecompliance@panmure.com). If you submit a complaint we will send you a prompt written acknowledgement enclosing details of our complaints management 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 and the options available to you. If for any reason you are dissatisfied with our final response, please note that you may be entitled to refer your complaint to the Financial Ombudsman Service ("FOS"). Their address is Exchange Tower, London E14 9SR. A leaflet from the FOS detailing the procedures for any such referral will be included in our final response to you.

## 16. **CONFIDENTIALITY**

We undertake to keep confidential within the Panmure Group any information relating to you or your business which has been provided to Panmure Gordon (UK) Limited by or on behalf of you and which is not public knowledge except information which we are bound to disclose under compulsion of law or by request of regulatory agencies, provided that Panmure Gordon (UK) Limited may disclose such confidential information (i) to our professional advisers or, if we consider it to be necessary, to our insurers, the FCA or any other relevant regulatory authority or exchange; (ii) if a counterparty to a transaction into which we are to enter on your behalf reasonably requests information about you to assess the credit-risk you represent; (iii) to a third party supplier (with whom any members of the Panmure Group have entered into an agreement) in relation to the provision of services under this Agreement, or (iv) if the information has come into the public domain other than due to a breach of confidentiality by us. You hereby authorise and consent to such disclosure and authorise Panmure Gordon (UK) Limited to co-operate with and/or report to such authorities and exchanges. You agree that our duties to you will not restrict our freedom to take all steps which we consider to be necessary to comply with all the laws, rules and regulations applicable to us.

## 17. **TERMINATION**

17.1 Unless otherwise required by applicable regulations this Agreement may be terminated (without penalty) at any time by either party giving notice in writing to the other party. Such termination will be effective (subject to clauses 10, 18 and 19 of this Agreement which shall survive termination) immediately upon receipt of such written notice and shall be without prejudice to completion of transactions already initiated.

17.2 Without prejudice to paragraph 17.1, if a period of 12 months has elapsed since we have

provided any services to you in relation to this Agreement, we reserve the right to request further information from you, and to decline to deal with you or to terminate this Agreement if you refuse to provide such information.

- 17.3 On termination of this Agreement we shall, as soon as practicable, subject to fulfilling existing trading commitments and subject to paragraph 17.4, comply with your Instructions regarding payment of funds or transfer of any Securities which we may hold for you.
- 17.4 All charges, fees and commissions due to us and any other amounts due to us under this Agreement up to the date of termination, together with all additional expenses necessarily incurred by us in giving effect to such termination, including outstanding obligations will become immediately due and payable upon termination of the Agreement.
- 17.5 Termination of this Agreement does not affect any of your or our accrued rights and obligations at the date of termination.

## 18. **LIABILITY**

- 18.1 You agree with Panmure Gordon (UK) Limited for itself and on trust and as agent for each Panmure Group member that whilst we will act in good faith, neither we nor any other Panmure Group member shall owe you any duty to exercise judgement on your behalf as to the merits or suitability of any transaction nor be liable to you for any and all actions, claims, losses, liabilities, damages, costs, charges and expenses (each a "**Loss**") suffered or incurred by you, (including, without limitation, any loss arising from delay or change in market conditions or from the acts or omissions or insolvency of any Third Party selected by us in good faith) and that you shall not sue Panmure Gordon (UK) Limited nor any other Panmure Group member for any such Loss incurred save to the extent that such Loss shall have arisen from our or their negligence, wilful default or fraud ("**a Claim**").
- 18.2 We accept responsibility for any Loss suffered by you in connection with the holding of money, investments or other evidence of title on your behalf only to the extent such Loss has arisen from the gross negligence, wilful default or fraud of any nominee company or custodian which is a Panmure Group member.
- 18.3 The value of your investments and the income arising therefrom may decrease as well as increase. We shall not be held liable for any loss incurred by you arising from changes in market conditions or market fluctuations.
- 18.4 The provisions of this paragraph 18 will survive the termination or expiry of this Agreement.
- 18.5 Nothing in this Agreement will exclude or restrict any duty or obligation which we have to you under the FCA Rules or any liability which we may incur under the Financial Services and Markets Act 2000 as amended or the regulatory system or other applicable regulations in respect of a breach of any such obligation or duty.
- 18.6 Neither the Settlement Agent, nor any of its directors, employees or agents, shall be liable for any loss or damage sustained by you as a direct or indirect result of the provision by the Settlement Agent of its services except where such loss arises directly as a result of its own fraud, negligence, wilful default or contravention of the Rules and, in any event, will not be liable for any indirect or consequential loss (including loss of profit or damage to your business or reputation).
- 18.7 Neither we nor the Settlement Agent shall have any liability for any circumstance or failure to provide any service if such circumstance or failure results from any event or state of affairs beyond the control of us or the Settlement Agent, including, without limitation, any failure of communication or computer systems or equipment or the suspension of trading by any exchange or clearing house.

