

# GBIM

— GORE BROWNE —  
INVESTMENT MANAGEMENT

Terms of Business

February 2020

## Investment Management Terms of Business

February 2020

These Terms of Business (the "Terms of Business") and their accompanying Appendices have been written in accordance with the rules of the Financial Conduct Authority ("FCA") and are legally binding in relation to all investment business GBIM does for you. Before agreeing to them, it is naturally important that you take as much time as you need to read them, think about their implications and ask GBIM about anything you feel is unclear.

## Introduction

### A. The Manager

In these Terms of Business, the Manager is GBIM Limited (**GBIM**), a company registered in England and Wales, whose registered office is 37 Brown Street, Salisbury, Wiltshire SP1 2AS (Registered Number 7746731). The Manager also operates under the trading names Gore Browne Investment Management, Gore Browne and GBIM. These names may, therefore, appear on correspondence with you or other relevant literature but will not change the legal entity providing services to you under these Terms of Business.

The Manager is authorised and regulated by the Financial Conduct Authority (**FCA**), whose address is 12 Endeavour Square, London E20 1JN, with FCA reference number 593265.

### B. The Custodian

In these Terms of Business, the Custodian (**Custodian**) is appointed by GBIM as your agent. Currently the Custodian is Pershing Securities Limited (**Pershing**).

### C. Background to these Terms of Business

These Terms of Business are split into the following Sections, which together comprise the basis on which GBIM will provide Discretionary Investment Management services to the client (**you**) and together outline the legal and compliance background to its Services:

Section 1: this contains a summary of certain of the key terms in respect of your relationship with GBIM (the full version of which is in Section 2).

Section 2: this contains the full Terms of Business under which GBIM will provide Services to you.

Section 3: this contains a summary of the terms of the Pershing Agreement. Under the terms of Section 2, you appoint GBIM to enter into the Pershing Agreement as agent on your behalf. A full copy of the Pershing Agreement is available on request from GBIM. More details on the background to this arrangement are set out at the start of Section 3.

Glossary: this sets out the definitions of various terms used in these Terms of Business.

Appendices: these contain various supplementary documents and guidance referred to in the main Terms of Business document, including the Risk Warnings.

The background information that GBIM requires in order to provide its Discretionary Investment Management services to you is requested in its Client Information and Suitability Questionnaire (the "Suitability Questionnaire"). The Suitability Questionnaire, together with Section 2 of these Terms of Business, its Fee Statement, the Form of Appointment, and (where relevant) ISA Application Forms (together the "Forms") shall together act as the formal basis of the Agreement between GBIM and you.

GBIM may agree to provide you with Execution-Only Services. If GBIM agrees to provide you with such services, you agree that the provisions of clause 18 shall apply to those services.

By completing and signing the Forms, you agree to these Terms of Business and also the provisions required by the Custodian. As the Services GBIM provides almost without exception require the use of a Pershing nominee account, any cash and or existing investments you wish to entrust to the Portfolio(s) GBIM manages for you will have to be received by Pershing before this Agreement can come into effect. Pershing's obligation to you is limited to those set out in Section 3 of these Terms of Business, and in particular Pershing shall not owe you any wider duties of a fiduciary nature other than set out in Section 3.

The arrangements under these Terms of Business will supersede and replace arrangements in respect of the Portfolio(s) in any other agreement with GBIM, or anyone else.

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## Section 1 - Summary

1.	GBIM provides Discretionary Investment Management services, these being the service of making decisions to invest the assets comprising the Portfolio(s) with a view to achieving the Investment Objectives; and, other Services as set out in this Agreement.
2.	Your attention is drawn to the Risk Warnings, Notice Five on page 61.
3.	The capital value of the investment may fluctuate and the entire capital is at risk. You should have sufficient financial resources so as to bear the risk of significant capital loss; and with sufficient knowledge and experience in order to understand the risks associated with investment products.
4.	You appoint and authorise GBIM (the "Manager"), on the terms set out in the Agreement, as Discretionary Investment Manager of your Portfolio(s) to provide the Services, to manage your cash and investments within the Portfolio(s) and collectively with those of other clients, and grant to GBIM full and unfettered authority and discretion (save to the extent set out in the Agreement) to place orders for investments on your behalf in accordance with this Agreement. You also appoint GBIM as your agent to enter into the Pershing Agreement on your behalf, pursuant to which Pershing will provide, amongst others, Custodian services.
5.	GBIM agrees to accept its appointment and obligations on the terms set out in the Agreement. GBIM undertakes to manage the Portfolio(s) for you on a discretionary basis in accordance with any Investment Objectives agreed with you, and subject to any restrictions agreed with you, and as amended by you subsequently from time to time in writing.
6.	GBIM may outsource any operational functions or delegate any investment services provided under this Agreement to third parties (who may or may not be Associates) without seeking your permission. This includes the choice of Custodian.
7.	You are a client of GBIM for regulatory purposes. You are also a client of Pershing in respect of the provision of Clearing and Settlement, Safe Custody Services and other services. You will be classed as a retail client, subject to your right to request a different categorisation. Pershing will rely on GBIM's categorisation of you as a retail client for Pershing's regulatory purposes.
8.	You confirm that you have read the description of the Services, as well as the descriptions of Investment Objectives and the Risk Warnings, and that you consider that the Services offered are suitable for your needs and requirements.
9.	<b>By virtue of this Agreement you provide certain indemnities. You should be familiar with the terms of any such indemnities and the circumstances in which they may apply.</b>
10.	Pershing will provide Clearing and Settlement, Safe Custody Services and other services, including, but not limited to, the holding of your Portfolio('s) assets. The terms of the arrangements with Pershing are subject to the Pershing Agreement, a summary of which is in Section 3.
11.	GBIM will take into account your capital gains position in respect of the Portfolio(s). However, you and your professional tax adviser are solely responsible for the management of your tax affairs.

12.	<p>GBIM Limited (GBIM), the Manager, is a company registered in England and Wales, whose registered office is 37 Brown Street, Salisbury, Wiltshire SP1 2AS. Registered No 07746731.</p>
13.	<p>You may contact GBIM:</p> <ul style="list-style-type: none"> <li>i. by writing to your appointed investment manager at GBIM ("Investment Manager") at the appropriate address</li> <li>ii. by email</li> <li>iii. the contact details for each office are:</li> </ul> <p>Chequers Court, 37 Brown Street, Salisbury, Wiltshire, SP1 2AS (registered office)          Tel - 01722 424444      Email - salisbury@gbim.co.uk</p> <p>Belvedere House, 2 Victoria Avenue, Harrogate, Yorkshire, HG11EL          Tel - 01423 508040      Email - harrogate@gbim.co.uk</p> <p>You may pass instructions to GBIM in writing (which for the purpose of this document excludes email and other electronic correspondence) or (if so agreed with GBIM) by telephone or other electronic medium. You agree to indemnify GBIM in full for all loss, costs, damages and expenses which GBIM may sustain or incur or become responsible for in any way by reason of it having agreed to accept an instruction from you transmitted to GBIM other than in writing.</p>
14.	<p>GBIM will contact you using the contact details that you have provided to it from time to time. GBIM may contact you using writing, telephone, text (SMS) message, email, or face to face meeting. If you have authorised GBIM to deal with and/or communicate with a third party on your behalf then GBIM may communicate with such third party in the same manner.</p>
15.	<p>GBIM is authorised and regulated by the Financial Conduct Authority (the "FCA"), whose address is 12 Endeavour Square, London E20 1JN, with FCA reference number 593265.</p>
16.	<p>GBIM participates in the Financial Services Compensation Scheme ("FSCS"). You may be entitled to compensation from the FSCS if GBIM cannot meet its obligations to you. The level of potential compensation available depends on the type of business being conducted. In respect of protected investment business, the maximum compensation available is £85,000.</p> <p>Further details are available on request or are available on the FSCS website <a href="http://www.fscs.org.uk">www.fscs.org.uk</a> or are available from:</p> <p><b>FSCS, 10th Floor, Beaufort House, 15 St Botolph Street London, EC3A 7QU</b>  <b>Telephone: 0800 6781100</b></p>
17.	<p>Details of Fees and Charges which you may pay to GBIM and Pershing are set out in the Fees and Charges Supplement. A Fees and Charges Supplement will be provided to you by GBIM from time to time. The Fees and Charges Supplement forms part of and must be read together with this Agreement.</p>
18.	<p>Fees shall be due from the date that GBIM accepts you as a client and receives the first asset into your Portfolio(s).</p> <p>To the extent permitted by FCA Rules from time to time, you agree that GBIM may (and may direct the Custodian to) retain, sell or realise any securities or other assets (including cash) held by the Custodian, for the purposes of meeting any fees due from you pursuant to this Agreement.</p>

19.	In signing the Agreement, you agree to undertake the obligations conferred on you thereby. Particular attention is drawn to clause 4.
20.	It should be noted that certain liabilities of GBIM are excluded under Section 2 or are otherwise limited. Particular attention is drawn to clause 17.
21.	GBIM will confirm in writing to the client their Cancellation Rights prior to the acceptance of an Application Form.
22.	GBIM may terminate this Agreement immediately on 30 days' notice, or immediately if required to do so by any competent regulatory authority.
23.	You are entitled to terminate this Agreement immediately at any time by written notice. Your statutory Cancellation Rights permit you to cancel the Agreement by notification to GBIM within 14 calendar days of written receipt by you of the Cancellation Rights sent to the address given in clause 23.1. You acknowledge that the Services will be provided to you during this statutory cancellation period and that a charge may be incurred by you should you choose to cancel the Services during this time.
24.	The right to cancel under the FCA Rules does not give you the right to cancel, terminate or reverse any particular investment transaction executed for your account before cancellation takes effect.
25.	<p>If you have any Complaints regarding the Services of GBIM or Pershing, you should in the first instance contact GBIM which will provide you with a copy of its Complaints Policy.</p> <p>If GBIM cannot resolve the Complaint to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service. The Financial Ombudsman can be contacted at:</p> <p><b>The Financial Ombudsman Service, Exchange Tower, London, E14 9SR</b>  <b>Website: <a href="http://www.financial-ombudsman.org.uk">www.financial-ombudsman.org.uk</a></b>  <b>Tel: 020 7964 1000 Fax: 020 7964 001</b></p>

## Section 2 - Your Relationship with GBIM

The following Agreement sets out the basis on which GBIM will undertake Discretionary Investment Management services for you. It also describes the circumstances in which GBIM may agree to provide Execution-Only Services. It contains GBIM's obligations to you, and also your obligations to GBIM. In the below, references to "Agreement" refer to the Agreement between you and GBIM only.

### Terms of Business

#### 1. Investment Discretion

- 1.1. GBIM shall provide:
  - a. the service of making decisions to invest the assets comprising the Portfolio(s) with a view to achieving the Investment Objectives; and,
  - b. other services as set out in this Agreement, together known as the "Services".
- 1.2. You appoint GBIM (the "Manager") as Discretionary Investment Manager of your Portfolio(s) to provide the Services in accordance with this Agreement.
- 1.3. GBIM, subject to the terms of this Agreement, accepts the appointment in clause 1.1 above and undertakes to manage the Portfolio(s) for you, the client, on a discretionary basis in accordance with any Investment Objectives agreed with you, and subject to any restrictions agreed with you in writing, and as amended by you subsequently from time to time in writing.
- 1.4. Subject to any instructions from you, applicable law and any other provisions of this Agreement, GBIM shall have full authority at its sole discretion, without prior reference to you, as agent and in your name and at such times as GBIM shall think fit, to make decisions to invest the assets comprising the Portfolio(s) in accordance with the Investment Objectives and restrictions agreed with you.
- 1.5. Unless you specify any, there shall be no restriction upon the type of investment GBIM may purchase on your behalf or the amount or proportion that may be invested in any one investment or type of investment or market.
- 1.6. Subject to any such restrictions, and to the other provisions of this Agreement, GBIM will have complete discretion for the account and as your agent (and without prior reference to you) to buy, sell, retain, exchange or otherwise deal in investments and other assets, make deposits, subscribe to issues and offers for sale and accept placings and underwritings of any such investments on your behalf.
- 1.7. GBIM may execute or effect transactions on any markets, negotiate and execute counterparty and account opening documentation, take all routine or day-to-day decisions, and otherwise act as it judges appropriate in relation to the management and investment of your Portfolio(s), within the scope of its FCA permissions.
- 1.8. Subject to any Investment Objectives agreed with you, and any restrictions mentioned above, your Portfolio(s) may include, but is not limited to, direct or indirect holdings of UK and overseas equities, gilt-edged securities, other types of bond or fixed interest securities, units or shares in regulated or unregulated collective investment schemes, commodities, real estate or other rights or assets.
- 1.9. Unless an authorised intermediary has confirmed to GBIM that it takes responsibility to review your Investment Objectives, in accordance with applicable law and regulation GBIM may review, on a periodic basis, your Investment Objectives, and may, from time to time, suggest to you such amendments as, in our opinion, are appropriate. You agree to advise GBIM promptly of any changes in circumstances which may alter or affect your Investment Objective or risk profile.
- 1.10. Where a bundle of services or products is envisaged between us, GBIM's assessment must consider whether the overall bundled package is suitable for you. When GBIM carry out a periodic review, the



information you provide will enable GBIM to check that your Portfolio(s) remains suitable for you, so it is very important that you do provide GBIM with accurate and up to date information. If, as a result of the periodic review GBIM undertake, GBIM consider that you need new advice, GBIM may communicate this to you in accordance with applicable law and regulation via the usual channels for communication between us. If GBIM is unable to check this because you do not provide us with information, GBIM may have to stop providing services to you.

- 1.11. Notwithstanding any agreement with you, the Investment Objectives and restrictions required by you shall not be deemed to have been breached as a result of changes in the price or value of certain assets of your Portfolio(s) brought about solely through market forces, events or circumstances beyond GBIM's reasonable control, or movements in the market.
- 1.12. Neither GBIM, nor its agents or delegates, shall have power to commit you to supplement the assets of your Portfolio(s) by borrowing on your behalf without your prior consent. Neither can GBIM commit you to a contract which may require you to supplement such assets except that it may acquire partly paid securities and/or may temporarily overdraw any appropriate account from time to time to settle investment transactions in accordance with Section 3, 9.
- 1.13. The Risk Warnings in Notice Five on page 61 contains a general description of the nature and risks of investments which may be held in the Portfolio(s). It is important that you take time to familiarise yourself with the Risk Warnings in Notice Five on page 61 and make sure that you understand them and are prepared to take the risks outlined. You should seek separate professional advice if you are unsure of how the Risk Warnings may apply to you.
- 1.14. In order to receive Services you must:
  - a. complete and return to GBIM the Form of Appointment relating to the Services;
  - b. complete a Suitability Questionnaire;
  - c. in the event that you wish for GBIM to manage an ISA on your behalf then the relevant completed ISA Application Form will be required;
  - d. not be a citizen or resident of the United States for the purposes of the United States IRS Code or be designated at any time as having a substantial presence in the United States or act on behalf of any such person, including as trustee or agent or in partnership with such a person;
  - e. declare all US indicia; and
  - f. satisfy GBIM's anti-money laundering and know your customer requirements.
- 1.15. GBIM is not permitted to deal with you unless you have obtained and maintain a valid LEI, where you are required to do so. "LEI" means a validated and issued Legal Entity Identifier, the length and construction of which are compliant with the ISO 17442 standard and which is included in the Global LEI database maintained by the Central Operating Unit appointed by The Legal Entity Identified Regulatory Oversight Committee.

## 2. Effective Date and Becoming a Client

- 2.1. On your completion of the Forms and the delivery of them to GBIM, your Investment Manager will write to you confirming if you have or have not been accepted as a client of GBIM.
- 2.2. If GBIM accepts you as a client, this Agreement shall come into full force and effect on the date upon which your first investments or cash are received by the Custodian (the "Effective Date").
- 2.3. Your statutory Cancellation Rights are not affected and permit you to cancel the Agreement by notification to GBIM within 14 calendar days of written receipt by you of the Cancellation Rights sent to the address given in Clause 23.1.

- 2.4. You agree that:
- a. the measurement of the performance of the Portfolio(s) shall be undertaken from the Performance Commencement Date;
  - b. in the event that GBIM, in accordance with an instruction given in accordance with clause 6.1, undertakes transactions in your Portfolio(s) following the Effective Date but prior to the physical settlement of assets in the Portfolio(s) into your relevant accounts to which GBIM has access, you shall indemnify GBIM against any losses that may be incurred in the event of delay or failure to complete such settlement.

### 3. Outsourcing and Use of Agents

- 3.1. GBIM may outsource any of its operational functions or delegate any of the investment services provided under this Agreement to third parties (who may or may not be Associates) and may provide information about you (including Personal Data) and your Portfolio(s) to any person to whom such activities have been outsourced or delegated solely for the proper delivery of Services under this Agreement. GBIM's liability to you for all matters so outsourced or delegated shall not be affected thereby and GBIM will give you written notice of any such outsourcing or delegation of any function in the course of exercising its discretionary powers. GBIM will exercise all reasonable skill and care in the selection, use and monitoring of third parties.
- 3.2. The information you provide may be used to run anti-money laundering and identity checks against your name; the identity checks will be performed using a credit reference agency which may keep a record of the search. This is not a credit check so it will not affect your credit score. GBIM may also be legally obliged, in certain instances, to pass on your financial information to the UK or US tax authorities, HM Revenue & Customs (HMRC) and the Inland Revenue Service (IRS).
- 3.3. Likewise, GBIM may employ agents (who may or may not be Associates) to perform any administrative, dealing or ancillary services (not covered by paragraph 3.1 above) required to enable it to perform its Services under this Agreement. GBIM will exercise all reasonable skill and care in the selection, use and monitoring of agents.
- 3.4. **You authorise and instruct GBIM, as agent on your behalf, to enter into the Pershing Agreement between Pershing and you.**
- 3.5. **You undertake to indemnify and to keep GBIM fully indemnified against all actions, proceedings, claims, losses, liabilities and costs of every description which GBIM may incur as a result of, or in connection with, the exercise or purported exercise in good faith of the power conferred by this grant of power of agency by you to GBIM.**

### 4. Your Warranties and Undertakings to GBIM

- 4.1. You warrant to GBIM that you have full and unrestricted power to engage GBIM to manage the Portfolio(s) under the terms of this Agreement and on a discretionary basis. You warrant that you are the beneficial owner of the investments and cash comprising the Portfolio(s) (unless otherwise agreed) and the investments and cash comprising the Portfolio(s) are free from encumbrances including all rights of third parties to retain, sell, realise or charge those investments, except to the extent any such rights are granted in this Agreement or in the Pershing Agreement. You undertake not to permit such investments and/or cash to become subject to any third party rights whatsoever without GBIM's prior written consent.
- 4.2. You warrant that any information which you provide, or have provided, to GBIM is complete and correct and that you will notify GBIM promptly if there is any material change to such information. You will provide such other relevant information as GBIM may reasonably request from time to time in order to enable it to comply with its regulatory and contractual obligations or such further information as may be properly required by any competent authority, in each case promptly following such request. You acknowledge that a failure to provide information requested by GBIM may undermine its ability to provide effective Services under this Agreement, and may result in GBIM having to suspend the provisions of Services to you or terminating this Agreement.

