



Haitong International (UK) Limited

Pershing Securities Limited Settlement Terms



PERSHING SETTLEMENT TERMS

1. Relationship between you, us and Pershing Securities Limited

- 1.1 To help us provide our services to you we have entered into an agreement with Pershing Securities Limited ("**Pershing**") under which Pershing provides clearing and settlement, safe custody and other associated services to our clients (the "**Pershing Settlement Terms**") in order to carry out the investment transactions we execute or arrange for our clients and to hold the related investments and cash. When we consider it necessary or desirable in connection with our services to you, we may agree with Pershing that it will also provide other services, such as investment dealing services, under the Pershing Settlement Terms. The Pershing agreement covers both us and you as one of our clients. 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 Pershing is a company registered in England, company number 2474912. Its registered office is at Royal Liver Building, Pier Head, Liverpool, Merseyside L3 1LL. Pershing is authorised and regulated by the Financial Conduct Authority ("**FCA**") which is located at 25 The North Colonnade, Canary Wharf, London E14 5HS. Pershing is also a member of the London Stock Exchange ("**LSE**").
- 1.3 So that you can understand your rights and obligations in relation to the Pershing Settlement Terms, the main terms of the Pershing Settlement Terms which affect you are summarised below. If you have any questions about the Pershing Settlement Terms or Haitong Securities' Terms of Business you should contact us to discuss this as soon as possible, and before you accept the Terms of Business or instruct us to act for you. As with any agreement or contract, you should also take any independent legal, financial or other advice which you think you need before accepting these terms.
- 1.4 By accepting these terms of business, you agree that:
- (A) we are authorised to enter into the Pershing Settlement Terms on your behalf, acting as your agent;
 - (B) accepting these terms means that there is a contract between you and us and also between you and Pershing. As a result of that contract, you will be bound by both our terms of business and the Pershing Settlement Terms (as set out or summarised below);
 - (C) we may give instructions to Pershing on your behalf as allowed by our terms of business and the Pershing Settlement Terms and may provide information about you to Pershing. When Pershing receives such instructions or information from us, Pershing is entitled to rely on them without making any further checks or enquiries; and
 - (D) Pershing is authorised to hold cash and investments on your behalf and can transfer such cash or investments from your account to meet your settlement or other obligations to Pershing.
- 1.5 When you read these terms, it is important you understand that you will be a client or customer of ours, but you will also become a client of Pershing for settlement and safe custody purposes. We do not provide safe custody services or hold your money.
- 1.6 We retain responsibility (including responsibility for complying with any related regulatory requirements) and Pershing shall not have any responsibility for the following matters:
- (A) our own operations;
 - (B) the opening of an account for you;
 - (C) the supervision and operation of your account for you;

- (D) our ongoing relationship with you;
- (E) making all necessary anti-money-laundering compliance checks;
- (F) explaining to you the types of investments covered and any risks relating to investments, investment transactions or any investment strategy to be pursued on your behalf;
- (G) accepting and executing orders for investment transactions, following your instructions or within the mandate given by you;
- (H) any required assessment of the suitability or appropriateness of transactions and investments for you or, where permitted and necessary, warning you of any possible inappropriateness of an investment;
- (I) if required, providing any investment advice to you or taking investment management decisions on your behalf;
- (J) reviewing your accounts for market abuse, insider trading and compliance with FCA Rules and any other applicable legal and regulatory requirements to which we or you may be subject; and
- (K) giving instructions to Pershing which are proper, accurate and in accordance with any instructions or mandate you give us.

1.7 It is important that you understand that Pershing is not responsible to you for the matters for which we are responsible. In particular, Pershing will not provide investment advice nor will it offer any opinion regarding the suitability or appropriateness for you of any particular transaction or order. When it provides settlement and clearing or safe custody services, executes transactions or provides other services to you, it does so relying on the instructions and information we provide and is only responsible for following those instructions.