## 19. **CONFLICTS OF INTEREST, DISCLOSURE OF MATERIAL INTEREST AND RETENTION OF PROFITS**

- 19.1 We are required to have arrangements in place to prevent or manage conflicts of interest between us and our clients and between different clients. We operate in accordance with a conflicts of interest policy put in place for this purpose under which we have identified those situations in which there may be a conflict of interest, and, the steps taken to prevent or manage those conflicts (attached at Schedule 2). Further details will be provided on request from your usual Panmure contract. Where the organisational and administrative arrangements established by us to prevent or manage a conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented, the client will, where appropriate, be informed of the specific conflict including the general nature and source of the conflict, the risks to the client that arise as a result of the conflict and the steps undertaken to mitigate these risks so as to enable the client to make an informed decision as to how they wish to proceed. Where we consider that the only way to adequately manage a conflict will be to avoid it, the relevant activity to which the conflict relates may need to be terminated and you will be informed accordingly.
- 19.2 We will comply with applicable regulations but we will have no further duty to disclose any interest to you including any benefit, profit, commission or other remuneration made or received by reason of any transaction.
- 19.3 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 this Agreement 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.
- 19.4 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.
- 19.5 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.
- 19.6 Please refer to our summary Conflicts of Interest Policy for further information on potential conflicts of interest and how these are managed. A summary of our conflicts policy accompanies this Agreement, and is also available on our website at <https://www.panmure.com/about-us/legal/legal-regulatory-documentation/>. Any material changes to this policy will be made available on our website from time to time.

## 20. **TELEPHONE RECORDING**

In accordance with regulatory requirements, all telephone calls with clients will be recorded. A copy of such recordings and any communications with the client will be available for a period of five years and may be requested by you on request by writing to the Compliance Department at Panmure Gordon. Panmure Gordon will not make a charge for the provision of such records.

## 21. **CORRESPONDENCE AND NOTICES**

All correspondence, statements and notices (not including Instructions, which are dealt with in paragraph 20 above, but including confirmations, statements and notices required to be sent to you under the Rules) will be provided in English and must be in writing and be deemed validly delivered if sent by prepaid first class post to or left at the address or sent to the e-mail address or facsimile number of the parties respectively or such other addresses or e-mail addresses or facsimile numbers as each party may notify in writing to the other. We shall have authority to communicate with you on any matter which may arise in conjunction with the services which we will have agreed to provide to you, without you having expressly invited us to make such a communication.

## 22. **PERSONAL DATA**

22.1 We and the Settlement Agent may process any personal data (as the term is defined in the Data Protection Act 1998) in relation to you, your directors, officers, employees, agents or representatives for the purposes of providing our services to you under this Agreement. You authorise us to store any such information (whether provided electronically or otherwise) and to disclose any such information (including, without limitation, information relating to your transactions and accounts) as we shall be obliged or requested to under or pursuant to any applicable law or by any regulatory authority or as may be required to provide the services to you. You agree we may also provide such personal data to other Panmure Group members and to the Settlement Agent and that further we and the Settlement Agent may provide such personal data to third party providers of verification services, for the purposes of providing our services and you hereby invite us to provide such personal data for the purposes of us and other Panmure Group members marketing to you our or their services, including by email.

22.2 You hereby consent to the transmittal of personal data in relation to you, your employees, agents or representatives outside of the EU/EEA.

## 23. **FORCE MAJEURE**

We and the Settlement Agent shall not be liable to you for any loss whatsoever suffered, incurred or paid by you, which arises from the non-performance of any of our or their obligations hereunder, where such non-performance results from any events or causes not within our or their control, including but not limited to failure, malfunction or breakdown of telecommunication or computer facilities, industrial disputes, failure of third parties to carry out their obligations, or acts of governmental or supranational authorities.

## 24. **ENTIRE AGREEMENT**

This Agreement shall replace all previous terms between the parties in relation to the subject matter hereof and, except as otherwise provided herein, represents the entire terms on which we will undertake Securities business with you, subject to clause 14 (variation). No person has been authorised to give any representation, warranty or other assurance on our behalf as regards this Agreement, and any given authorisation must not be relied upon. The terms of any order or of any documentation provided by you or on your behalf is incorporated in and made a part of this Agreement only to the extent of specifying the nature and description of the Securities which are the subject of such order or document, and then only to the extent that such order or document is not inconsistent with this Agreement. Any order form or other similar documentation provided by you is deemed to be procedural only and shall have no effect on this Agreement unless they are specifically drawn to the attention of and accepted by us in writing. No conduct by us shall be deemed to constitute acceptance of any terms put forward by you.