- 4.3. You warrant that you have obtained and will maintain a LEI if required to do so. You will immediately inform GBIM in writing of any changes to LEIs and of any new LEIs issued to you or any principals on behalf of which you act.
- 4.4. You undertake to advise GBIM of any change in your financial circumstances or other matters (including residence, nationality or domicile) which may affect the operation of this Agreement and the types of investment that may be held.
- 4.5. Without prejudice to the preceding paragraph, you confirm and represent that you are not a United States Person (as defined by Regulation S under the United States Securities Act 1933) and you undertake to advise GBIM should you become or intend to become a United States Person.
- 4.6. You undertake not to deal, except through GBIM, with any of the investments and/or cash in the Portfolio(s) or to authorise anyone else to do so except as expressly agreed with GBIM.
- 4.7. If the investment guidelines agreed with you permit GBIM to apply for shares on your behalf in public issues or offers for sale, you undertake that you will make no separate applications for such offerings where multiple applications are prohibited.
- 4.8. You agree to indemnify GBIM in full against all claims which may be made against it in connection with the proper exercise of the powers and discretions conferred under this Agreement except insofar as such claims may result from its fraud, its wilful default, its negligence or a breach of any of its obligations under the FCA Rules.
- 4.9. A client subject to the Trustees Act 2000 is required to prepare an Investment Policy Statement ("IPS"). In this case, the Investment Objectives you select must comply with this IPS and you should therefore provide GBIM with a copy of the IPS.

## 5. Client Classification

- 5.1. For the purposes of the rules of the Financial Conduct Authority ("FCA Rules"), GBIM is required to classify each client as a retail client, a professional client or an eligible counterparty. Unless GBIM specifically notifies you otherwise, GBIM will categorise you as a retail client and provide its services on that basis.
- 5.2. Under FCA Rules, you are entitled to request a different categorisation if you wish. Should you request that you be categorised as a professional client or an eligible counterparty you should be aware that you will lose the higher degree of regulatory protection afforded to you under your current categorisation.
- 5.3. Pershing will rely on information received from GBIM in relation to your status as a retail client, and will adopt the same client classification for you as GBIM do. This will also be the case for Services undertaken for you by Pershing and this categorisation means that both GBIM and Pershing will accord you the highest degree of Protection available under FCA rules.

## 6. Instructions and Communications

- 6.1. You may pass instructions to GBIM in writing or (if so agreed with GBIM) by telephone or other electronic medium. You agree to indemnify GBIM in full for all loss, costs, damages and expenses which GBIM may sustain or incur or become responsible for in any way by reason of it having agreed to accept an instruction from you transmitted to GBIM other than in writing.
- 6.2. Any instructions received by email may require further confirmation and therefore could cause delay. Such instructions must satisfy GBIM's anti money laundering requirements and be made in accordance with its payments policies.
- 6.3. In particular, where instructions are emailed to GBIM, it gives no guarantee as to the timeliness or execution of those instructions, including cases, for example, where the GBIM addressee at its offices is not available or is away or its email systems are not available or running slowly for any reason. You should not assume that any email has been received by GBIM and/or actioned unless you have received an acknowledgment from it.

- 6.4. Any instructions, authorities, notices, requests or other communications (each "Communications") to be given to GBIM by you under this Agreement must (unless otherwise agreed by GBIM) be in writing and sent to the office address of your Investment Manager. Such instructions will take effect upon receipt by the Investment Manager in accordance with Section 2, clause 23.1.
- 6.5. Authority conferred by Communications shall continue in full force and effect until GBIM receives from you, in writing, different instructions. GBIM is entitled to assume that any email address you provide GBIM (as amended subsequently from time to time in writing) is current and correct. You confirm that you are responsible for the security and access to your email account and in consideration of it agreeing to accept electronically transmitted communications from you or to provide information to you in this way, you hereby agree to indemnify GBIM and hold GBIM blameless in respect of all or any actions, proceedings, claims, losses, costs, charges or expenses which may be made against GBIM by any person (including you) or incurred by GBIM in consequence of acting on instructions by email which purports to come from the persons signing this Agreement or any nominated person(s) and GBIM shall be under no obligation to make any enquiry as to the identity of the person making or purporting to make such communication.
- 6.6. You furthermore agree to indemnify GBIM and hold GBIM blameless in respect of all or any actions, proceedings, claims, losses, costs, charges or expenses which may be made against GBIM by any person (including you) or incurred by GBIM in consequence of you sending to GBIM or GBIM sending to you any email or other electronic correspondence including by reason of it not being encrypted, adequately encrypted or the encryption being overridden or compromised (and you acknowledge and agree that email and other electronic communications may be sent and received unencrypted) except where GBIM is in breach of this Agreement or grossly negligent.
- 6.7. GBIM is authorised to rely on, may act on and treat as fully authorised by you, any instruction or communication which purports to have been given (and which GBIM accepts in good faith as having been given) by or on behalf of the persons identified in the Suitability Questionnaire as being authorised to instruct GBIM in respect of the Portfolio(s). For the avoidance of doubt, this is the case regardless of the means with which the instruction or communication is transmitted and whether or not it is in writing and (unless GBIM has been given written notice to the contrary) whether or not the authority of the person giving or purporting to give the instruction or communication has been terminated. GBIM may (but shall not be obliged to) check or require confirmation that any instructions have in fact been properly given, and GBIM shall not be liable for any failure to act upon an instruction which cannot be authenticated to its satisfaction. You agree to indemnify GBIM in full for all loss, costs, damages and expenses which GBIM sustain, incur or become responsible for in any way by reason of GBIM accepting any instruction given in the circumstances described in this paragraph.
- 6.8. Unless expressly agreed otherwise, communications between you and the Custodian should be transmitted via GBIM. Instructions, requests for information or the supply of information between you and the Custodian (in either direction) will be transmitted via GBIM. Your messages and notices shall be deemed to have been received by the Custodian upon receipt by GBIM. The Custodian shall be entitled to rely upon all communications from GBIM that purport to be made on your behalf without enquiry. In particular, the Custodian is hereby authorised to act upon its instructions with respect to the delivery and receipt of all investments entrusted to it under this Agreement.
- 6.9. In order to enable the provision of the Discretionary Investment Management services to you, under the Pershing Agreement, you agree to take all necessary actions, to provide any necessary documents to carry out a transaction, and to execute any documents required by GBIM in a timely fashion and acknowledge that failure to do so may cause you to be in default of your obligations under, and that you might suffer one or more of the consequences of default as described in, the Pershing Agreement.

## 7. Unsolicited Calls and Communications

- 7.1. In the interest of the proper administration of your Portfolio(s), and for any related investment purposes, GBIM and its representatives or employees, may call upon you by telephone, visit or otherwise communicate with you without express invitation.
- 7.2. To the extent permitted by applicable law, you agree that GBIM may in its sole discretion record, monitor and retain all communications (including email, instant messaging, telephone conversations and other electronic communications) including those held between you and/or your agent and employees of GBIM including trading, sales or settlements for the purposes of ensuring compliance with GBIM's legal and regulatory obligations and internal policies, and in connection with the services and/or transactions contemplated by these Terms of Business.
- 7.3. GBIM may retain such records for whatever period may be required as a matter of its internal policies and/or applicable law, provided that records in respect of investment services and activities relating to the reception, transmission and execution of orders will be kept for a period of five years and, where requested by the competent authority, for a period of up to seven years.
- 7.4. All communications taking the form of financial promotions shall be conducted in accordance with the requirements of the FCA Rules in particular in relation to unsolicited calls and communications.
- 7.5. All communications (including the receipt and transmission of documents and other information in relation to the carrying out of Services specified herein) between the parties are to be made in English and as set out in this Agreement.

## 8. Security and Set-off

- 8.1. To the extent permitted by FCA Rules from time to time, GBIM may (and may direct the Custodian to) retain, sell or realise any securities or other assets (including cash) held by the Custodian, for the purposes of meeting any liability incurred by you or by GBIM on your behalf under this Agreement.

## 9. Voting and Corporate Actions

- 9.1. GBIM may procure the exercise of voting or any other rights (including corporate actions) attached to the investments of the Portfolio(s) unless you give GBIM specific instructions to the contrary.

## 10. Potential Conflicts of Interest and Disclosures

- 10.1. GBIM maintains arrangements for the management of Conflicts of Interest. A summary description of the Conflicts of Interest Policy ("Conflicts of Interest"), which sets out the types of actual or potential Conflicts of Interest which affect its business and which provides details of how they are managed, is included with these Terms of Business as an Appendix. GBIM will notify you of any material changes to its Conflicts of Interest and further details of it can be provided to you on request.
- 10.2. Subject to any limitations agreed with you and GBIM, any Associate shall have discretion to affect without prior reference to you transactions of the type referred to in the Conflicts of Interest in which GBIM (or an Associate) has directly or indirectly a material interest or a relationship with another party which may involve a potential conflict with its duty to you. In accordance with the Conflicts of Interest, GBIM will ensure that any transactions in which GBIM or an Associate has a material interest or a potential conflict are effected on terms which are not materially less favourable to you than if the conflict or potential conflict had not existed. Neither GBIM, nor any Associate, will be liable to account to you for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions to the extent that such transaction is executed within the terms of the Conflicts of Interest Policy.
- 10.3. GBIM has entered into an agreement with the Custodian whereby the Custodian will provide administrative and technical support services to assist with the management and operation of the Portfolio(s) on your behalf. GBIM may pay the Custodian a fee, based on the volume of assets under management, for these services.

## 11. Valuations, Confirmations and Investment Reports

- 11.1. A statement showing the initial composition and value of the Portfolio(s) will be supplied as soon as practicable following the date this Agreement becomes effective calculated on the basis set out in the statement.
- 11.2. Performance will be measured by comparing the performance of the Portfolio(s) during the period since the previous assessment (or, as the case may be, since commencement) and such other periods as GBIM may consider appropriate, with the relevant benchmark index. Benchmarks are provided for comparative reporting purposes only and are not necessarily indicative of the asset allocation within the Portfolio(s).
- 11.3. At the Portfolio(s)'s tax year end the Manager will provide a complete range of tax year end reports including a consolidated tax certificate, certificate of interest, a list of all capital acquisitions and disposals and a summary of the capital gains tax position.
- 11.4. Unless otherwise agreed with you, GBIM will not dispatch individual contract notes after dealing. If GBIM agrees to do this for you, GBIM reserves the right to make an additional charge to cover the added work and postage costs of doing so. In this case, the extra cost of this service will be transmitted to you before you confirm your instruction.
- 11.5. Investment Reports of the contents of the Portfolio(s), valuations of the Portfolio(s) and assessments of the Portfolio(s)'s performance will be sent to you once every quarter, unless specifically requested more frequently. You may request Investment Reports to be sent to you more frequently but in this case GBIM reserves the right to make an additional charge to cover the added work and postage costs of doing so. In this case, the extra cost of this Service will be transmitted to you before you confirm your instruction. GBIM may provide you with Investment Reports via online or other digital channels.
- 11.6. Reports and valuations provided to you will use the capital gains tax figure to show the book costs, and in some circumstances this may be different to reports you have received in the past, and may result in a difference between the book costs of assets shown on older reports. You agree to GBIM providing reports and valuations to you on this basis.
- 11.7. In accordance with FCA Rules, GBIM will notify you:
  - a. if the value of investments in Portfolio(s) falls by 10% or more during a quarterly reporting period;
  - b. thereafter of depreciations of value at multiples of 10%; and
  - c. of any other depreciations as required under applicable law.
- 11.8. One of your quarterly Investment Reports will show details of all costs and charges incurred. This will include any underlying fund charges for pooled or collective investments. This will enable you to see the total cost of your portfolio (Total Expense Ratio or 'TER').
- 11.9. The authority you give GBIM under the terms of this Agreement to communicate by electronic medium does not extend to the transfer of unsold stock out of its Safe Custody, paying money away to third parties nor to terminating this Agreement but shall for the avoidance of doubt apply to all other forms of communication and reporting. Documentation sent to you by GBIM cannot be guaranteed to remain confidential, and is private only to the extent that access to the address you provide GBIM is restricted to yourself.
- 11.10. GBIM will assist you in fulfilling any obligations to disclose shareholdings under the Companies Act 2006 or Chapter 5 of the FCA's Disclosure and Transparency Rules Sourcebook (or similar overseas legislation).
- 11.11. You agree to promptly deliver to us transaction data and any other information that GBIM may from time to time request to enable us to comply with applicable law and regulation. You consent to us providing such information to third parties in accordance with applicable law, including but not limited to, for the purpose of GBIM complying with transaction reporting requirements.

## 12. Dealing, Counterparties and Execution Policy

- 12.1. In effecting transactions for the Portfolio(s), subject to paragraphs 12.5 and 12.6 below, GBIM will at all times comply with its Execution Policy and in particular will act in your best interests and comply with any applicable obligations regarding best execution under the FCA Rules. Details of its Execution Policy (the "Execution Policy Summary") are included in the Appendix to this Agreement on page 59 and you hereby confirm that you have read, understood and agreed to this Execution Policy Summary. GBIM undertakes to give you notice of any material changes to its Execution Policy.
- 12.2. In executing orders in relation to Portfolio(s), GBIM will take all sufficient steps to obtain best execution at all times and may deal on such markets or exchanges and with such counterparties as GBIM think fit in accordance with our Execution Policy.
- 12.3. GBIM will review our Execution Policy at least annually and whenever a material change occurs that affects our ability to continue to obtain best execution as required by the FCA Rules. Where GBIM make any material change to our order execution arrangements or Execution Policy GBIM will notify you of any such changes. GBIM will contact you using the contact details that you have provided to it from time to time. GBIM may contact you using writing, telephone, text (SMS) message, email, or face to face meeting. If you have authorised GBIM to deal with and/or communicate with a third party on your behalf then GBIM may communicate with such third party in the same manner.
- 12.4. In accordance with the FCA Rules, each year GBIM will publish information in respect of persons with whom GBIM place orders.
- 12.5. You acknowledge that any specific instructions you give GBIM in relation to the execution of orders may prevent GBIM from following its Execution Policy in relation to elements of such orders covered by these instructions.
- 12.6. You agree that, in arranging for the execution of transactions in relation to the Portfolio(s), GBIM may deal or instruct others to deal outside a Trading Venue.
- 12.7. GBIM may (subject to your express instructions and its own Execution Policy) deal on such markets or exchanges and with such counterparties as GBIM thinks fit. All transactions will be effected in accordance with the rules and regulations of the relevant market or exchange. GBIM may take all such steps as may be required or permitted by such rules and regulations and/or by appropriate market practice.
- 12.8. If any counterparty fails to deliver any necessary documents or to complete any transaction, GBIM will take all reasonable steps on your behalf to rectify such failure or obtain compensation in lieu thereof. You will however be liable for all its resulting costs and expenses in so doing.
- 12.9. GBIM may arrange any transaction or series of transactions for you by amalgamating them with transactions for other clients so as to deal collectively if in its opinion it will generally be advantageous to you. GBIM will allocate such transactions on a fair and reasonable basis in accordance with the requirements of the FCA Rules. If GBIM chooses to deal collectively, there may be a delay in implementing your instructions or decisions made on your behalf. You recognise that each individual aggregated transaction may operate to your advantage or disadvantage.

## 13. Indirect Payments

- 13.1. GBIM may effect transactions for the Portfolio(s) with or through the agency of a person who provides Services under any arrangement whereby that person will from time to time provide GBIM or procure for GBIM Services or other benefits which result, or are designed to result, in an improvement in the Services which GBIM provides to you and for which GBIM may make no direct payment to that person but may undertake to place business with that person. Any transactions effected for you as aforesaid will be effected so as to secure best execution disregarding any benefit which might accrue directly or indirectly to you from the Services or benefits provided.

## 14. Unreasonable or Onerous Investments

- 14.1. GBIM will not be obliged under the terms of this Agreement to undertake the management of investments which would, in its opinion, be unreasonable or onerous to GBIM. Should GBIM initially undertake to manage an investment which GBIM subsequently concludes may be onerous to GBIM and which GBIM does not consider it can (or wish to for any reason) manage, GBIM undertakes to notify you of this and ensure that it is removed from the Portfolio(s) promptly so that no further management charges are incurred on the holding. You agree to co-operate with GBIM in respect of the transfer of the asset out of your Portfolio(s), including to another manager, where GBIM deems this appropriate or necessary.

## 15. Fees, Charges and other Payments

- 15.1. You shall remunerate GBIM for its Services under this Agreement as set out in the accompanying Fees and Charges Supplement and as subsequently amended from time to time - subject to the necessary notice having been given. Fees shall be due from the date that GBIM accepts you as a client and receives the first asset into your portfolio(s). The Fees and Charges are set out in the Supplement which will be provided to you by GBIM from time to time and which forms part and must be read together with this Agreement. The latest updated Fees and charges are always accessible on its Website. Its remuneration shall be itemised in the Investment Reports referred to in clause 11 above.
- 15.2. You shall be liable for any costs properly incurred under this Agreement, including, but not limited to, commissions, transfer and registration fees, taxes, stamp duties and other fiscal liabilities. You shall reimburse GBIM for any such expenses incurred by it.
- 15.3. You acknowledge that other costs, including taxes, may become payable by you in connection with the Portfolio(s), in addition to those set out in the Fees and Charges Supplement, that are not paid via or imposed by GBIM.
- 15.4. You may agree to pay an Authorised Introducer, if applicable, an initial and/or recurring charge and that these charges are to be deducted from your Portfolio(s). GBIM will facilitate such payments provided that written confirmation of your Agreement to such charges is received through completion of the relevant section of the Suitability Questionnaire. Alternatively, should you decide to authorise and initiate such payments subsequent to the initial establishment of your Portfolio(s), you undertake to transmit to GBIM in writing the same details as are required in the relevant section of the Suitability Questionnaire.
- 15.5. To the extent permitted by FCA Rules from time to time, you agree that GBIM may (and may direct the Custodian to) retain, sell or realise any securities or other assets (including cash) held by the Custodian, for the purposes of meeting any fees due from you to you pursuant to this Agreement.
- 15.6. GBIM is required to comply with the FCA Rules on inducements. GBIM is not permitted to accept or retain any fees, commissions, monetary or non-monetary benefits (each an "inducement") paid or provided by a third party in relation to our service to you. GBIM is not permitted to pay or provide any inducement to any third party in relation to the provision of services to you. GBIM can only accept or retain or pay or provide such inducements if they meet certain conditions. The inducement must not impair compliance of our duty to act honestly, fairly and professionally in accordance with the best interest of our clients and it must enhance the quality of the relevant service to you. GBIM must also make disclosures about the inducement to you before GBIM provide the relevant service to you. GBIM will keep you informed about inducements GBIM have received on the basis required by the FCA Rules.
- 15.7. If GBIM is providing advice or portfolio management services to you GBIM is only permitted to accept or provide "minor monetary or non-monetary benefits" as defined in the FCA Rules if these enhance the service in the way contemplated by the FCA Rules and are of a scale or nature that they could not affect our duty to act in your best interests, provided that GBIM also make the required disclosures. GBIM is not permitted to receive and retain other benefits. GBIM will transfer such fees, commissions or monetary benefits to your account. GBIM will let you know when GBIM have done this.



## 16. Taxation

- 16.1. You and your professional tax adviser are solely responsible for the management of your tax affairs to your best advantage including meeting all requirements that are needed to qualify as a resident eligible for benefits under taxation treaties. It is your responsibility to determine whether relief is available under such treaties. GBIM may discuss specific tax matters with you but can accept no responsibility for any tax consequences of anything done within the scope of its authority. If you are in doubt about your tax position or if you do not have tax expertise, it is strongly recommended that you consult a professional tax adviser.
- 16.2. Subject to the above (or otherwise) you may instruct GBIM to realise capital gains or losses of a specific amount for the purpose of your own Capital Gains Tax planning within a specific tax year. In such cases, you indemnify GBIM for all costs incurred in so doing and you acknowledge that GBIM is in no way responsible for any unexpected tax liability arising from your instructions or from the miscalculation of gains or available allowances made by GBIM in good faith, howsoever arising. No transactions entered into by GBIM shall be considered to constitute tax advice.
- 16.3. A number of offshore funds do not distribute all income. Pershing is only able to report in tax reports income that has been distributed by the fund and received by you. Sometimes there is non-distributed income that, while it has not been paid to you, needs to be included in your tax return as income. It is not possible for GBIM to obtain this information therefore we advise that you seek tax advice in order that you report to HMRC accurately.
- 16.4. You confirm that you are domiciled and ordinarily resident in the UK for tax purposes. If you are neither domiciled nor resident in the UK for tax purposes, you should notify GBIM of your tax circumstances.