2. **Client Classification and the roles and obligations of people acting together or for one another**

2.1 For the purposes of the rules of the Financial Conduct Authority (“FCA Rules”), you will be classified as either a Retail Client, Professional Client or an Eligible Counterparty. Pershing will rely on information received from 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 Pershing. Examples of situations where such joint and several liability may arise are as follows:

- (A) *Joint account holders:* As well as joint account holders being jointly and severally liable in the way described above, any payment or accounting made by Pershing to any one or more of those account holders will be treated as made to all of them.
- (B) *Trustees:* As well as the trustees of any trust being jointly and severally liable to Pershing in the way described above, Pershing will treat the trustees as its client and not any beneficiary of the trust. Any payment or accounting made by Pershing to any one or more of the trustees will be treated as made to all of them.
- (C) *Partners:* If a partnership is Pershing’s client then each partner will be personally, jointly and severally liable to Pershing in the manner described above. Any payment or accounting made by Pershing to any one or more of the partners will be treated as made to all of them.
- (D) *Agents:* If you are an agent acting on behalf of someone else (whether or not that person (the “**Principal**”), has been identified to Pershing as the person for whom you act) you will be treated as Pershing’s client under the FCA Rules and you will also be fully liable to

Pershing under these terms as if you were acting for yourself. You and your Principal will be jointly and severally liable in the manner described above.

3. Your Accounts with Pershing

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

3.2 Pershing will have the right at its absolute discretion to stop providing services under these terms and close any accounts it holds and maintains in your name which may occur, for example:

- (A) if Pershing is obliged to stop providing services under any Applicable Regulations or regulation (such as anti-money laundering provisions);
- (B) if Pershing is not able to provide the services effectively or providing the services would materially adversely affect Pershing's operation;
- (C) where you are in material breach of these terms or we are in material breach of the terms of the Pershing Settlement Terms;
- (D) if providing the services to you or to us in relation to your account will have a materially adverse effect on Pershing's reputation; or
- (E) if your liabilities in relation to your account, and amounts owing by you to Pershing, exceed or are likely to exceed the value of the cash and investments Pershing holds for you.

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

3.3 You may at any time when there are no outstanding obligations owed by you to Pershing, give notice in writing to us to stop receiving services from Pershing and close your accounts with Pershing.

3.4 If either you or Pershing decides to close your accounts with Pershing you will need to give instructions on the future custody of your investments so that Pershing can transfer your money and investments (after deducting amounts owed to it) to your new custodian.

4. Communication and Instructions

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

4.2 Pershing may rely on and act on any instructions which Pershing in good faith believes were given by us or our representatives. Such instructions can only be cancelled or changed if we give written notice to Pershing sufficiently in advance to enable Pershing to prevent the processing of the instructions. If Pershing seeks instructions from us and we do not respond within a reasonable time, then Pershing may take such action as it considers appropriate on the relevant matter. Pershing is not responsible or liable to you for any delays or inaccuracies in the transmission of instructions or other information (or any resulting action or failure to act) where that delay or inaccuracy is as a result of factors outside the reasonable control of Pershing. This means that if the delay or inaccuracy is not Pershing's fault, then you cannot obtain redress from Pershing.

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

- (A) the transactions falls outside the dealing criteria that Pershing applies;
- (B) Pershing cannot carry out the instruction because it cannot access a market; or

- (C) we or Pershing do not have the necessary FCA permission to deal in a particular investment.

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

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

5. Dealing

- 5.1 Normally we will be responsible for executing any order or transaction on your behalf. This means that Pershing will not owe you a duty of best execution under the FCA Rules or otherwise when it carries out transactions executed by us on your behalf. We shall be responsible for ensuring best execution and for any decision to aggregate transactions for you with those of other people.

- 5.2 We may sometimes agree with Pershing that it is to execute transactions for your account when we transmit orders to it. If we do this, we have agreed that, rather than you, we will be Pershing's client for the purposes of the FCA Rules. In order for Pershing 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 Pershing,

in either case, prior to the execution of the transaction by Pershing.

