

Rathbones Investment Management

# RELIANCE ON ADVISER – CLIENT TERMS OF BUSINESS

Please keep for your records.

Valid from 1 July 2024

Rathbones Investment Management Limited is an independent provider of investment management services for its clients. We will generally select and manage investments across the whole of the relevant investment market. However, some of our services are restricted. For example, for some clients with lower levels of assets or specific mandates, we may invest wholly or predominantly in Funds, which may involve investing solely in In-House Funds.

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# KEY POINTS

## Our Agreement

Our legal relationship is governed by these Terms and a number of other documents which we provide to you. These together with the Client Agreement document which you sign collectively form our "Agreement". We will rely on the terms of our Agreement and for your own benefit and protection you should read these Terms and the other documents we give you carefully and, where applicable, before signing the Client Agreement. If there is anything you do not understand, or if you have any questions, please raise in the first instance with your Adviser.

## Key points

We have set out below some of the key points regarding the Terms in order to draw them to your attention and to aid your understanding. These key points are not a substitute for reading the terms in detail. We have included a contents page to help you find relevant provisions in the Terms. **A list of defined terms is included in Appendix 1 and a summary of types of investment risk is included in Appendix 2 towards the back of the Terms.**

## What service do you provide in relation to my Agreement?

Our service is the discretionary investment management of your Portfolio and we will provide related custody, dealing and settlement administration. We also provide certain other ancillary services as listed in the Terms including limited banking services.

Our discretionary investment management service is provided on the basis of "Reliance on Adviser". This requires you to appoint and retain an Adviser on whom we will rely to:

- obtain the necessary information from you at the outset for them to assess the overall suitability of our discretionary investment management service for you and for them to recommend a specific Investment Mandate for your Portfolio
- review that information, and the Investment Mandate recommended by them to you, on an ongoing basis, to ensure that our service and the recommended Investment Mandate remain suitable for you. Your Adviser is the only person who can provide us with instructions to change the Investment Mandate that applies to your Portfolio.

Our duty to you under our Agreement with you is then to manage your Portfolio consistently with the Investment Mandate that your Adviser has recommended and agreed with you.

## Responsible Investment

We will provide our services consistent with our approach to responsible investment, including, where we are able to, exercising voting rights, engaging with companies and taking other actions (which may include proposing resolutions).

We may, from time to time, conclude that certain activities or companies do not align with our approach to responsible investment and categorise such investments as excluded investments. This means that:

- we will not buy more of such investments for you
- where we have discretion, we may sell some, or all, of such investments in your Portfolio. We will decide the best time to do so.

- We regularly review our approach to responsible investment, the response of companies to our engagement and any investments we have categorised as excluded investments.
- We also include information on our approach to responsible investment in term 1.8. Further information is available at [www.rathbones.com](http://www.rathbones.com)

## What are the risks involved in my investment?

There are risks involved in any investment. These include:

- levels of income and prices of investments can and do fluctuate
- past performance is not an indication of future performance
- exchange rate risk exists where investments are denominated in a different currency
- tax treatment of investments can change
- in certain market conditions some investments can become difficult to sell.

**In particular we draw your attention to Appendix 2 which contains information on risks in respect of a range of different investments which we may select from and investment techniques we may use when creating and managing your Portfolio.**

## What are my obligations as a client?

You must provide us with certain information before we can accept you as a client including Personal Data, evidence of identity and source of funds. We need this information to ensure that we meet our obligations and act in your best interest.

## Can I cancel the Agreement?

You have a right to cancel the Agreement within 14 calendar days from the date we notify you that your Account is open and provide you details of your Account number. You must notify us in writing if you wish to cancel. No fee will be charged for cancelling.

Cancellation will not affect transactions already implemented and you will bear the market risk (including any gains or losses) for such transactions carried out during the cancellation period. Our charges accrued prior to cancellation will also apply.

## What are the ongoing requirements of the Agreement?

By signing the Client Agreement you agree to be contractually bound by the Terms.

