



AFH Direct Terms & Conditions

Together.
A better future.

Introduction to AFH Direct

These Terms of Business (“Terms”) are important as they contain legally binding obligations on you.

You should:

- read these Terms including the Appendices carefully and retain a copy
- acknowledge and understand that there are risks associated with investing by reading our Risk Warning Notice in Appendix 1.

These Terms form our legal contract with you and describe the way in which we will perform our services for you as a Retail Client. Where you access our Advisory, Discretionary or other services or products through the AFH Group we may require you to enter into further terms and conditions relating to such products or services.

1. About Us

- 1.1 AFH Direct is a trading style of AFH Independent Financial Services Limited, a limited company incorporated in England and Wales with registration number 04049180. Our head office and principal place of business is at AFH House, Buntsford Drive, Stoke Heath, Bromsgrove, Worcestershire B60 4JE.
- 1.2 AFH Independent Financial Services Limited is authorised and regulated by the Financial Conduct Authority (“FCA”) with firm registration number 216704. AFH Independent Financial Services Limited is authorised to provide investment advisory and investment management services and

may do so through entering into separate terms and conditions to these Terms. The FCA’s contact details are: 12 Endeavour Square, London, E20 1JN (fca.gov.uk and 0800 111 6768).

- 1.3 Our Terms are provided in English and English is the language used for all of our communications with clients.

2. The Client Agreement and Commencement of Services

- 2.1 These Terms come into effect from the date on which we commence the provision of services to you. Unless you are already established as a client, we will not commence services until anti-money laundering identification and verification has taken place to our standards (including identification of beneficial owners where applicable). This does not affect any right of cancellation or withdrawal which may apply to services (see section 9).
- 2.2 We may refuse to provide our services after these Terms become effective without giving reasons.
- 2.3 We do not provide services to US Persons.

3. Definitions and Interpretation

3.1 In these Terms, unless the context requires otherwise, the following terms shall have the following meanings:

- “AFH Direct” is a trading style of AFH Independent Financial Services Limited for the purposes of these Terms and refers to the bringing together of the separate services of safe custody of assets, execution and settlement of transactions in a wide range of collective investments and direct securities
- “Applicable Law” means those laws, rules and regulations (including the FCA Rules) applicable to AFH Direct in relation to these Terms
- “Appointed Service Provider” means a provider who provides one or more of the following services to AFH Direct; clearing and settlement, safe custody and other associated services
- “Appropriateness” means the regulatory obligation to assess the appropriateness of complex financial products or services for Clients when providing Execution Only services
- “Beneficial Owner” the ultimate owner of a financial instrument as opposed to the legal owner.
- “Business Day” means any day excluding weekends and bank holidays when banks are normally open for business in London
- “Client Money Rules” means the client money rules set out in the FCA Rules
- “Collective Investment Scheme” or “CIS” means any collective investment scheme within the meaning of section 235 of FSMA, including unit trusts, open-ended investment companies (recognised or established under FSMA) and unregulated collective investment schemes
- “Conflicts of Interest Policy” means the applicable conflicts of interest policy relevant to the AFH service provided to you
- “Contract Note” means a document issued to confirm the details of investment transactions
- “EEA” means the European Economic Area being the EU plus Iceland, Norway and Liechtenstein
- “Electronic Communication” means any form of communication made by digital, text, email, messaging, internet or other technological device capable of making communication electronically
- “Eligible Custodian” means a third-party custodian (or its nominee company) who the nominated entity selects under the FCA Rules to register your investments with
- “EU” means the European Union
- “FCA” means the UK Financial Conduct Authority or any successor body
- “FCA Rules” means the FCA Handbook of Rules and Guidance as amended, replaced or supplemented from time to time
- “FOS” means the Financial Ombudsman Service
- “FSCS” means the Financial Services Compensation Scheme
- “FSMA” means the Financial Services and Markets Act 2000
- “Group” means any person or entity being a parent or subsidiary undertaking of AFH Financial Group Limited, a subsidiary of a parent undertaking or an entity in which such person has a participating interest, each within the meaning of “group” as defined by the FCA Rules

- “Individual Savings Account” or “ISA” means an individual savings account within the meaning of the Individual Savings Account 1999
- “Instruction” means any communication from you giving an instruction, consent or authorisation in relation to these Terms
- “Investment” means the investments in relation to which AFH Direct provides its services
- “Investor Application” means the relevant AFH Group application form(s) including ‘know your customer’ information (KYC) information about you and your requirements
- “ISA additional terms and conditions” means the terms and conditions applicable to the individual savings account offered via AFH Direct as set out in the Appendix 2 Annex 5
- “Professional Client” means a client meeting the criteria laid down in Annex II of Directive 2014/65/EU
- “Risk Warning Notice” means the statement of risks associated with investing at Appendix 1 of these Terms
- “Retail Client” means a client who is not a Professional Client
- “Trustee” means the trustee of a trust
- “UK” means the United Kingdom of Great Britain and Northern Ireland
- “US Person” means a US resident or US person within the meaning of the definition of that term in Regulation S of the Securities Act 1933, as amended. It may be summarised as meaning any citizen or resident of the USA including the estate of any such person, or any incorporation, partnership or other body created in or organised under the laws of the USA, or any political subdivision of the USA, or any estate or trust whose income,

regardless of its source, is subject to US federal taxes.

Unless the context requires otherwise, the singular includes the plural and vice versa and the masculine includes the feminine and neutral.

Headings of sections and schedules are for ease of reference only and do not affect interpretation.

References to statutes, statutory instruments, rules or regulations are to such statutes, statutory instruments, rules or regulations as may be amended or replaced from time to time.

References to ‘subsidiary’, ‘parent undertaking’ and ‘participating interest’ are to have the meanings given in section 1159, 1161 and 1162 of the Companies Act 2006.

4. Client Categorisation

4.1 AFH Direct will provide its services having categorised you as a Retail Client for the purposes of the FCA Rules. Any different categorisation is subject to agreement with you in writing. As a Retail Client, the protections afforded to Retail Clients will apply to you.

4.2 In certain circumstances you may wish to seek a different categorisation. We may agree to categorise Retail Clients as Professional Clients. We are not obliged to agree and may decline to act. If we agree to categorise you as a Professional Client we

may, on our own initiative, re- categorise the Professional Client as a Retail Client by notice in writing.

4.3 In circumstances where we have agreed to categorise you as a Professional Client, these Terms still apply save that:

- (a) Our duty of best execution under the FCA Rules is modified as provided for by the FCA Rules such that we are entitled to make certain assumptions about the Professional Clients.
- (b) Where we are required by FCA Rules to assess Suitability for Professional Clients we will be entitled to assume that the Professional Client has the necessary experience and knowledge to understand the risks involved and is able to bear any consequences related to them, to the extent permitted by the FCA Rules.
- (c) Where we are required by FCA Rules to assess Appropriateness we are entitled to assume the necessary experience and knowledge to understand the risks involved.

4.4 Please note that where we have categorised a person falling within the definition of a Professional Client as a Retail Client, this categorisation will not necessarily ensure protection under the FSCS or access to FOS because separate eligibility rules apply to the FSCS and FOS.

5. Nature and scope of Investment Services

5.1 The nature and scope of services accessed through AFH Direct may be subject to different terms and conditions and we may require that you enter into such additional terms & conditions prior to providing additional services to you.

6. Relationship between you, AFH Direct and our Appointed Service Provider

6.1 You hereby authorise AFH Direct (acting as your agent) to appoint third-party provider(s) for clearing and settlement, safe custody and other associated services to us and to you in relation to transactions in investments and the holding and transfer of cash and to replace such appointee(s) as we think fit from time to time. We will undertake an appropriate risk assessment and exercise due skill, care and diligence in the selection, appointment, and periodic review of the appointee.

6.2 We have entered into an agreement with a service provider who provides dealing, clearing, settlement, safe custody and other associated services to us and to you. Appendix 2 explains the manner in which these services are provided, including dealing (Section 6), settlement (section 7), client money (section 8), custody and administration (section 9), consequences of default (section 10), limits on liability (section 11), charges (section 12), conflicts of interests (section 13), data protection (section 14), complaints (section 15), and compensation (section 16).

7. Conflicts of Interest

7.1 We are committed to treating our customers fairly and we would not knowingly put ourselves in a position whereby our own interests, or our duty to another party, prevents us from discharging our duty to you. Occasions may arise where the firm, an employee, or other associates of the firm have competing professional or personal interests which may prevent these services being provided to you in an independent or impartial manner. We will take the necessary steps to ensure that all identified conflicts are satisfactorily mitigated to prevent causing our clients any unforeseeable harm. However, if we become aware that a relevant conflict cannot be sufficiently mitigated, we will write to you disclosing this conflict.. You should be aware that AFH receive revenue when you invest on the AFH Direct Platform. This represents a conflict of interest and as a consequence, we have put arrangements in place to ensure our clients are treated fairly. AFH Independent Financial Services Limited has in place a Conflicts of Interest Policy to help us manage such risks, which you may access upon request.

8. Reporting and Record Keeping

8.1 You will be provided with:

(a) Periodic reports on your portfolio in accordance with regulatory requirements. Such periodic statements will detail the value of your portfolio, any holdings of Investments or cash and the transactions in Investments over the relevant period;

- (b) Contract Notes on the execution of each order in your portfolio will be provided for Advisory Services. Clients on our Discretionary Service will receive quarterly reports detailing all transactions but can request copies of contract notes at any time. You may request that we do not send Contract Notes and we will reflect your reference (but will always provide periodic reports in accordance with section 8.1(a);
- (c) An annual report regarding all costs and charges (including costs and charges in connection with the investment service and the financial instrument); and
- (d) The overall value of the portfolio, as evaluated at the beginning of each quarterly reporting period, depreciates by 10% (and thereafter multiples of 10%) on the next Business Day following depreciation.

8.2 You should check periodic reports and Contract Notes carefully and notify us promptly if there is any inaccuracy.

8.3 In accordance with Applicable Law, we will retain your records for a minimum period of six years following the termination of any relationship between us. This period may be extended by force of law, regulatory requirement or agreement amongst us.

- 8.4 We will provide a consolidated tax valuation for income tax and capital gains tax purposes on written request from you.

9. Rights to Cancel

- 9.1 These Terms are subject to your right to cancel within 14 days of the date on which it becomes effective. Cancellation rights can be exercised without penalty by you by providing written notice to us prior to the end of the right to cancel.
- 9.2 The exercise of cancellation rights will not affect transactions which have been provided prior to an effective notice of cancellation being received by us. AFH Direct will be entitled to all the benefits of the Terms including accrued rights to fees, charges, costs and expenses.
- 9.3 In the event that you have given Instructions and the portfolio has been subject to market movements for any period prior to the effective notice of cancellation, you may be subject to losses arising between the effective date of commencement of these Terms and the effective date of cancellation. You will be responsible for these losses.
- 9.4 ISAs opened on a face-to-face basis may benefit from a right to withdraw and this is explained in the ISA additional terms and conditions. Where different cancellation or withdrawal rights apply to services offered through AFH Direct the relevant explanation will be provided in the relevant terms and conditions associated with those services.