- 5.3 Pershing will provide dealing or execution services on the following basis:

- (A) execution by Pershing will be subject to the FCA Rules and the rules of any investment exchange or other trading facility on which the transaction is executed;
- (B) Pershing will treat the instructions we give them as binding on you. Any express instruction from us to Pershing on your behalf concerning order execution will override Pershing's order execution policy and will remain binding on you;
- (C) Pershing will execute such orders in accordance with Pershing's order execution policy as amended from time to time, a summary of which is set out on in Pershing's website on www.pershing.co.uk under "disclosures" and therein under "compliance disclosure". By your acceptance of these terms, you confirm your consent to the execution policy and acknowledge that it may be amended from time to time. You also agree that Pershing may execute transactions on a market that is not a regulated exchange or multilateral trading facility in the European Economic Area. Please note however the provisions of Annex 3 in relation to any overseas investments;
- (D) Pershing may combine your orders with orders for its other clients or Pershing's own orders. Pershing will only do this if it considers that it is unlikely to work to the overall disadvantage of you or any of its clients involved however it is possible that aggregating orders in this way may sometimes operate to your advantage and sometimes to your disadvantage by giving you a higher or lower price than might have been the case if your order had been placed individually; and
- (E) once Pershing executes any transaction on your behalf, Pershing 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 Pershing directly) immediately if there is any error or if you have any question about them, because the contract note will be considered a conclusive and final record of any detail contained in it,

unless we notify Pershing of an error within 1 working day after receipt by you and in any event no later than the settlement date for the transaction concerned.

6. Settlement of Transactions

6.1 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.

As stated above, it is your responsibility to ensure that Pershing receives the necessary investments, documents or cash (as the case may be) in order for Pershing to settle the transaction on your behalf. Pershing must receive any cash in cleared funds in sufficient time prior to the settlement date in order that it can make the necessary payment.

6.2 You hereby undertake that any cash or investments held by or transferred to Pershing by you will be free from any right of a third party to make claims against that money or those investments. In particular, it is your obligation to make sure that no other person will be entitled to:

- (A) security rights over them, such as a mortgage or a charge;
- (B) any right to withhold or retain them, such as a lien;
- (C) any other rights to have any of the cash or investments paid or transferred to them or to prevent any transfer of such cash or investments from going ahead; or
- (D) any right to be paid all or any of the proceeds of a transaction;

so that settlement on your transaction can take place.

6.3 In order to settle transactions on your behalf, Pershing will need to deal with the other party to the transaction (the “**counterparty**”). If a transaction has to be settled through a CCP or CSD the specific provisions set out in Annexes 2 and 3 shall apply.

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

6.5 Pershing is not obliged to credit any cash or investments it receives to your account until it has received them in irrevocable and unconditional settlement of the relevant transaction without the sender being able to reverse the settlement or require redelivery. If for any reason Pershing does credit cash or investments to your account earlier than this and Pershing reasonably considers that irrevocable and unconditional settlement is unlikely to take place then Pershing will be entitled to reverse the entry and require you to give back or redeliver the cash or investments or their equivalent.

6.6 In some cases, transactions will be subject to netting. You agree, in respect of any transaction which is subject to netting, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant CCP, CSD or agreement with the counterparty. You acknowledge that if net settlement takes place then Pershing will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.

6.7 If a transaction is undertaken on your behalf on non-UK markets, the specific provisions set out in Annex 3 shall apply.