You agree that either you or your Adviser can notify us of any changes to information that either of you have provided to us, excluding any change to the specific Investment Mandate that your Adviser recommended to you, and which forms the basis of the service that we are providing to you under this Agreement as only your Adviser can do this. Please note that in relation to some notifications we may ask for you to confirm what your Adviser has notified us of. You or your Adviser will also provide other information we reasonably request in order to comply with our obligations. If you do not provide us with the information we need, despite us requesting this, we may cease providing our discretionary investment management services to you and change the type of service we provide to

## KEY POINTS – continued

you. We will primarily rely on your Adviser to assess whether you may be regarded as a vulnerable client. If we believe you are or may be a vulnerable client or we have been unable to contact you we may reduce the Risk Level for your Portfolio and take such steps we reasonably consider appropriate in order to act in your best interest. We will always attempt to contact you before making any such changes to your Portfolio.

You agree not to appoint anyone else to manage your Portfolio whilst our Agreement continues.

You agree to pay our fees and charges plus costs and expenses we incur on your behalf. You also agree to be responsible for any costs and losses that we incur in providing our services to you except where such costs and losses are caused by us in circumstances where we fail to carry out our duties with reasonable skill, care and diligence.

Your Adviser may also request that you provide your consent to deduct their charges from your Portfolio on a periodic basis. If you provide that consent then we will deduct those fees from your Portfolio and remit them to your Adviser.

### What do you do with my personal information?

In order to provide services to you, we need to collect certain information about you, which may include Personal Data. These Terms together with our Privacy Notice for Clients explain how we will process your Personal Data.

Under certain international tax laws we are required to collect and disclose certain information to relevant tax authorities regarding our clients. You agree to fully and accurately disclose information about you when requested by us.

You may exercise your legal rights in respect of your Personal Data (for example, your right to obtain a copy of Personal Data which we hold about you) and you may raise any other question or issue about how we process your Personal Data, by writing to our Data Protection Compliance Manager at our registered office.

Our processing of your Personal Data is overseen and enforced by the Information Commissioner's Office in the UK. You have the right to lodge a complaint with the Information Commissioner's Office in accordance with applicable Data Protection Legislation.

### Liability

We accept liability where we fail to act with reasonable skill, care and diligence but do not accept liability otherwise.

We are not liable for losses arising out of circumstances beyond our reasonable control.

We do not accept liability for any losses or the loss of opportunities to gain arising from an incorrect or unsuitable Investment Mandate instructed to us by your Adviser.

Where we outsource services to a third party (for example a third party custodian) provided we have exercised reasonable skill and care in their selection and ongoing monitoring we do not accept liability for losses caused by the default or insolvency of such third party.

### How do I end the Agreement?

You can end our Agreement at any time by giving us written notice. This will not affect liabilities and obligations which are already due from either you or us at the date of termination.

We can end our Agreement with you by giving you 30 calendar days' written notice or 90 days' written notice in relation to our banking services. In certain circumstances we can give you written notice to end or suspend the services being provided to you immediately, for example, where you fail to comply with the Terms or we have to do so for regulatory or operational reasons.

### What happens when this Agreement ends?

Following termination of our Agreement with you, you will be liable to pay any of our costs and fees which have been incurred but not paid at the date of termination.

**Please see Section 1.20 of these Terms which sets out in detail what happens if you cease to have an Adviser, in which case we can no longer provide our discretionary investment management services under the Reliance on Adviser model, but we may continue to provide you with certain services on a different basis.**

### How often do changes to these Terms occur and will I be informed?

We can make changes to these Terms from time to time for the reasons and in the manner as set out in the Terms, including written notice in accordance with **Term 7.37**.

### Is there any other information I need to be aware of?

We may record telephone conversations and Electronic Communications between you and us.

### How do you hold my cash balances?

As we are an authorised bank we normally hold any cash for you as a deposit rather than as client money. This means that your money forms part of our balance sheet rather than being held in a segregated client Account.

If you owe us money we may "set off" any amounts you owe us against money we owe to you. If you fail to pay money due to us we may sell your investments to recover the money due.

### How do I make a complaint?

You may complain to us if something goes wrong regarding our services. You may also be able to complain to the Financial Ombudsman Service.

We are covered by the Financial Services Compensation Scheme and you may be eligible to make a claim in the event of our insolvency.