10. Fees, Charges and Interest

- 10.1 AFH Direct standard fees, charges and expenses are set out in the Charges Schedule in Appendix 3.
- 10.2 Additional AFH Group products or services may be subject to additional fees, charges and expenses which will be set out in the relevant terms and conditions applicable to such products or services.
- 10.3 If you owe us money we may 'offset' any amounts you owe us against money we owe to you. Where you owe us money we reserve the right to instruct your Appointed Service Provider to sell your Investments if there is insufficient cash to meet the amount of our fees, charges and/ or expenses. Where we do so we shall have the same rights and obligations as set out in clause 10 of Appendix 2. The order in which we sell your Investments will be at our discretion.

11. Delegation

- 11.1 We may delegate the performance of certain parts of the services to third parties, including members of the AFH Group.
- 11.2 Where delegates are appointed, AFH Direct will use reasonable skill, care and diligence in its selection, use and monitoring of such third parties but such obligation will not give rise to any liability to AFH Direct unless such liability has arisen directly as a result of fraud, negligence or wilful default on the part of AFH Direct.

12. Telephone call recording

- 12.1 Calls made to the firm are recorded in accordance with FCA regulations. We retain these recordings for a minimum of five years. Full details of data retention periods are documented in our Data Privacy Notice, which is available on our website, or specifically upon request
- 12.2 You hereby agree that such recordings and transcripts of recordings may be used for training and quality assessment purposes as well as for evidential purposes in the event of a dispute relating to these Terms or the English performance of obligations arising under or in relation to it.

13. Amendments

- 13.1 We reserve the right to alter these Terms at any time, upon giving 20 Business Days' notice in advance. You are deemed to have consented to any alteration that may be effected to these terms and conditions if AFH Direct does not receive notification otherwise from you, in writing, within the time that the changes were notified to you and their coming into effect.
- 13.2 AFH Direct may amend these Terms where it has a valid reason for doing so.
- 13.3 Notification of amendments will be provided in writing and changes will take effect 20 Business Days after the notice has been sent (unless a different date is provided for in the notice). You will not normally be required to sign new agreements or consent to proposed amendments which will take effect as described above, but we may require

consent in certain circumstances. Where such amendments are made which relate only to the provision of information, administrative correction, and typographical error correction or for any other reason which has no prejudicial impact on you, AFH Direct may provide notice by email or by website update.

- 13.4 Valid reasons are likely to include:
- (a) Changes in Applicable Law;
 - (b) Changes in market practice or requirements relating to dealing, safekeeping, custody of assets, exchanges, clearing systems, Eligible Custodian or depositories;
 - (c) Changes in the way that we provide our services or additional services through the Group or through third parties; and/or
 - (d) Changes in technology and the way in which Instructions, including Electronic Communications are given and received.
- 13.5 You may request amendments to these Terms at any time. Such amendments will only take effect if we confirm our agreement in writing.

13.6 Changes may occur to the Charges Schedule. We will seek to give you not less than 20 Business Days' notice of any changes in the fees and charges payable to AFH Direct in respect of its services. AFH Direct may choose to increase its fees and charges, for example:

- (a) to reflect changes in the types of investments, the nature of the services or the manner in which the services are provided to you;
- (b) to reflect an increase in the cost of providing the services to you; or
- (c) to comply with any change in Applicable Law or regulations.

13.7 Any increase in third-party fees or charges set out in Appendix 3 shall be passed on to you as and when such increase shall take effect.

13.8 Exercise of such rights by us is not an amendment to these Terms.

13.9 For the avoidance of doubt, you shall be entitled to terminate these Terms in accordance with the provisions of clause 15 in the event that you are dissatisfied with any increase in AFH Direct fees and charges.

14. Liability and responsibility

14.1 We will perform our services and comply with our obligations under these Terms and Applicable Law to the level of skill and care as would reasonably be expected of a professional provider of the services.

14.2 We do not accept responsibility for acts, omissions or any liabilities arising to you other than in circumstances of our breach of these Terms, negligence, fraud or wilful default.

14.3 We will not be responsible for any liabilities arising because of any circumstance outside of our reasonable control. Such circumstances may include, but are not limited to, changes in Applicable Law, governmental, regulatory or judicial changes, currency restrictions, acts of God, civil unrest, war, terrorism, strikes, lock-outs, industrial disputes, breakdown in market systems or infrastructure (including of trading, clearing house, market participant or counterparty), failure, breakdown or disruption of Electronic Communications or other communications or computer service.

14.4 We will only propose amendments to the Terms where there are valid reasons. In the context of the provision of:

- (a) Liability arising because of actions taken by us which, in our opinion, were necessary to comply with Applicable Law;
- (b) Loss of business, loss of profit, or loss of opportunity to gain from some other investment;
- (c) Liabilities incurred in relation to matters of which we were not fully aware or could not reasonably have been expected to be aware when undertaking services for you; or

- (d) Indirect losses or consequential losses whether or not attention was drawn to the possibility of such liabilities being incurred.

14.5 Nothing in section 14 is intended to exclude or limit the duties, responsibilities or liabilities owed to you under Applicable Law and we will not seek to exclude or restrict or rely on any exclusion or restriction where to do so would contravene our obligations to you under FSMA and the FCA Rules.

15. Termination

15.1 These Terms may be terminated immediately by you on giving written notice. Termination provisions applicable to specific products or services provided through AFH Direct may be subject to separate termination provisions. You should consult the relevant terms and conditions.

15.2 We may terminate the Terms on 20 Business Days' written notice.

15.3 We may terminate the Terms immediately on written notice: in the event of a breach of these Terms by you;

- (a) where any circumstance arises which, in our reasonable opinion, could cause a breach of Applicable Law (by you or by AFH Direct); or

- (b) where AFH Direct believes it is necessary to limit or protect our exposure to you.

15.4 Termination will not affect existing transactions which will proceed as per the

Instructions provided or the decision to deal by us.

15.5 Termination will not affect any outstanding or accrued fees, charges, costs and expenses owing to AFH Direct up to the date of termination.

15.6 We will provide reasonable assistance to you in the event that you wish to transfer Investments or cash to third parties.

16. Bribery legislation

16.1 We have in place procedures to comply with the Bribery Act 2010.

16.2 We treat accusations of bribery and corruption with the utmost seriousness and will deal accordingly.

17. Assignment

17.1 These Terms are personal to you and you may not transfer or assign rights and obligations to any third-party without our prior written consent.

17.2 We may assign our rights and obligations to any member of the AFH Group or to any successor business providing services similar to the services provided, that such assignee has in place all such licences required by Applicable Law for the performance of those services.

17.3 On a transfer of business, you hereby confirm that we may instruct the transfer of client money to another firm provided that the sums transferred will be held in accordance with the FCA's Client Money Rules.

18. Rights of third parties

18.1 (Save in respect of the rights and obligations of our Appointed Service Provider under their agreement contained at Appendix 5), a person who is not a party to these Terms will not have any rights under the Contracts (Rights of Third Parties) Act 1999 and will not have any rights to enforce its terms.

18.2 Notwithstanding section 18.1 above, a company member of the AFH Group may enforce rights under these Terms where involved in the performance of the services.

19. No waiver

19.1 From time to time we may offer flexibility in the performance of your obligations under these Terms. Such flexibility including any failure or delay by us to enforce our rights or exercise legal remedies available to us does not mean that we waive our rights to do so at any time or in the future.

19.2 If we exercise our rights or remedies in part, such limited exercise will not restrict us from the full exercise of such rights or remedies.

20. Severability

20.1 In the event that a court deems a provision or any part of a provision of these Terms to be invalid, illegal or otherwise unenforceable, such provision or part of a

provision will have no effect and to the extent required, be deemed not to have been included in the Terms. The validity of the remaining provisions or parts of provisions of the Terms will be unaffected.

21. Governing law and jurisdiction

21.1 The Terms, the obligations arising under it and the circumstances in which it was established will be governed by and construed in accordance with English law.

21.2 You hereby agree that the English courts will have exclusive jurisdiction to settle any disputes arising out of or in connection with the Terms and you further irrevocably agrees to submit to the exclusive jurisdiction of the English courts and not to bring proceedings in any other jurisdiction.

Appendix 1: Our Risk Warning Notices

Section I: Introduction

All financial products are associated with a certain degree of risk. The purpose of this Risk Warning Notice is to deliver information disclosing risks connected with certain investment products and services. Whilst a Risk Warning Notice cannot disclose every single risk, it is important to have the foundation for understanding the nature of risks associated with investing so that you can understand the most significant risk exposures and consequently make informed choices regarding your investment needs.

Whilst we will send you regular reports on the services, along with the costs associated with the transactions that we undertake for you, please note you must not rely on the guidance contained in this Risk Warning Notice or in reports, being independent investment advice based upon your personal circumstances, nor as a recommendation to enter into any investment service or invest in any investment product. Where you are unsure as to the meaning of any of the disclosures or warnings described below you should ask us.

Unless you are well-versed with the extent of the risks, you should not enter into any Investment or agree to receive any investment service. You should also be satisfied that any product or service is suitable for you, taking into consideration your financial position and investment objectives and, where necessary, you should obtain appropriate advice in advance of making any investment decisions.

The categories of risk that might apply will depend on numerous factors, for example how any relevant product, instrument or service agreement is created or drafted.

Different products, instruments and services may mean diverse levels of exposure to risk. Risk factors may occur concurrently and may compound each other, resulting in an unpredictable effect on the value of any investment. The value of investments and the income from them can fall as well as rise and you might lose the original amount invested. Fluctuations in such value and income can result from factors such as market movements and variations in exchange rates. You should also note that past performance is not a reliable indication of future performance.

Section II: Generic Risk Types

1 General

Past performance does not dictate future performance; the value of an investment will depend on the financial market itself, as opposed to external control. The nature of investment risks will differ between countries and is based upon factors, such as the nature and complexity of the investment, the type of investment, the financial product, how the product has been created or drafted, how the investment is made, sold or traded and the location of the person who is issuing it.

The 'Generic Risk Types' set out below may impact each type of investment product or service.

2 Liquidity

The supply and demand for an instrument directly affects its liquidity. Other factors also indirectly affect the liquidity, including market disruptions or infrastructure issues, such as a lack of sophistication or disruption in the securities settlement process. Certain trading conditions may make it difficult or even impossible to liquidate or acquire a position. One example of a time at which this could occur is during periods of rapid price movement, where the price either rises or falls to such an extent that trading is suspended or restricted under the rules of the relevant exchange. Market conditions can make it impossible to execute a stop loss order at the limit price, and so your losses will not necessarily be limited by placing such an order. Furthermore, unless the terms of the contract specifically provide for them, early termination of a contract or a relevant product buy back may not have to be accepted by a party.

3 Credit Risk

The risk of loss caused by the failure of the borrowers, bond obligors or counterparties to fulfil their obligations and the further risk of their credit quality deteriorating is known as the credit risk.

4 Market Risk

4.1 General

The price or value of an investment will depend on fluctuations in the financial markets outside our control, such as investor perception, market supply and demand and the prices of any underlying or related investments.