## THE FOLLOWING CLAUSE IS IMPORTANT AND YOU SHOULD READ IT IN FULL

## 17. Liability

- 17.1. GBIM (and its agents or delegates), will deal with counterparties in good faith and with due diligence but shall not be liable in respect of any acts or omissions of any person, firm or company through whom transactions are effected for your account.
- 17.2. GBIM (and its agents or delegates), give no warranty or undertaking as to, and will not be responsible for any loss arising from, the performance or profitability of the Portfolio(s), or any investments, cash or other property forming part of, or constituting, the Portfolio(s). GBIM gives no warranty or undertaking that your agreed Investment Objectives will be successfully achieved.
- 17.3. GBIM (and its agents or delegates), will not be responsible for any loss of opportunity whereby the value of the Portfolio(s) could have been increased or for any of the decline in value of the Portfolio(s), however it arises, except to the extent that such loss or decline is due to its own (or its employees') fraud, wilful default or negligence or which results from GBIM being in breach of its obligations under the FCA Rules.
- 17.4. GBIM (and its agents or delegates), will not be liable for any loss arising from errors of judgement or any action taken (or omitted to be taken) by GBIM, however it arises except to the extent that such loss or decline is due to its own (or its employees') fraud, wilful default or negligence or which results from GBIM being in breach of its obligations under the FCA Rules.
- 17.5. GBIM will be responsible for arranging the Safe Custody Services by the Custodian of securities and documents of title relating thereto (to the extent that they come into its possession or control and are not held by it) but GBIM shall not be liable in relation to any acts or omissions of the Custodian.
- 17.6. In the event of any failure, interruption or delay in the performance of its obligations resulting from acts, events or circumstances not reasonably within its control, including, but not limited to, industrial disputes, acts or regulations of any governmental or supranational bodies or authorities and breakdown, failure or malfunction of any telecommunications or computer service or systems, GBIM shall not be liable or have responsibility for any kind of loss or damage you thereby incur or suffer.

- 17.7. You agree to indemnify GBIM in full against all claims which may be made against GBIM in connection with the proper exercise of the powers and discretions conferred under this Agreement except insofar as such claims may result from fraud, wilful default or negligence or a breach of its obligations under the Financial Services and Markets Act 2000 ("FSMA"), any regulations made under it, or the FCA Rules, by GBIM or its employees.
- 17.8. Nothing in this clause 17 shall exclude any duty or liability owed by GBIM:
- a. pursuant to the FSMA, any regulations made under it, or the FCA Rules;
  - b. to the extent that it would exclude GBIM's liability arising under its duty under the Consumer Rights Act 2015 to perform the Discretionary Investment Management services with reasonable care and skill;
  - c. for any foreseeable loss and damage caused by GBIM's breach of this Agreement; or
  - d. where it would be unlawful to exclude liability, including liability for death or personal injury caused by its negligence or the negligence of its employees, agents or subcontractors; for fraud or fraudulent misrepresentation.
- 17.9. GBIM shall not be responsible for any losses incurred after the date of termination of the Agreement unless and to the extent that the act or omission causing such losses can be evidenced to have occurred prior to the Termination Date.

## 18. Execution Only Services

- 18.1. GBIM may agree to provide you with Execution-Only Services at its sole discretion. If GBIM agrees to provide you with Execution-Only Services the terms of business set out in this clause shall apply.
- 18.2. The terms of this clause shall apply in addition to the Terms of Business and the Execution-Only Services are therefore subject to the Terms of Business (with references to Discretionary Investment Management services being construed as references to Execution-Only Services as appropriate). For the avoidance of doubt, but without prejudice to the foregoing:
- a. the terms of clause 17 (Liability) of Section 2 of the Terms of Business shall apply to the Execution-Only Services; and
  - b. the Custodian is appointed by GBIM as your agent and the Pershing Agreement shall apply in connection with the Execution-Only Services.
- 18.3. Should any terms within this clause conflict with the other Terms of Business, this clause shall prevail.
- 18.4. Where GBIM provides Execution-Only Services these are ancillary to the Discretionary Investment Management service but GBIM shall not provide advice to you on the merits of the proposed transaction which is the subject of the Execution-Only Services. With an 'execution-only' service, no assessment of the suitability of the service, advice or recommendations on investments are offered. GBIM will not take into account the suitability of any transactions with regard to your financial circumstances. If you are in any doubt as to the suitability of transactions which are the subject of this clause you should take separate, independent advice before proceeding with such transaction.
- 18.5. GBIM's execution of a transaction pursuant to Execution-Only Services should not be considered an endorsement of the suitability of the transaction for you. GBIM will not provide you with personal recommendations.
- 18.6. Where GBIM agrees to deal on your instructions on an execution-only basis, GBIM shall not keep such investments under review or provide you with regular reports. Instead, GBIM will provide you with or will procure on your behalf information about executed transactions on a transaction-by-transaction basis in accordance with the FCA Rules.

- 18.7. Investments that are the subject of Execution-Only Services shall be held in a separate account with the Custodian. As a consequence:
- a. the performance of investments the subject of Discretionary Investment Management services should not be affected by the performance of execution-only investments; and
  - b. separate reporting will be carried out in respect of execution-only investments (see Section 18.3 above).
- 18.8. Different rules on assessing the appropriateness of investments apply to Non-complex Financial Instruments and Complex Financial Instruments. Examples of Non-complex Financial Instruments may include shares in companies that are admitted to trading on a regulated market; simple bonds traded on a regulated market, money market instruments or structured deposits and shares or units in most UCITS. Examples of Complex Financial Instruments may include shares in non-UCITS collective investment schemes, derivatives or certain structured UCITS. GBIM shall determine if a product is a Non-complex Financial Instrument or a Complex Financial Instrument in any individual case in accordance with applicable law and regulations. In respect of Execution-Only Services involving Non-complex Financial Instruments, GBIM will not assess the suitability or appropriateness of the transaction. As a result, you will not benefit from the protections of the FCA Rules on assessing suitability or appropriateness. Where GBIM provide Execution-Only Services in relation to Complex Financial Instruments, under FCA Rules, GBIM is obliged to assess appropriateness of the transaction for you by reference to your knowledge and experience and understanding of the risk involved. Where GBIM have categorised you as a professional client under FCA Rules, GBIM shall presume that you have the necessary experience and knowledge in order you understand the Risks involved in the relevant transaction.
- 18.9. Any specific instructions from you in respect of a transaction may prevent GBIM from taking the steps that it has designed and implemented in its Execution Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.
- 18.10. GBIM shall not charge you any additional fees or charges for the provision of Execution-Only Services.
- 18.11. The Fees and Charges payable in relation to the services provided by Pershing shall apply to the provision of the Execution-Only Services (in addition to any Fees and Charges payable to Pershing in connection with the Discretionary Investment Management services).

## 19. Assignment

- 19.1. This Agreement is personal to you and shall not be capable of assignment by you or of being transferred by you.
- 19.2. GBIM may appoint as manager in its place any third party (including any Associate) who GBIM determines is appropriately authorised and capable of performing the Services under this Agreement to at least a similar standard, and shall be entitled to assign to such appointee all the benefits of this Agreement subject to the appointee agreeing to be bound by all its duties and obligations under it.

## 20. Death

- 20.1. Your personal representatives, administrators or executors should inform GBIM of your death and provide GBIM with a death certificate at the earliest opportunity. Grant of Probate, Letters of Administration or the equivalent legal document must be received before the investments can be realised, except in the case of raising funds for the purpose of inheritance tax where an indemnity must be completed. If you have an ISA, any tax advantages will cease at the date of your death. All regular payments will cease. GBIM will issue a probate valuation as at the date of death upon request. You agree that your personal representatives, administrators or executors will be bound by this Agreement and that your Portfolio(s) will continue to be managed until such a time as instructions are received by the aforementioned parties in relation to the distribution of your investments. You further agree for fees to be deducted from the date of death until the closure of the Portfolio(s) in line with your agreed charging schedule and at the discretion of the Investment Manager.

## 21. Complaints

- 21.1. GBIM has established procedures in accordance with the FCA Rules for the effective consideration of Complaints. A leaflet detailing the complaint handling procedure is available on request. If, having given GBIM the opportunity to resolve your Complaint, you remain unhappy, you may contact:

**The Financial Ombudsman Service, Exchange Tower, London, E14 9SR. Telephone: 0800 023 4567**

**Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)**

If you wish to make a Complaint against the Custodian, you should contact GBIM in the first instance and GBIM will manage the Complaint with it on your behalf.

## 22. Compensation

- 22.1. GBIM participates in the Financial Services Compensation Scheme ("FSCS"). You may be entitled to compensation from the FSCS if GBIM cannot meet its obligations to you.
- 22.2. The level of potential compensation available depends on the type of business being conducted. In respect of protected investment business, the maximum compensation available is £85,000.
- 22.3. Further details are available on request or are available on the FSCS website [www.fscs.org.uk](http://www.fscs.org.uk), or are available from:

**FSCS, 10th Floor, Beaufort House, 15 St Botolph Street London, EC3A 7QU. Telephone: 08006781100**

## 23. Notices

- 23.1. A notice given under this Agreement:

- a. shall be in writing in the English language (or be accompanied by a properly prepared translation into English); and
- b. shall be:
  - i. delivered personally; or
  - ii. sent by pre-paid first-class post or recorded delivery; or
  - iii. (if the notice is to be served by post outside the country from which it is sent) sent by airmail.
- c. The addresses for service of notice by you is the address of the office at which your Investment Manager is based (and in the event that you do not know this information you should contact GBIM at any of the below contact details to confirm), and should be marked as for the attention of your Investment Manager:
  - i. The Salisbury office: Chequers Court, 37 Brown Street, Salisbury, Wiltshire, SP1 2AS  
Tel - 01722 424444 Email - [salisbury@gbim.co.uk](mailto:salisbury@gbim.co.uk)
  - ii. The Harrogate office: Belvedere House, 2 Victoria Avenue, Harrogate, Yorkshire, HG1 1EL  
Tel - 01423 508040 Email - [harrogate@gbim.co.uk](mailto:harrogate@gbim.co.uk)
- d. The address for service of notice to you by GBIM is the last address (which includes email addresses) notified by you to GBIM.
- e. A notice is deemed to have been received:
  - i. if delivered personally, at the time of delivery; or

- ii. in the case of pre-paid first-class post or recorded delivery, 3 days from the date of posting; or
  - iii. in the case of airmail, five days from the date of posting; or
  - iv. if deemed receipt under the previous paragraphs of this clause 23 is not within business hours (meaning 9.00 am to 5.00 pm Monday to Friday on a day that is a Business Day), when business next starts in the place of deemed receipt.
- f. To prove service, it is sufficient to prove that the envelope containing the notice was properly addressed and posted.

## 24. Severability of Obligations

- 24.1. Each of the obligations and rights under any of the paragraphs or sub-paragraphs or other provisions of this Agreement shall be regarded as separate and distinct obligations and/or rights, and the remainder of this Agreement shall remain, in full force and effect if any such paragraph, sub-paragraph or other provision becomes or is held to be invalid or ineffective for any reason.

## 25. Joint Account

- 25.1. If "the client" is more than one person, your obligations under this Agreement shall be joint and several and any reference in this Agreement to "the client", "you" or "yourself" shall be construed where appropriate as a reference to any one or more of such persons. Any notice or other communication which is given to one of the persons constituting "the client" shall be treated as having been given to all such persons. GBIM may, in accordance with any authority granted (including any relevant restrictions on that authority) in the Suitability Questionnaire, rely and act on instructions given or purporting to be given by any one of the persons constituting the client. On the death of any of the persons constituting the client who is survived by any other such person, this Agreement shall not terminate and the interest of the deceased in the Portfolio(s) will automatically pass to the benefit of the survivor(s) unless otherwise specified in writing.

## 26. Aggregated Accounts

- 26.1. Where two associated clients who have separate accounts elect to have their accounts set up individually with Pershing but managed by GBIM in aggregate in accordance with the information provided in the Suitability Questionnaire, asset allocation and investment selection is made by considering both accounts as one rather than as individual portfolios. As a consequence of this approach, when viewed on their own the individual portfolios are likely to look and perform differently from each other and may appear to be contrary to the agreed investment strategy and you acknowledge and consent to this.

## 27. Termination and its Consequences

- 27.1. You are entitled to terminate this Agreement immediately at any time by written notice. Termination shall be effective on GBIM's receipt of this notice or at such time as is specified in the notice subject in either case to the completion of outstanding transactions.
- 27.2. Where you terminate the Agreement in accordance with clause 27.1, you agree and acknowledge that with effect from the date that the Termination Notice is received by GBIM, the following terms shall apply:
- a. GBIM ceases to provide the Discretionary Investment Management service and in particular GBIM:
    - i. will not affect any new purchases of assets in relation to the Portfolio(s) provided that transactions already effected but awaiting settlement will be unaffected and shall settle as normal;
    - ii. will not affect any new sale transactions in relation to the Portfolio(s) except pursuant to specific instructions from the client;

- iii. shall not enter into new foreign exchange transactions (including renewing or so called "rolling- over" existing foreign exchange transactions) or derivative transactions in relation to the Portfolio(s) except foreign exchange transactions required to cover any purchases effected prior to the cessation of Discretionary Investment Management service;
    - iv. shall not re-invest income, dividends, proceeds of sale or other cash balances and that the cash limits agreed with you may be exceeded as a result; and,
    - v. will undertake any corporate action decisions which it reasonably believes necessary.
  - b. GBIM will no longer be responsible for achieving the Investment Objectives and you acknowledge that the performance of the Portfolio(s) may fall short of the performance otherwise achievable for an on-going Portfolio(s);
  - c. the performance measurement for the Portfolio(s) shall end with effect from the Termination Date; and
  - d. GBIM will continue to vote all proxies in accordance with its proxy voting policy.
- 27.3. GBIM will confirm in writing to the client their Cancellation Rights prior to the acceptance of an Application Form. Your statutory Cancellation Rights permit you to cancel the Agreement by notification to GBIM within 14 calendar days of written receipt by you of the Cancellation Rights sent to the address given in clause 23.1.
- 27.4. If you exercise your Cancellation Rights pursuant to clause 27.3, GBIM shall arrange for the refund of any monies paid by you, less any charges GBIM and its Associates have already reasonably incurred for any Services undertaken pursuant to the terms of this Agreement. Such Services undertaken before the exercise of Cancellation Rights may include the purchase and sale of individual securities, and the sale of such securities and the liquidation of your Portfolio(s) may result in a net loss for you.
- 27.5. GBIM will endeavour to arrange the return of any monies pursuant under Section 2, clause 27.4 as soon as possible (but in any event not more than 14 calendar days following receipt of your Cancellation Rights). You will not be entitled to any interest on such monies.
- 27.6. GBIM is entitled to terminate this Agreement on 30 days' notice in writing or immediately if required to do so by any competent regulatory authority. Termination will not in any event affect accrued rights, obligations, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payment save that you will pay GBIM's fees pro rata to the Termination Date, any additional expenses properly incurred by the Manager in the discharge of its functions under this Agreement and any losses necessarily realised in settling outstanding obligations.
- 27.7. Where GBIM terminates the Agreement pursuant to clause 27.3, GBIM shall continue to supply the Discretionary Investment Management services up until the Termination Date and shall cooperate with and take such steps as you may reasonably require in order to affect the orderly termination of this Agreement and to transfer the Portfolio(s) at your direction.
- 27.8. On termination of GBIM's appointment (except, in the case of an individual or individuals, by reason of death or incapacity of such individual or, as the case may be, of the last survivor) GBIM shall be entitled to direct Pershing or such other Custodian as you may arrange or appoint, to retain such securities and cash as may be required to settle transactions already initiated and to pay your outstanding liabilities to GBIM or otherwise without prior notice to you.
- 27.9. If, on termination, any money is or may become due as a result of a commitment GBIM entered into on the Portfolio(s)'s account (an outstanding amount) before termination, then GBIM may sell any investments as GBIM may at its discretion select in order to realise funds sufficient to cover the outstanding amount (but only to the extent that insufficient funds are otherwise held on the Portfolio(s)'s account and are available for the purpose) and/or cancel, close out, terminate or reverse any transaction or enter into any other transaction or do anything which has the effect of reducing or eliminating liability under contracts, positions or commitments undertaken on the Portfolio(s)'s account. Termination will not affect accrued

rights, indemnities, existing commitments in any contractual provision intended to survive termination and will be without penalty or other additional payment.

## 28. Confidentiality

- 28.1. GBIM, its agents or its delegates, are not obliged to disclose any information to you if they believe that such disclosure would constitute a breach of duty or confidence to any other person. GBIM is not obliged to take into consideration any information in respect of you which you do not directly notify GBIM of.
- 28.2. You acknowledge that GBIM may disclose information of any kind relating to you, as well as the Services provided to you by GBIM, where GBIM considers that it has a legal duty to make such disclosure or is otherwise required to do so by any competent regulatory authority or by any other person entitled by law to require the provision of such information. GBIM shall not incur any liability of any kind (including any liability for defamation) for making such disclosure.
- 28.3. GBIM will at all times keep confidential all information of yours acquired in consequence of the Services, except for information which:
  - a. is in the public knowledge; or
  - b. which GBIM may be bound to disclose under compulsion of law; or
  - c. is requested by regulatory agencies; or
  - d. is given to its professional advisers where reasonably necessary for the performance of its professional services; or
  - e. which is authorised to be disclosed by the relevant party; and shall use reasonable endeavours to prevent any breach of this clause.

## 29. Amendments Including Change of Third Party Provider

- 29.1. GBIM may amend the Terms of Business in this Agreement where such changes are of a minor and/or technical nature without notice to you, and shall notify you of such changes with your Investment Report.
- 29.2. GBIM may amend the Terms of Business in this Agreement by giving you written notice with immediate effect if such is necessary in order to comply with the FCA Rules, HMRC requirements, or other statutory or regulatory requirements.
- 29.3. GBIM may also amend the Terms of Business in this Agreement by giving you not less than ten business days' written notice during which time you may then contact GBIM to end this Agreement before the changes take effect. For the avoidance of doubt, this may include but is not limited to, changes to Fees and Charges.
- 29.4. Where GBIM, in its sole discretion, changes any third party provider of Services (including, but not limited to, the Custodian):
  - a. GBIM may make such amendments to its Terms of Business as are necessary to reflect the appointment of a new third party provider of Services or Custodian without notice to you, and shall notify you of any such changes in your Investment Report; for the avoidance of doubt, a change of Custodian shall not constitute a variation of these Terms of Business; and
  - b. the client authorises GBIM to enter into, where necessary, on the client's behalf any agreement with any such new third party provider as is required in order to affect the change of third party provider.

## 30. Telephone Recording

- 30.1. To the extent permitted by applicable law, you agree that GBIM may in its sole discretion record, monitor and retain all communications (including email, instant messaging, telephone conversations and other electronic communications) including those held between you and/or your agent and employees of GBIM

including trading, sales or settlements for the purposes of ensuring compliance with GBIM's legal and regulatory obligations and internal policies, and in connection with the services and/or transactions contemplated by these Terms of Business.

- 30.2. GBIM may retain such records for whatever period may be required as a matter of its internal policies and/or applicable law, provided that records in respect of investment services and activities relating to the reception, transmission and execution of orders will be kept for a period of five years and, where requested by the competent authority, for a period of up to seven years.