## 25. **ASSIGNABILITY**

25.1 This Agreement is personal to you and shall not be capable of assignment or of being transferred by you. We may assign our rights under this Agreement to another Panmure Group member

without your consent but shall provide you with notification of any such assignment.

- 25.2 You agree that in the event that we consolidate, amalgamate, reorganise or transfer our business to another entity, we may assign any of the rights and obligations under this Agreement to such entity. We shall give you notice which will specify a date upon which the assignment will become effective. This date will be at least thirty (30) business days after the date of the notice. Such assignment will have the effect of creating a novated agreement between you and the entity to which such rights or obligations are assigned.

## 26. **SEVERABILITY**

Where any of the terms of this Agreement for any reason become invalid, unenforceable or illegal, in whole or in part, or contravene applicable rules the enforceability of the remaining provisions will not be affected.

## 27. **CONTRACTS (RIGHTS OF THIRD PARTIES)**

A person who is not a party to this Agreement or to any agreement to which it relates shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any such term of such agreement including this Agreement.

## 28. **GENERAL**

You warrant to us that you are acting as principal and not as agent when dealing with us.

## 29. **INVESTORS COMPENSATION SCHEME**

We are a participant in the Financial Services Compensation Scheme in the United Kingdom (the "**Scheme**"). Compensation may be available under the Scheme if we cannot meet our obligations to you. This depends on whether you are an 'eligible claimant', the type of business and the circumstances of the claim. Most types of investment business are covered up to a limit of £50,000 per person per claim. For more information about compensation arrangements, please visit [www.FSCS.org.uk](http://www.FSCS.org.uk) or freephone 0800 678 1100, or 020 7741 4100.

## 30. **DATA PROTECTION**

- 30.1 The personal data we and the Settlement Agent hold about you will only be disclosed outside the Panmure Group or the group of companies to which the Settlement Agent belongs 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;
- (d) at your request or with your consent;
- (e) in connection with a sale or potential sale of all or part of our business; or as described in paragraph 21.

- 30.2 Please be advised that, by signing this Agreement, you consent to the transmittal of your personal data outside of the EU/EEA.

- 30.3 You agree to take reasonable steps to bring the terms of this paragraph 31 and of paragraph 21 of this Agreement to the attention of individuals who are your agents or representatives and whose personal data are likely to be processed by Panmure Gordon (UK) Limited or by our Settlement Agent in connection with the provision of services envisaged by this Agreement.

30.4 In accordance with the General Data Protection Regulation (GDPR) we shall provide a copy of the personal data undergoing processing. For any further copies requested we may charge a reasonable fee based on administrative costs. In the first instance, you should direct any such request to us. You should let us know if you believe any information we or the Settlement Agent hold about you is inaccurate, so that we or the Settlement Agent may correct it.

30.5 In accordance with the Record Retention statement at paragraph 31 below, you will be at liberty to request the destruction or deletion of any record pertaining to yourself after 6 years post termination of any relationship between us, unless we or the Settlement Agent are required to do so by force of law or other regulatory requirement.

## 31. **RECORD RETENTION**

In accordance with legal and regulatory requirements, the Settlement Agent will retain your records for a minimum period of six years following the termination of any relationship between us or in accordance with the Settlement Agent's document retention policy. This period may be extended by force of law, regulatory requirement, our respective document retention policies or agreement amongst us.

## 32. **TAX**

We will not provide any tax advice and we shall not, at any time, be deemed to be under any duty to provide tax advice. You accept that we will not have any responsibility for the tax consequences of your entering into any transaction. In entering into this Agreement you agree that, where appropriate, you will obtain independent tax advice and correctly discharge your tax liabilities, whenever falling due.

## 33. **WAIVER**

No failure or delay by either of us in exercising any right, power or privilege in this Agreement shall operate as a waiver thereof nor shall any single or partial exercise by us of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege.

## 34. **GENERAL**

34.1 For the avoidance of doubt:

- (a) in the event of there being any inconsistency between any of the terms of this Agreement and any relevant rule of the FCA or any exchange or market (including any associated clearing house or clearance system) the relevant rule will take precedence;
- (b) in this Agreement any reference to any statute, subordinate legislation (including without limitation) the Rules or rules of any exchange or clearing house shall be to such statute, subordinate legislation or rule as amended or extended from time to time; and
- (c) the rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

## 35. **GOVERNING LAW AND JURISDICTION**

35.1 This Agreement (and the non-contractual obligations arising out of it) shall be governed by and construed in accordance with the laws of England and Wales, and the parties hereto irrevocably and unconditionally submit to the non-exclusive jurisdiction of the Courts of England and Wales for determining any dispute which may arise out of or in connection with this Agreement.