4.2 Overseas markets

The risks of overseas markets may involve different risks to those in the UK, and any overseas investment or instrument containing an overseas element may be subject to these risks. In certain situations, the overseas risks will be greater than those in the UK.

Currency fluctuations that affect investments denominated in a currency distinct from that of the investor is just one example of when the potential for profit or loss can be greater in foreign market transactions.

4.3 Emerging markets

Emerging markets can have extremely volatile prices, along with frequent price discrepancies and often unpredictable movements in only a very short period of time. There is generally a lack of transparency, efficiency, liquidity, market infrastructure and regulation in emerging markets, whilst they are all present in the more developed markets. These markets might not have regulations governing manipulation and insider trading or other provisions designed to “level the playing field” with respect to the availability of information and the use or misuse thereof. They may also be affected by political risk. It may be difficult to employ certain risk and legal uncertainty management practices for emerging market investments, such as forward currency exchange contracts or derivatives.

5 Clearing House or Exchange Protections

The performance of a transaction is often "guaranteed" by a clearing house or exchange.

The client cannot usually enforce this guarantee, as it will normally be in favour of the clearing house or exchange.

Subsequently, the client may find itself subject to the insolvency and credit risks of the execution entity through which the transaction was executed. All clearing houses for off-exchange OTC instruments are traded under the rules of an exchange, but a clearing house will deal with unlisted transferable securities.

6 Insolvency

Positions may be liquidated or closed-out without your consent, or investments withheld from you as a result of the insolvency or default of the execution venue, or of any market participant involved in your transaction. The Investment itself also carries an insolvency risk in relation to the bond issuing company or the off-exchange derivatives counterparty (in cases where the derivative itself and any collateral or margin held by the counterparty carries the risk).

7 Currency Risk

Movement in exchange rates may have a favourable or unfavourable effect on the loss or gain achieved on foreign exchange transactions and securities or derivatives transactions denominated in a currency

other than the denomination of your account. The value of an investment denominated in a particular currency will be negatively affected by the weakening of that currency relative to a benchmark currency or the currency of your portfolio.

Economic, social and political factors can all affect the value of a currency, which can also fluctuate significantly during intraday trading. The existence of foreign exchange controls present in some countries can suspend the ability to exchange or transfer currency and sometimes even devalue the currency. Whilst hedging cannot completely eliminate exposure to changing currency values, it can increase or decrease the exposure to any one currency.

8 Interest Rate Risk

Interest rates may rise and fall through the economic cycle. Interest rates carry the risk of impacting on the relative value of securities, for instance a fixed rate bond will reduce in value with an interest rate rise. Fluctuations in interest rates can have a material impact on the value of other investments and the wider economy.

9 Regulatory/Legal Risk

All investments have the potential to be exposed to regulatory or legal risk. Risk from regulatory or legal actions on returns from all, but especially new, investment products,

can alter the potential profit of an investment and can sometimes markedly change the availability and nature of the investment.

One legal change that affects both the investment or investment product and the underlying assets is tax. Legal and regulatory risk depends on a range of different factors, making it very hard to predict and so emerging markets, with lower supervision and regulation than developed markets, often pose the greatest risk. Not all countries have the types of law and regulations found in the UK, and those that do may not apply them in the same way, with the same interpretation. In many countries, the independence and immunity from economic, political or nationalistic influences of the judicial system remains untested. Local courts offer no guarantee of a satisfactory remedy for breach of local law or a dispute over asset ownership. Difficulties may also spring up when seeking legal remedies or when trying to obtain and enforce an overseas court judgment.

10 Operational Risk

All financial products can potentially be impacted by operational risk, including breakdowns or the malfunctioning of essential controls and systems, such as IT systems. Investors may also find that business risk, and in particular the risk of a business being run poorly or incompetently can have an impact on them. Personnel or organisational changes within a company can mask potential operational risks.

Section III: Investment and Product Types

We have summarised the principal risks associated with investment in certain types of financial instruments below. This does not represent the total risks associated with investment. In particular, you need to understand the generic risks of investment and the more specific risks associated with specific types of transaction. Please see Part II (generic risks) and Part IV (transaction risks).

1 Shares and other types of equity instruments

1.1 General risks

When you purchase or subscribe for equities issued by a company, you are buying a part of that company and you become a shareholder in it. The purpose is to seek value through returns or growth in share price over time, as the value of the company increases. Such returns will depend on the profitability and growth of the company. You may receive dividends from your shares, which reflects a means of paying out an income based upon the company's trading and profits. Equity investment risk includes the risks that the company may not grow, may not pay dividends, pay low dividends and simply fall in value, meaning a fall in share price. Falling share prices can have a negative impact on the ability to raise capital to invest and grow.

Company performance can be affected by competition, which can lead to falling returns from its investments and falling share prices. Companies are vulnerable to takeovers and can fail completely making shares a fairly volatile asset class.

If a company ultimately fails, shareholders rank behind the company's creditors (including its subordinated creditors) in relation to the realisation and distribution of assets. This means that a shareholder will normally only receive money from the liquidator once all creditors of the company have been paid in full, if any proceeds of the liquidation remain.

Shares are exposed to all the major types of risk mentioned in Section II above. There is also a risk of problems in the sector that the company falls in. If a company is not listed or traded on an exchange, so is therefore private, or is listed but is rarely traded, liquidity risk comes in to play, meaning shares may not be so easily sold.

1.2 Ordinary shares

Limited liability companies issue ordinary shares to raise capital. The company is not obliged to repay the issue price until it is wound up. Dividends may (but do not have to) be paid and may be paid as either cash or additional shares. Therefore, there is no prescribed definite return on an ordinary share. When a company is wound up, the ordinary shareholders are behind other creditors when seeking a return of their capital. This means that in such a scenario all of the original capital invested may be at risk. Ordinary shares will typically carry voting rights, in accordance with the articles of the

company, allowing shareholders a right to vote at general meetings.

1.3 Preference shares

A preference share gives rights to a fixed return or dividend, with the calculation not based upon the company's success.

As a result, investment in preference shares normally carries less risk than an investment in ordinary shares. Preference shares do not typically carry voting rights. Preference shareholders trade off the benefit of a fixed return against the potential to benefit from the growth of the company. A preference shareholder will have a preferential right to a return from the estate of a company that has been liquidated compared to an ordinary shareholder.

1.4 Depositary receipts

Depositary receipts including American or European Depositary Receipts (ADRs or EDRs), Global Depositary Receipts or Shares (GDRs or GDSs) are negotiable certificates, normally issued by a bank, representing a specific number of shares in a company, that are traded on either a local or overseas stock exchange to the issuer. The widespread availability of price information, lower transaction costs and timely dividend distributions allow depositary receipts to facilitate investment in the underlying companies. The underlying share and the issuing bank are where the risk lies.

1.5 Penny shares

When shares, including penny shares, are bought in some smaller companies, the risk of losing money is increased. A "penny share" is used to describe a share which has a speculative appeal because it has little

value. There will typically be a large difference between the buying price and selling price of these shares. Prices can increase or decrease very rapidly and so if they have to be sold quickly, you may have to sell them for much less than you paid.

Liquidity risk referred to in Section II above is particularly relevant to penny shares.

2 Warrants

Warrants are time-limited rights to subscribe for shares, loan stock, government securities or debentures and can be exercised against the issuer of the underlying securities. The prices of warrants tend to be volatile, due to the fact that even a relatively small movement in the price of the underlying security can cause a disproportionately large movement (either up or down) in the price of the warrant. If an investor fails to exercise the right to subscribe for an investment product, which a warrant confers in the limited time allowed, the investment will become worthless. The warrant holder may be required to pay the issuer an additional amount (near, or at the value of the underlying assets) if the subscription rights are exercised. The warrant holder will get all the rights and risks of ownership of the underlying investment product on exercise of the warrant. The risks mentioned in Section II above are all potentially relevant to warrants. Unless you are prepared to sustain a loss, both on the money you invested and, on any commission or transaction charges, then you should not buy a warrant. Other instruments that are actually options are sometimes also called warrants. For more information on these see 6.3 below.

3 Money Market Instruments

A money-market instrument is a borrowing of cash for a fixed period (often between 6 months and one year). The lender takes a deposit from the money markets to lend to the borrower. This differs from an overdraft, as the borrower must specify the exact amount of money and the period in which they wish to borrow it. Money market instruments risk exposure to the 'Generic Risk Types' (particularly credit and interest rate risk) listed in Section II above.

4 Debt Instruments

All debt instruments are potentially exposed to the 'Generic Risk Types' (particularly credit and interest rate risk) listed in Section II above. Debt instruments (including debt securities, bonds, debentures and fixed income funds) may also be subject to the risk of:

- the issuer's inability to meet principal and interest payments on the obligation
- price volatility due to interest rate movements
- changes in market perception of the creditworthiness of the issuer
- fluctuating liquidity in the market; and
- extraneous economic factors. The value of corporate debt securities may decline when interest rates rise. Debt securities with shorter maturities tend to be less sensitive to interest rate movements than fixed-rate transferable debt securities. Bonds issued by governments or supranational bodies tend to be lower risk.

5 Units in Collective Investment Schemes

Collective investment schemes risk exposure to the 'Generic Risk Types' listed in Section II above.

Collective investment schemes normally involve an arrangement whereby several investors can 'pool' their assets and have them professionally managed by an independent manager. Typical types of investments include bonds, gilts and quoted equities, but can also include derivatives, real estate or other assets depending on the type of the individual scheme. Investors are advised to check which assets are being held by the scheme, as they may carry risks and investors will want to ensure that any risk is spread. Investment companies which include investment trusts sometimes exacerbate their risks by using gearing as an investment strategy.

However, risk can be reduced by investing in such schemes, as the investment can be spread more widely than may have been possible by investing in the assets directly. The wide range of investments held in a collective investment scheme can reduce the effect that a change in value of an investment can have on the overall performance of the portfolio. Despite being seen as a way to spread risk, a collective investment scheme can still be exposed to many different major types of risk, depending on the investment decisions made and because the portfolio price can decrease as well as increase. Alternative types of collective investment scheme include hedge funds, private equity funds, property and development funds. Each of these types of

collective investment schemes carry very different risk profiles. Careful attention should be paid to the relevant offering memorandum or prospectus where a description of the associated risks will typically be found. Features of risks inherent in collective investment schemes are likely to be:

- the use of leverage or borrowing which increases possible risks
- illiquidity, particularly where the underlying investments are illiquid
- uncommitted capital may be held in cash and not invested meaning potential impact on returns
- possible lack of accountability or scrutiny of the decisions of the board or appointed fund manager by virtue of a diverse range of holdings of units

6. Derivatives, including options, futures, swaps, forward rate agreements, derivative instruments for the transfer of credit risk, financial contracts for differences

The risks set out in 6.1 – 6.5 may arise in connection with all types of derivative contract, whether in the form of a listed instrument, an OTC instrument, or a securitised product such as a note or a certificate.

6.1 Derivatives Generally

A derivative can be defined as a financial instrument, which derives its value from an underlying asset's value. An agreement is entered into to exchange money, assets or some other value at a future date based upon the underlying asset, instead of the asset being traded or exchanged itself. To acquire the derivative instrument, payment of a premium may be required.