- 6.8 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 Pershing 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 Pershing receives cash or investments for trades that were intended to settle at the same time (but which, for whatever reason, do not do so), then Pershing will allocate that cash or investments received by it on the following basis:
- (A) in accordance with any priority for settlements determined by Pershing 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 Pershing, 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.
- 6.9 Time shall be of the essence with respect to any payment, delivery or other obligation of yours to Pershing.
7. Client Money
- 7.1 Money held by Pershing for your account, will be held in compliance with the FCA Client Asset Rules when these apply to the money. This means, amongst other things, that Pershing will hold your money in a special designated client bank account which is an account kept separate from Pershing's own funds.
- 7.2 When considering where that client bank account should be, Pershing will exercise due skill, care and diligence and will periodically review the adequacy and appropriateness of any bank or credit institution where your money is deposited and of the arrangements for holding your money. These requirements will not apply where your money is held with a central bank of a country. It is important to note that Pershing is not responsible for any acts, omissions or default of a credit institution or bank chosen by it but only for taking care in its choice and monitoring.
- 7.3 When Pershing holds your money in a client account it may be pooled with money belonging to other clients of Pershing. Where funds are pooled in this way, you will not have a claim for the specific sum in a specific account. Your claim would be against the client money pool in general and if there is a deficiency in the pool you would share pro rata in that loss.
- 7.4 If Pershing holds money which is not immediately required to settle an investment transaction, such money will be deposited with a bank or credit institution, together with other clients' money. Money may earn interest at a rate determined by the relevant bank or credit institution. However, the amount of any interest on money that would be credited to your account and made available to you (subject to clauses 11 and 12.3), will be determined by 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. Pershing may decide not to credit to your account such amount of the interest until it reaches a minimum threshold amount as agreed between us and Pershing. Pershing charges a fee for managing the balance on your account (a 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 on to your account.
- 7.5 If any of your money held by Pershing is unclaimed after a period of 6 years, Pershing may transfer such money to a pooled client unclaimed money account subject always to Pershing undertaking to

make good any valid claim by you. Pershing will only do this after it has taken reasonable steps to trace you and return any balance to you.

- 7.6 Sometimes we or Pershing will undertake a transaction for you which requires your money or investments to be passed to a Relevant Party in order to meet the obligations under that transaction or as Margin or Collateral. When a Relevant Party is involved then any money or investments passed to the Relevant Party may be at risk in the event of its insolvency. By accepting these terms, you acknowledge that this is the case.
- 7.7 Please refer to the provisions of Annex 3 which will apply if your money is held by a credit institution or bank outside the UK or EEA.
- 7.8 Pershing may use a bank which is affiliated to Pershing to hold client money on your behalf.
8. Custody and administration of your investments
- 8.1 Subject to clause 8.2, where Pershing holds investments for your account it will register those investments in the name of a nominee company controlled by Pershing or by a member of Pershing's group.
- 8.2 In some situations, for example where the rules of a particular market or CSD require, Pershing will register your investments in the name of an Eligible Custodian. Pershing will not usually register investments in your name but if it is required to do so, you shall remain responsible for the consequences of any such registration.
- 8.3 If your investments are held overseas the provisions of Annex 3 shall also apply.
- 8.4 When your investments (including any money held for your account are held by a depository or an Eligible Custodian, such depository or Eligible Custodian may have rights against your investments, arising out the operation of local law, local regulatory rules, or market practice which may include:
- (A) security rights over them including but not limited to a mortgage or charge;
 - (B) rights to withhold or retain them, such as by way of a lien;
 - (C) other rights to have the asset paid or transferred to them or to prevent a transaction involving such asset from going ahead; and/or
 - (D) rights to be paid any or all of the proceeds of a transaction involving the asset.

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

- 8.5 Pershing shall keep a record of your entitlement to your investments in situations where Pershing or an Eligible Custodian (or a nominee company) have registered or recorded your investment in a combined account or pooled in some other way with investments belonging to other clients of ourselves, of Pershing 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) 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;

- (C) if there is an irreconcilable shortfall following any loss by or default of, Pershing or the Eligible Custodian (or a nominee company) then you may not receive your full entitlement and may share in any shortfall on a pro rated basis with any other investors;
- (D) sometimes Pershing will receive investments or money on behalf of more than one client in connection with pooled holdings (for instance in a bonus or rights issue or takeover). In such circumstances Pershing may, in accordance with FCA Rules, allocate such investments between clients on whatever basis it considers fair and reasonable in accordance with its allocation policy in force at the time;
- (E) if a share issue or other corporate event favoured the small investor your actual allocation may be less than it would be if your investments were registered in your own name; and
- (F) sometimes amounts or investments may arise which would not have arisen if the investments had been registered in your own name. You may not be entitled to any such additional amounts.

8.6 Any instructions you wish to give about the administration of investments held by Pershing should be given to us in writing for us to send to Pershing. 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.

8.7 Pershing 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 Pershing 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.

8.8 You should contact us and not Pershing if you need any advice in connection with any corporate actions. Pershing is not responsible for taking decisions in relation to any corporate actions and will require instructions from you or 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 Pershing exercises such rights on your behalf).