## 31. Force Majeure

- 31.1. No party to this Agreement shall be liable for any failure or delay in performing any of its obligations under or pursuant to this Agreement, and any such failure or delay in performing its obligations will not constitute a breach of this Agreement, if and to the extent that such failure or delay is due to an event of Force Majeure.

## 32. Data Protection

- 32.1. GBIM will comply with all applicable requirements of the Data Protection Legislation. The client acknowledges that GBIM may pass Personal Data to Pershing and such other third parties insofar as is necessary in order for it to provide the Discretionary Investment Management services as set out in this Agreement, and to the FCA and any regulatory authority which regulates it and in accordance with all other applicable laws. Full details of the way in which client Personal Data may be used is set out in this Agreement and/or the Data Protection Notice (set out in the Appendix, as the same may be amended from time to time).

## 33. Entire Agreement

- 33.1. This Agreement, together with the documents referred to herein, comprises the entire Agreement of GBIM with you relating to the provision of the Discretionary Investment Management services.
- 33.2. GBIM may, from time to time, make available additional Services which you may choose to accept. Such additional Services may be governed by separate documentation.

## 34. Rights of Third Parties

- 34.1. A person who is not a party to this Agreement has no right under the contracts (Rights of third parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of such third party which exists or is available apart from that Act.

## 35. Severability

- 35.1. If any term, condition or provision of this Agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality or enforceability of the remainder of this Agreement.



## 36. Delay, Omission & Variation

- 36.1. GBIM's failure or delay in exercising any of its rights shall not be a waiver or forfeiture of such rights. The rights and remedies provided for in these Agreement are cumulative and not exclusive of any other rights or remedies provided by law, statute or otherwise.

## 37. Governing Law

- 37.1. This Agreement, the Pershing Agreement, and all matters relating thereto shall be governed by and construed in accordance with English Law and the parties submit to the exclusive jurisdiction of the English Courts in respect of any disputes or claims which may arise out of or in connection with this Agreement.

## Section 3 - Summary of the Pershing Agreement

The following Section contains a summary of the terms of the Pershing Agreement that apply to you. The Pershing Agreement covers both the contractual arrangements (i) between GBIM and Pershing, as well as (ii) the contractual arrangements with GBIM acting as your agent.

To enter into the Agreement to provide Custodian Services to you, Pershing requires that you appoint GBIM as your agent to authorise GBIM to enter into the Agreement with Pershing on your behalf. **If you do not want to appoint GBIM as your agent to contract with Pershing on your behalf (and on the basis of the enclosed documents), or you do not wish to transfer your assets to Pershing, then you have a right to move them elsewhere and you should notify GBIM to that effect.** In both circumstances this would require you to terminate your relationship with GBIM.

Parts of the Pershing Agreement are personal to you and Pershing and may not involve GBIM. The Pershing Agreement creates a direct contractual relationship between you and Pershing.

Pershing's obligations to you are limited to those set out in Section 3. Pershing shall in particular not owe any wider duties of a fiduciary nature to you.

No third party shall be entitled to enforce the Pershing Agreement in any circumstances.

Any failure by Pershing (whether on an ongoing basis or not) to insist upon strict compliance with any of the terms of the Pershing Agreement is not deemed to amount to Pershing giving up or waiving any of its rights or remedies under them. The rights and remedies conferred on Pershing will be cumulative and the exercise or waiver of any part of them will not stop or inhibit the exercising by Pershing of any other additional rights and remedies.

References to clauses in the summary below are to the clause numbers in the Pershing Agreement.

### 1. Relationship Between You, GBIM and Pershing Securities Limited

- 1.1. To help GBIM provide its Services to you, GBIM has entered into an agreement with Pershing Securities Limited ("Pershing") under which Pershing provides **Clearing and Settlement, Safe Custody Services** and other associated services to its clients ("the Pershing Agreement") in order to carry out the investment transactions GBIM executes or arranges for its clients and to hold the related investments and cash. When GBIM considers it necessary or desirable in connection with its services to you, GBIM may agree with Pershing that it will also provide other services, such as investment dealing services, under the Pershing Agreement. The Pershing Agreement covers both GBIM and you as one of its clients. Please note that any terms set out in bold in these Terms of Business are described further in the Glossary.
- 1.2. Pershing is a company registered in England; company number 2474912. Its registered office is at Royal Liver Building, Pier Head, Liverpool, Merseyside L3 1LL. Pershing is authorised and regulated by the Financial Conduct Authority ("FCA") which is located at 12 Endeavour Square, London E20 1JN. Pershing is also a member of the London Stock Exchange ("LSE").
- 1.3. So that you can understand your rights and obligations in relation to the Pershing Agreement, the main terms of the Pershing Agreement which affect you are summarised below. If you have any questions about the Pershing Agreement or these Terms of Business you should contact GBIM to discuss this as soon as possible, and before you accept the terms of business or instruct GBIM to act for you. As with any agreement or contract, you should also take any independent legal, financial or other advice which you think you need before accepting these terms.
- 1.4. As a part of its offering, Pershing shall provide a **Stocks and Shares ISA** (including a **Flexible Stocks and Shares ISA**) for which Pershing will act as the ISA Manager. If you wish to use this ISA then you should read the terms and conditions set out in Annex 3.
- 1.5. As a part of its offering, Pershing shall provide a **Junior Stocks and Shares ISA** for which Pershing will act as the ISA Manager. If you wish to use this JISA then you should read the Terms of Business set out in Annex 4.

- 1.6. In order to receive the Junior Stocks and Shares ISA Services you must:
- a. be under 18 years of age, and (i) born on or after 3rd January 2011; or (ii) born before 3rd January 2011, but not hold a Child Trust Portfolios Account;
  - b. procure that your registered contact return to GBIM a copy of the relevant ISA application form and terms relating to the services;
  - c. not be a citizen or resident of the United States for the purposes of the United States IRS Code or be designated at any time as having a substantial presence in the United States or act on behalf of any such person, including as trustee or agent or in partnership with such a person; and
  - d. satisfy, together with your registered contact, GBIM's anti-money laundering and know your customer requirements.
- 1.7. In order to receive Pershing services (other than the Junior Stocks and Shares ISA) you must:
- a. complete and return to GBIM a copy of the GBIM Form of Appointment application form and confirmation of your acceptance of these Terms of Business;
  - b. if you wish to open and/or use the Flexible ISA, Junior ISA and/or Stocks and Shares ISA you must complete the relevant Pershing ISA form relating to that service;
  - c. not be a citizen or resident of the United States for the purposes of the United States IRS Code or be designated at any time as having a substantial presence in the United States or act on behalf of any such person, including as trustee or agent or in partnership with such a person; and
  - d. satisfy GBIM's anti-money laundering and 'know your customer' requirements.
- 1.8. PLEASE NOTE that if you are not permanently resident in the UK, you may not be entitled to avail of all or any of the Pershing services. In the event that your status changes or it subsequently emerges that you are a US citizen or resident for US tax purposes, Pershing shall, at its absolute discretion, stop providing services to you and close any accounts it holds in your name forthwith. Pershing shall not be responsible for providing any information to, nor making any requisite filings (including any Form 1099-B filings) with, the United States Internal Revenue Service (or "IRS") on your behalf. These Terms of Business govern the provision of the Pershing services to you. These Terms of Business shall come into force once GBIM receives and accepts your completed Forms or when you commence using the Pershing services, whichever is earlier.
- 1.9. By accepting these terms of business, you agree that:
- a. GBIM is authorised to enter into the Pershing Agreement on your behalf, acting as your agent;
  - b. accepting these terms means that there is a contract between you and GBIM and also between you and Pershing. As a result of that contract, you will be bound by both GBIM's Terms of Business and the Pershing Agreement (as set out or summarised below);
  - c. GBIM may give instructions to Pershing on your behalf as allowed by GBIM's Terms of Business and the Pershing Agreement and may provide information about you to Pershing. When Pershing receives such instructions or information from GBIM, Pershing is entitled to rely on them without making any further checks or enquiries; and
  - d. Pershing is authorised to hold cash and investments on your behalf and can transfer such cash or investments from your account to meet your settlement or other obligations to Pershing.
- 1.10. When you read these terms, it is important you understand that you will be a client of GBIM's, but you will also become a client of Pershing for settlement and Safe Custody Services purposes.

- 1.11. GBIM retains responsibility (including responsibility for complying with any related regulatory requirements) and Pershing shall not have any responsibility for the following matters
- a. our own operations;
  - b. the opening of an account for you;
  - c. the supervision and operation of your account for you;
  - d. our ongoing relationship with you;
  - e. making all necessary anti-money-laundering compliance checks;
  - f. explaining to you the types of investments covered and any risks relating to investments, investment transactions or any investment strategy to be pursued on your behalf;
  - g. accepting and executing orders for investment transactions, following your instructions or within the mandate given by you;
  - h. any required assessment of the suitability or appropriateness of transactions and investments for you or, where permitted and necessary, warning you of any possible inappropriateness of an investment;
  - i. if required, providing any investment advice to you or taking investment management decisions on your behalf;
  - j. reviewing your accounts for market abuse, insider trading and compliance with FCA Rules and any other applicable legal and regulatory requirements to which GBIM or you may be subject; and
  - k. giving instructions to Pershing which are proper, accurate and in accordance with any instructions or mandate you give GBIM.
- 1.12. It is important that you understand that Pershing is not responsible to you for the matters for which GBIM is responsible. In particular, Pershing will not provide investment advice nor will it offer any opinion regarding the suitability or appropriateness for you of any particular transaction or order. When it provides Clearing and Settlement Services or Safe Custody Services, executes transactions or provides other services to you, it does so, relying on the instructions and information GBIM provides and is only responsible for following those instructions.

## 2. Client Classification and the Roles and Obligations of People Acting Together or for one Another

- 2.1. For the purposes of the rules of the Financial Conduct Authority ("FCA Rules"), you will be classified as either a retail client, professional client or an eligible counterparty. Pershing will rely on information received from GBIM in relation to your status and will adopt the same client classification for you. GBIM will notify you in writing if there is any change to this position.
- 2.2. If you hold an account jointly or otherwise hold assets jointly, with any other person, then you and any such other person(s) shall have **Joint and Several Liability** to Pershing. Examples of situations where such **Joint and Several Liability** may arise are as follows:
- a. *Joint account holders:* As well as joint account holders being jointly and severally liable in the way described above, any payment or accounting made by Pershing to any one or more of those account holders will be treated as made to all of them.
  - b. *Trustees:* As well as the trustees of any trust being jointly and severally liable to Pershing in the way described above, Pershing will treat the trustees as its client and not any beneficiary of the trust. Any payment or accounting made by Pershing to any one or more of the trustees will be treated as made to all of them. See page 52.

- c. *Partners:* If a partnership is Pershing's client then each partner will be personally, jointly and severally liable to Pershing's in the manner described above. Any payment or accounting made by Pershing to any one or more of the partners will be treated as made to all of them.
- d. *Agents:* If you are an agent acting on behalf of someone else (whether or not that person (the "Principal"), has been identified to Pershing as the person for whom you act) you will be treated as Pershing's client under the FCA Rules and you will also be fully liable to Pershing under these terms as if you were acting for yourself. You and your Principal will be jointly and severally liable in the manner described above.
- e. *Directors and members of unincorporated associations:* Where you (the Client) is a company or an unincorporated association and your directors or managers have assumed personal liability to GBIM under the Agreement between you and GBIM, such personal liability would apply also to the obligations to Pershing under the Pershing Agreement.

### 3. Your Accounts with Pershing

- 3.1. Pershing will open and maintain accounts on its books in your name in order to provide its services to you. When Pershing receives any cash and investments from you, or on your behalf, then it will record them in your accounts.
- 3.2. Pershing will have the right at its absolute discretion to stop providing services under these terms and close any accounts it holds and maintains in your name which may occur, for example:
  - a. if Pershing is obliged to stop providing services under any applicable law or regulation (such as anti-money laundering provisions);
  - b. if Pershing is not able to provide the services effectively or providing the services would materially adversely affect Pershing's operation;
  - c. where you are in material breach of these terms or GBIM is in material breach of the terms of the Pershing Agreement;
  - d. if providing the services to you or to GBIM in relation to your account will have a materially adverse effect on Pershing's reputation; or
  - e. if your liabilities in relation to your account, and amounts owing by you to Pershing, exceed or are likely to exceed the value of the cash and investments Pershing holds for you.

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

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

### 4. Communication and Instructions

- 4.1. Pershing will only accept instructions for your accounts from GBIM and not directly from you.
- 4.2. Pershing may rely on and act on any instructions which Pershing in good faith believes were given by GBIM or its representatives. Such instructions can only be cancelled or changed if GBIM gives written notice to Pershing sufficiently in advance to enable Pershing to prevent the processing of the instructions. If Pershing seeks instructions from GBIM and GBIM does not respond within a reasonable time, then Pershing may take such action as it considers appropriate on the relevant matter. Pershing is not responsible or liable to you for any delays or inaccuracies in the transmission of instructions or other information (or any resulting

action or failure to act) where that delay or inaccuracy is as a result of factors outside the reasonable control of Pershing. This means that if the delay or inaccuracy is not Pershing's fault, then you cannot obtain redress from Pershing.

- 4.3. In order to enable the provision of the Services to you and to GBIM under the Pershing Agreement you agree to take all necessary actions and execute any documents required by GBIM or Pershing in a timely fashion and acknowledge that failure to do so may cause you to be in default of your obligations under clause 6 and you might suffer one or more of the consequences of default as described in clause 9.
- 4.4. There may be circumstances where Pershing refuses to accept any order or other instruction for your account. For example, Pershing may do so for any of the reasons set out in paragraphs 3.2 a-e above or where:
  - a. the transactions fall outside the dealing criteria that Pershing applies;
  - b. Pershing cannot carry out the instruction because it cannot access a market; or
  - c. GBIM or Pershing do not have the necessary FCA permissions to deal in a particular investment

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

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

## 5. Dealing

- 5.1. GBIM has agreed with Pershing that GBIM will transmit any orders to Pershing and Pershing is to execute such transactions for your account. GBIM has further agreed (in accordance with FCA Rules and GBIM's Terms of Business) that, rather than you, GBIM will be Pershing's client for the purposes of the FCA Rules. In order for Pershing to provide **Dealing or Execution Services** for your account, you need to ensure that
  - a. where you are buying investments, there is sufficient cash in your account; and
  - b. where you are selling investments, documents of title or transfer forms that are delivered to Pershing, in either case, prior to the transaction by Pershing, you are able to meet such obligations under the Agreement between you and GBIM.
- 5.2. Pershing will provide **Dealing or Execution Services** on the following basis:
  - a. execution by Pershing will be subject to the FCA Rules and the rules of any investment exchange or other trading facility on which the transaction is executed;
  - b. Pershing will treat the instructions GBIM gives it as binding on you. Any express instruction from GBIM to Pershing on your behalf concerning order execution will override Pershing's order execution policy and will remain binding on you;
  - c. Pershing will execute such orders in accordance with Pershing's order execution policy as amended from time to time, a summary of which is set out on in Pershing's website on [www.pershing.co.uk](http://www.pershing.co.uk) under "disclosures" and therein under "compliance disclosure". By your acceptance of these terms, you confirm your consent to the execution policy and acknowledge that it may be amended from time to time. You also agree that Pershing may execute transactions on a market that is not a regulated exchange or multilateral trading facility in the European Economic Area. Please note however the provisions of Annex 2 in relation to any overseas investments;

- d. Pershing may combine your orders with orders for its other clients or Pershing's own orders. Pershing will only do this if it considers that it is unlikely to work to the overall disadvantage of you or any of its clients involved however it is possible that aggregating orders in this way may sometimes operate to your advantage and sometimes to your disadvantage by giving you a higher or lower price than might have been the case if your order had been placed individually; and
- e. In the ordinary course of business once Pershing executes any transaction on your behalf neither Pershing nor GBIM will send you a contract note. Where a contract note is required to be issued under FCA Rules, such as an execution only order, it is very important that you check the detail of all contract notes you receive, and notify GBIM (and not Pershing directly) immediately if there is any error or if you have any question about them, because the contract note will be considered a conclusive and final record of any detail contained in it, unless GBIM notifies Pershing of an error within 1 working day after receipt by you and in any event no later than the settlement date for the transaction concerned.

5.3. Where GBIM executes transactions on your behalf, Pershing will not owe you directly a duty of best execution under the FCA Rules or otherwise. GBIM shall be responsible for ensuring best execution and Pershing may from time to time allocate transactions for you with those of other people.

5.4. Pershing may combine orders that are received for the account of a GBIM client with orders that are received for the account of its other clients, or with its own orders. Aggregation of such orders may operate on some occasions to the client's advantage and on some occasions to Pershing's disadvantage.

## 6. Settlement of Transactions

When transactions are undertaken on your behalf, they will be due for settlement in accordance with market requirements and the relevant contract note or advice. These settlement terms will vary dependent upon the market and securities dealt in. The contract note or other transaction advice issued by Pershing will specify the settlement date. It is your responsibility to ensure that Pershing receives the necessary investments, documents or cash (as the case may be) in order for Pershing to settle the transaction made at the direction of GBIM on your behalf. Pershing must receive any cash in cleared funds in sufficient time prior to the settlement date in order that it can make the necessary payment.

- 6.1. You hereby undertake that any cash or investments held by or transferred to Pershing by you will be free from any right of a third party to make claims against that money or those investments. In particular, it is your obligation to make sure that no other person will be entitled to:
  - a. security rights over them, such as a **Mortgage** or a **Charge**;
  - b. any right to withhold or retain them, such as a **Lien**;
  - c. any other rights to have any of the cash or investments paid or transferred to them or to prevent any transfer of such cash or investments from going ahead; or
  - d. any right to be paid all or any of the proceeds of a transaction;

so that settlement on your transaction can take place.

6.2. In order to settle transactions on your behalf, Pershing will need to deal with the other party to the transaction (the "counterparty"). If a transaction has to be settled through a **CCP** or **CSD** the specific provisions set out in Annexes 1 and 2 shall apply.

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

- 6.4. Pershing is not obliged to credit any cash or investments it receives to your account until it has received them in irrevocable and unconditional settlement of the relevant transaction without the sender being able to reverse the settlement or require redelivery. If for any reason Pershing does credit cash or investments to your account earlier than this and Pershing reasonably considers that irrevocable and unconditional settlement is unlikely to take place then Pershing will be entitled to reverse the entry and require you to give back or redeliver the cash or investments or their equivalent.
- 6.5. In some cases, transactions will be subject to **Netting**. You agree, in respect of any transaction which is subject to **Netting**, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant **CCP**, **CSD** or agreement with the counterparty. You acknowledge that if net settlement takes place then Pershing will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.
- 6.6. If a transaction is undertaken on your behalf on non-UK markets, the specific provisions set out in Annex 2 shall apply.
- 6.7. Transactions executed on your behalf may settle in the books of a **CCP**, **CSD** or other body or custodian combined with transactions for the account of other clients of Pershing's. If this happens then Pershing will allocate between Pershing's clients the cash or investments received by it or on its behalf as a result of the settlements in accordance with the client trades GBIM has notified to it. If Pershing receives cash or investments for trades that were intended to settle at the same time (but which, for whatever reason, do not do so), then Pershing will allocate that cash or investments received by it on the following basis:
- in accordance with any priority for settlements determined by Pershing prior to the transactions taking place;
  - if transactions have the same priority, then the allocation will be in order of time, by reference to the intended settlement date of the transaction which GBIM specified to Pershing, so that the earliest in time will settle first in each case;
  - where transactions have the same priority and intended settlement date, then the allocation will be by value so that the larger or largest trade by value (not by number of units or size) will be settled first in each case.
  - where these allocations are necessary, they will also be subject to the operation of the relevant **CCP**, **CSD**, custodian or other entity. Such operations may include a **Netting** rule or practice, automatic splitting of unsettled transactions or other automatic aggregation, splitting or allocation.
- 6.8. **Time Shall Be Of The Essence** with respect to any payment, delivery or other obligation of yours to Pershing.