Options, futures and swaps are the most common types of derivative, but there are many more. Derivatives have a high level of risk connected with them (due to the unpredictability of the performance of underlying assets) and investors often assume a high level of risk. Consequently, investment in derivatives should be made with caution, especially for less experienced investors or investors with a limited capacity for loss. Options or futures can result in large returns if the investor's assumptions are proved correct but can also lead to a 100% loss if incorrect, as they allow an investor to pay only a premium to have exposure to the underlying performance of an asset. If the price of the underlying asset falls or rises significantly, depending on the nature of the derivative, options or futures sold 'short' or uncovered, so without ownership of the asset lying with the seller at the time of sale, great losses can be incurred. It may be impossible to initiate a transaction or liquidate a position at an advantageous price if a derivative transaction is particularly large or if the relevant market is illiquid.

On top of the general risks of exchange trading, on-exchange derivatives are also subject to the potential requirement to

provide margin. Off-exchange derivatives can be either unlisted transferable securities or bi-lateral OTC contracts.

Both of these arrangements can be subject to the credit risk of the issuer or the counterparty and are also subject to the particular terms of the contract, as with any form of contract, as well as the risks explained in Section II above, even though they may be traded differently. The counterparty to an OTC contract may not be bound to 'close out' or liquidate this position and so it might be impossible to terminate a loss-making contract.

Derivatives can be used as a hedge to manage other investments or for speculative purposes. The suitability of the transaction should be considered very carefully by each individual investor. It is advisable to enquire about the terms and conditions of the specific derivatives and associated obligations, for instance the circumstances in which you might become obligated to make or take delivery of an underlying asset. In some situations, the specification of outstanding contracts might be altered by the exchange or clearing house to mirror changes in the underlying asset.

The underlying asset and the derivative may not always enjoy a normal pricing relationship. This relationship might not occur when the futures contract underlying the option must abide by price limits, whilst the option does not have to. It may be difficult to assess 'fair value' in the absence of an underlying reference price.

All derivatives are potentially subject to the risks set out in Section II above.

6.2 Futures and Forwards

Transactions in futures or forwards involve the requirement to make, or to take delivery of the underlying asset of the contract at a future date, or sometimes to settle the position, with cash. The degree of risk involved is high. A small deposit or 'down payment' can lead to large losses or gains due to 'gearing' or 'leverage' frequently obtainable in futures and forwards trading. Furthermore, a relatively small movement can lead to a much larger movement in your investment. It is important to be aware of the implications of futures and forwards transactions as they have a contingent liability.

In particular, it is important to understand margining requirements that set out that, on a daily basis, with all exchange-traded, and most OTC off-exchange, futures and forwards, you will have to pay over in cash, losses incurred and if you fail to, the contract may be terminated.

For further information see 1 and 2 of Section IV below.

6.3 Options

Options give the buyer the right (but not the obligation) to acquire an underlying security or other asset at a future date and at a pre-agreed price. There are many different types of options.

Put option: an option contract giving the holder (buyer) of the option the right to sell a certain amount of an underlying security at a specified price (the strike price) up to a

specified date (the expiration date) to the writer of the option.

Call option: an option contract that allows the holder (buyer) the right to buy a certain quantity of an underlying security at a specified price (the strike price) up to a specified date (the expiration date) from the write (seller) of the option.

Buying option: involve less risk than selling options due to the price of the underlying asset being able to move against you, allowing you to let the option lapse. The maximum loss is then limited to the premium plus commission and transaction charges. However, you must acquire the future if you buy a call option on a futures contract and you later exercise the option. This will expose you to the risks described under 'contingent liability investment transactions' in Section IV below. Some option markets operate on a margined basis, under which buyers do not have to pay the full premium when they purchase the option. If so, you may later be called upon to pay a margin on the option up to the level of your premium. If you do not do so, your position could be closed or liquidated in the same way as a futures position.

Writing option: the risk involved with writing an option is significantly greater than with buying one. You could be liable for margin to maintain your position and a loss well in excess of the premium received could be sustained. A legal obligation to purchase or

sell the underlying asset if the option is exercised against you is accepted if you write an option. This will be the case regardless of how far the market price has moved away from the exercise price. The risk is reduced if you are already the owner of the underlying asset you contracted to sell (a 'covered call option'). The risk can be unlimited if you do not own the underlying asset (an 'uncovered call option'). Writing uncovered options should only be considered if you have the appropriate experience and only if you have secured full details of the relevant conditions and potential risk exposure.

Traditional option: a particular type of option called a 'traditional option' is written by certain London Stock Exchange member firms under special exchange rules. These can involve greater risks than other options. There is no exchange market on which to close out an open position or to effect an equal opposite transaction to reverse an open position and two-way price are not usually quoted. The assessment of value for the seller of such an option to manage risk exposure can be hard. Certain option 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.

6.4 Contracts for differences

A contract for difference is an agreement to exchange the difference in value of a particular share between the time the

contract is opened and when it closes.

Certain derivatives are referred to as contracts for differences. These can be options and futures on the FTSE 100 index or any other index of an exchange, as well as equity, currency and interest rate swaps, amongst others. However, unlike other futures and options (which may, depending on their terms, be settled in cash or by delivery of the underlying asset), these contracts can only be settled in cash.

Investing in a contract for differences carries the same risks as investing in a future or an option as referred to in 6.2 and 6.3.

Transactions in contracts for differences may also have a contingent liability (see Part IV).

6.5 Swaps

A swap is a derivative where two counterparties exchange one stream of cash flows against another stream. A major risk of swaps (and off exchange derivatives in general) is counterparty risk, involving a party being exposed to the inability of its counterparty to perform its obligations under the relevant instrument. If 'A' wants a fixed interest rate loan and so swaps a variable rate loan with 'B', a fixed rate for 'A' will be synthetically created. However, should 'B' become insolvent, 'A' loses the fixed rate and will have to pay a variable rate instead. 'A' may struggle to pay if interest rates have increased significantly. The swap market has grown substantially in the last few years, with several investment banks acting both as principal and agent utilising standardised swap documentation, covering trading in a wide range of underlying assets.

Subsequently, the liquidity of the market has increased, but there is no assurance of any secondary market liquidity at any specified time for a particular swap.

7 Combined instruments

Any combined instrument, such as a bond with a warrant attached, will be exposed to the risk of both products. Combined products may therefore contain a greater risk than their components, although certain combined instruments may contain risk mitigation features, including principal protected instruments.

Section IV: Transaction and Service Risks

1 Contingent Liability Investment Transactions

Rather than paying the whole purchase price upfront, contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price. Trading in futures, contracts for differences or sell options may result in a total loss of the margin deposited to establish or uphold a position. You may have to pay substantial additional margin at short notice in order to maintain the position, should the market move against you. Failure to do so in the permitted time may cause your position to be liquidated at a loss and leave you with the resulting deficit. A transaction can still carry an obligation to make further payments in some circumstances over and above any amount paid when the contract

was entered, even if the transaction is not margined.

Margined or contingent liability transactions that are not traded on a recognised or designated investment exchange may be exposed to substantially greater risks. Where we are managing investments for you and your account includes an uncovered open position in a contingent liability transaction, we will report to you any loss exceeding any predetermined threshold agreed between us no later than the end of the Business Day on which the threshold is exceeded or (where it is exceeded on a day that is not a Business Day), the next Business Day.

2 Collateral Deposits

Should you decide to deposit security with us, the treatment of it will depend on the type of transaction and where it is being traded. Depending on whether you are trading on a regulated market (see 4 below) with the rules of that exchange and associated clearing house applying, or trading on another exchange or off exchange, there could be important differences in how your collateral is treated. Once dealings on your behalf are undertaken, any deposited collateral may lose its identity. You may not get back the same assets you deposited, and you may have to accept payment in cash, even if your dealings ultimately prove to be profitable. We will notify you of how we will deal with any collateral that you deposit, including if your collateral is subject to total title transfer.

3 Short Selling

Selling “short” can be defined as selling equity shares that you do not own at the time of the sale. You, as the seller, have an obligation to deliver the product sold at the settlement date which will generally be a few days later than the trade date, so you will either go into the market to buy the shares for delivery or you will “borrow” the shares under a stock lending arrangement. Short selling is used by investors who want to try and profit from the falling price of a share. If the price of the share drops after the investor has sold short, the investor will make a profit. If however, the price of the share rises after the investor has sold short, the investor will have automatically made a loss and the loss has the potential to keep increasing if the price of the share continues to rise before the investor has gone into the market to buy or borrow the share to settle the short sale.

4 Off exchange transactions

Certain exchanges have been categorised by the FCA as recognised or designated investment exchanges. The FCA website contains a list of these exchanges. If a transaction is not undertaken on a recognised exchange it may result in an increased risk.

5 Limited Liability Transactions

A formal written statement confirming that the extent of your loss liability on each transaction will be limited to an agreed amount should be obtained before any limited liability transaction is entered into. You will lose less in limited liability transactions than in other margined

transactions, where there is no predetermined loss limit. However, you may still sustain loss in a relatively short time despite the extent of the loss being subject to an agreed time. The risk of sustaining a total loss to the agreed amount is substantial even though your loss may be limited.

6 Suspensions of Trading and Grey Market Investments

The application of certain trading conditions on the rules of the relevant exchange can cause companies to be suspended, thereby deferring buying and selling for a period of time or can cause dealings to be discontinued completely. 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. Transactions may be entered into in:

- (a) a security whose listing on an exchange is suspended, or the listing of or dealings in which have been discontinued, or which is subject to an exchange announcement suspending or prohibiting dealings; or
- (b) a grey market security, which is a security for which application has been made for listing or admission to dealings on an exchange

- (c) where the security's listing or admission has not yet taken place (otherwise than where the application has been rejected) and the security is not already listed or admitted to dealings on another exchange. There may be insufficient published information on which to base a decision to buy or sell such securities.

7 Deposited Cash and Property

It is important to be familiar with the protections given to you in respect of money or other property, in particular should insolvency or bankruptcy occur. Specific legislation or local rules may govern the extent to which you will be able to recover your money.

8 Stabilisation

Where the price has been influenced by measures taken to stabilise it, transaction may be carried out in securities.

Stabilisation allows the market price of a security to be artificially maintained during a sale of a new issue of securities to the public. Stabilisation is permitted by regulations to help counter the fact that, when a new issue first comes on the market, the price can drop before buyers can be found. A 'stabilisation manager', who is usually the firm with primary responsibility for launching the new issue in the market, carries out stabilisation.

Provided this manager follows a strict set of rules, they will be entitled to buy back securities from investors or allotted institutions who have decided not to retain their previously purchased securities. This can result in the price remaining at a higher

level than it would otherwise be during the stabilisation period.

The Stabilisation Rules are as follows:

- (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 stabilisation of a new issue or related security should not be seen as any indication of the interest level from investors or of the price they will be prepared to pay for the securities.

9 LIFFE: Exclusion of Liability

Euronext LIFFE is the derivatives arm of the pan-European stock exchange Euronext. You understand that business on the London International Financial Futures ("LIFFE") market operated by LIFFE may from time to time be suspended, restricted or closed for such period as may be determined in the interests of maintaining a fair and orderly market in accordance with the Rules of LIFFE. Any such action may result in our, and through us you, being prevented from or hindered in entering into Transactions in accordance with the Rules of LIFFE.