35.2 You irrevocably waive any objections to the jurisdiction of any court referred to in this clause 35.

- 35.3 You irrevocably agree that a judgment or order of any court referred to in this clause 37 in connection with this Agreement is conclusive and binding on you and may be enforced against you in the court of any other jurisdiction.
- 35.4 Where you do not have a permanent address or place of business in England, you agree to appoint and keep appointed an agent for the service of process and notify us of the identity of such agent.

## **SCHEDULE A: INVESTMENT RISK WARNINGS**

The FCA require us to highlight the risks involved in respect of the following:

The value of Securities or income from them can fall as well as rise. As stocks and shares are valued from second to second, their bid and offer value fluctuates sometimes widely. The degree of fluctuation of fund values varies significantly and the value of higher volatility of world markets, interest rates and capital values or, for Securities held in overseas markets, changes in the rate of exchange in the currency in which the Securities are denominated. You may not get back the full amount you originally invested. Past performance is not a reliable indicator of future performance. If you are unsure about dealing in any specific Investment you should obtain appropriate advice from your financial adviser.

### **FLUCTUATION IN VALUATION OF SECURITIES**

The value of Securities and the income from them can go down as well as up and you may not get back the amounts originally invested.

### **EXCHANGE RATE RISK**

For foreign denominated Securities, a movement of exchange rates may affect, unfavourably as well as favourably, any gain or loss on an Investment.

### **PENNY SHARES**

There is an extra risk of losing money when shares are bought in some smaller companies including penny shares. There may be a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them. The price may change quickly and it may go down as well as up.

### **UNIT TRUSTS**

A unit trust is a collective investment where the investor buys a unit rather than a share. The trust will have an investment manager who invests it in line with the trust's stated investment objectives. The risk level of the unit trust is determined by the investments held in it. The value of the units does fluctuate reflecting the value of the investments held by the trust. Units do not trade at a discount or premium to the value of the underlying investments. Some unit trusts are regulated or recognised by FCA or other EEA regulators which means that they are more highly regulated than other unit trusts. Unit trusts are not usually traded on a market or exchange but manufactured and redeemed by the operator instead. The level of operators charges can have an impact in the returns generated by the trust.

### **CORPORATE BONDS**

They pay interest at a rate that is usually fixed when the bond is issued, although some have interest rates that can vary, these are usually index linked. The value of a bond is less influenced by a company's profits than the value of its shares are, mainly because the return on the bond is unlikely to fluctuate in line with profits. If the company is wound up, bond holders get preferential treatment compared to shareholders. Companies that issue bonds are rated by rating agencies. The rating is intended to reflect the financial position of the company and the chance of it defaulting on either interest or capital repayments. A change in the rating can affect the bond value. Bond values are also affected by changes in interest rates as the attractiveness of their interest payments varies in comparison to these rates.

### **GOVERNMENT BONDS (GILTS)**

Government Bonds are similar to corporate bonds but are issued by state or regional governments rather than companies, therefore the risk of default is considered lower.

## **WARRANTS**

A derivative security that gives the investor the right to purchase the underlying security (usually equity) from the issuer at a specific price within a certain time frame. Warrants are frequently attached to bonds or preferred stock. In the case of warrants issued with preferred stocks, investors may need to detach and sell the warrant before they can receive dividend payments.

## **ETFs - EXCHANGE TRADED FUND**

An investment fund holds assets such as stocks, commodities, or bonds and trades close to its net asset value over the course of the trading day. Most ETFs track an index, such as a stock index or bond index and like a traditional tracker their value is determined by whether or not the index rises or other listed stock.

## **FOREIGN MARKETS**

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. On request, we must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which we will accept liability for any default of a foreign firm through whom we deal. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

## **COLLATERAL**

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

## **COMMISSIONS**

Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

## **SUSPENSIONS OF TRADING**

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

## **CLEARING HOUSE PROTECTIONS**

On many exchanges, the performance of a transaction by us (or third party with whom we are dealing on your behalf) is 'guaranteed' by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the client, and may not protect you if we or another party defaults on its obligations to you. On request, we must explain any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange.

## **INSOLVENCY**

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

## SCHEDULE 1

### Panmure Gordon (UK) Limited

#### Order Execution Policy

This document summarises the general basis on which we will provide “best execution” for a client (“**client**” or “**you**”) when required by the European Union’s Markets in Financial Instruments Directive II (known as “**MiFID II**”) and the Conduct of Business Rules (the “**COBS**”) of the UK Financial Conduct Authority (the “**FCA**”).