## 7. Client Money

- 7.1. Money held by Pershing for your account, will be held in compliance with the FCA Client Asset Rules when these apply to the money. This means, amongst other things, that Pershing will hold your money in a special designated client bank account which is an account kept separate from Pershing's own funds.
- 7.2. When considering where that client bank account should be, Pershing will exercise due skill, care and diligence and will periodically review the adequacy and appropriateness of any bank or credit institution where your money is deposited and of the arrangements for holding your money (such as which banks or credit institutions are used, the amount of client money deposited with the bank or credit institution and any use of fixed term deposits for client money). These requirements will not apply where your money is held with a central bank of a country. It is important to note that Pershing is not responsible for any acts, omissions or default of a credit institution or bank chosen by it but only for taking care in its choice and monitoring.



- 7.3. When Pershing holds your money in a client account it will be pooled with money belonging to other clients of Pershing. Where funds are pooled in this way, you will not have a claim for the specific sum in a specific account. Your claim would be against the client money pool in general and if there is a deficiency in the pool as held by the bank in which the pooled account is maintained you would share pro rata in that loss. Such a deficiency is likely to arise if a relevant bank or credit institution with which client money is deposited by Pershing becomes insolvent or otherwise defaults on its obligations to pay out money when due. In such circumstances, clause 15.2 shall apply.
- 7.4. If Pershing holds money which is not immediately required to settle an investment transaction, such money will be deposited with a bank or credit institution, together with other clients' money. Money may earn interest at a rate determined by the relevant bank or credit institution. However, the amount of any interest on money that would be credited to your account and made available to you (subject to clauses 11 and 12.3), will be determined by Pershing and GBIM, and will be as notified by GBIM to you from time to time. Any interest will be calculated on a daily basis and credited to your account every six months. Pershing may decide not to credit to your account such amount of the interest until it reaches a minimum threshold amount as agreed between GBIM and Pershing. Unless GBIM notifies you otherwise, you will be entitled to interest at the central bank base rate for Sterling, US Dollars, and the Euro, and the applicable local sub-custodian/agent credit rate for other currencies, less a Money Management Fee charged by Pershing. The Money Management Fee is applied to the balance on your account and may (where the interest rates referred to above are very low) be higher than any interest which would otherwise have been credited to your account in which case a charge in the form of debit interest may be charged for that balance as notified to you by us.
- 7.5. Sometimes GBIM or Pershing will undertake a transaction for you which requires your money or investments to be passed to a **Relevant Party** in order to meet the obligations under that transaction or as **Margin or Collateral**. When a **Relevant Party** is involved then any money or investments passed to the **Relevant Party** may be at risk in the event of its insolvency. By accepting these terms, you acknowledge that this is the case.
- 7.6. Please refer to the provisions of Annex 2 which will apply if your money is held by a credit institution or bank outside the UK or EEA.
- 7.7. Pershing may use a bank which is affiliated to Pershing to hold client money on your behalf.
- 7.8. If GBIM, or Pershing, are unable to contact you (for example if you move and fail to update your address with GBIM), so that GBIM are unable to deliver money held for your account to you, or you fail to respond to our communications requesting any instructions from you concerning such money, with the result that any of your money held by Pershing is unclaimed, Pershing may transfer such money to a pooled client unclaimed money account subject always to Pershing undertaking to make good any valid claim by you. The money held in the client unclaimed money account will be held by Pershing in compliance with the FCA Rules.
- 7.9. Money held by Pershing in pooled client money accounts as set out in this clause 7, may (in part) be deposited (where permitted under FCA Rules) into a fixed term deposit. Money held in fixed term deposits cannot be withdrawn by Pershing until the fixed term expires. This means that the part of the client money pool (as described in clause 7.3 above) which is held in fixed term deposits would not be available for immediate (or next day) withdrawal by you and the return of such client money would be delayed until the fixed term expires. In addition, Pershing would not be able to move client money held in a fixed term deposit until the expiry of such fixed term and therefore would not be able to mitigate the risk of any default or insolvency of the relevant bank or credit institution and the possible creation of a deficiency in the client money pool (resulting in a loss as described in clause 7.3) which may arise during such fixed term. By accepting these Terms of Business you acknowledge you are aware of and accept the risks set out in this clause 7.9.

## 8. Custody and Administration of your Investments

- 8.1. Subject to clause 8.2, where Pershing holds investments for your account it will register those investments in the name of a **Nominee Company** controlled by Pershing or by a member of Pershing's group.

- 8.2. In some situations, for example where the rules of a particular market or **CSD** require, Pershing will register your investments in the name of an **Eligible Custodian**. Pershing will not usually register investments in your name but if it is required to do so, you shall remain responsible for the consequences of any such registration.
- 8.3. If your investments are held overseas the provisions of Annex 2 shall also apply.
- 8.4. When your investments (including any money held for your account) are held by a depository or an **Eligible Custodian**, such depository or **Eligible Custodian** may have rights against your investments, arising out of the operation of local law, local regulatory rules, or market practice which may include:
- a. security rights over them including but not limited to a **Mortgage or Charge**;
  - b. rights to withhold or retain them, such as by way of a **Lien**;
  - c. other rights to have the asset paid or transferred to them or to prevent a transaction involving such asset from going ahead; and/or
  - d. rights to be paid any or all of the proceeds of a transaction involving the asset.

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

- 8.5. Pershing shall keep a record of your entitlement to your investments in situations where Pershing or an **Eligible Custodian** (or a **Nominee Company**) have registered or recorded your investment in a combined account or pooled in some other way with investments belonging to other clients of Pershing ("omnibus account"), of Pershing or of the **Eligible Custodian**. In such a situation you should note the following effects and **by accepting these Terms of Business, including where you are acting by an agent appointed for that purpose, you expressly acknowledge and accept such effects**:
- a. your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register;
  - b. in the course of settlement of transactions from the omnibus account (due to the nature of such holding and the operation of settlements into and from an omnibus account) circumstances could arise whereby your assets as held in the pool are used to satisfy the transaction of another client whose assets are also held in the omnibus account. You should note that Pershing has in place systems and controls to reduce the occurrence of such events such events and to mitigate the risk to you from such circumstances as required under FCA Rules;
  - c. if there is an irreconcilable shortfall following any loss by or default of, Pershing or the **Eligible Custodian** (or a **Nominee Company**) then you may not receive your full entitlement and may share in any shortfall on a pro-rated basis with any other investors;
  - d. sometimes Pershing will receive investments or money on behalf of more than one client in connection with pooled holdings (for instance in a bonus or rights issue or takeover). In such circumstances Pershing may, in accordance with FCA Rules, allocate such investments between clients on whatever basis it considers fair and reasonable in accordance with its allocation policy in force at the time;
  - e. if a share issue or other corporate event favoured the small investor (as defined by the issuer making the issue or creating the corporate event) your actual allocation may be less than it would be if your investments were registered in your own name; and
  - f. sometimes amounts or investments may arise which would not have arisen if the investments had been registered in your own name. You may not be entitled to any such additional amounts.

- 8.6. Any instructions you wish to give about the administration of investments held by Pershing should be given to GBIM in writing for GBIM to send to Pershing. GBIM will not accept instructions from anyone but you and will not send instructions to other people on your behalf unless in either case you have previously provided GBIM with a copy of a valid power of attorney authorising GBIM, or the relevant person, to send such instructions.
- 8.7. Pershing will inform GBIM of any rights issues, takeover offers, capital reorganisations, conversion or subscription rights (collectively "corporate actions") that affect or relate to investments held on your behalf by Pershing or an **Eligible Custodian**. It will do so as soon as reasonably practicable after receiving notice of those events. GBIM will, in turn, inform you.
- 8.8. You should contact GBIM and not Pershing if you need any advice in connection with any corporate actions. Pershing is not responsible for taking decisions in relation to any corporate actions and will require instructions from you or GBIM on matters such as:
- a. exercising conversion and subscription rights;
  - b. dealing with takeovers or other offers or capital reorganisations;
  - c. exercising voting rights (where Pershing exercises such rights on your behalf).
- 8.9. If any notification is given to you pursuant to clause 8.7 from Pershing, you must ensure that you provide instructions to GBIM, for onward transmission to Pershing in sufficient time to ensure that Pershing is able to act upon such instructions. The instructions given, their consequences, and the consequences of failing to give GBIM instructions, will be entirely your responsibility. Neither GBIM nor Pershing is obliged to do more than give one notification on the relevant matter.
- 8.10. Pershing will be responsible for claiming and receiving dividends, interest payments and other entitlements automatically arising in respect of the investments held for your account.
- 8.11. Sometimes Pershing or an **Eligible Custodian** who is holding your investments may receive dividends, interest and other rights or payments after local withholding or similar taxes or other deductions are made from those sums. You accept that Pershing or any **Eligible Custodian** may, if it is required to do so to comply with legal or regulatory requirements, withhold or deduct tax or other amounts from any such payments. Any costs Pershing or an **Eligible Custodian** incurs when complying with these obligations may be deducted by Pershing from your account. If you are eligible to reclaim any such withholdings or deductions then this will be your responsibility and not that of Pershing or an **Eligible Custodian**, to do so.
- 8.12. Pershing will arrange for you to receive a safe custody statement showing the investments and cash balances it holds for you, reported on a trade date basis. The frequency of such statements is determined by FCA Rules. Pershing may provide such statement to you via appropriate online or electronic means and provided GBIM or Pershing notified you of the availability of such statement, it shall be your responsibility to access and review such statement.
- 8.13. In some circumstances Pershing may refuse to hold any investment or investments for you. This may occur in any of the circumstances outlined in clause 3.2 of these terms or if the investment concerned is of a kind for which Pershing does not have facilities, or arrangements with appropriate **Eligible Custodians**, to hold or if holding the investment would expose Pershing to liabilities. GBIM will notify you if Pershing chooses to exercise this discretion unless legal or regulatory constraints prevent such disclosure.
- 8.14. Pershing will not loan your investments or use them to raise finance unless you have entered into a separate specific written agreement with Pershing allowing such use of your investments.

## 9. Consequences of your Default

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

- 9.2. You will not have a right to title or interest in any cash or investments received for your account. Pershing will have no obligation to deliver or account to you for any such cash or investments and Pershing will be entitled to retain any such cash or investments until such time that you have met your obligations.
- 9.3. Pershing may, without providing any advance notice, use any cash, or sell any securities, held or received for your account and use the proceeds (after deducting any costs in doing so) to eliminate or reduce any unpaid obligations owed to Pershing. Any surplus remaining after discharging the obligations owed to Pershing will be paid to you. If the cash and proceeds of disposals do not cover all the obligations owed to Pershing, you will still owe Pershing the balance.
- 9.4. Pershing may, among other things, and without giving you further notice:
- a. enter into any other transaction (including those with the effect of closing-out a position, or reversing or cancelling a transaction previously entered into);
  - b. take or refrain from taking further action which it considers would, or could, reduce or eliminate any liability under any transaction undertaken for you. Pershing may take similar action where it reasonably considers that you have not or are unlikely to perform your obligations under these terms.
- 9.5. Where Pershing exercises its rights to use your cash or dispose of your investments under clause 9.3 above, it will have no further obligation to you and neither you nor GBIM will have any right to require Pershing to account to you, or to anyone else, for any investments or cash received when the relevant transaction is settled.
- 9.6. You agree that Pershing may **Set Off** transfer or apply (without further notice to you) any obligations or monies owed by Pershing to you in order to satisfy in whole or in part any debt or obligation or sum that is due from you to Pershing. This applies even if the obligations are in different currencies and includes the payment of any fees or charges due to Pershing and any amounts due under your indemnity obligations to ensure Pershing does not lose money as a result of your default under these terms or the services it provides you with.
- 9.7. In exercising its rights under these terms Pershing may convert currencies and carry out foreign exchange transactions for you or on your behalf at such rates and in a manner that Pershing may in its discretion determine. In such circumstances, Pershing shall be acting on its own behalf and not executing your orders. It shall therefore not be liable to you for the result obtained, nor for its choice of which investments are to be sold.
- 9.8. The provisions in this clause 9 will continue to apply even if GBIM or Pershing stop providing services to you, so long as any obligations for your account remain outstanding. They apply in addition to any other right Pershing has, and they will not be affected by any failure by Pershing or anyone else to fully enforce its contractual rights, whether as to payment, time, performance or otherwise.

## 10. Limits on Pershing's Liability to you and Indemnities you Give to Pershing

- 10.1. The liability of Pershing (and where relevant its directors, employees or agents) to you for any loss or damage which you suffer in connection with these terms shall be limited to circumstances where any such loss or damage has arisen directly as a result of negligence, fraud or wilful default or a breach of the FCA Rules by Pershing (or where relevant, its directors, employees or agents). In any event, Pershing will not be liable to you for any indirect or consequential losses (howsoever arising). Pershing will also not be liable for any loss that is a loss of profit or for any losses that arise from any damage to your business or reputation.
- 10.2. This means that Pershing will only be liable for losses that arise as a result of its negligence, fraud or wilful default and then only, for any losses which:
- a. arise naturally from a breach by Pershing of its obligations; and
  - b. which were reasonably foreseeable to Pershing at the time these terms are entered into.

- 10.3. It is important that you understand that you are responsible for making sure that Pershing does not suffer by reason of acting for you. You agree to make good and reimburse (indemnify) Pershing and each of its directors and employees and agents ("Indemnified Persons"), after the deduction of any applicable taxes, for and against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than Pershing corporation tax) which are caused by;
- a. Pershing providing its services to you;
  - b. material breach by you of any of these terms including without limitation the performance of your obligations;
  - c. default or failure by you to make a delivery of investments or payment when due;
  - d. any representation or information you have provided at GBIM's or Pershing's request and on which GBIM or Pershing have relied, being untrue or misleading; or
  - e. any challenge to the validity of, or requirement for proof of ownership, or in respect of any fraud or forgery in relation to any investments delivered to Pershing by you or on your behalf, or in relation to any document of transfer regarding such investments. This will include any electronic instruction or information, which appears to transfer such investments.
- 10.4. You will not be liable to indemnify Pershing under this clause 10 and Pershing will have no right or claim against you or GBIM if any consequences to Pershing are caused by its own negligence, wilful default, fraud or any breach of the FCA Rules.
- 10.5. Pershing has no liability to you or GBIM for failure to provide any of the services under these terms if that failure is caused wholly or partly by events beyond Pershing's reasonable control. This includes (but is not limited to) any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action, suspension or limitation of trading by any exchange or clearing house or any fire, pandemics, flood or other natural disaster. In any of these (or other similar) circumstances any or all of Pershing's obligations will be suspended until the state of affairs giving rise to the failure of Pershing is remedied.
- 10.6. The provisions in this clause 10 will continue to apply even if GBIM or Pershing stop providing services to you. They apply in addition to any other right of indemnity or claim of any Indemnified Person whether or not under these terms, and they will not be affected by any failure by Pershing or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

## 11. Charges

- 11.1 The Fees and Charges payable in relation to the services provided by Pershing (in particular, the **Money Management Fee**), and any taxes payable through Pershing, have been reviewed and agreed by GBIM. The amounts payable by you are as set out in GBIM's Agreement with you (subject to Pershing's rights in case of GBIM's or your default as set out in these terms - under which Pershing would be entitled to collect certain fees in respect of the Services it provides and the costs it incurs) and the total fees and charges information provided by GBIM to you. In such circumstances, where your fees remain payable to Pershing, Pershing can either pay these out of the assets and money it holds for you for your account or by way of set off as described at clause 9 above or require you to pay them directly to Pershing or to Pershing through GBIM. You may also be liable for other taxes or charges which are not payable through Pershing.

## 12. Pershing's Conflicts of Interest

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

- a. is, or is acting on behalf of, the counterparty to a transaction that is executed by Pershing (whether or not involving a fee or commission or increased or reduced price offered or received by Pershing or its Associates);
  - b. has a long or short position in the relevant investment; or
  - c. is otherwise connected to the issuer of the investment to which any instructions relate.
- 12.2. Pershing may place money held for your account with a bank or other financial institution (in accordance with the FCA rules) and earn interest and retain some or all of that interest from that bank or financial institution.
- 12.3. A summary of Pershing conflicts of interest policy (including further disclosure concerning the payments Pershing may receive from fund managers) is published on Pershing's website at [www.pershing.co.uk](http://www.pershing.co.uk) under the heading of "compliance disclosures" (a hard copy is available on request from GBIM).
- 12.4. You acknowledge that neither Pershing nor any of its Associates is required to disclose or account to you for any profit made as a result of acting in any manner described above.

### 13. Data Protection and Confidentiality of Information

- 13.1. Pershing may store, use or otherwise process personal information about you which is provided by you or GBIM on your behalf. The purposes for which it can store, use or process such personal information are providing investment and other services under these Terms, administering your account and other purposes closely related to those activities. This includes (but is not limited to) using information for the purposes for credit and anti-money laundering enquiries or assessments. In the United Kingdom Pershing operates and has made all the appropriate notifications in accordance with applicable data protection legislation.
- 13.2. Any information that GBIM and Pershing hold about you is confidential to you and will only be used in connection with providing services under these terms (as may be set out in more detail in Pershing's privacy policy as may be published from time to time as set out in clause 17). Information of a confidential nature will be treated as such provided that such information is not already in the public domain. Pershing will only disclose your information to third parties in the following circumstances:
- a. if required by law or if requested by any regulatory authority or exchange having control or jurisdiction over, you, GBIM or Pershing (or any Associate of GBIM or Pershing);
  - b. to investigate or to prevent fraud, market abuse or other illegal activity;
  - c. in connection with the provision or services to you by GBIM or Pershing;
  - d. for purposes closely related to the provision of the services or the administration of your account including without limitation for the purposes of credit enquiries or assessments;
  - e. if it is in public interest to disclose such information; or
  - f. at your request or with your consent.
- 13.3. The restrictions on the use of confidential information described above are subject at all times to a general proviso that Pershing may disclose your information to certain permitted third parties including members of its own group (Associates) and its professional advisors (including accountants and lawyers) who are subject to confidentiality codes.
- 13.4. Neither GBIM nor Pershing will sell rent or trade your personal information to any third party for marketing purposes unless you give your express consent.
- 13.5. You should note that by signing or otherwise accepting these terms you agree that Pershing is allowed to send your information internationally including to countries outside the EEA such as the United States of

America. Some countries where your information is sent will offer different levels of protection in relation to personal information, not all of which will be as high as the UK. Pershing will, however, always take steps to ensure that your information is used by third parties only in accordance with Pershing's policy.

- 13.6. You are entitled to a copy of any information Pershing holds about you. In the first instance, you should direct any such requests to GBIM and they will pass your request on to Pershing. You should let GBIM know if you think any information Pershing holds about you is inaccurate and GBIM will ask Pershing to correct it.

## 14. Complaints

- 14.1. If you have a complaint regarding GBIM or Pershing you should notify GBIM's Compliance Officer in the first instance. In the instance that your Complaint concerns an aspect of the service provided to you by Pershing and you therefore wish to copy your Complaint to Pershing directly, copies should be sent to:

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

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

## 15. Investor Compensation

- 15.1. Pershing is covered by the UK's Financial Services Compensation Scheme ("FSCS"). Compensation may be available from the FSCS if Pershing cannot meet its obligations to you. Your possible entitlement to compensation will depend upon the type of business and the circumstances of the claim. Most types of investment businesses are covered for £85,000 per person per firm. Further information about compensation arrangements is available from the FSCS, [www.fscs.org.uk](http://www.fscs.org.uk)
- 15.2. Where, in accordance with clause 7.3, a bank holding client money is covered by the FSCS and goes into default in accordance with the rules of the FSCS, Pershing shall work with GBIM to submit the required information to the FSCS to affect a claim on your (and its other clients who suffered from such default) behalf with the FSCS up to the limit available under FSCS rules at the time of the claim. Such claim would depend (amongst other factors) on your eligibility (as determined by the FSCS) and whether you have made any other claim with respect to such bank's default.