We wish to draw to your attention that, inter alia, business on the market may from time to time be suspended or restricted, or the market may from time to time be closed for a temporary period or for such longer period as may be determined in accordance with LIFFE's Rules on the occurrence of one or more events which require such action to be taken in the interests of, inter alia, maintaining a fair and orderly market.

Any such action may result in our being unable, and through us, you being unable to enter into contracts in accordance with LIFFE's Rules. Furthermore we, and through us you, may from time to time be prevented from or hindered in entering into contracts in accordance with LIFFE's Rules as a result of a failure of some or all market facilities. We and the Exchange wish to draw the following exclusion of liability to your attention. Unless otherwise expressly provided in LIFFE's Rules or in any other agreement to which the Exchange is party, we and the Exchange shall not be liable to you for loss (including any indirect or consequential loss including, without limitation, loss of profit), damage, injury or delay, whether direct or indirect, arising from any of the circumstances or occurrences referred to above or from any act or omission of the Exchange, its officers, employees, agents or representatives under LIFFE's Rules or pursuant to the Exchange's obligations under statute or from any breach of contract by or any negligence howsoever arising of the Exchange, its officers, employees, agents or representatives. LIFFE has a number of powers which, if exercised, may impact upon our ability to submit an order on behalf of you or which may lead to the cancellation of an order after submission to the LIFFE CONNECTTM Trading Host prior

to execution. In particular, in addition to the powers already available to LIFFE (including those in relation to investor protection and proper markets), you should be aware that, in respect of LIFFE CONNECTTM: LIFFE has the power to suspend our access, or access via a particular ITM or ITMs, following a single warning, and to terminate our access under certain conditions; LIFFE will cancel all outstanding orders on our default; orders outside the price limits will be rejected automatically by the Trading Host; all orders (with the exception of GTC orders) will be cancelled automatically at Market Close or when the ITM, under which the order was submitted, is logged out without the order being transferred to an alternative ITM; all orders (including GTC orders) will be cancelled at close of business on the Last Trading Day of the expiry month to which they relate; and » all orders (with the exception of GTC orders) will be cancelled automatically if the Trading Host fails. For the purposes of this paragraph 11, the terms "GTC order", "ITM", "Last Trading Day", "LIFFE CONNECTTM", "Market Close" and "Trading Host" shall have the meanings ascribed to them in the LIFFE Rules.

10 Stock Lending and Repo Transactions

Lending securities to a third-party transfers the title to them to the borrower for the period for which they are lent.

At the end of that period and subject to default on the part of the borrower, the

lender will have the exact same securities returned to him. The borrower's obligation to transfer equivalent securities is secured against collateral, which is normally transferred using a title transfer mechanism. Credit risk is subsequently involved. Your tax position may be affected by such lending. Stock does not tend to be lent as a matter of policy.

Appendix 2: PSL'S Terms of Business with Investors

1 Relationship between you, us and PSL

- 1.1 AFH Direct has entered into an agreement with PSL under which PSL has agreed to provide dealing, clearing and settlement, safe custody and other associated services to our clients (the "Pershing services"). Please note that any terms set out in bold in these terms of business are described further in the Glossary which is set out in Annex 1 to these terms of business.
- 1.2 By accepting these terms of business, you agree that there is a contract between you and us and between you and PSL and you will be bound by these terms of business. As a consequence, it is important to understand when reading these terms of business, that you will be both a client of ours, and (for the purposes described in these terms) you will also become a client of PSL.
- 1.3 The Pershing services relate to a range of investments, which are set out in Annex 2 to these terms of business.
- 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 5.
- 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 and conditions set out in Annex 6.
- 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 Funds Account; procure that your Registered Contact return to us a copy of the application form and terms relating to the services;
 - (b) 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 satisfy, together with your Registered Contact, our 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 in addition:
- (a) complete and return to us a copy of the application form and terms relating to the services;

- (b) not be a citizen or resident of the United States for the purposes 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
- (c) partnership with such a person; and
- (d) satisfy our anti-money laundering and know your customer requirements.

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.

1.8 In the event that your status changes or it subsequently emerges that you are a US citizen or resident for US tax purposes, PSL shall, at its absolute discretion, stop providing services to you and close any accounts it holds in your name forthwith. PSL 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 we receive and accept your completed application form or when you commence using the Pershing services, whichever is earlier.

1.9 PSL is a company registered in England, company number 2474912. Its registered office is at Royal Liver Building, Pier Head, Liverpool L3 1LL. PSL is authorised and regulated by the Financial Conduct Authority ("FCA") which is located at 12 Endeavour

Square, London, E20 1JN. PSL is also a member of the London Stock Exchange.

1.10 By accepting these terms you agree that:

- (a) we may give instructions to PSL on your behalf as allowed by our terms of business and may provide information about you to PSL. When PSL receives such instructions or information from us, PSL is entitled to rely on them without making any further checks or enquiries;
- (b) if any instructions or information is provided to us by someone acting under a power of attorney acting on your behalf, PSL shall, upon receipt of such information or instructions from us, be entitled to rely on them without making any further checks or enquiries; and
- (c) PSL is authorised to hold cash and investments on your behalf and to transfer such cash or investments from your account to meet your obligations to PSL.

1.11 We retain responsibility (including responsibility for complying with any related regulatory requirements) and PSL shall not have any responsibility for the following matters:

- (a) our own operations;
- (b) instructing PSL to open 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) providing independent investment advice to you or taking investment management decisions on your behalf (as the case may be);
- (g) 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;
- (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) giving instructions to PSL which are proper, accurate and in accordance with any instructions or mandate you give us;
- (j) reviewing your accounts for market abuse, insider trading and compliance with FCA Rules and any other applicable legal and regulatory requirements to which the we or you may be subject; and
- (k) the provision of any information or documents as required under FCA rules (as further described in clause

5 in connection with any Third -Party Products.

2 Client classification and joint obligations

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. PSL will rely on information received from us in relation to your status and will adopt the same client classification for you. We 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 PSL. 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, any payment or accounting made by PSL 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 PSL, PSL will treat the trustees, and not any beneficiary of the trust, as its client. Any payment or accounting made by PSL to any one or more of the trustees will be treated as made to all of them.

(c) Agents: If you are an agent acting on behalf of someone else (whether or not that person (the “Principal”), has been identified to PSL as the person for whom you act) you will be treated as PSL’s client under the FCA Rules and you will also be fully liable to PSL under these terms as if you were acting for yourself. You and your Principal will be jointly and severally liable as described above.

PSL has complete discretion to choose who to pursue for performance of any obligation or payment owed to it under these terms and is not obliged to seek payment or performance of any obligation from you jointly.

3 Your Accounts with PSL

3.1 PSL will open and maintain accounts on its books in your name in order to provide its services to you. When PSL receives any cash and investments from you, or on your behalf, it will record them in your accounts.

3.2 PSL 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 PSL is obliged to stop providing services under any applicable law or regulation (such as anti- money laundering provisions);
- (b) if PSL is not able to provide the services effectively or providing the services would materially adversely affect PSL’s operation;

(c) where you are in material breach of these terms or we are in material breach of the terms of the PSL Agreement;

(d) if you fail to satisfy any of the eligibility criteria in order to use the Pershing services as set out paragraph 1.7 of these terms of business or as otherwise notified to you;

(e) if providing the services to you or to us in relation to your account will have a materially adverse effect on PSL’s reputation;

(f) if your liabilities in relation to your account, and amounts owing by you to PSL, exceed or are likely to exceed the value of the cash and investments PSL holds for you; or

(g) where the aggregate cash balance held by PSL for your account represents less than 1 per cent of the value of the investments held by PSL for your account.

We will notify you if PSL chooses to exercise this discretion and the reasons for its decision unless we or PSL 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 PSL, give notice in writing to us to stop receiving

services from PSL and to close your accounts with PSL. We will be responsible for informing PSL of your decision to stop receiving services and PSL will be entitled to rely on such notification from us.

- 3.4 If your account with PSL is closed, you will need to provide us with accurate and timely instructions as to the future safe custody of your investments so that PSL can transfer your money and investments (after deducting amounts owed to it) to your new custodian.

4 Communication and Instructions

- 4.1 PSL will only accept instructions for your accounts from us and not directly from you.

- 4.2 PSL may rely on and act on any instructions which PSL in good faith believes were given by us or our representatives. Once PSL has accepted and dealt on instructions from us for your account legally binding obligations are created between you and PSL and/or any Third-Party Product providers. Such instructions can only be cancelled or changed if we give written notice to PSL sufficiently in advance to enable PSL to prevent the processing of the instructions.

- 4.3 If PSL seeks instructions from us and we do not respond within a reasonable time, then PSL may take such action as it considers appropriate on the relevant matter. PSL 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 PSL.

- 4.4 There may be circumstances where PSL refuses to accept any order or other instruction for your account. For example, PSL may do so for any of the reasons set out in paragraphs 3.2(a) (g) above or where:

- (a) the transactions fall outside the dealing criteria that PSL applies;
- (b) PSL cannot carry out the instruction because it cannot access a market;
- (c) we or PSL do not have the necessary FCA permission to deal in a particular investment; or
- (d) We will inform you if PSL refuses to accept an instruction and the reasons for its decision unless we or PSL are prevented from doing so because of any legal or regulatory constraint.

- 4.5 If you have any questions or concerns relating to your account with PSL, you should tell us, and we will deal with PSL on your behalf. You should not contact PSL direct.

- 4.6 All communications whether written, spoken, electronic or in any other form between you, us and/or PSL shall be in English.

5 Provision of Product Information

- 5.1 PSL shall provide you with the Product Information in relation to any investments for which PSL is the product provider in accordance with FCA Rules or other legislation.
- 5.2 PSL shall not be responsible for the production of, or otherwise for the accuracy, completeness or appropriateness of, any Product Information in relation to any Third-Party Products. The responsibility for providing you with such information shall fall upon us or the relevant provider of such products. We shall ensure that any such required information shall be provided promptly to you and in accordance with the FCA Rules.

6 Dealing

- 6.1 In order for PSL to provide dealing 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 required are delivered to PSL, in either case, prior to the execution of the transaction by PSL.
- 6.2 PSL will provide dealing or execution services on the following basis:
- (a) execution by PSL 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) PSL will treat the instructions we give them as binding on you. Any express instruction from us to PSL on your behalf concerning order execution will override PSL's order execution policy and will remain binding on you;
- (c) PSL's execution policy is set out in pershing.co.uk under the 'Disclosures' section and therein under 'Compliance Disclosures'. 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 PSL 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 4 in relation to any overseas investments;
- (d) PSL may combine your orders with orders for its other clients or PSL's own orders. PSL 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) Once PSL executes any transaction on your behalf, PSL will, unless you previously instructed us otherwise, send a contract note to you. It is very important that you check the detail of all contract notes you receive, and notify us (and not PSL 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 we notify PSL 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.