#### 1. SCOPE AND PURPOSE

- (a) In certain cases where we are providing order execution services to our clients, we are required under applicable FCA Rules to establish and comply with a policy on best execution. This document sets out that policy.

The Policy applies where we:

- (a) execute orders on your behalf;
- (b) receive and transmit orders on your behalf.

Any specific instructions from a client may prevent us from taking the steps that we have designed and implemented in our Order Execution Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions, for example where or to the extent:

- (a) we are following your specific instructions to execute your order in a particular manner or at a particular price; or
- (b) we are following your specific instructions to execute a specific part or aspect of an order.

Where your instructions relate to only part of the order we will apply this policy to the element of the order not covered by your specific instructions.

The financial instruments covered by MiFID II include most financial instruments but do not include:

- (a) spot foreign currency exchange transactions; and
- (b) spot commodity derivative transactions.

The Policy applies to all transactions we arrange or execute on your behalf.

#### 2. ACHIEVING BEST EXECUTION

Order handling and execution factors

“Best execution” means, for the purposes of MiFID II that when we transact for our clients we take all sufficient steps to achieve the best possible result across all orders on a consistent basis for any financial instrument covered by MiFID II. For retail clients, the best possible result is determined primarily in terms of the total consideration achieved when executing orders for clients

We take into account the following factors:

- Price
- Costs
- Speed
- Likelihood of execution and settlement (liquidity);
- Size

- Type and characteristics of the financial instrument
- Characteristics of the possible execution venues; and
- Any other consideration relevant to the execution of the order.

When we receive an order from you, we will consider the different execution factors as described below, in the context of the instructions that you have provided to us, to form a suitable execution strategy to enable us to obtain the best possible result for you

Order Type	Price	Speed	Costs	Likelihood of execution/Size
VWAP	Important	Somewhat important	Somewhat important	Important
TWAP	Important	Somewhat important	Somewhat important	Important
POV	Important	Somewhat important	Somewhat important	Important
POV with discretion	Important	Somewhat important	Somewhat important	Important
IS (Implementation short fall)	Important	Somewhat important	Somewhat important	Important
Get done within limit	Important	Important	Somewhat important	Somewhat important
Target close	Important	Somewhat important	Somewhat important	Important
Intraday marketable limit order	Somewhat important	Important	Somewhat important	Important
Iceberg	Somewhat important	Important	Somewhat important	Important
Order for close	Somewhat important	Important	Somewhat important	Important
Dark/passive order (mid-point peg)	Somewhat important	Important	Somewhat important	Important

Key Execution factors:

**Price:** Depending on the type of instruction, it is usually the most important consideration and refers to the resulting price of the transaction excluding our own execution charges.

**Speed:** It refers to the rate at which we progress your order in the market. Unless we obtain specific instructions from you, we will progress your order at a rate which we believe represents a balance between creating market impact and executing your order in a timely fashion so as to reduce execution risk.

**Likelihood of execution/Size:** We interpret this as the likelihood of being able to fill your order in its entirety. This factor increases in importance where access to liquidity is constrained.

**Costs:** This relates to commissions, costs and fees that are charged for executing your order. They usually are the least important of our considerations.

There are certain circumstances where best execution will either not apply or have limited scope such as where you give us a specific instruction, for example specifying an execution venue. Those specific instructions may prevent us from taking steps we have put in place to obtain the best possible result for the execution of your orders.

### 3. Execution Venues

In establishing our Execution Policy, we have identified a variety of different execution venues that we intend to use as we consider these enable us to obtain the best possible result on a consistent basis when executing orders on behalf of clients. It is therefore possible that your order may be executed on a venue which is not a Regulated Market, Multilateral Trading Facility ("**MTF**") or Organised Trading Facility ("**OTF**"). You should also note that some financial instruments may only be traded on one venue (notably if we execute a trade for units in a fund, the venue will be the fund manager or the fund itself).

In order to access additional execution venues or where we otherwise believe it may be beneficial to the execution of your order, we may transmit your order to another broker or dealer for execution. In such cases we may:

- (a) determine the ultimate execution venue ourselves by accessing specific execution

venues through such third parties; or

- (b) instruct the other broker or dealer accordingly (having already satisfied ourselves that they have arrangements in place to enable us to comply with our execution obligations to you).

When selecting a third party broker, we:

- carry out due diligence on that entity and ensure that the entity is able to provide an appropriate standard of execution in the relevant market;
- monitor our executions with the broker to satisfy ourselves that they are providing appropriate standards of execution.