## 16. Amendment

- 16.1. Pershing reserves the rights to alter these terms at any time. It will only do so after giving prior written notice to GBIM in reasonable time for you to consider the impact of those changes, unless it is impractical in the circumstances to give such notice. Such changes would normally be aimed to reflect regulatory or other wide ranging general change and in line with the requirement of the FCA Rules to treat customers fairly.

## 17. Provision of Information via a website

- 17.1. Pershing may provide the following information to you via their website [www.pershing.co.uk](http://www.pershing.co.uk) (under the "disclosures" section). Such information may be amended from time to time by Pershing:
- a. General disclosures of information about Pershing, its services and disclosures relating to such Services in general;
  - b. Information concerning the safekeeping of investments and money held by Pershing or any of its appointed **Eligible Custodians**;
  - c. Information on costs and charges;
  - d. Information relating Pershing's order execution policy, order handling and conflicts of interest;
  - e. Pershing's privacy policy covering the processing of any personal data under the relevant data protection legislation; and
  - f. Disclosures and policies containing general information in relation to the Services provided by Pershing to you which Pershing is required to publish or which is addressed to the generality of its clients (excluding amendments to these terms and conditions).

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

## 18. General

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

These terms are governed by English Law and you irrevocably agree to submit, for the benefit of Pershing, to the non- exclusive jurisdiction of the Courts of England.



## Annex 1

### CCP and CSD Transactions

#### 1. Settlement of CCP and CSD Transactions

- 1.1. In order to settle transactions on your behalf, Pershing will need to deal with the other party to the transaction (the "counterparty") and sometimes transactions will be settled through a central counterparty ("**CCP**") or a central securities depository or other securities settlement system ("**CSD**") or other depository transfer agent or similar body. When Pershing deals with these parties, it does so as your agent, in good faith and on the basis that:
  - a. Pershing is not responsible for any default or failure of the **CCP**, **CSD** or other counterparty or of any depository or agent of those entities; and
  - b. the delivery of any securities or payment to you as a result of the transaction is entirely your risk and not that of Pershing.
- 1.2. In some cases, transactions will be subject to **Netting**. You agree, in respect of any transaction which is subject to **Netting**, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant **CCP** or **CSD**. You acknowledge that if net settlement takes place then Pershing will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.
- 1.3. GBIM and you acknowledge and agree that:
  - a. Pershing does not owe any duty to GBIM, you or any other person to verify the appropriateness, adequacy or effectiveness of the rules, requirements and procedures of any market or **CCP**; or in relation to any exercise or non-exercise by the market or the **CCP** of its rights or powers under such rules, requirements and procedures; and
  - b. Pershing shall have no liability for any loss or damage suffered or incurred by GBIM or you by reason of Pershing taking or failing to take any action, where such action or failure to take action is authorised, permitted or required by a market or a **CCP** or is otherwise deemed necessary by Pershing under the rules, requirements and procedures of the market or the **CCP**.

#### 2. Limits on Pershing's Liability to you and Indemnities you Give to Pershing

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

## Annex 2

### Overseas Investments

#### 1. Settlement of Transactions

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

#### 2. Client Money

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

#### 3. Custody and Administration of your Investments

- 3.1. Whether or not they are registered or recorded in the name of Pershing, or an **Eligible Custodian**, investments belonging to you which are held abroad may be subject to different settlement, legal and regulatory requirements from those applying in the UK or the EEA. Your rights may therefore also differ. In particular, such investments, by their nature may require, in order to effect settlement of your transaction, that the investment is held in a country that may not impose specific regulation covering the safekeeping of investments. Subject to Pershing satisfying itself that the arrangements for the holding of your investment in such market by the **Eligible Custodian** it appointed are adequate (based on the due diligence referred to in clause 3.2 of this Annex 2), Pershing will deposit such investment with such **Eligible Custodian** notwithstanding the risks outlined in this Annex 2.
- 3.2. Pershing will exercise due skill, care and diligence in the selection, appointment and periodic review of any **Eligible Custodian** it appoints (including the regulatory rules applicable to such **Eligible Custodian**) and the arrangements for the holding and safekeeping of your investments. It is important that you understand Pershing is not responsible for anything done or not done, or any default of an **Eligible Custodian** unless that default is caused by the negligence, fraud or wilful default on the part of Pershing or any of its nominee companies. Although Pershing will seek to make sure that adequate arrangements are made to look after your ownership rights in any investments (especially in the event of its own insolvency) you should understand that your investments may be at risk if an **Eligible Custodian** becomes insolvent.
- 3.3. Overseas investments may be registered or recorded in the name of Pershing or in the name of an **Eligible Custodian**. Your acceptance of these terms indicates your consent to the possibility of registration in such manner. However any such registration in one of these ways will only be done after Pershing has taken reasonable steps to determine that it is in your best interests to do so or that it is not feasible to do otherwise because of the nature of the applicable law and market practice in the jurisdiction where the transaction occurs. Registration in this way means that your investments may not be kept separate from other investments belonging to Pershing or the relevant **Eligible Custodian**. Your protection may therefore be less, as if the person in whose name your investment is recorded defaults on its obligations, your investment may not be separately identifiable as yours. Accordingly, it may be subject to other third party claims including claims by the general creditors of the defaulting person.

## Annex 3

### Terms of Business for ISA Accounts

The Terms of Business set out in this Section (the "Additional Terms of Business") only apply if you have applied to open a Pershing **ISA Account**. Please note that these Additional Terms of Business apply in addition to the Terms of Business. Should any terms within this Annex 3 conflict with the Terms of Business, this Annex 3 shall prevail.

#### 1. Applications and Subscriptions

- 1.1. Your application for a Pershing ISA can only be accepted after completion and submission of a Pershing **Stocks and Shares ISA** Application Form. Pershing reserves the right to refuse any application.
- 1.2. Investment in a Pershing ISA may be only in the form of a cash subscription, **Share Exchange** or approved Inland Revenue profit sharing or SAYE scheme. The Pershing ISA is a **Stocks and Shares ISA**.
- 1.3. Investment in an ISA is subject to any minimum investment threshold as notified to you by GBIM and the **Annual Subscription Limit** as determined by **HMRC**.
- 1.4. You may only invest your own cash in an ISA. An ISA cannot be held in joint names and cannot be transferred to another person.
- 1.5. Pershing may disclose to **HMRC** or to any other regulatory body any information concerning your Pershing ISA from time to time.
- 1.6. Pershing will notify you if your Pershing ISA has or will become void as a result of any failure to satisfy the **ISA Regulations**. A breach of the **ISA Regulations** may result in the ISA being declared void and no longer qualifying for tax relief. Tax credits may have to be repaid and, where appropriate, all the interest credited in respect of cash on deposit will be subject to a deduction of tax at the appropriate rate. Pershing will not be liable to you in circumstances where your ISA has become void as a result of any failure outside of its control, including but not limited to a failure by you or your financial adviser, to satisfy the **ISA Regulations**.

#### 2. Dividends and Benefits in Your ISA

- 2.1. Dividends will be paid in cash, unless indicated otherwise, by you on the ISA Application Form.
- 2.2. Pershing will automatically add the shares arising from any bonus or capitalisations to your **ISA** provided that they are **Qualifying Investments**.
- 2.3. Where investments arising from the rights issues, takeovers or mergers, or other corporate events are not **Qualifying Investments**, Pershing is required by the **ISA Regulations** to either sell the investments within thirty days of the date on which they ceased to be **Qualifying Investments** (in which case the proceeds can remain within your ISA or to transfer the investments to you to be held outside of your ISA. You will be liable for any applicable withdrawal charges or dealing costs or any other costs. In the event that all investments within the ISA cease to be **Qualifying Investments**, Pershing reserves the right to apply any associated transaction fees as advised to you by GBIM. Pershing will use reasonable endeavours to seek instructions from GBIM in this regard before taking any action.
- 2.4. You must ensure that cleared funds are available in your ISA to meet forthcoming instalments for nil paid rights or other investments with future or contingent obligations to make payments (to the extent Pershing will permit these to be held in your ISA), without exceeding the Annual Subscription Limit. Pershing will notify GBIM in advance of instalments payable and, in the absence of instructions or further subscription, Pershing reserves the right, in accordance with Clause 9 of the Terms of Business, to withdraw the shares from your ISA or sell sufficient of the shares to meet your obligations. Pershing will charge a fee in accordance with its agreement with GBIM in respect of any such sale.
- 2.5. GBIM will make arrangements to enable you to vote and to attend shareholders', securities holders' or unit holders' meetings and receive a copy of the annual report and accounts of every company or other concern

in respect of **Qualifying Investments** held in your ISA if you so wish. You must, however, give GBIM sufficient notice of your wishes in order to enable Pershing as your Custodian to make the arrangements. Voting arrangements are subject in all cases to Pershing receiving notification of any vote, an instruction from GBIM in good time and to the company, or other entity supervising such vote, accepting a vote form Pershing. In addition to the circumstance set out in the Terms of Business, Pershing may refuse any instruction to vote in the event that Pershing believes such vote might cause Pershing to incur risks to its reputation.

### 3. Dealing in your ISA

- 3.1. Investments within your ISA are restricted to **Qualifying Investments**.
- 3.2. You must be and remain at all times the beneficial owner of the **Qualifying Investments** in your ISA.
- 3.3. The legal title to the **Qualifying Investments** held in your ISA will be registered in the name of Pershing's Nominee Company.
- 3.4. The **Qualifying Investments** in your ISA must not be used as security for a loan.

### 4. Withdrawal or Transfer of Investments Held in your ISA

- 4.1. You may withdraw, or transfer to another ISA manager, all of the investments held in your ISA for the current tax year, or all or part of previous years ISAs and any proceeds arising from those investments at any time by giving your Investment Manager instructions in writing. Pershing will give effect to your instructions within the time stipulated by you which may not be less than thirty days, following receipt from your Investment Manager. If you wish to withdraw your investments and request a paper certificate, it may occasionally take longer due to circumstances outside Pershing's control (for example, paper certificates are issued by the relevant Registrar and the time taken for the issue of certificates may vary depending on the volume being issued at the time of request. For some types of investments, such as residual stocks, it may take several months).
- 4.2. If you wish to receive the proceeds of a sale of **Qualifying Investments**, you must give GBIM duly signed notice in writing and, following receipt by Pershing of an instruction to this effect from GBIM, a payment will be sent to you as soon as practicable after settlement has completed. Pershing may make a charge each time you withdraw an investment from your ISA. Please refer to the Fees and Charges. No charge will be made for cash withdrawals from your ISA.
- 4.3. Withdrawals cannot be made in favour of any person other than you.
- 4.4. All **Qualifying Investments** that Pershing sells on your behalf will be withdrawn from Pershing's Nominee Company for delivery to the appropriate counterparty. No charge will be made for such withdrawals.

### 5. Additional Terms for Withdrawals and Transfers in Relation to a Pershing Flexible ISA

- 5.1. **These terms will apply from the date of introduction by GBIM of the Flexible ISA and shall not apply prior to that date.**
- 5.2. **These terms will apply in addition to the Terms of Business for ISA accounts, above, from the date of introduction by GBIM of the Flexible ISA.**
- 5.3. Where you have made a cash withdrawal from your Pershing Flexible ISA, whether this is from interest, dividends or sale proceeds, under the ISA Regulations, Pershing will accept a repayment into your Pershing Flexible ISA of all or part of the withdrawals amount (Flexible ISA allowance), subject to the following provisions:
  - a. the repayment is made within the same tax year as the withdrawal.
  - b. the repayment is made into the same ISA as it was withdrawn from.

- c. any payment received from you is deemed to be a replacement first of the amount withdrawn, before any additional payment can be viewed as new subscription.
  - d. any payment received from you which exceeds the amount previously withdrawn in that tax year will be viewed as new subscription and will be subject to normal ISA subscription rules.
  - e. where you have subscribed to a Pershing Flexible ISA in the current tax year, any withdrawal of cash is deemed to be first made out of the current year's subscription. Your subscription balance will therefore be reduced accordingly. However, even where your full subscription is withdrawn and not repaid into your Pershing Flexible ISA, you will still have made a current year subscription to a Pershing Flexible ISA and cannot subscribe to a different Stocks and Shares ISA in that tax year.
  - f. withdrawals of stock, for example certificate re-registrations, will not create a Flexible ISA allowance.
- 5.4. The transfer of all or part of your Pershing Flexible ISA to another ISA manager will not create an additional Flexible ISA allowance.
- 5.5. Where you have made a cash withdrawal from your Pershing Flexible ISA during the tax year and subsequently transfer that ISA to another ISA manager, the Flexible ISA allowance will not be transferred, that is, you will not be able to repay the withdrawn amount to your new ISA manager.
- 5.6. You may not make Additional Permitted Subscriptions (as defined by HMRC from time to time) into a Pershing Flexible ISA.

## 6. Termination of your ISA and Cancellation Rights

- 6.1. If you terminate the arrangement set out in these additional Terms of Business, you can either request transfer of the ISA including any **Qualifying Investments** to another ISA manager (or request that any cash balance is paid to you) subject to paragraph 4 above or the sale of the **Qualifying Investments** held in your ISA and remittance of the proceeds to you together with any other cash held within the ISA. Any outstanding Fees and Charges must be paid by you and will be deducted from any cash held. Where an ISA is transferred to another ISA manager, any dividends that are received after the transfer of shares will be processed in accordance with the account arrangements with regard to income unless you notify Pershing in writing.
- 6.2. If Pershing terminates the arrangements set out in these additional Terms of Business, Pershing will give you at least thirty days' notice in writing and will explain its reasons for doing so. This notice period will not apply, however, if your ISA has or will become void.
- 6.3. Should you die, the exemptions from tax will continue until the earlier of (i) the closure of the ISA; (ii) the completion of the administration of your estate; and (iii) the third anniversary of your death. No further subscriptions may be made into the ISA following your death. Where any investments remain in your ISA at the third anniversary of your death, Pershing will transfer them to your general investment account. If otherwise instructed, Pershing will dispose of the investment(s) held in your ISA and remit the proceeds to your personal representatives upon receipt of a certified copy of either a Grant of Probate or Letters of Administration (this paragraph updated July 2018 in accordance with ISA legislation).
- 6.4. If you wish to close your ISA and you notify GBIM within 14 days following receipt of the Cancellation Rights then the Agreement between Pershing and you as set out in this Annex 3 will be cancelled. The balance on your account and any gross interest earned will be repaid to you. Subject to HMRC conditions, you will still be able to open an ISA with another ISA manager or GBIM and your full Annual Subscription Limits will remain. (HMRC conditions, as at 1st November 2009, currently require an ISA to be cancelled within 30 days of account opening in order to retain full Annual Subscription Limits.)

## Annex 4

### Supplemental Terms of Business for Junior ISAs

#### Definitions and Interpretation

In these Supplemental Terms of Business, unless otherwise stated, capitalised words shall have the same meaning as in the Pershing Terms of Business. In addition:

**Application form** shall mean the application form to be completed and signed for Junior ISA subscription, administration and redemption purposes.

**Child Trust funds Account** shall mean a Child Trust funds Account as defined by the Child Trust funds Act 2004 (as amended).

**Eligible Child** shall mean a child who is under 18 years of age, and: (a) (i) is born on or after 3rd January 2011; or (ii) is born before 3rd January 2011, and does not have a Child Trust funds Account; and (b) at the time when the application to open a Junior ISA application is made, the child is: (i) resident and ordinarily resident in the United Kingdom; (ii) a person who has general earnings from overseas Crown employment subject to United Kingdom tax within the meaning given by section 28 of the Income Tax (Earnings and Pensions) Act 2003; (iii) married to, or in a civil partnership with, a person mentioned in paragraph (ii); or (iv) a dependent of a person mentioned in paragraph (ii).

**ISA Regulations** shall mean the Individual Savings Account Regulations 1998 (as amended from time to time and including any guidance or interpretation given thereon).

**Junior ISA** shall mean a Pershing stocks and shares junior ISA which conforms to the ISA Regulations provisions pertaining to stocks and shares junior ISAs for the benefit of an Eligible Child. Note that Pershing does not currently offer a cash junior ISA.

**Overall Subscription Amount** shall mean the maximum amount(s) that may be applied to a Junior ISA in any tax year as specified in the ISA Regulations.

**Registered Contact** shall mean a person who is over 16, unless they are suffering from mental disorder and either has parental responsibility in relation to the Eligible Child or is the Eligible Child themselves who is over 16 years of age and has taken on management of the Account by making an application to Pershing for "registered contact" status and has received such approval.

**Supplemental Terms and Conditions** shall mean these Junior ISA supplemental terms and conditions.

**Void** shall mean a Junior ISA that is void in accordance with ISA Regulations and/or HMRC instructions.

#### 1. General

- 1.1. Pershing's Junior ISAs and all applications relating to them are governed by the Pershing Terms of Business, these Supplemental Terms of Business and the ISA Regulations.
- 1.2. The Supplemental Terms of Business set out in this Agreement provide details of additional terms and features, and explain how the Pershing Terms of Business are varied in their application to its Junior ISAs. Should the terms of the Pershing Terms of Business and these Supplemental Terms of Business conflict, then the latter shall prevail. Also, should the Pershing Terms of Business and/or the Supplemental Terms of Business conflict with the terms of the ISA Regulations, then the terms of the ISA Regulations shall prevail.
- 1.3. Where under the Pershing Terms of Business mention is made to ISAs, then this shall include Junior ISAs unless the contrary is indicated in the text below.

- 1.4. The parties agree that Pershing may accept payments from any third parties without satisfying itself that those funds are owned by the Registered Contact or the Eligible Child.
- 1.5. The Junior ISA remains the property of the Eligible Child. Any assignment of, or agreement to assign, investments under a Junior ISA, and any charge on or agreement to charge any such investments is Void.

## 2. The Junior ISA

Who can apply for a Junior ISA?

- 2.1. An application for a Junior ISA can be made either: (i) by a person who at the time of the application is over the age of 16, provided they act in the capacity of a Registered Contact for the benefit of an Eligible Child and the application which is being made is for the benefit of that Eligible Child; or (ii) by an Eligible Child as a Registered Contact for their own benefit and at the time of making the application the Eligible Child has attained 16 years of age.

When can Pershing refuse to accept an application for a Junior ISA?

- 2.2. Pershing is within its rights to refuse to accept an application for a Junior ISA if:
  - a. the application is unsigned, undated or deemed by Pershing to in any way be incomplete;
  - b. in Pershing's reasonable opinion, Pershing believes that any of the information or documentation presented in relation to the applicant is untrue or incorrect; or
  - c. Pershing believes that any of the eligibility requirements for qualification in relation to a Junior ISA as set by HMRC and the ISA Regulations have not been satisfied.

What is the effect of Pershing accepting your application for a Junior ISA?

- 2.3. In the event that Pershing accepts an application for a Junior ISA, then the account will be regulated by the ISA Regulations and no benefit may be taken nor any payment made except in accordance with the ISA Regulations. All communication will be with the Registered Contact only.
- 2.4. The operation of the Junior ISA will be governed by the Pershing Terms of Business as modified by these Supplemental Terms of Business and the ISA Regulations.

## 3. Instructions

Who can give instructions to GBIM concerning a Junior ISA?

- 3.1. Pershing shall only accept instructions from a Registered Contact concerning the operation of a Junior ISA.