7 Settlement of Transactions

- 7.1 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 will specify the settlement date.
- 7.2 As stated above, it is your responsibility to ensure that PSL receives the necessary investments, documents or cash (as the case

may be) in order for PSL to settle the transaction on your behalf. PSL must receive any cash in cleared funds in sufficient time prior to the settlement date in order that it can make the necessary payment.

- 7.3 You hereby undertake that any cash or investments held by or transferred to PSL 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.

- 7.4 In order to settle transactions on your behalf, PSL 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 Annex 3 and 4 shall apply.

- 7.5 You acknowledge and agree that you will not have any rights to, and that PSL has no obligation to account to you for, any 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 PSL has been able to settle that transaction on your behalf. Until that has happened, PSL 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.
- 7.6 PSL 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 PSL does credit cash or investments to your account earlier than this and PSL reasonably considers that irrevocable and unconditional settlement is unlikely to take place then PSL will be entitled to reverse the entry and require you to give back or redeliver the cash or investments or their equivalent.
- 7.7 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 PSL will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.
- 7.8 If a transaction is undertaken on your behalf on non-UK markets, the specific provisions set out in Annex 4 shall apply.
- 7.9 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 ours. If this happens then PSL will allocate between our clients, the cash or investments received by it or on its behalf as a result of the settlements in accordance with the client trades we have notified to it. If PSL 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 PSL will allocate that cash or investments received by it on the following basis:
- (a) in accordance with any priority for settlements determined by PSL prior to the transactions taking place;
 - (b) 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 we specified to PSL, so that the earliest in time will settle first in each case;
 - (c) 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.

(d) 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.

7.10 Time shall be of the essence with respect to any payment, delivery or other obligation of yours to PSL.

8 Client Money

8.1 Money held by PSL 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 your money will be kept in a special designated client bank account and therefore completely separate from any money belonging to PSL.

8.2 PSL will exercise due skill, care and diligence when considering where the client bank account should be and will periodically review the adequacy and appropriateness of any bank or credit institution 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). PSL will only be responsible for taking care in choosing and monitoring of the chosen credit institution or bank and will not be responsible for any acts, omissions or default by the chosen credit institution or bank.

8.3 In some situations, the money held for you in a client account may be pooled with money belonging to other clients of PSL. If funds are pooled in this way, you will have a claim against the client money pool in general, rather than for the specific sum held in a specific account. Any deficiency in the pool will be shared pro rata between all the clients whose money is pooled. Such a deficiency is likely to arise if a relevant bank or credit institution with which client money is deposited by PSL becomes insolvent or otherwise defaults on its obligations to pay out money when due.

8.4 If PSL 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 Annex 5), will be determined by us, and will be as notified by us to you from time to time. Any interest will be calculated on a daily basis and credited to your account every six months. We may decide not to credit your account if the amount of the interest falls below a threshold amount notified to you by us. Unless we notify 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 agent credit rate for other currencies, less a money management fee charged by PSL. PSL charges a fee for managing the balance on your account (the money

management fee) and that fee will be applied to the balance on your account and may 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.

8.5 If we, or PSL, are unable to contact you (for example if you move and fail to update your address with us), so that we 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 PSL is unclaimed PSL may transfer such money to a pooled client unclaimed money account subject always to PSL undertaking to make good any valid claim by you. The money held in the client unclaimed money account will be held by PSL in compliance with the FCA Rules.

8.6 Sometimes we or PSL 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.

8.7 Please refer to the provisions of Annex 4 which will apply if your money is held by a credit institution or bank outside the UK or EEA.

8.8 PSL may use a bank which is affiliated to PSL to hold client money on your behalf subject

always to any specific FCA Rules concerning the use of such affiliated bank.

8.9 Money held by PSL in pooled client money accounts as set out in this clause 8, 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 PSL until the fixed term expires. This means that the part of the client money pool (as described in clause 8.3 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, PSL 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 8.3) which may arise during such fixed term. By accepting these Terms, you acknowledge you are aware of and accept the risks set out in this clause 8.9.

9 Custody and administration of your investments

9.1 Subject to clause 9.2, where PSL holds investments for your account it will register those investments in the name of a nominee company controlled by PSL or by a member of PSL's group.

9.2 In some situations, for example where the rules of a particular market or CSD require, PSL will register your investments in the name of an Eligible Custodian. PSL 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.

9.3 If your investments are held overseas the provisions of Annex 4 shall also apply.

9.4 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.
- (e) PSL has agreed with the Eligible Custodians that such rights as set out in this clause 9.4 are limited to those in respect of debts arising out of properly incurred charges and liabilities arising from the

safekeeping, administration and provision of services (including the settlement of transactions as set out in clause 7) with respect to the investments held by the Eligible Custodian; or (ii) under the rules of a CSD, CCP or local settlement system.

9.5 PSL shall keep a record of your entitlement to your investments in situations where PSL 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 ourselves, of PSL or of the Eligible Custodian. In such a situation you should note the following effects and by accepting these Terms of Business you expressly acknowledge and accept these risks:

- (a) your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register;
- (b) if there is an irreconcilable shortfall following any loss by or default of, PSL 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;

- (c) sometimes PSL 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 PSL 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;
- (d) 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;
- (e) 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; and
- (f) 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 and to mitigate the risk to you from such circumstances as required under FCA Rules.
- 9.6 Any instructions you wish to give about the administration of investments held by PSL should be given to us in writing for us to send to PSL. We 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 us with a copy of a valid power of attorney authorising us, or the relevant person, to send such instructions.
- 9.7 PSL will inform us 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 PSL or an Eligible Custodian. It will do so as soon as reasonably practicable after receiving notice of those events. We will, in turn, inform you.
- 9.8 You should contact us and not PSL if you need any advice in connection with any corporate actions. PSL is not responsible for taking decisions in relation to any corporate actions and will require instructions from you or us 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 PSL exercises such rights on your behalf).

- 9.9 If any notification is given to you pursuant to clause 9.7 from PSL, you must ensure that you provide instructions to us, for onward transmission to PSL in sufficient time to ensure that PSL is able to act upon such instructions. The instructions given, their consequences, and the consequences of failing to give us instructions, will be entirely your responsibility. Neither we nor PSL is obliged to do more than give one notification on the relevant matter.
- 9.10 PSL will be responsible for claiming and receiving dividends, interest payments and other entitlements automatically arising in respect of the investments held for your account.
- 9.11 Sometimes PSL 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 PSL 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 PSL or an Eligible Custodian incurs when complying with these obligations may be deducted by PSL from your account. If you are eligible to reclaim any such withholdings or deductions then this will be your responsibility and not that of PSL or an Eligible Custodian, to do so.
- 9.12 PSL will arrange for you to receive 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. PSL may provide such statement to you via appropriate on line or electronic means and provided we or PSL notified you of the availability of such statement, it shall be your responsibility to access and review such statement.
- 9.13 In some circumstances PSL 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 PSL does not have facilities, or arrangements with appropriate Eligible Custodians, to hold or if holding the investment would expose PSL to liabilities. We will notify you if PSL chooses to exercise this discretion unless legal or regulatory constraints prevent such disclosure.
- 9.14 PSL will not loan your investments or use them to raise finance.
- 9.15 If investments are comprised within a wrapper (for example, Self Invested Personal Pension plans or insurance linked investment bonds), PSL may act as custodian for the product provider. By accepting these terms, you grant authority to PSL to provide information to the product provider and to take such action in relation to your investments as PSL may be required to under the arrangements that have been agreed with us or the product provider.

10 Consequences of your default

- 10.1 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 PSL 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 10.
- 10.2 You will not have a right to title or interest in any cash or investments received for your account. PSL will have no obligation to deliver or account to you for any such cash or investments and PSL will be entitled to retain any such cash or investments until such time that you have met your obligations.
- 10.3 PSL 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 PSL. Any surplus remaining after discharging the obligations owed to PSL, will be paid to you. If the cash and proceeds of disposals do not cover all the obligations owed to PSL, you will still owe PSL the balance.
- 10.4 PSL 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. PSL may take similar action where it reasonably considers that you have not, or are unlikely to, perform your obligations under these terms.
- 10.5 Where PSL exercises its rights to use your cash or dispose of your investments under clause 10.3 above, it will have no further obligation to you (and neither you nor we will have any right to require PSL to account to you, or to anyone else, for any investments or cash received when the relevant transaction is settled.
- 10.6 You agree that PSL may set off transfer or apply (without further notice to you) any obligations or monies owed by PSL to you in order to satisfy in whole or in part any debt or obligation or sum that is due from you to PSL. This applies even if the obligations are in different currencies and includes the payment of any fees or charges due to PSL and any amounts due under your indemnity obligations to ensure PSL does not lose money as a result of your default under these terms or the services it provides you with.
- 10.7 In exercising its rights under these terms PSL may convert currencies and carry out foreign exchange transactions with you or on your behalf at such rates and in a manner

that PSL may in its discretion determine. In such circumstances, PSL 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.

10.8 The provisions in this clause 10 will continue to apply even if we or PSL stop providing services to you, so long as any obligations for your account remain outstanding. They apply in addition to any other right PSL has, and they will not be affected by any failure by PSL or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

11 Limits on PSL's Liability to you and Indemnities you give to PSL

11.1 The liability of PSL (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 PSL (or where relevant, its directors, employees or agents). In any event, PSL will not be liable to you for any indirect or consequential losses (howsoever arising). PSL 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.

11.2 This means that PSL 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 PSL of its obligations PSL Breach; and
- (b) which were reasonably foreseeable to PSL at the time these terms are entered into.

11.3 It is important that you understand that you are responsible for making sure that PSL does not suffer by reason of acting for you. You agree to make good and reimburse (indemnify) PSL 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 PSL's corporation tax which are caused by:

- (a) PSL providing its services to you;
- (b) material breach by you of any of these terms;
- (c) default or failure by you to make a delivery of investments or payment when due; or
- (d) any challenge to the validity of, or requirement for proof or ownership, or in respect of any fraud or forgery in relation to any investments delivered to PSL 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.

- 11.4 You will not be liable to indemnify PSL under this clause 11 and PSL will have no right or claim against you or us if any consequences to PSL are caused by its own negligence, wilful default, fraud or any breach of the FCA Rules.
- 11.5 PSL has no liability to you or us for failure to provide any of the services under these terms if that failure is caused wholly or partly by events beyond PSL'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 PSL's obligations will be suspended until the state of affairs giving rise to the failure of PSL is remedied.
- 11.6 The provisions in this clause 11 will continue to apply even if we or PSL 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 PSL or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

12 Charges

- 12.1 The fees and charges payable by you in relation to the services provided by us and

PSL, and any taxes payable through PSL, will be set out in the fees and charges information provided to you by us. You may also be liable for other taxes or charges which are not payable through PSL. The fees and charges will generally be deducted from any money held for your account by PSL. If there is insufficient money in your account then PSL reserves the right to sell any assets held for your account and use the proceeds of such sale to meet your outstanding obligations in accordance with clause 10.3. As further described at clause 10, PSL shall be entitled to set off any amounts owed to you against any monies owed by you.