# 1 OUR AGREEMENT AND OUR SERVICES

## 1.1 About us

- 1.1.1 We, Rathbones Investment Management Limited, are authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. The FCA's present contact address is 12 Endeavour Square, London E20 1JN. The PRA's present contact address is 20 Moorgate, London EC2R 5DA. We are entered on the Financial Services Register with registration number 116316.
- 1.1.2 For the purposes of these Terms in addition to the name Rathbones Investment Management Limited, we operate under the trading names Rathbones Investment Management, Greenbank; Greenbank Investment Management; Greenbank Investments; Rathbone Greenbank Investments and Rathbones.
- 1.1.3 We are an independent provider of investment management services for our clients. When we select and manage investments within your Portfolio, these investments are selected from the whole of the relevant investment market. However, some of our services are restricted. For example, for some clients with lower levels of assets or specific mandates, we may invest wholly or predominantly in Funds, which may involve investing solely in In-House Funds.
- 1.1.4 Our main business, for the purpose of these Terms, is the provision of discretionary investment management services in relation to investments for individuals, trusts, charities, pension funds and certain other client types of a professional Adviser. Your Adviser recommends to you a specific Investment Mandate which they have determined is suitable for you, and our duty to you under these Terms is to manage your Portfolio in accordance with that mandate that has been recommended and agreed with you by your Adviser.
- 1.1.5 Our registered office is at Port of Liverpool Building, Pier Head, Liverpool L3 1NW.
- 1.1.6 Our head office is at 8 Finsbury Circus, London EC2M 7AZ. The telephone number of our head office is 020 7399 0000.
- 1.1.7 Details of all our offices are available on our Website. The address and contact details of the office where your Investment Manager is based, and which deals with your Portfolio will be provided to you separately at the start of our relationship with you.

## 1.2 Purpose of these Terms of Business

- 1.2.1 The purpose of these Terms of Business is to set out the basis upon which we agree to provide our services to you and your obligations in relation to such services.
- 1.2.2 It is very important that you read these Terms of Business carefully. We recommend that you keep a copy of these Terms of Business for your records. A copy is also available on request. If there is anything you do not understand or if you have any questions please raise in the first instance with your Adviser.

## 1.3 Structure of these Terms of Business

- 1.3.1 These Terms of Business comprise a number of Sections.
- 1.3.2 The contents of these Sections and how they apply are explained below:
- a section 1 sets out our details, explains how these Terms of Business operate and how our Agreement is made up. This section applies to all clients
  - b section 2 contains terms specific to our discretionary investment management services
  - c section 3 contains terms specific to our custody, dealing and settlement administration and applies where we provide such services to you alongside our discretionary investment management service and/or execution-only services
  - d section 4 contains terms specific to where we provide our services as ISA Manager or EIS provider
  - e section 5 contains terms specific to our limited banking services and applies where we provide such banking services to you
  - f section 6 contains terms specific to our Specialist Tax Portfolio Services and applies where we provide such services to you
  - g section 7 contains terms which apply to all clients
  - h appendix 1 contains a list of defined terms used in the Terms and rules on interpretation
  - i appendix 2 contains information and risk warnings relevant to different types of investments, markets and investment techniques and is relevant to all clients. You should read this appendix carefully.

## 1.4 The services we provide to you

The services we provide to you are those services we agree to provide in accordance with the Client Agreement (or that you otherwise request from time to time).

## 1.5 The Agreement between us

- 1.5.1 The Agreement between us comprises:
- a the documents in the Contractual Pack, which includes these Terms and documentation referred to in these Terms
  - b the documents in the Agreement Pack (including the Client Agreement)
  - c where we have accepted your registration to use MyRathbones Service, the MyRathbones Terms & Conditions
  - d any terms that we provide you with if we agree to provide you with additional services.
- 1.5.2 Please ensure that you have both the Contractual Pack and the Agreement Pack and all documents listed in each. The definitions of Contractual Pack and Agreement Pack list the documents included in each pack (please note these may change in the future).

# 1 OUR AGREEMENT AND OUR SERVICES – continued

1.5.3 We need to obtain certain information about you (and in some circumstances persons related or connected to you) to accept you as a client, to provide you with services and to satisfy our legal and regulatory obligations. For example, detailed evidence of your identity and source of funds or wealth information to comply with anti-money laundering obligations. We may ask you to provide this information at any time before or after we provide you with services or gather this information by conducting electronic checks on you. We may also require that you provide evidence in support of the information you provide. We will not be able to accept you as a client, open any Account for you or provide you with any services, including receiving or crediting funds into an account for you, if you do not provide us with the information we ask for. We can also terminate this Agreement if you do not provide us with the information we ask for.

1.5.4 In addition to the reasons set out in term 1.5.3, we may, for any reason, decline to:

- a accept you or any person, as a client
- b provide any service to you or execute any transaction requested by you.