## 4. Registered Contact

In which circumstances can a change be made to the details of a Registered Contact?

- 4.1. Unless any of the provisions contained within paragraph 2.2 apply, with the consent of the existing Registered Contact, and in accordance with the ISA Regulations, Pershing agrees to consider an application in standard form for a change of the identity of the Registered Contact.
- 4.2. Unless any of the provisions contained within paragraph 2.2 apply, without receiving the consent of the Registered Contact and in accordance with the ISA Regulations as prescribed, Pershing shall consider an application in standard form to change the details of a Registered Contact in respect of a Junior ISA in circumstances where either by sight of suitable documentation or from any other evidence Pershing holds, Pershing is satisfied as to:
  - 4.2.1. the death of the Registered Contact;

- 4.2.2. the incapacity of the Registered Contact;
- 4.2.3. the Registered Contact not being in contact with Pershing for a 12 month period and an item of post having been returned undelivered;
- 4.2.4. a court order being made bringing to end the status of the existing individual being a person with parental responsibility for the child;
- 4.2.5. a court appointing a guardian or special guardian of the child;
- 4.2.6. a court making an order that the person who is the existing Registered Contact cease to act as such;
- 4.2.7. a new Registered Contact adopting the child; or
- 4.2.8. the fact that the applicant is the Eligible Child themselves, and that the child is making the application to become the Registered Contact after reaching 16 years of age, but has not attained the age of 18, and does not suffer from any mental disorder as outlined in the ISA Regulations.

In which circumstances will the authority of the Registered Contact cease?

- 4.3. In any case, the authority of the Registered Contact shall cease on the earlier of the following events:
  - 4.3.1. the Eligible Child becoming a Registered Contact in accordance with paragraph 4.2.8 above;
  - 4.3.2. the Eligible Child reaching 18 years of age, in which event the Account will no longer remain a Junior ISA and all investments held within the Account will revert to being held within an "adult" tax free ISA wrapper and become subject only to the Pershing Terms of Business, the ISA Regulations and Pershing standard ISA charges; or
  - 4.3.3. Pershing becomes aware of the fact that the Registered Contact ceases to have parental responsibility in which event all further instructions from such Registered Contact will be declined until an application is received for a change of Registered Contact in accordance with paragraph 4.2 above. In the meantime, Pershing shall not be responsible for any investment or other losses arising as a result.

## 5. Junior ISA Subscriptions

- 5.1. Any subscriptions made to the Junior ISA are a gift to the Eligible Child.
- 5.2. Whilst the Eligible Child is alive, any person may make a subscription to a Junior ISA provided the subscription is by a cash payment method and the overall amount subscribed does not exceed the Overall Subscription Amount.
- 5.3. No subscription may be made to a Junior ISA once the Eligible Child has reached eighteen years of age.
- 5.4. Only one Junior ISA may be held for the entire period during which a child remains an Eligible Child. The subscriptions will always be applied to the same Junior ISA regardless of the tax year in which the subscription is received.
- 5.5. If Pershing receives information that there is a more recent Junior ISA held by an Eligible Child than the Junior ISA with GBIM, then Pershing shall deal with this in accordance with the ISA Regulations.
- 5.6. If Pershing receives a subscription which exceeds the Overall Subscription Amount then that amount cannot be applied to the Junior ISA with Pershing, and Pershing will return that proportion of the cash received to the person who paid those funds to Pershing. If monies in excess of the overall Subscriptions Amount are discovered to have already entered the Junior ISA, then such funds will be dealt with in accordance with the ISA Regulations.



## 6. What can you Invest with a Junior ISA?

- 6.1. Investments available for investment with an ISA may also be held in a Junior ISA. Cash may only be held in a Junior ISA for the purpose of investing in Qualifying Investments.

## 7. Closing a Junior ISA and Withdrawal Instructions

- 7.1. You may not give Pershing instructions to close a Junior ISA or make withdrawals from it except where:

- a. the eligible Child has become terminally ill (see paragraph 7.2 below);
- b. the Eligible Child has died (see paragraph 7.3 below);
- c. the Eligible Child has reached the age of 18, and agrees (see paragraph 7.4 to 7.7 below);
- d. a transfer is being made of the Junior ISA investments to another ISA manager (see 7.8 to 7.10 below);
- e. on direction from the HMRC where the Junior ISA is Void (see paragraph 7.11 below);
- f. when subscriptions are small and then cease as a resulting in an account charges bringing the account to a nil balance (see paragraph 7.12 below)

### i) Withdrawals on terminal illness of the Eligible Child:

- 7.2. Where the Eligible Child is terminally ill, subject to the definitions and conditions of the ISA Regulations, the Junior ISA will be closed upon receipt of evidence prescribed under the ISA Regulations and the proceeds shall be paid to the Registered Contact. In this event, no withdrawals can be made from a Junior ISA unless the Registered Contact has made a claim to HMRC to be allowed access to the investments held in the Junior ISA, and Pershing has received a valid approval from HMRC. On withdrawal of funds the Account may be closed.

### ii) Closing an Account on the death of Eligible Child:

- 7.3. If Pershing receives notice of the death of the Eligible Child, then this is first verified on sight of appropriate documentation, and then due payment will be made to the legal personal representatives of the Eligible Child. Pershing will write to the personal representatives of the Eligible Child and offer the choice of selling or stock transfer following receipt of appropriate documentation after which the account shall be closed.

### iii) Closing an Account on the event of the Eligible Child turning 18:

- 7.4. When an Eligible Child reaches the age of 18 then the relevant Junior ISA will be transferred to an equivalent ISA.
- 7.5. The replacement ISA will be established for the beneficiary in their own right, and subject only to Pershing ISA Terms of Business (including charges to be paid in respect of it), and the ISA Regulations. On withdrawal of Investment and cash the Account will be closed.
- 7.6. Any Registered Contact will no longer be entitled to give GBIM instructions in relation to the replacement ISA, unless the Account owner has authorised Pershing to accept any such instructions.
- 7.7. The holding will be automatically transferred to an adult ISA on the day of the Eligible Child's 18th birthday, but there is no obligation to return an ISA application form to facilitate this. An ISA application is only required when the investor wishes to add further subscriptions (to the new 'adult' ISA). No subscriptions may be made to the replacement ISA, nor instructions acted upon by Pershing in relation to that account until such time as the account holder has completed the relevant Application Form in accordance with the Pershing ISA Terms of Business.

iv) Transferring a Junior ISA:

- 7.8. Transfers may be made between account providers for Junior ISAs or investments, in whole or in part from one type of Junior ISA to another, for example, from cash to stocks & shares and vice versa. Pershing shall permit the partial transfer in and out of a Junior ISA, as long as any current year subscriptions are transferred in full.
- 7.9. An account may be transferred even if at the time of transfer the child is no longer eligible for a Junior ISA or no longer resident in the UK. All transfers will be carried out in accordance with the ISA Regulations.
- 7.10. Previous years' Junior ISA subscriptions can be transferred in whole or in part. The current year's Junior ISA subscriptions must be transferred in full. These rights must be exercised in accordance with the ISA Regulations limit on each Eligible Child having only one of each type of Junior ISA at any time. Pershing will close a Junior ISA which after transfer has a nil account balance.

v) Repairing an invalid or Void Junior ISA:

- 7.11. An invalid Junior ISA will be repaired in all circumstances immediately by Pershing on it becoming aware of any invalidity, except where the child is not eligible or has another valid Junior ISA of the same type, in which case it must be Voided. Pershing will never Void a Junior ISA except where instructed to do so by the HMRC and will treat all Void Junior ISA's in accordance with the ISA Regulations. Pershing will notify the Registered Contact in such circumstances.

vi) Closing due to Nil Balance

- 7.12. A nil balance arises in the following circumstances:
  - a. Junior ISA has been opened and a small initial investment has been made, but contributions then stop and agreed charges then bring the balance down to nil;
  - b. a terminal illness claim has been accepted and the Registered Contact has withdrawn the funds held in the Junior ISA; or
  - c. where all of the investments in a Junior ISA have been transferred. In any case Pershing may close the remaining nil balance account.

## 8. Administration

- 8.1. The Junior ISA investments will be held in the beneficial ownership of the Eligible Child.
- 8.2. Contract notes, statements of account, valuations and reports applicable to the Junior ISA shall be issued to the Registered Contact.
- 8.3. In the event that any person or organisation other than the Eligible Child or Registered Contact makes a subscription to the Junior ISA, it is the responsibility of the Registered Contact to advise such donor that its subscription is a gift to the Eligible Child and cannot be recovered.
- 8.4. Pershing will be under no obligation to record the identity of a donor to a Junior ISA, or to advise the Registered Contact of this fact.
- 8.5. Pershing may refuse to accept any subscription in circumstances where (i) Pershing reasonably believes that acceptance may result in the Junior ISA (or any part of it) becoming Void under the ISA Regulations or (ii) Pershing is prevented from doing so by applicable law (for example, in relation to anti-money laundering requirements).
- 8.6. Except for cash deposits, National Savings products and certain insurance policies (see below), the title to the Junior ISA investments will be registered:
  - a. in the name of Pershing;

- b. in the name of the Pershing nominee; or
  - c. jointly in one of one of them and the child or Registered Contact.
- 8.7. Where a share certificate or other document evidencing title to a Junior ISA investment is issued, it will be held by Pershing or as Pershing may direct.
- 8.8. Where insurance policies are with an insurer that is also a Junior ISA provider, the title to the policies shall be vested in the Registered Contact and the policy document or other document showing title to the insurance policy shall be held by the Registered Contact.
- 8.9. Pershing will arrange, if the Registered Contact elects, for the Registered Contact to receive a copy of the annual report and accounts issued by every company or other concern in respect of shares. (A separate charge may be levied for this service).
- 8.10. Pershing will arrange, if the Registered Contact elects, for the Registered Contact:
- a. to attend shareholders', securities holders' or unit holders' meetings;
  - b. to vote; and
  - c. to receive, in addition to the annual report and accounts, any other information issued to shareholders, securities holders or unit holders.
- 8.11. Pershing will satisfy itself that any person to whom the Registered Contact delegates any of its functions or responsibilities under the terms agreed with the Registered Contact is competent to carry out those functions and responsibilities.
- 8.12. Where the applicant for the Junior ISA is between the ages of 16-18 (whether they are the child who will hold the account, or an individual applying for the account for an Eligible Child) any management agreement for the account has legal effect as if the account applicant was 18 years old or over.

## Additional Clauses

### Agent as Client

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

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

### Trustee as Client

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

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

In your capacity as trustees of the Trust you acknowledge and agree with Pershing that:

- You will supply GBIM with all relevant information of which you are aware in relation to the matters covered by GBIM's above warranties and you will not do anything to cause GBIM to be in breach of its obligations as set out above;
- Any payment or accounting made by Pershing to any one or more of the trustees will be treated as made to all of them;
- If you (or where you are more than one person, any of you) become aware that any warranty given to Pershing above has become untrue you will notify Pershing and GBIM in writing as soon as reasonably practicable on becoming so aware; and
- Your aggregate liability to GBIM Pershing and any other person under these terms shall be limited to the net value of the asset from time to time under your control in your capacity as the trustees of the Trust save that this limitation shall not apply in respect of any liability to Pershing for any breach of your obligations to Pershing under this sub-clause.

## Glossary

<b>Additional Terms of Business</b>	These are the Terms of Business related to any additional services available for which there are additional Application Forms.
<b>Agreement</b>	This Agreement between GBIM and you which will form the basis of the Services provided to you by GBIM.
<b>Annual Subscription Limit</b>	The maximum subscription allowed in an ISA in any one year as prescribed by HMRC.
<b>Associates</b>	Any person or entity which (whether directly or indirectly) controls or is controlled by another party or is under common control of that party. For the purpose of definition, "control" shall be deemed to refer also to any power to exercise significant influence over the operating or financial policies of any person or entity.
<b>Authorised Introducer</b>	A person authorised and regulated by the FCA or an equivalent body to instruct on investments under this Agreement.
<b>Business Days</b>	Means any day on which the London Stock Exchange is open for trading.
<b>Cancellation Rights</b>	Exercise by the client of the right to withdraw from the Services provided by GBIM and Pershing within 14 days following receipt of the Cancellation Rights.
<b>CCP</b>	<p>This stands for central counterparty, which is typically an institution that acts as an intermediary between two market participants. The seller of a security sells to the central counterparty. The central counterparty simultaneously sells to the buyer. This means that if one party defaults then the central counterparty will absorb the loss. This reduces the amount of counterparty risk that market participants are exposed to.</p> <p>Certain markets that Pershing trades in on your behalf will involve a CCP and such transactions will be subject to the rules of a CCP.</p>
<b>Charge</b>	A charge does not involve a transfer of ownership but gives a degree of control to a third party over any dealing or disposal of the asset.
<b>Clearing and Settlement Services</b>	The process by which, once an investment has been bought or sold on your behalf, the money is transferred from the buyer to the seller and the investments or the title to the investments is transferred from the seller to the buyer.
<b>Conflicts of Interest</b>	<b>GBIM's</b> Conflicts of Interest Summary, a copy of which is included on page 60.
<b>Complaint(s)</b>	Any expression of dissatisfaction, whether oral or written, and whether justified or not, from or on behalf of an eligible complainant about the firm's provision of, or failure to provide, a financial service.
<b>Complaints Policy</b>	The GBIM Policy outlining how Complaints should be handled.
<b>Complex Financial Instruments</b>	Shall be construed in accordance with Directive 2004/39/EC and associated legislation as may be amended, varied or replaced from time to time (including pursuant to Directive 2014/65/EU).

Contingent Liability Transactions	A transaction that involves any actual or potential liability for you that may exceed the cost of initially acquiring an investment.
CSD	<p>This stands for central securities depository which is a financial institution that custodies securities and provides securities settlement services to one or more markets.</p> <p>When settling a transaction on your behalf Pershing may have to settle such transaction through a central securities depository or other securities settlement system and the transactions will be subject to the rules of the CSD.</p>
Custodian	Pershing Securities Limited, also known as "Pershing."
Data Protection Legislation	Means all laws that relate to data protection, privacy, the use of information rights of individuals including, without limitation, the Data Protection Act 1998, the Data Protection Directive 1995/46/EC ( <b>Directive</b> ) and the General Data Protection Regulation ((EU) 2016/679) ( <b>Regulation</b> ) and any national implementing laws, regulations and secondary legislation, as amended from time to time, in the UK and any successor legislation to the GDPR or the Data Protection Act 1998.
Dealing or Execution Services	The buying or selling of investments on your behalf.
Discretionary Investment Management	The discretionary investment management services to be provided by GBIM to you pursuant to which will manage your Portfolio(s) with a view to achieving the Investment Objectives agreed with you, and subject to any restrictions agreed with you.
Effective Date	The date at which you effectively become a GBIM client.
Eligible Custodian	This refers to a third party Custodian (or its <b>Nominee Company</b> ) who Pershing selects under the FCA Rules to register your investments with.
Execution-Only Service	Means a transaction where a client has requested a specific investment and shall not receive advice in respect of that investment.
Execution Policy	GBIM's Execution Policy summary, a copy of which is included on page 60.
FCA	Means the Financial Conduct Authority of the United Kingdom, its successors or assignors.
FCA Rules	Means the rules and guidance contained in the Handbook issued by the FCA.
FCA Client Asset Rules	Means the rules and guidance contained in the Handbook issued by the FCA.
Fees and Charges	These are set out in the Supplement and are debited for the provision of Services.
Fee Statement	The statement of GBIM's fees, included in the Supplement.
Flexible Stocks and Shares ISA or Flexible ISA	Flexible Stocks and Shares ISA as defined in the ISA Regulations.

<b>Force Majeure</b>	Means any event preventing either of the Parties from performing any or all of its obligations under this Agreement which arises from or is attributable to acts, events, omissions or accidents beyond the reasonable control of the Party so prevented, including, without limitation, nationalisation, expropriation or other governmental actions; any change of law or regulation; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry (including changes in market rules); postal or other strikes, lock-outs or other industrial disputes (whether involving the workforce of the Party so prevented or of any other party), act of terrorism or of God, fire, flood, storm, war, riot, civil commotion, malicious damage; failure or breakdown in communications, computer facilities or software; and the failure of any relevant exchange, clearing house, settlement system or broker for any reason to perform its obligations.
<b>Form of Appointment</b>	The completion of the document gives GBIM permission to provided you with the services.
<b>Forms</b>	The Suitability Questionnaire, Section 2 of these Terms of Business, the Fee Statement, and (where relevant) ISA Application Forms.
<b>FSMA</b>	Means the Financial Services and Markets Act 2000.
<b>GBIM</b>	GBIM, Gore Browne and Gore Browne Investment Management are trading styles of GBIM Limited.
<b>Investment Objectives</b>	This refers to your attitude to risk, objectives and time horizon in relation to your Portfolio(s) and as defined in the Suitability Questionnaire which you have already or will complete with your Investment Manager.
<b>Investment Manager</b>	Your appointed investment manager at GBIM.
<b>Investment Policy Statement or IPS</b>	The Investment Policy Statement to be completed by clients subject to the Trustees Act 2000.
<b>Investment Report</b>	A consolidated statement provided by us in relation to Portfolio(s) including transaction statements and accounts information, and, if relevant, performance and comparison against any agreed performance benchmark.
<b>ISA</b>	Individual Savings Account.
<b>ISA Account</b>	A stocks and Shares ISA account (including a Flexible Stocks and Shares ISA account where applicable) containing Qualifying Investments. Enables you to invest up to the current HMRC Annual Subscription Limits in any given tax year. Investments into an ISA are free of UK Income and Capital Gains tax.
<b>ISA Application Forms</b>	The application forms to be filled in when applying for an ISA.
<b>ISA Manager</b>	The manager of the ISA Account and responsible for following ISA Regulations and reporting to HMRC.
<b>ISA Regulations</b>	The Individual Savings Account Regulations 1998 (S.I 1998 No. 1870) as amended or replaced or superseded from time to time.
<b>Joint and Several Liability</b>	If and several liability applies, the effect is that both you and the other person(s) separately promise to meet all the obligations under these terms in respect of the account either (1) jointly with other person(s); and (2) Individually.



Junior ISA or Junior Stocks and Shares ISA	Tax-free savings accounts for under 18s.
Lien	A Lien allows the person holding the asset to withhold or retain such asset pending the satisfaction of your obligations to them.
Manager	Refers to GBIM, Gore Browne and Gore Browne Investment Management which are trading styles of GBIM Limited.
Margin or Collateral	This is where your money or investments are passed to a <b>Relevant Party</b> in order to provide security against the performance of obligations.
MiFID II	The Markets in Financial Instruments Directive (2014/65/EU).
Money Management Fee	The fee that is charged by the current Custodian for managing cash in the Portfolio(s).
Mortgage	A mortgage transfers the ownership of an asset to a third party on the condition that it will be re-transferred on the discharge of the obligations owed to that third party.
Netting	Netting is the process under which Pershing and/or the counterparty, <b>CCP</b> , <b>CSD</b> or other body concerned with settling a transaction are entitled to reduce their obligations to each other by setting off their obligations to deliver cash or securities to one another. This will give a single amount owing to one party from the other rather than a two-way payment. This single amount will then be paid or delivered to the Relevant Party.
Non-complex Financial Instruments	Shall be construed in accordance with Directive 2004/39/EC and associated legislation as may be amended, varied or replaced from Time (including pursuant to Directive 2014/65/EU).
Nominee Company	A nominee company is one which is used solely for holding investments separately and which does not carry on any other business.
Performance Commencement Date	The date at which GBIM receives the first asset into the Portfolio(s).
Pershing Agreement	The agreement among you (the Client), GBIM and Pershing, which you authorise GBIM to enter into on your behalf as agent, and a summary of which is set out in Section 3.
Personal Data	Has (until 24 May 2018) the meaning given under the Directive and (from 25 May 2018) the meaning given under the Regulation.
Pershing	Pershing Securities Limited.
Portfolio(s)	Cash and Investments which are managed by GBIM or held in custody by Pershing.
Qualifying Investment	An investment permitted under the ISA Regulations to be held within an ISA.
Relevant Party	This includes (but is not limited to) an exchange, clearing house, intermediate broker, settlement agent or a counterparty dealt with directly (over the counter) outside of any exchange. The Relevant Party may be located in the UK or elsewhere.
Regulated Market	A market which is regulated by an appointed authority for the provision of services.