8.9 If any notification is given to you pursuant to clause 8.7 from Pershing, you must ensure that you provide instructions to us, for onward transmission to Pershing in sufficient time to ensure that Pershing is able to act upon such instructions. The instructions given, their consequences, and the consequences of failing to give us instructions, will be entirely your responsibility. Neither we nor Pershing is obliged to do more than give one notification on the relevant matter.

8.10 Pershing will be responsible for claiming and receiving dividends, interest payments and other entitlements automatically arising in respect of the investments held for your account.

8.11 Sometimes Pershing or an Eligible Custodian who is holding your investments may receive dividends, interest and other rights or payments after local withholding or similar taxes or other deductions are made from those sums. You accept that Pershing or any Eligible Custodian may, if it is required to do so to comply with legal or regulatory requirements, withhold or deduct tax or other amounts from any such payments. Any costs Pershing or an Eligible Custodian incurs when complying with these obligations may be deducted by Pershing from your account. If you are eligible to reclaim any such withholdings or deductions then this will be your responsibility and not that of Pershing or an Eligible Custodian, to do so.

8.12 Pershing will arrange for you to receive safe custody statement showing the investments and cash balances it holds for you, reported on a trade date basis. The frequency of such statements is

determined by FCA Rules. Pershing may provide such statement to you via appropriate on line or electronic means and provided we or Pershing notified you of the availability of such statement, it shall be your responsibility to access and review such statement.

- 8.13 In some circumstances Pershing may refuse to hold any investment or investments for you. This may occur in any of the circumstances outlined in clause 3.2 of these terms or if the investment concerned is of a kind for which Pershing does not have facilities, or arrangements with appropriate Eligible Custodians, to hold or if holding the investment would expose Pershing to liabilities. We will notify you if Pershing chooses to exercise this discretion unless legal or regulatory constraints prevent such disclosure.
- 8.14 Pershing will not loan your investments or use them to raise finance.
9. Consequences of your default
- 9.1 If you fail to pay cash or investments (as relevant) when due to meet any settlement obligations or if you otherwise fail to meet any of your other obligations to Pershing then you should be aware that there will be certain consequences as a result of such failure, as further described in the remainder of this clause 9.
- 9.2 You will not have a right to title or interest in any cash or investments received for your account. Pershing will have no obligation to deliver or account to you for any such cash or investments and Pershing will be entitled to retain any such cash or investments until such time that you have met your obligations.
- 9.3 Pershing may, without providing any advance notice, use any cash, or sell any securities, held or received for your account and use the proceeds (after deducting any costs in doing so) to eliminate or reduce any unpaid obligations owed to Pershing. Any surplus remaining after discharging the obligations owed to Pershing will be paid to you. If the cash and proceeds of disposals do not cover all the obligations owed to Pershing, you will still owe Pershing the balance.
- 9.4 Pershing may, among other things, and without giving you further notice:
- (A) enter into any other transaction (including those with the effect of closing-out a position, or reversing or cancelling a transaction previously entered into);
 - (B) take or refrain from taking further action which it considers would, or could, reduce or eliminate any liability under any transaction undertaken for you. Pershing may take similar action where it reasonably considers that you have not, or are unlikely to perform your obligations under these terms.
- 9.5 Where Pershing exercises its rights to use your cash or dispose of your investments under clause 9.3 above, it will have no further obligation to you (and neither you nor we will have any right to require Pershing to account to you, or to anyone else, for any investments or cash received when the relevant transaction is settled.
- 9.6 You agree that Pershing may set off transfer or apply (without further notice to you) any obligations or monies owed by Pershing to you in order to satisfy in whole or in part any debt or obligation or sum that is due from you to Pershing. This applies even if the obligations are in different currencies and includes the payment of any fees or charges due to Pershing and any amounts due under your indemnity obligations to ensure Pershing does not lose money as a result of your default under these terms or the services it provides you with.
- 9.7 In exercising its rights under these terms Pershing may convert currencies and carry out foreign exchange transactions with you or on your behalf at such rates and in a manner that Pershing may in its discretion determine. In such circumstances, Pershing shall be acting on its own behalf and not executing your orders. It shall therefore not be liable to you for the result obtained, nor for its choice of which investments are to be sold.
- 9.8 The provisions in this clause 9 will continue to apply even if we or Pershing stop providing services to you, so long as any obligations for your account remain outstanding. They apply in addition to

any other right Pershing has, and they will not be affected by any failure by Pershing or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