We will try to let you know if this is the case, unless we are not allowed to.

1.5.5 We will not provide you with separate key facts documentation about our services and their cost. All the information provided by such documentation can be found in the documents which make up our Agreement.

## 1.6 Your Investment Mandate

1.6.1 Your Adviser will be responsible for determining both the suitability of our discretionary investment management service generally, and for recommending a specific Investment Mandate for your Portfolio - our duty is then to manage your Portfolio in accordance with that mandate recommended by your Adviser.

1.6.2 You agree that either you or your Adviser will notify us of any changes to information you have provided to us. However, only your Adviser can instruct any change to the specific Investment Mandate(s) which applies to your Portfolio(s) as it is always the duty of your Adviser to ensure that the mandate(s) is suitable for you. You or your Adviser will also provide other information we reasonably request in order to comply with our obligations. It is very important that we have up to date, complete and accurate information about you as we shall rely on this information when providing our services to you.

1.6.3 If you fail to provide us with the information we need, despite our request to do so we may cease providing you with discretionary investment management services.

1.6.4 Where we have been unable to contact you or your Adviser or we or your Adviser have been unable to contact you, we may, in some circumstances:

- i reduce the Risk Level for your Portfolio
- ii take such other steps as we reasonably consider to be in your best interests which may include, amongst other things, re-investing your Portfolio in In-House Funds or converting your investments to cash.

1.6.5 We will give reasonable advance notice before we make any of the changes we are permitted to carry out pursuant to term 1.6.2 or 1.6.4, provided that if we have been unable to contact you, the changes as set out in the notice will still be effective.

1.6.6 Where we are providing discretionary investment management services, your specific Investment Mandate will not be considered breached as a result of any events or circumstances outside our control, including, but not limited to, changes in the price or value of assets in your Portfolio, or in a particular Fund, brought about solely through movements in the market. However in circumstances where, but for this term 1.6.6, your specific Investment Mandate would have been breached by such events or circumstances we will use our reasonable endeavours to address any such breach as soon as reasonably practicable.

## 1.7 MyRathbones

1.7.1 We offer the MyRathbones service which is an online facility available via a secure portal that enables you (and persons authorised by you) to access information in relation to your Portfolio and for you to send us messages and information regarding you and your Portfolio, and to receive messages from us.

1.7.2 The MyRathbones service is subject to additional terms and conditions, as updated from time to time, available at [www.rathbones.com](http://www.rathbones.com).

## 1.8 Responsible investment

1.8.1 We will provide our services consistent with our approach to responsible investment, including, where we have discretion, exercising voting rights and engaging with companies and taking other actions (which may include proposing resolutions).

1.8.2 We may, from time to time, conclude that certain sectors, activities or companies do not align with our approach to responsible investment and categorise such investments as excluded investments. This means that:

- a we will not buy more of such investments for you
- b where we have discretion, we may sell, some or all, of such investments in your Portfolio. We will decide the best time to do so.

1.8.3 We regularly review our approach to responsible investment, the response of companies to our engagement and any investments we have categorised as excluded investments.

1.8.4 Further information on our approach to responsible investment is available at [www.rathbones.com](http://www.rathbones.com).

# 1 OUR AGREEMENT AND OUR SERVICES – continued

## 1.9 Effective Date

The Effective Date of Agreement is the date we notify you that your Account is open and provide you with details of your Account number. We will not be responsible for managing your assets until we have control of them. There are risks when assets are withdrawn and transferred to us such as the risk of being out of the market. Further detail is set out in section 7, term 7.3.