There may be other cases where we execute your order outside a trading venue. When executing orders or taking decisions to deal in Over The Counter ("**OTC**") products including bespoke products, we will check the fairness of the price proposed to you, by gathering comparable market data used in estimating the price of such product where possible, by making a comparison with similar products. This gives rise to counterparty risk, i.e. the risk that the counterparty to the transaction does not fulfil its obligations. For further information concerning orders executed outside of a trading venue and the consequences of this, please contact your usual Panmure contact.

### 3.1 **Asset Classes**

This section of the Policy sets out facts considered generally for each asset class specifically. The overall objective for Panmure Gordon in assessing each individual asset class is to obtain the best possible result for the client on a consistent basis.

#### (a) **Cash Equities & Equity-like Instruments (such as ETFs, GDRs/ADRs):**

With respect to cash equities and equity-like instruments, the one venue on which we place significant reliance is the London Stock Exchange, and its AIM market. We will regularly assess the execution venues available so that we can continue to include those which enable us to obtain the best possible result on a consistent basis. The following factors govern our selection process:

- Liquidity and price (Importance: high)- whether a venue provides or is likely to provide material opportunities to trade that may not exist within our existing portfolio of venues, such as price improvements or the ability to trade significant additional size at similar prices to those offered on existing venues.
- Realized performance (importance: high) - venues we utilize are frequently reviewed on metrics such as latency, liquidity, price improvement, fill rates and pricing analysis. These metrics form part of our ongoing review and decision making process to retain or disqualify a venue from on-going use.
- Speed of access, immediacy and likelihood of execution (importance: medium) - the importance we attach to speed varies on the type of order book we participate in: lit or dark order book.
- Costs (importance: low)- our commission rates for execution reflect both the cost of providing our own services, together with the costs that we incur or expect to incur when we use external venues (clearing & settlement).

## (b) Fixed Income Instruments

With respect to fixed income products execution strategy is undertaken on a trade-by-trade basis, and will depend on the objectives of the client. The execution factors that will be taken into consideration are set out above; liquidity and price, realized performance, speed of access and costs.

## 4. Monitoring and Review

Panmure Gordon monitors the effectiveness of this Policy in a number of ways. Compliance and the trading desks participate in a process designed to monitor the execution quality of transactions subject to the best execution requirements. This involves undertaking activities relating to monitoring, reviewing and reporting execution quality, including execution venues and brokers used via third party software.

## 5. Policy Update

This policy and our order execution arrangements, including the venues we use to execute orders, are reviewed (and, if necessary, updated) by us on an annual basis and whenever a material change occurs which affects our ability to continue to obtain the best possible result for the execution of client orders on a consistent basis using the venues included in this Policy. Clients will be advised of any material change to the Order Execution Policy via the Panmure website. If you would like a copy of the most recent Policy which is available at: <https://www.panmure.com/about-us/legal/legal-regulatory-documentation/>.

## 6. Consent

The rules require that we must obtain your prior consent to this policy and specifically obtain your express consent in the following two circumstances:

- (a) the first is prior to executing an order in an instrument admitted to trading on a Regulated Market, MTF or OTF outside of such a Regulated Market MTF or OTF; and
- (b) the second is not to make public your unexecuted limit orders.

You will be deemed to consent to the Order Execution Policy if you continue to retain our services.

## 7. Contact Details and Further Information

If you have queries about the Policy, please contact the Compliance Department at Panmure Gordon. Where you make a reasonable and proportionate request for information regarding our policies and arrangements and how they are reviewed, we will answer clearly and within a reasonable time period.

## Appendix 1 - Execution Venues

Below is a list of execution venues, as noted in section 3 (Execution Venues) of the Order Execution Policy used by Panmure Gordon when executing orders on behalf of clients. This list is not exhaustive and is subject to change and will be reissued periodically.

Panmure Gordon will use the venues that allow it to obtain the best possible outcome on a consistent basis when executing an order on a client's behalf regardless of our client's regulatory classification. Panmure Gordon receives no payment for order flow nor inducements from any venue.