10. Limits on Pershing's Liability to you and Indemnities you give to Pershing
- 10.1 The liability of Pershing (and where relevant its directors, employees or agents) to you for any loss or damage which you suffer in connection with these terms shall be limited to circumstances where any such loss or damage has arisen directly as a result of negligence, fraud or wilful default or a breach of the FCA Rules by Pershing (or where relevant, its directors, employees or agents). In any event, Pershing will not be liable to you for any indirect or consequential losses (howsoever arising). Pershing will also not be liable for any loss that is a loss of profit or for any losses that arise from any damage to your business or reputation.
- 10.2 This means that Pershing will only be liable for losses that arise as a result of its negligence, fraud or wilful default and then only, for any losses which:
- (A) arise naturally from a breach by Pershing of its obligations; and
 - (B) which were reasonably foreseeable to Pershing at the time these terms are entered into.
- 10.3 It is important that you understand that you are responsible for making sure that Pershing does not suffer by reason of acting for you. You agree to make good and reimburse (indemnify) Pershing and each of its directors and employees and agents ("Indemnified Persons"), after the deduction of any applicable taxes, for and against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than Pershing's corporation tax) which are caused by;
- (A) Pershing 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 Pershing by you or on your behalf, or in relation to any document of transfer regarding such investments. This will include any electronic instruction or information, which appears to transfer such investments.
- 10.4 You will not be liable to indemnify Pershing under this clause 10 and Pershing will have no right or claim against you or us if any consequences to Pershing are caused by its own negligence, wilful default, fraud or any breach of the FCA Rules.
- 10.5 Pershing has no liability to you or us for failure to provide any of the services under these terms if that failure is caused wholly or partly by events beyond Pershing's reasonable control. This includes (but is not limited to) any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action, suspension or limitation of trading by any exchange or clearing house or any fire, pandemics, flood or other natural disaster. In any of these (or other similar) circumstances any or all of Pershing's obligations will be suspended until the state of affairs giving rise to the failure of Pershing is remedied.
- 10.6 The provisions in this clause 10 will continue to apply even if we or Pershing stop providing services to you. They apply in addition to any other right of indemnity or claim of any Indemnified Person whether or not under these terms, and they will not be affected by any failure by Pershing or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.
11. Charges
- 11.1 The fees and charges payable by you in relation to the services provided by Pershing (in particular, the money management fee), and any taxes payable through Pershing, will be set out in our

charging schedule as notified to you from time to time. Pershing can either pay these out of the assets and money it holds for you for your account or by way of set off as described at clause 9 above or require you to pay them directly to Pershing or to Pershing through us. You may also be liable for other taxes or charges which are not payable through Pershing.

12. Pershing's Conflicts of Interest

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

- (A) is, or is acting on behalf of, the counterparty to a transaction that is executed by Pershing (whether or not involving a fee or commission or increased or reduced price offered or received by Pershing or its associates);
- (B) has a long or short position in the relevant investment; or
- (C) is otherwise connected to the issuer of the investment to which any instructions relate.

12.2 Pershing may receive payments from fund managers if Pershing provides services to those fund managers through the Pershing Nexus Funds Trading Platform. Any payments of this kind are calculated by reference to the value of the assets that Pershing holds in custody for its clients.

12.3 Pershing may place money held for your account with a bank or other financial institution (in accordance with the FCA rules) and earn interest and retain some or all of that interest from that bank or financial institution.

12.4 A summary of Pershing's conflicts policy (including further disclosure concerning the payments Pershing may receive from fund managers) is published on Pershing's website at www.pershing.co.uk under the heading of "compliance disclosures" (a hard copy is available on request from us).

12.5 You acknowledge that neither Pershing nor any of its associates is required to disclose or account to you for any profit made as a result of acting in any manner described above.