- 12.2 Any changes in the fees and charges payable to PSL may be amended upon three months prior written notice to you. Circumstances in which PSL may choose to increase its fees and charges include, for example:

- (a) to reflect changes in the types of investments, the nature of the services or the manner in which the services are provided to you;
- (b) to reflect an increase in the cost of providing the services to you; or
- (c) to comply with any change in applicable laws or regulations.

Any increase in third party fees or charges shall be passed on to you as and when such increase shall take effect.

12.3 For the avoidance of doubt, you shall be entitled to terminate these terms of business in accordance with the provisions of clause 20 in the event that you are dissatisfied with any increase in PSL's fees and charges.

13 Conflicts of Interest

13.1 PSL, its associated group companies (associates) or nominees may provide services or enter transactions under these terms in circumstances in which PSL or its associates have a material interest. This interest could be direct or indirect and PSL 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 may happen include situations where PSL or any of its associates:

- (a) is, or is acting on behalf of, the counterparty to a transaction that is executed by PSL (whether or not involving a fee or commission or increased or reduced price offered or received by PSL 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.

13.2 PSL may receive payments from fund managers if PSL provides services to those fund managers through the PSL Nexus Funds Trading Platform. Any payments of this kind are calculated by reference to the value of

the assets that PSL holds in custody for its clients.

13.3 PSL 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.

13.4 PSL maintains a policy to deal with conflicts of interest, including those outlined in this clause, and a summary of that policy is set out on pershing.co.uk under 'disclosures' and therein under 'compliance disclosures'. A hard copy is available on request from us.

13.5 You acknowledge that neither PSL 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.

14 Data Protection and Confidentiality of Information

14.1 PSL may store, use or otherwise process personal information about you which is provided by you or us 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 PSL operates and has made all the appropriate notifications in accordance with applicable data protection legislation.

- 14.2 Any information that we and PSL 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 PSL's published privacy policy as referred to in clause 18). Information of a confidential nature will be treated as such provided that such information is not already in the public domain. PSL 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, us or PSL (or any associate of us or PSL);
 - (b) to investigate or to prevent fraud, market abuse or other illegal activity;
 - (c) in connection with the provision or services to you by us or PSL;
 - (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.

14.3 The restrictions on the use of confidential information described above are subject at all times to a general proviso that PSL 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.

14.4 Neither we nor PSL will sell, rent or trade your personal information to any third-party for marketing purposes unless you give your express consent.

14.5 You should note that by signing or otherwise accepting these terms you agree that PSL 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. PSL will however, always take steps to ensure that your information is used by third parties only in accordance with PSL's policy.

14.6 You are entitled to a copy of any information PSL holds about you. To request such information, you should direct your request to us and we will pass your request on to PSL. You should let us know if you think any information PSL holds about you is inaccurate and we will ask PSL to correct it.

15 Complaints

- 15.1 If you have a complaint you should notify our compliance officer in the first instance. If, however, your complaint concerns an aspect of the service provided to you by PSL and you wish to copy your complaint to PSL directly copies should be sent to: The Compliance Officer, Pershing Securities Limited, Royal Liver Building Pier Head, Liverpool L3 1LL.
- 15.2 Where you make a complaint both we and PSL will endeavour to resolve your complaint as quickly as possible but in any event we will acknowledge receipt of your letter within 3 Business Days. The acknowledgement sent will include a full copy of our or PSL's internal complaints handling procedure. We aim to resolve your complaint within 4 weeks of receipt. Where this is not possible we will contact you to explain why resolution will take longer than 4 weeks and indicate when we anticipate being able to resolve your complaint. Upon resolution of your complaint we or PSL will send you a final response letter, which sets out the nature of our response of any proposed resolution, and any appropriate remedy. If for any reason you are not satisfied with our or PSL's final response, or we have 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 our or PSL's final response.

16 Client Compensation

PSL is covered by the UK's Financial Services Compensation Scheme ("FSCS").

Compensation may be available from the FSCS if PSL 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 currently covered for 100% of a claim up to a maximum of £85,000. Further information about compensation arrangements is available from the FSCS, fscs.org.uk.

17 Amendment

Without affecting your rights under clause 12.2, PSL reserves the right to alter these terms of business at any time. However, any changes to these terms of business shall only take effect after not less than 21 days' notification has been provided to you unless it is impractical to provide such notice. This could arise, for example, where amendments to these terms of business are required:

- (a) to comply with changes in applicable laws or regulations;
- (b) to comply with changes in the requirements of any exchange, depositary or clearing system;
- (c) to reflect the terms applicable to any new or additional services or investments that are requested by you; or
- (d) to reflect any changes in the arrangements involving third parties such as Eligible Custodians.

18 Provision of Information via a website

18.1 PSL may provide the following information to you via their website pershing.co.uk (under the “disclosures” section). Such information may be amended from time to time by PSL:

- (a) General disclosures of information about PSL, its services and disclosures relating to such Services in general;
- (b) Information concerning the safekeeping of investments and money held by PSL or any of its appointed Eligible Custodians;
- (c) Information on costs and charges;
- (d) Information relating to PSL’s order execution policy, order handling and conflicts of interest;
- (e) PSL’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 PSL to you which PSL 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.

19 Rights of Cancellation

You may be entitled to certain cancellation rights in relation to specific investments. These rights shall be notified to you by us or the relevant product provider as required under the relevant FCA or other legal or regulatory requirements. If you are unsure about your rights, you should contact us for further information.

20 Termination Rights

20.1 PSL shall be entitled to terminate these terms of business at any time. PSL will generally provide you with not less than 10 Business Days’ prior written notice of termination but reserves the right to terminate these terms forthwith without any prior written notice which it may do, for example in the circumstances described in clause 3.2 of these terms.

20.2 Subject to clauses 20.3 and 20.4 below, you may terminate these terms of business at any time by giving not less than 10 Business Days’ prior written notice to us and, we shall in turn, notify PSL.

20.3 Termination of these terms of business shall not affect the accrued rights and obligations of any party and shall not prejudice the settlement of any transactions executed by PSL or accepted by PSL for settlement prior to PSL receiving notice of such termination.

20.4 If PSL are holding any assets for your account which cannot be transferred to another custodian following termination of these terms of business for whatever reason, including (without limitation) as a result of outstanding corporate actions, securities which are in liquidation, receivership, administration, restricted or not transferable, then, in the absence of any other arrangements that are agreed upon between us and PSL, PSL will continue to hold such assets in accordance with these terms.

part of them will not stop or inhibit the exercising by PSL of any other additional rights and remedies.

21.5 These terms and any dispute (contractual or non- contractual) arising under them are governed by English Law and each party irrevocably agrees to submit to the non-exclusive jurisdiction of the Courts of England.

21 General

21.1 PSL's obligations to you are limited to those set out in these Terms. PSL shall in particular not owe any wider duties of a fiduciary nature to you.

21.2 No third-party shall be entitled to enforce these terms in any circumstances.

21.3 PSL shall have no further obligation to provide the PSL Services (or any of them) in relation to a particular market ("an Affected Market") if and for so long as the participation of us or PSL in the Affected Market (or in the services provided by a CCP in relation to the Affected Market) is terminated or suspended or otherwise restricted in any way in accordance with the rules of the Affected Market (or the relevant CCP).

21.4 Any failure by PSL (whether on an ongoing basis or not) to insist upon strict compliance with any of these terms is not deemed to amount to PSL giving up or waiving any of its rights or remedies under them. The rights and remedies conferred on PSL will be cumulative and the exercise or waiver of any

Appendix 2: Annex 1

Glossary

Annual Subscription Limit	The maximum subscription allowed in an ISA in any one year as prescribed by HMRC
Business Days	Means any day on which the London Stock Exchange is open for trading
CCP	<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 PSL trades in on your behalf will involve a CCP and such transactions will be subject to the rules of the CCP.</p>
Charge	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.
Clearing and Settlement Services	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.
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 PSL 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>
Dealing or Execution Services	The buying or selling of investments on your behalf.
Eligible Custodian	This refers to a third-party custodian (or its nominee company) who PSL selects under the FCA Rules to register your investments with.

Flexible Stocks and Shares ISA	A flexible stocks and shares ISA as defined in the ISA Regulations.
HMRC	His Majesty's Revenue and Customs.
ISA Account	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 ISA limits in any given tax year. Investments into an ISA are free of UK Income and Capital Gains tax.
ISA Regulations	The Individual Savings Account Regulations 1998 (S.I 1998 No. 1870) as amended or replaced or superseded from time to time.
Joint and Several Liability	If joint and several liability applies, the effect is that both you and the other person(s) separately promise to meet all obligations under these terms in respect of the account either (1) jointly with the other person(s); and (2) individually.
Lien	A Lien allows the person holding the asset to withhold or retain such asset pending the satisfaction of your obligations to them.
Margin or Collateral	This is where your money or investments are passed to a Relevant Party in order to provide security against the performance of obligations.
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 PSL and/or the counterparty, CCP, CSD 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.
Nominee Company	A nominee company is one which is used solely for holding investments separately and which does not carry on any other business.
Product Information	Any information relating to specific investments prepared and provided in accordance with the FCA Rules or other legislation.
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.

Safe Custody Services	The safekeeping and administration of any investments held by PSL or its nominee company on your behalf.
Set-Off	This may arise where both you and PSL owe sums to each other. In such circumstances PSL may deduct any sums owed to it by you from any sums that are owed by PSL to you so as to either eliminate or reduce PSL's liability to you.
Share Exchange	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.
Stocks and Shares ISA	A stocks and shares ISA (including a flexible stocks and shares ISA) as defined in the ISA Regulations
Third-Party Products	Any investments that are offered by providers other than PSL.
Time shall be of the Essence	The use of this term in relation to any payment, delivery or other obligation you have to PSL means that PSL 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.
UCITS Directive	The European Council Directive 85/611/EEC of 20 December -85 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

Appendix 2: Annex 2

Investments covered by the Pershing Services

The following investments are currently covered by the Pershing services:

- (a) UK and international equities (including investment trusts); fixed income and other debt securities (corporate or government); exchange traded funds; UK/European Funds authorised under the UCITS Directive and/or FSMA; and offshore funds that are UK regulated or not subject to the UCITS Directive;
- (b) Stocks and Shares Individual Savings Accounts (ISAs);
- (c) Pension products, including certain Self Invested personal pensions; unsecured pensions with multiple third-party suppliers; and alternative secured pensions with multiple third-party suppliers; and
- (d) Life insurance products, including offshore investment bonds with multiple third-party suppliers.

Appendix 2: Annex 3

CCP and CSD Transactions

1 Settlement of CCP and CSD Transactions

1.1 In order to settle transactions on your behalf, PSL 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 PSL deals with these parties,

it does so as your agent, in good faith and on the basis that:

- (a) PSL 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 PSL.

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 PSL will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.

agree that PSL shall have no liability to you in connection with the exercise by any CCP, CSD, or their 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 PSL in connection with the settlement of any transaction.

1.3 We and you acknowledge and agree that:

- (a) PSL does not owe any duty to us, 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) PSL shall have no liability for any loss or damage suffered or incurred by us or you by reason of PSL 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 PSL under the rules, requirements and procedures of the market or the CCP.