### Cash Equities & Equity-like Instruments

*Includes regulated markets, MTFs and other venues:*

AIM ITALIA - MERCATO ALTERNATIVO DEL CAPITALE  
AQUIS EXCHANGE  
ATHENS EXCHANGE S.A. CASH MARKET  
BATS CHI-X EUROPE - CXE DARK ORDER BOOK  
BLINK MTF  
BLOCKMATCH  
BOERSE BERLIN EQUIDUCT TRADING: BERLIN SECOND REGULATED MARKET, FREIVERKEHR, REGULIERTER MARKT  
BOLSA DE MADRID  
BORSA ISTANBUL  
BORSA ITALIANA S.P.A.  
CITI MATCH  
CREDIT SUISSE AES CROSSFINDER EUROPE  
DEUTSCHE BANK - SUPERX EU  
DEUTSCHE BOERSE AG  
ELECTRONIC SHARE MARKET  
EURONEXT: AMSTERDAM, BRUSSELS, LISBON, PARIS  
INSTINET CBX (US)  
IRISH STOCK EXCHANGE - ALL MARKET  
ITG - POSIT  
JOHANNESBURG STOCK EXCHANGE  
JPMX  
LONDON STOCK EXCHANGE  
LUXEMBOURG STOCK EXCHANGE  
MERCADO CONTINUO ESPANOL - CONTINUOUS MARKET  
MS POOL  
NASDAQ: OMS, COPENHAGEN A/S, HELSINKI LTD, STOCKHOLM AB  
NEW YORK STOCK EXCHANGE, INC.  
NYSE MKT LLC  
OSLO BORS ASA: OSLO SUB MARKET  
POSIT  
SIGMA X MTF  
SIX SWISS EXCHANGE  
TORONTO STOCK EXCHANGE  
TURQUOISE  
UBS MTF  
WIENER BOERSE AG: AMTLICHER HANDEL (OFFICIAL MARKET)  
XETRA

**Fixed Income Instruments**

LONDON STOCK EXCHANGE

## SCHEDULE 2

### Panmure Gordon (UK) Limited

#### Conflicts Of Interest Policy

When managing and dealing with a conflict of interest Panmure Gordon (UK) Limited ("Panmure Gordon" or "we") will comply with the rules of the FCA and any other regulatory authority along with the rules of the relevant market.

We are required to disclose the circumstances which constitute or may give rise to a conflict entailing a risk of damage to the interests of one or more clients. The disclosure of a conflict of interest to a client will only be used where the effective organisational and administrative arrangements established by us to prevent or manage conflicts of interests are not sufficient to ensure, with reasonable confidence, the risks of damage to the interests of the client will be prevented. This document sets out the types of conflict of interest relevant to clients of Panmure Gordon. It also covers Panmure Gordon's means of preventing or managing those conflicts.

We are required to manage conflicts of interest fairly. Therefore, we maintain procedures that are designed to prevent any conflict of interest from giving rise to a material risk of damage to the interests of our clients.

#### 1. DEFINITIONS

1.1 For purposes of this policy, conflicts of interest are defined as conflicts of interest that arise, or may arise, in the course of providing a service and whose existence may entail a material risk of damage to the interest of a client and, as a minimum,

(a) from which Panmure Gordon is likely to make a financial gain, or avoid a financial loss, at the expense of a client;

(b) in which Panmure Gordon has an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of a client, which is distinct from the client's interest in the outcome;

(c) where Panmure Gordon has a financial or other incentive to favour the interest of a client or group of clients over the interest of another client;

(d) where Panmure Gordon carries on the same businesses as a client; or

(e) where Panmure Gordon receives or will receive from a person other than a client an inducement in relation to a service provided to that client, in the form of monies, goods or services, other than the standard commission or fee for that service.

1.2 We carry on corporate finance, trading, and other investment banking business. There are a number of potential conflicts of interest that exist within Panmure Gordon because we act for companies that are seeking to raise money, investors who wish to invest in those companies, and on our own behalf. In order to enable our clients to understand the nature of the conflicts that may be relevant to Panmure Gordon, we set out below a number of examples of key potential conflicts of interest, and explain the method by which we manage such conflicts.

1.3 References to "Panmure Gordon" and "we" in a description of a potential conflict set out below includes third parties with whom we may act on your behalf.

## 2. **SPECIFIC CONFLICTS**

- 2.1 We may provide integrated execution, clearing, settlement and custody services to a number of financial services organisations and these therefore may have potentially competing client interests.
- 2.2 We may hold positions and/or provide transactional related services for more than one client and such clients may have competing objectives in relation to a position or transaction.
- 2.3 We may enter into a transaction in relation to which we have, indirectly or directly, a material interest or relationship. A material interest includes any benefit, profit, charge, commission or other remuneration made or received by us as a result of that transaction.
- 2.4 We may combine orders received from one client with those received for the accounts of other clients (and exceptionally may combine with our own orders). Such aggregation may operate on some occasions to a client's advantage and on some occasions to their disadvantage. Where orders have been aggregated, they may be allocated out to clients on a pro-rata, or otherwise fair, basis.
- 2.5 We may pass orders to an affiliated company for execution. This will, however, be done in accordance with our Order Execution Policy.
- 2.6 Where we exercise a right to vote in relation to a corporate action, we will do so in accordance with clients' instructions and these may reflect competing interests.
- 2.7 We may place money held on behalf of clients and/or their underlying clients with a bank (in accordance with the relevant regulatory requirements) and earn and retain interest payments from such bank.
- 2.8 We may have other business relationships with a company in relation to whose securities you are entering into a transaction.
- 2.9 We may issue research on a company, which will represent our analyst's assessment of the prospects of that company. Our analysts may have certain travel etc. expenses paid by the company to enable them to conduct their assessments. We may also act as corporate finance advisor to, or offer funding to, that company, or deal in the shares of that company.