13. Data Protection and Confidentiality of Information

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

13.2 Any information that we and Pershing hold about you is confidential to you and will only be used in connection with providing services under these Terms (as may be set out in more detail in Pershing's published privacy policy as referred to in clause 17). Information of a confidential nature will be treated as such provided that such information is not already in the public domain. Pershing will only disclose your information to third parties in the following circumstances:

- (A) If required by law or if requested by any regulatory authority or exchange having control or jurisdiction over you, us or Pershing (or any associate of us or Pershing);
- (B) to investigate or to prevent fraud, market abuse or other illegal activity;
- (C) in connection with the provision of services to you by us or Pershing;

- (D) for purposes closely related to the provision of the services or the administration of your account including without limitation for the purposes of credit enquiries or assessments;
- (E) if it is in public interest to disclose such information; or
- (F) at your request or with your consent.

13.3 The restrictions on the use of confidential information described above are subject at all times to a general proviso that Pershing may disclose your information to certain permitted third parties including members of its own group (associates) and its professional advisors (including accountants and lawyers) who are subject to confidentiality codes.

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

13.5 You should note that by signing or otherwise accepting these Terms you agree that Pershing is allowed to send your information internationally including to countries outside the EEA such as the United States of America. Some countries where your information is sent will offer different levels of protection in relation to personal information, not all of which will be as high as the UK. Pershing will however, always take steps to ensure that your information is used by third parties only in accordance with Pershing's policy.

13.6 You are entitled to a copy of any information Pershing holds about you. In the first instance, you should direct any such requests to us and we will pass your request on to Pershing. Pershing is entitled to by law to charge a fee of £10 to meet the cost of providing you with details of the information it holds about you. You should let us know if you think any information Pershing holds about you is inaccurate and we will ask Pershing to correct it.

14. Complaints

14.1 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 Pershing and you wish to copy your complaint to Pershing directly copies should be sent to:

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

14.2 Where you make a complaint both we and Pershing will endeavour to resolve your complaint as quickly as possible but in any event we will acknowledge receipt of your complaint within 3 business days. The acknowledgement sent will include a full copy of our or Pershing'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 Pershing 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 Pershing'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 Pershing's final response.

15. Investor Compensation

15.1 Pershing is covered by the UK's Financial Services Compensation Scheme ("FSCS"). Compensation may be available from the FSCS if Pershing cannot meet its obligations to you. Your possible entitlement to compensation will depend upon the type of business and the circumstances of the claim. Most types of investment businesses are covered for £50,000 per

person per firm. Further information about compensation arrangements is available from the FSCS, www.fscs.org.uk.

16. Amendment

16.1 Pershing reserves the rights to alter these terms at any time. It will only do so after giving prior written notice to us in reasonable time for you to consider the impact of those changes, unless it is impractical in the circumstances to give such notice.

17. Provision of Information via a website

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

- (A) General disclosures of information about Pershing, its services and disclosures relating to such Services in general;
- (B) Information concerning the safekeeping of investments and money held by Pershing or any of its appointed Eligible Custodians;
- (C) Information on costs and charges;
- (D) Information relating Pershing’s order execution policy, order handling and conflicts of interest;
- (E) Pershing’s privacy policy covering the processing of any personal data under the relevant data protection legislation; and
- (F) Disclosures and policies containing general information in relation to the Services provided by Pershing to you which Pershing is required to publish or which is addressed to the generality of its clients (excluding amendments to these terms and conditions)

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

18. General

18.1 Pershing’s obligations to you are limited to those set out in these terms. Pershing shall in particular not owe any wider duties of a fiduciary nature to you.

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

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

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

ANNEX 1 GLOSSARY

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 Pershing 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 Pershing may have to settle such transaction through a central securities depository or other securities settlement system and the transactions will be subject to the rules of the CSD.</p>
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 Pershing selects under the FCA Rules to register your investments with.
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 Pershing 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.
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 Pershing or its nominee company on your behalf.
Set-Off	This may arise where both you and Pershing owe sums to each other. In such circumstances Pershing may deduct any sums owed to it by you from any sums that are owed by Pershing to you so as to either eliminate or reduce Pershing's liability to you.
Time shall be of the Essence	The use of this term in relation to any payment, delivery or other obligation you have to Pershing means that Pershing shall be entitled to terminate these terms and, if appropriate, claim damages from you if you fail to perform your obligation in accordance with the time specified. It is intended to ensure that the relevant deadlines are strictly complied with.