2 Limits on PSL's Liability to you and Indemnities you give to PSL

If any net settlement takes place then PSL'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 their respective agents, corresponding to the transactions relevant to the net settlement entered into on your behalf. In addition you

Appendix 2: Annex 4

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 depositary and to any terms of any foreign agent or custodian employed by PSL. 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 PSL, 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 PSL, 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 4), PSL will deposit such investment with such Eligible Custodian notwithstanding the risks outlined in this Annex 4.
- 3.2 PSL 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 PSL 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 PSL or any of its nominee companies. Although PSL 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 PSL 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 PSL 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 PSL 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.

Appendix 2: Annex 5

Terms and Conditions 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 (including a Pershing Flexible ISA unless otherwise stated). Please note that these additional terms of business apply in addition to the Terms of Business. Should any terms within this Annex 5 conflict with the Terms of Business, this Annex 5 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. PSL 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 HMRC 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 notified to you by us 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 PSL may disclose to HMRC or to any other regulatory body any information concerning your Pershing ISA from time to time.
- 1.6 PSL 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 application form.
- 2.2 PSL 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 rights issues, takeovers or mergers, or other corporate events, are not Qualifying Investments, PSL 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, PSL reserves the right to apply any associated transaction fees as set out in the information about fees and charges we provided to you. PSL will use reasonable endeavours to seek instructions from us 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 PSL will permit these to be held in your ISA), without exceeding the Annual Subscription Limit. PSL will notify you in advance of instalments payable and, in the absence of instructions or further subscription, PSL reserves the right, in accordance with Clause 10 of the Terms of Business, to withdraw the shares from your ISA or sell sufficient of the shares to meet your obligations. PSL will charge a fee in respect of any such sale at the rate set out in the information about fees and charges we provided to you, or as otherwise notified to you in writing, from time to time.

2.5 PSL 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 PSL (through us) sufficient notice of your wishes in order to enable PSL to make the arrangements. A charge will be made for this service as shown in the information about fees and charges we provide to you from time to time. Voting arrangements

are subject in all cases to PSL receiving notification of any vote, an instruction from us in good time and to the company, or other entity supervising such vote, accepting a vote form PSL. 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 PSL 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 PSL's nominee company.
- 3.4 The Qualifying Investments in your ISA must not be used as security for a loan. PSL will send you a valuation statement on a regular basis in accordance with the FCA Rules on client reporting. The value of any shares held will be calculated using the mid-market closing price as supplied by its data provider at the close of business on the date of the calculation. PSL does not accept any responsibility for this price, other than to accurately reproduce the price supplied to it by its data supplier.

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 Adviser instructions in writing. PSL will give effect to your instructions within the time stipulated by you which may not be less than thirty days, following receipt from your Adviser. If you wish to withdraw your investments and request a paper certificate, it may occasionally take longer due to circumstances outside PSL'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 us duly signed notice in writing and, following receipt by PSL of an instruction to this effect from us, a payment will be sent to you as soon as practicable after settlement has completed. PSL may make a charge each time you withdraw an investment from your ISA. Please refer to the Fees and Commission Schedule. 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 PSL sells on your behalf will be withdrawn from PSL's nominee company for delivery to the appropriate

counterparty. No charge will be made for such withdrawals.

Additional terms for withdrawals and transfers in relation to a Pershing Flexible ISA.

4.5 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, PSL 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:

- the repayment is made within the same tax year as the withdrawal
- the repayment is made into the same ISA as it was withdrawn from
- 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
- 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
- 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

- withdrawals of stock, for example certificate re-registrations, will not create a Flexible ISA allowance.

4.6 The transfer of all or part of your Pershing Flexible ISA to another ISA manager will not create an additional Flexible ISA allowance.

4.7 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 replay the withdrawal amount to your new ISA manager.

4.8 You may not make Additional Permitted Subscriptions into a Pershing Flexible ISA.

5 Termination of your ISA and Cancellation Rights

5.1 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 PSL in writing.

5.2 If PSL terminates the arrangements set out in these additional Terms of Business, PSL 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.

5.3 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, PSL will transfer them to your general investment account. If otherwise instructed, PSL 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.

5.4 If you wish to close your ISA and you notify us within 14 days of the opening day of the account, or within 14 days of the day you receive these Terms and Conditions, whichever is the later, the agreement between PSL and you as set out in this Annex 5 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 us 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.)

Appendix 2: Annex 6

Supplemental Terms and Conditions for Junior ISAs

Definitions and interpretation

In these Supplemental Terms and Conditions, unless otherwise stated, capitalised words shall have the same meaning as in the Pershing Terms and Conditions. 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 and Conditions, these Supplemental Terms and Conditions and the ISA Regulations.
- 1.2 The Supplemental Terms and Conditions set out in this agreement provide details of additional terms and features and explain how the Pershing Terms and Conditions are varied in their application to our Junior ISAs. Should the terms of the Pershing Terms and Conditions and these Supplemental Terms and Conditions conflict, then the latter shall prevail. Also, should the Pershing Terms and Conditions and/or the Supplemental Terms and Conditions conflict with the terms of the ISA Regulations, then the terms of the ISA Regulations shall prevail.
- 1.3 Where under the Pershing Terms and Conditions 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 we 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 the HMRC and the ISA
- (d) 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 and Conditions as modified by these Supplemental Terms and Conditions and the ISA Regulations.

3 Instructions

Who can give instructions to us 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:

- (a) the death of the Registered Contact;
- (b) the incapacity of the Registered Contact;

- (c) the Registered Contact not being in contact with Pershing for a 12-month period and an item of post having been returned undelivered;
- (d) a court order being made bringing to end the status of the existing individual being a person with parental responsibility for the child;
- (e) a court appointing a guardian or special guardian of the child;
- (e) a court making an order that the person who is the existing Registered Contact cease to act as such;
- (f) a new Registered Contact adopting the child; or
- (f) 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:

- (a) the Eligible Child becoming a Registered Contact in accordance with paragraph 4.2.8 above;
- (b) 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 and Conditions, the ISA Regulations and Pershing standard ISA charges; or
- (c) 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 us, 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 Subscription 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 in 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 paragraph 7.8 to 7.10 below);
- (e) on direction from the HMRC where the Junior ISA is Void (see paragraph 7.11 below); or
- (f) when subscriptions are small and then cease resulting in account charges bringing the account to a nil balance (see paragraph 7.12 below).

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 we have received a valid approval from HMRC. On withdrawal of funds the Account may be closed.

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.

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 and Conditions (including charges to be paid in respect of it), and the ISA Regulations. On withdrawal of funds the Account will be closed.
- 7.6 Any Registered Contact will no longer be entitled to give us 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 and Conditions.

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.

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.

Closing due to Nil Balance

7.12 A nil balance will arise in the following circumstances:

- (a) 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:

- (i) in the name of Pershing;
- (ii) in the name of the Pershing nominee; or
- (iii) 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:

- (i) to attend shareholders', securities holders' or unit holders' meetings;

- (ii) to vote; and

- (iii) 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.

Appendix 3: AFH Direct Charges Schedule

Initial charge

Type of charge	When is the charge taken?	Current charge
Set up/Holding Charge (ISA or JISA)	N/A	Nil

Platform charge

Type of charge	When is the charge taken?	Current charge
Platform Charge	Investors in the Unitised Portfolio are charged monthly but will hold sufficient cash to pay up to 12 months monthly charges	0.2% per annum.* This charge will be deducted automatically from your account on a monthly basis. Investors in the Unitised Portfolio Fund will be automatically rebalanced to generate sufficient cash to pay the above charges. Contract note(s) will be sent to investors to evidence this transaction.

Uninvested cash

Type of charge	When is the charge taken?	Current charge
Uninvested cash retained on your General Investment Account	Ongoing	Pershing set an interest rate on a quarterly basis, reflecting movements in the Bank of England base rate. Cash Interest is paid twice annually on cash holdings at this rate less the Pershing Money Management Fee of 0.5%.

*AFH Direct reserves the right to redeem sufficient investments within your portfolio to cover the charges where there is insufficient cash held. The redemption may have other consequences, including, but not limited to, a Capital Gains Tax liability.

Transfers in

Type of Charge	When is the Charge taken?	Current Charge
In-specie Transfer	N/A	Nil
Cash Transfer	N/A	Nil

Adviser and Portfolio Management Charges

Type of Charge	When is the Charge taken?	Current Charge
Initial Adviser Charges	Initial	Agreed directly between yourself and your Adviser
Ongoing Adviser Charges	Ongoing	Agreed directly between yourself and your Adviser

Transactional Charges

Type of Charge	When is the Charge taken?	Current Charge
UK Market Tradable Security Transactions through Pershing's Retail Service Provider facility	Point of transaction	Please speak to AFH Direct
UK Market Tradable Security Transactions through Pershing's dealing desk	Point of transaction	Please speak to AFH Direct
Non-UK Tradable Security Transactions	Point of transaction	Please speak to AFH Direct
Annual Capital Gains Tax (CGT) Report	Point of transaction	Please speak to AFH Direct
Probate Valuation	Point of transaction	Please speak to AFH Direct
All transfers away from Pershing	Point of transaction	£10 per line of holding
Transfers within Pershing	Point of transaction	£10 per line of holding
Spot Foreign Exchange (FX) Transactions	Point of transaction	£15 per FX transaction

Any charges applicable to third-party products that you invest in are specific to the products that you have been recommended and you should refer to AFH Direct and the terms and conditions of the product for the specific details.

Other charges

Type of Charge	Current Charge
UK	Stamp Duty: 0.50% on purchase
UK	Panel of Takeovers and Mergers levy: £1 on trades over £10,000
South Africa	0.25% on purchase
South Africa	State fee: 0.005% on purchase and sale
Singapore	SGX Access Fee: 0.75% on purchase and sale
Ireland	Stamp Duty: 1.0% on purchase
Hong Kong	Stamp Duty: 0.10% on purchase and sale
Hong Kong	0.40% transaction levy on purchase and sale
Hong Kong	0.50% trading fee on purchase and sale

Other charges may apply in other markets.

Further Information

The full terms and conditions of the services Pershing provides to you are set out in your Terms of Business with Investors document. In the event of any conflict between terms as described in this document and the Terms of Business with Investors, the Terms of Business with Investors take precedence.

How do I complain?

If you are dissatisfied with any aspect of the Pershing services, please contact AFH Independent Financial Services Limited using the contact information provided in your specific AFH service client agreement document in the first instance and together we will work to resolve the complaint for you.

If you wish to make a complaint to Pershing directly, please send the full details in writing to the address below:

The Compliance Officer
Pershing Securities Limited
One Clove Crescent
East India Dock
London
E14 2BH

Pershing has a complaints handling procedure (available free of charge on request to the above address) which follows the standards required by the Financial Conduct Authority. If for any reason you are not satisfied with our response to your complaint, you may be entitled to refer your complaint to the Financial Ombudsman Service. The Financial Ombudsman Service can be contacted as follows:

The Financial Ombudsman Service

South Quay Plaza

183 Marsh Wall

London

E14 9SR

Telephone: 0800 023 4567 or 0300 123 9 123

E-mail: complaint.info@financial-ombudsman.org.uk

Website: financial-ombudsman.org.uk

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