## 3. **ARRANGEMENTS TO PREVENT OR MANAGE CONFLICTS**

- 3.1 Panmure Gordon may use information barriers (sometimes called Chinese Walls) to ensure that, for example, information on corporate finance and capital markets activities is not available to employees who may be engaged in dealing activities with clients. As a result, the information provided to you in relation to the services we provide will only come from the particular employees on one side of the information barrier who are dealing with your affairs at that time. No information from the respective employees on the other side of the information barrier will be made available to you. Further, none of our employees may disclose to any client, or act upon, any confidential information belonging to any other client of Panmure Gordon even if that information is of concern to other clients.
- 3.2 Where we use information barriers, we will also use management structures that support these restrictions on the flow of information. In addition we monitor these arrangements to ensure that information does not flow from one side of the information barrier to the other, unless a member of staff is deliberately being taken "across the wall", when they will sign an Insider Register and their subsequent activities will be supervised by someone from the corporate side of the information barrier.
- 3.3 In the context of a transaction that we have executed for you, we will disclose to you any charges that are payable to us by you.
- 3.4 Where we have a proprietary holding in a company that we are also advising there will be an

information barrier between the person advising the corporate and the person with the proprietary holding on our behalf. The person advising the company will not be aware of our proprietary holding in the company.

- 3.5 We generally do not permit our employees to take part in activities for different business lines (for example acting in both research and corporate finance roles) where that may prevent us from properly managing any conflicts of interest as a result.
- 3.6 We have measures to prevent or limit any person from exercising any inappropriate influence over the way in which an employee carries out their activities.
- 3.7 In certain circumstances there may be a conflict of interest that prevents us from acting for you in a particular transaction. In such cases we may not be able to disclose to you why we cannot act because to do so would be a breach of confidentiality.
- 3.8 Separate supervision of employees whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of Panmure Gordon.
- 3.9 We remunerate and supervise employees in a manner designed to manage potential conflicts of interest.
- 3.10 When faced with certain types of conflict, our senior management may be asked to determine the best way for us to act so as to manage the potential conflict.
- 3.11 The terms of this Conflicts Policy and the accompanying Terms of Business set out the extent of Panmure Gordon's responsibilities in respect to conflicts of interest. Panmure Gordon is not subject to any fiduciary or equitable duties that prevent it from acting in a dual capacity or that require it to accept more extensive responsibilities.

#### 4. **ARRANGEMENTS TO PREVENT OR MANAGE CONFLICTS IN RELATION TO RESEARCH**

- 4.1 Panmure Gordon's investment research is prepared and published impartially and independently from any conflicts of interests which may arise as a result of the Firm's activities, including sales and trading, investment banking and private equity.
- 4.2 Panmure Gordon prohibit from offering or accepting an inducement or improper influence with regard to the publication, timing or content of the Firm's research.
- 4.3 All personal account dealings, external business interests and material business-related gifts require Compliance approval.
- 4.4 Chinese walls are in place to prevent sensitive information from being passed between different business areas of Panmure Gordon. There is a physical separation between the research department and Corporate Finance/Corporate Broking with access controlled by electronic card-key.
- 4.5 Research analysts may be brought over the Chinese wall for specific reasons with the prior approval of Compliance.
- 4.6 Panmure Gordon's Corporate Finance employees may hold discussions with research analysts to discuss public information and views, subject to Compliance approval, but neither may disclose confidential, non-public information to the other.
- 4.7 Panmure Gordon's research analysts may provide ideas to sales or trading staff, subject to the prohibition on dealing ahead of research. Knowingly dealing ahead of research, whether for an employee's personal account, a client account or the firm's market making book, is prohibited.
- 4.8 We do not permit any research or communication regarding an analyst's future recommendations, forecasts or price targets from being provided prior to its publication to the

firm's clients or to anyone inside or outside the firm.

- 4.9 We ensure that research is published and communicated simultaneously both internally and to the firm's investment clients. Distribution is undertaken impartially and without advantage or disadvantage to any specific client or group of clients. Panmure Gordon's research is not distributed to or intended for the use of Retail clients.

5. **FURTHER INFORMATION**

- 5.1 If you have any questions please address them to your usual Panmure Gordon contact.