ANNEX 2 CCP AND CSD TRANSACTIONS

1. Settlement of CCP and CSD Transactions

1.1 In order to settle transactions on your behalf, Pershing will need to deal with the other party to the transaction (the “counterparty”) and sometimes transactions will be settled through a central counterparty (“**CCP**”) or a central securities depository or other securities settlement system (“**CSD**”) or other depository transfer agent or similar body. When Pershing deals with these parties, it does so as your agent, in good faith and on the basis that:

- (A) Pershing is not responsible for any default or failure of the CCP, CSD or other counterparty or of any depository or agent of those entities; and
- (B) the delivery of any securities or payment to you as a result of the transaction is entirely your risk and not that of Pershing.

1.2 In some cases, transactions will be subject to **netting**. You agree, in respect of any transaction which is subject to **netting**, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant **CCP** or **CSD**. You acknowledge that if net settlement takes place then Pershing will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.

1.3 We and you acknowledge and agree that:

- (A) Pershing 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) Pershing shall have no liability for any loss or damage suffered or incurred by us or you by reason of Pershing taking or failing to take any action, where such action or failure to take action is authorised, permitted or required by a market or a CCP or is otherwise deemed necessary by Pershing under the rules, requirements and procedures of the market or the CCP.

2. Limits on Pershing’s Liability to you and Indemnities you give to Pershing

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

ANNEX 3 OVERSEAS INVESTMENTS

Overseas Investments

1. Settlement of Transactions

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

2. Client Money

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

3. Custody and administration of your investments

3.1 Whether or not they are registered or recorded in the name of Pershing, or an Eligible Custodian, investments belonging to you which are held abroad may be subject to different settlement, legal and regulatory requirements from those applying in the UK or the EEA. Your rights may therefore also differ. In particular, such investments, by their nature may require, in order to effect settlement of your transaction, that the investment is held in a country that may not impose specific regulation covering the safekeeping of investments. Subject to Pershing, satisfying itself that the arrangements for the holding of your investment in such market by the Eligible Custodian it appointed are adequate (based on the due diligence referred to in clause 3.2 of this Annex 3), Pershing will deposit such investment with such Eligible Custodian notwithstanding the risks outlined in this Annex 3.

3.2 Pershing will exercise due skill, care and diligence in the selection, appointment and periodic review of any Eligible Custodian it appoints (including the regulatory rules applicable to such Eligible Custodian) and the arrangements for the holding and safekeeping of your investments. It is important that you understand Pershing is not responsible for anything done or not done, or any default of an Eligible Custodian unless that default is caused by the negligence, fraud or wilful default on the part of Pershing or any of its nominee companies. Although Pershing will seek to make sure that adequate arrangements are made to look after your ownership rights in any investments (especially in the event of its own insolvency) you should understand that your investments may be at risk if an Eligible Custodian becomes insolvent.

3.3 Overseas investments may be registered or recorded in the name of Pershing or in the name of an Eligible Custodian. Your acceptance of these terms indicates your consent to the possibility of registration in such manner. However any such registration in one of these ways will only be done after Pershing has taken reasonable steps to determine that it is in your best interests to do so or that it is not feasible to do otherwise because of the nature of the Applicable Regulations and market practice in the jurisdiction where the transaction occurs. Registration in this way means that your investments may not be kept separate from other investments belonging to Pershing or the relevant Eligible Custodian. Your protection may therefore be less, as if the person in whose name your investment is recorded defaults on its obligations, your investment may not be separately identifiable as yours. Accordingly it may be subject to other third party claims including claims by the general creditors of the defaulting person.

ANNEX 4 ADDITIONAL CLAUSES

Agent as Client

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

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

Trustee as Client

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

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

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

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