<b>Safe Custody Services</b>	The safekeeping and administration of any investments held by Pershing or its Nominee Company on your behalf.
<b>Services</b>	The provision of products and services as set out in Section 2, 1.1.
<b>Set-Off</b>	This may arise where both you and Pershing owe sums to each other. In such circumstances Pershing may deduct any sums owed to it by you from any sums that are owed by Pershing to you so as to either eliminate or reduce Pershing's liability to you or your liability to Pershing.
<b>Share Exchange</b>	Where investments held by an investor outside an ISA are sold, the proceeds used to subscribe to an ISA and the subscription then used to purchase the same investments.
<b>Stocks and Shares ISA</b>	A stocks and shares ISA (including a Flexible Stocks and Shares ISA) as defined in the ISA Regulations.
<b>Suitability Questionnaire</b>	The Client Information and Suitability Questionnaire, or any substitute or equivalent document adopted by GBIM from time to time.
<b>Termination Date</b>	The date when you advise GBIM that you wish to terminate your contract as defined the Terms of Business.
<b>Time Shall Be Of The Essence</b>	The use of this term in relation to any payment, delivery or other obligation you have to Pershing means that Pershing shall be entitled to terminate these terms and, if appropriate, claim damages from you if you fail to perform your obligation in accordance with the time specified. It is intended to ensure that the relevant deadlines are strictly complied with.
<b>Trading Venue</b>	Has the meaning set out in MiFID II.
<b>Trust</b>	A type of client whereby property is held by a person or persons on behalf of one or more beneficiaries.
<b>Trustee</b>	A Trustee may act on behalf of a Trust.

## Appendices and Regulatory Statements

### Notice One: Data Protection

To comply with the requirements of the Information Commissioner under the Data Act Legislation, GBIM must give you the following details about the way in which GBIM looks after personal information. You should ask GBIM if you require any further explanation.

#### Your information

Your information comprises all the details GBIM holds about you and your transactions, and includes information obtained from third parties. GBIM may use and share this information with other members of its group to help GBIM (and them when GBIM forms part of such a group);

- a. assess financial and insurance risks;
- b. recover debt;
- c. prevent and detect crime;
- d. understand your requirements;
- e. develop and test products and services.

GBIM will not disclose your information to anyone except:

- a. where GBIM has your permission (including your permission to do anything in the discharge of its obligations under this Agreement); or
- b. where GBIM is required or permitted to do so by law; or
- c. to credit reference and fraud prevention agencies and other companies that provide a service to you and/or GBIM.

Where GBIM transfers rights and obligations under this Agreement GBIM may transfer your information to other countries on the basis that anyone to whom GBIM passes it provides an adequate level of protection. However, such information may be accessed by law enforcement agencies and other authorities to prevent and detect crime and comply with legal obligations.

From time to time GBIM may change the way GBIM uses your information. Where GBIM believes you may not reasonably expect such a change GBIM shall write to you. If you do not object to the change within 60 days, GBIM will consider that you consent to that change.

If you would like a copy of the information the Manager holds about you, please write to the Manager's Data Protection Officer at 37 Brown Street, Salisbury, Wiltshire SP1 2AS. A fee may be payable.

### Notice Two: Fraud Prevention Agencies

If false or inaccurate information is provided and fraud is identified or suspected, details may be passed to fraud prevention agencies and/or law enforcement agencies. GBIM may also access and use this information to prevent fraud and money laundering, for example when:

- a. checking applications for, and managing credit or other facilities and recovering debt
- b. checking insurance proposals and claims
- c. checking details of job applicants and employees.

GBIM can provide the names and addresses of the credit reference and fraud prevention agencies it uses if you would like a copy of your information held by them. Please contact the Money Laundering Reporting Officer (MRLO). The agencies may charge a fee.

## Notice Three: GBIM Execution Policy Summary

GBIM has established and implemented an Execution Policy, which sets out the arrangements put in place to enable GBIM to comply with its regulatory "best execution" obligations. The purpose of this summary is to provide sufficient and appropriate information to enable its clients to gain an adequate understanding of its Execution Policy, as required by the rules of the Financial Conduct Authority.

### Application

Our Execution Policy is relevant to retail and professional clients for whom GBIM acts as Investment Manager or for whom GBIM provides order execution services. GBIM will transmit all orders irrespective of asset types directly to Pershing for execution. There may be instances where GBIM uses other third parties for an initial public offering.

### Obligation

When executing or arranging for the execution of orders in financial instruments on its clients' behalf, GBIM will take all sufficient steps to deliver client orders to Pershing who will execute these on its behalf in accordance with their best execution policy.

GBIM's commitment to provide best execution to you does not mean that GBIM owes any fiduciary responsibilities over and above the specific regulatory obligations placed upon GBIM or as may be otherwise contracted between us.

### Classes of Financial Instrument and Execution Venues

GBIM will monitor, review and assess Pershing, our execution venue, on a periodic basis to ensure that it has a best execution policy in place and that it continues to be in line with FCA regulations and that they fulfil their obligation to take all reasonable steps to obtain the best possible result for clients.

### Initial Public Offering

There may be instances where GBIM Investment Managers wish to partake in an initial public offering under the Agreement. In those circumstances GBIM will deal directly with the third party involved in bringing the new issue to market and the deals will later be settled via Pershing. Cash will be deducted from your account with Pershing.

We are required to obtain prior client consent to our Execution Policy. We will consider by your acceptance of these Terms of Business that we have received your consent.

We will review our Execution Policy at least annually and will advise you if there has been any material change. Our Execution Policy will be published on our website and is also available on request from GBIM.

## Notice Four: GBIM Conflicts of Interest Policy Summary

### Introduction

GBIM is built on six principles:

- Personal attention
- Tailoring our Services to individual needs
- Avoiding Conflicts of Interest
- Ensure we are always available
- Diversifying risks and opportunities
- Charging only fees

Underpinning many of these principles, not only the one where it is explicitly mentioned, is the desire of the founders and employees of the firm to identify, manage and, wherever possible, remove conflicts of interest.

## Identifying and managing Conflicts of Interest

In accordance with its obligations to you, GBIM seeks to ensure that its clients are properly treated where there are or could be Conflicts of Interest.

### What Conflicts of Interest could arise?

The nature of the financial services market is such that Conflicts of Interest can sometimes develop. Broadly, a conflict of interest is where the interests of a financial services provider (or sometimes those of its Associates) are different from those of its clients, or where discharging its duties to one client could make it difficult to comply with duties owed to another client. Examples of situations where a conflict could arise in the course of GBIM providing its Services to you include:

- a. where GBIM transacts in investments in which GBIM, our Directors or our staff deal or invest
- b. where GBIM provides ongoing investment services in relation to Services in which it transacts on behalf of clients (for example, managing the assets of a fund in which your Portfolio(s) is invested)
- c. where GBIM transacts on your behalf in investments in which GBIM is also transacting on behalf of other clients
- d. where GBIM has information as a result of acting for one client which is relevant to Services GBIM provide to you, but which GBIM is not permitted to use or disclose as a result of duties of confidentiality.

### How are Conflicts of Interest managed?

GBIM operates a Conflicts of Interest Policy which is communicated to all relevant employees and which identifies the types of conflict that may arise and provides instructions on the management of those conflicts. Under the Policy GBIM maintains a record of identified potential conflicts. GBIM regularly reviews the business to identify potential Conflicts of Interest and to assess whether GBIM is taking appropriate steps to manage those that could have an adverse effect on clients. Formal reports are made to the directors.

There are specific policies and procedures on when and how employees are permitted to undertake personal account transactions, and restrictions on the providing and receiving of gifts to or from clients. GBIM also consider the way in which its staff are remunerated, in order to ensure that remuneration structures do not create a conflict between incentives given to staff and GBIM's clients' best interests.

A copy of the full Conflicts of Interest Policy is available from GBIM's Compliance Officer upon request.

## Notice Five: Risk Warnings

This notice (which GBIM is required to provide to you by the FCA Rules) provides a general description of the nature and risks of the types of investments that may form part of the Portfolio(s). It cannot disclose all the risks and other significant aspects of those investments. You should ensure that you understand the nature of the investments and the extent of your exposure to risk.

You should be aware that the value of investments depends on fluctuations in the financial markets which are outside the Manager's control. Past performance is no indicator of future performance.

### 1. Shares

A share is an instrument representing a shareholder's rights in a company. Shares may be issued in bearer or registered form and may be certificated or non-certificated. One share represents a fraction of a corporation's share capital. Dividend payments and an increase in the value of the security are both possible, although not guaranteed. The shareholder has financial and ownership rights which are determined by law and the issuing company's articles

of association. Unless otherwise provided, transfers of bearer shares do not entail any formalities. However, transfers of registered shares are often subject to limitations.

Dealing in shares may involve risks including but not limited to the following:

- a. *Company risk*: a share purchaser does not lend funds to the company, but becomes a co-owner of the corporation. He or she thus participates in its development as well as in chances for profits and losses, which makes it difficult to forecast the precise yield on such an investment. An extreme case would be if the company went bankrupt, thereby wiping out the total sums invested.
- b. *Price risk*: share prices may undergo unforeseeable price fluctuations causing risks of loss. Price increases and decreases in the short-, medium- and long-term alternate without it being possible to determine the duration of those cycles. General market risk must be distinguished from the specific risk attached to the company itself. Both risks, jointly or in aggregate, influence share prices.
- c. *Dividend risk*: the dividend per share mainly depends on the issuing company's earnings and on its dividend policy. In case of low profits or losses, dividend payments may be reduced or not made at all.

## 2. Bonds

Bonds are negotiable debt instruments issued in bearer or registered form by a company or a government body to creditors and whose par value at issuance represents a fraction of the total amount of the debt. The duration of the debt as well as the terms of repayment are determined in advance. Unless stipulated otherwise, the bond is repaid either at the maturity date, or by means of annual payments, or at different rates determined by drawing lots. The interest payments on bonds may be either: (i) fixed for the entire duration; or (ii) variable and often linked to reference rates (e.g. FIBOR or LIBOR). The purchaser of a bond (the creditor) has a claim against the issuer (the debtor).

Dealing in bonds may involve risks including but not limited to the following:

- a. *Insolvency risk*: the issuer may become temporarily or permanently insolvent, resulting in its incapacity to repay the interest or redeem the bond. The solvency of an issuer may change due to one or more of a range of factors including the issuing company, the issuer's economic sector and/or the political and economic status of the countries concerned. The deterioration of the issuer's solvency will influence the price of the securities that it issues.
- b. *Interest rate risk*: uncertainty concerning interest rate movements means that purchasers of fixed-rate securities carry the risk of a fall in the prices of the securities if interest rates rise. The longer the duration of the loan and the lower the interest rates, the higher the bond's sensitivity to a rise in the market rates.
- c. *Credit risk*: the value of a bond will fall in the event of a default or reduced credit rating of the issuer. Generally, the higher the relative rate of interest (that is, relative to the interest rate on a risk-free security of similar maturity and interest rate structure), the higher the perceived credit risk of the issuer.
- d. *Early redemption risk*: the issuer of a bond may include a provision allowing early redemption of the bond if market interest rates fall. Such early redemption may result in a change to the expected yield.

Risks specific to bonds redeemable by drawing: bonds redeemable by drawing have a maturity that is difficult to determine, so unexpected changes in the yield on these bonds may occur.

Risks specific to certain types of bond: additional risks may be associated with certain types of bond, for example floating rate notes, reverse floating rate notes, zero coupon bonds, foreign currency bonds, convertible bonds, reverse convertible notes, indexed bonds, and subordinated bonds. For such bonds, you are advised to make enquiries about the risks referred to in the issuance prospectus and not to purchase such securities before being certain that all risks are fully understood. In the case of subordinated bonds, you are advised to enquire about the ranking of the debenture compared to the issuer's other debentures. Indeed, if the issuer becomes bankrupt, those bonds will only be redeemed after repayment of all higher ranked creditors and as such there is a risk that you will not be reimbursed. In the case of reverse convertible notes, there is a risk that you will not be entirely reimbursed, but will receive only an amount equivalent to the underlying securities at maturity.

### 3. Warrants

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

It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time-scale then the investment becomes worthless.

You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a 'covered warrant').

### 4. Units in Collective Investment Schemes

There is no guarantee that the Investment Objectives of a collective investment scheme will be achieved. No asset or financial instrument will allow a benchmark to be automatically replicated and, in particular, a collective investment scheme's ability to replicate its benchmark's performance may be further impeded in the event of a temporary unavailability of certain securities comprising that benchmark or because of exceptional circumstances that may distort the weightings of that benchmark. There may also be various transaction and other costs, and the total return generated by investments in the securities may be reduced because of these costs and expenses. The manager of the collective investment scheme may also have the right to add its charges to the cost of units, and therefore a unitholder who has paid such charges and who redeems its units in the short term may not realise the original amount invested.

### 5. Securitised Derivatives

These instruments may give a time-limited or an absolute right to acquire or sell one or more types of investment, which is normally exercisable against someone other than the issuer of that investment. Alternatively, they may give you rights under a contract for differences which allow for speculation on fluctuation in the value of the property of any description or an index, such as the FTSE 100 index. In both cases, the investment or property may be referred to as the "underlying investment".

These instruments often involve a high degree of gearing or leverage, so that a relatively small movement in the price of the underlying investment results in a much larger movement, unfavourable or favourable, in the price of the instrument. The price of these instruments can therefore be volatile.

These instruments have a limited life, and may (unless there is some form of guaranteed return to the amount that you are investing in the product) expire worthless if the underlying instrument does not perform as expected.

You should only buy this product if you are prepared to sustain a total or substantial loss of the money that you have invested plus any commission or other transaction charges.

You should consider carefully whether or not this product is suitable for you in light of your circumstances and financial position, and if in any doubt please seek professional advice.

### 6. FX Forward Contracts

An FX forward contract is an agreement between two parties to buy or sell foreign exchange currency (such as U.S. dollars or euro) at a pre-agreed future point in time. Therefore, the trade date and delivery date are separated. They are used to control and hedge risk, in this case currency exposure risk. The forward price will usually give a good market estimation of the price in the future. One party agrees to buy and the other to sell, for a forward price agreed in advance. In a forward transaction, no actual cash is exchanged. If the transaction is collateralised, exchange of margin will take place according to a pre-agreed rule or schedule. Otherwise no asset of any kind is exchanged until the maturity of the contract. The forward price of such a contract is commonly contrasted with the spot price, which

is the price at which the asset is exchanged (on the spot date, usually the next business day). The difference between the spot and the forward price is the forward premium or forward discount.

FX forward contracts are leveraged products and can result in losses that exceed the initial deposit. Trading FX forward contracts may not be suitable for everyone, so it is important that you fully understand the risks involved.

## 7. Options

An option is a financial derivative which represents a contract sold by one party (the one writing the option) to another (the one buying the option). The option buyer has the right, but not the obligation, to buy or sell a security or other financial asset at an agreed-upon price during a certain period of time or on a specific date.

There are many different types of options with different characteristics and risks subject to the following conditions.

**Buying options:** Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the future. This will expose you to the risks described in this document under 'futures' and 'contingent liability investment transactions'.

**Writing options:** If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset, which you have contracted to sell (when the options will be known as 'covered call options'), the risk is reduced. If you do not own the underlying asset ('uncovered call options'), the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

## 8. Contracts for Differences

Futures and options contracts can also be referred to as a 'contract for differences'. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in an FX forward contract or an option and you should be aware of them as set out in paragraphs 6 and 7 respectively.

## 9. Non-Readily Realisable Investments

The Manager may deal in investments, such as (i) government or public securities, or (ii) securities other than those which are or will be admitted to official listing in an EEA state or which are or will be regularly traded on or under the rules of a regulated market or other exchange, where there is no recognised market and no certainty that market makers will be prepared to deal in such investments. Alternatively, there may exist other restrictions in relation to access and liquidity, for example certain investments can only be made or redeemed on set valuation dates with prescribed periods of notice, or it may be difficult to obtain reliable and appropriate information about either the current value of such investments or the extent of the risks to which they are exposed.

## 10. 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.



## 11. Suspensions of Trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

## 12. Clearing House Protections

On many exchanges, the performance of a transaction by the Manager (or third party with whom he is dealing on your behalf) is 'guaranteed' by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the Client, and may not protect you if the Manager or another party defaults on its obligations to you. On request, the Manager 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.

## 13. Insolvency

The Manager's insolvency or default, or that of any 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, the Manager must provide an explanation of the extent to which it will accept liability for any insolvency of, or default by, other firms involved with your transactions.

## 14. Dealing in Securities (which may be Subject to Stabilisation)

The Manager or his representatives may, from time to time, recommend transactions in securities to you, or carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise it. You should read the explanation below carefully.

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The FCA allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

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

The Stabilisation Rules:

- a. limit the period when a stabilising manager may stabilise a new issue
- b. fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and
- c. require him to disclose that he may be stabilising but not that he is actually doing so. The fact that a new issue or related security is being stabilised should not be taken as an indication of the level of interest from investors, not of the price at which they are prepared to buy the securities.

## 15. Exchange Rates

Where a liability in one currency is to be matched by an asset in a different currency, or where an investment transaction relates to an investment denominated in a currency other than sterling, a movement of exchange rate may have a separate effect, favourable or unfavourable, on the gain or loss which would otherwise be experienced on the investment.

## 16. Penny Shares

The Manager may from time to time include shares in the Portfolio(s) which are defined in the FCA Rules as smaller companies and penny shares. Penny shares usually have a market capitalisation of less than £100m and a bid offer price spread of 10% or more. There is an extra risk of losing money when shares are bought in some smaller companies including penny shares. There is a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, the client may get back much less than it paid for them. The price may change quickly and it may go down as well as up.

## 17. Geared Investment Companies

The Manager may purchase on the client's behalf shares in geared investment companies. An investment company is defined as geared if the strategy which it uses or proposes to use may result in:

- a. Movements in the price of the investment company being more volatile than the movements in the price of the underlying investments.
- b. The share price of the investment company is subject to sudden and large falls in value.
- c. The investor getting back nothing at all if there is a sufficiently large fall in the value of the investment company share price.

## 18. Foreign Markets

Exchange rate fluctuations may adversely affect the value, price or income of investments priced in foreign currencies. Foreign markets will involve different risks to UK markets and in some cases the risks will be greater. There may be different settlement, legal and regulatory requirements to those applying in the UK. The potential for profits or losses from transactions on foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

## 19. Complex Financial Instruments

The recast Markets in Financial Instruments Directive, which came into force on 3 January 2018, has narrowed the categories of product that can be considered "non-complex", and therefore broadened the number of products that are subject to an appropriateness assessment as a "complex product". There remains uncertainty over whether particular products will be considered complex or non-complex. The categorisation of investment products may therefore be subject to change and require consequential changes to these Terms of Business or services provided to you.

## 20. Brexit

The United Kingdom held a referendum on 23 June 2016 on whether it should remain a member of the European Union. This resulted in a vote in favour of the United Kingdom leaving the European Union. The result of the referendum means that the long-term nature of the United Kingdom's relationship with the European Union is unclear and there is uncertainty as to the nature and timing of any agreement with the European Union. As such the contents of these Terms of Business may be subject to change.

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