## 1.10 Cancellation rights

- 1.10.1 You can cancel our Agreement at any time within 14 calendar days starting the day after the Effective Date. If you would like to cancel the Agreement please write to us before the end of the 14 calendar day cancellation period at the office which we have notified to you as dealing with your Portfolio or our registered office detailed in term 1.1.5.
- 1.10.2 If you cancel our Agreement, our Agreement will end and we will stop providing you with all services including the operation of all Funds and Accounts, and any ISA or JISA. You must notify us in writing if you do not wish any specific Fund (such as an ISA) to be cancelled, as you may lose benefits (including tax benefits) provided by such Funds which once lost cannot be restored.
- 1.10.3 We will normally sell the investments in your Fund if you ask us to cancel the Agreement and we shall not be responsible if you get back less than you invested. However, if you would like any investments within a Fund to be transferred rather than sold, at the same time as you provide us with your notice of cancellation, please also provide us with details in writing of the nominated agent to whom the assets of the Fund are to be transferred.
- 1.10.4 Cancellation will not stop the completion of transactions which started before you requested the cancellation. Cancellation will not affect any rights that are intended to continue beyond the end of this Agreement. This includes the right that we have to be paid by you.
- 1.10.5 You will not have to pay a fee for exercising your right to cancel. However, you:
- a must pay our fees and charges pro rata to the date of cancellation and any additional expenses incurred by us (or a third party) in cancelling this Agreement
  - b accept any losses necessarily incurred in settling or concluding outstanding transactions.
- 1.10.6 You may get back less than the amount you invested if the value of investments in your Portfolio falls between the Effective Date and the date we receive your cancellation notice. We will not be responsible for such losses.
- 1.10.7 If you cancel this Agreement, we will return any cash due to you, less any amount deducted in accordance with term 1.10.5, within 30 calendar days of receiving your cancellation notice.

- 1.10.8 Separate cancellation rights may apply with respect to an ISA, JISA or EIS, as set out in section 4.

## 1.11 Your status

- 1.11.1 We have categorised you as a retail client (unless we have informed you separately in writing that we are treating you as a professional client).
- 1.11.2 Where we have categorised you as a professional client you may request in writing to be categorised as a retail client. However, we do not have to agree to such a request and may decline to act for you. We may also, on our own initiative, re-categorise you as a retail client by giving notice in writing to you.

## 1.12 Professional clients

The following provisions of these Terms will not apply, or will apply in modified form, where we have categorised you as a professional client:

- 1.12.1 our obligations regarding our duty of best execution are modified to the extent permitted by the Regulatory Rules
- 1.12.2 suitability rules do not apply and we shall assume that you have the necessary experience and knowledge to understand the risks involved in relation to the service and where we provide advice, we shall also assume you are able financially to bear any related investment risks
- 1.12.3 should you wish to instruct an execution only transaction, we are required to assess the appropriateness of the investment for you and we shall assume that you have the necessary experience and knowledge to understand the risks involved in relation to the investment or service.

## 1.13 Types of Investments

- 1.13.1 When we provide you with discretionary investment management services, non-discretionary investment management services, and/or advisory services, we may buy, sell, recommend and/or hold the following investments for you:
- a money market instruments
  - b fixed income securities
  - c equity securities and equivalents
  - d small company shares
  - e units in collective investment schemes (regulated and unregulated), which may be units in In-House Funds
  - f structured investment products and structured deposits
  - g structured capital at risk products
  - h warrants
  - i derivatives
  - j commodities



# 1 OUR AGREEMENT AND OUR SERVICES – continued

- k exchange traded funds
- l illiquid investments
- m cash and near cash
- n all other securities/investments save as provided for in term 1.16.

- 1.13.2 The range of investments may be restricted for certain services as explained in the relevant section of the Terms.

Appendix 2 contains information on risks in respect of a range of different investments which we may select from or advise on and investment techniques we may use when creating or recommending your Portfolio.

## 1.14 Target market

The manufacturers of investments will typically set a target market ie the type of investors the investment is designed for. We may purchase investments on your behalf outside the target market of an investment if we decide that the investment meets your needs and objectives.

## 1.15 Legal Entity Identifier

If you are a legal entity or structure (e.g. a company, charity or trust), you must have a Legal Entity Identifier (LEI) and notify us of your LEI so we can execute transactions for you in respect of most types of investments. If you do not have an LEI where one is required, we will not be able to execute transactions for you and may suspend or cease providing services to you. Individuals are usually not required to have an LEI.

## 1.16 Limitations in respect of our services

- 1.16.1 You should note the following limitations regarding the scope of services we provide under this Agreement:
- a As stated at terms 1.1.4 and 1.6 above, your Adviser recommends to you a specific Investment Mandate which they have determined is suitable for you, and our duty to you under these Terms is limited to managing your Portfolio in accordance with that Investment Mandate that has been recommended and agreed with you by your Adviser
  - b we will not provide any services relating to direct investment in futures, options or contracts for differences involving margin
  - c we will not provide any facility for stop loss or stop market trading (in broad terms, a facility which requires an investment to be sold when it reaches a certain price or falls by a certain percentage and which is designed to limit an investor's loss on an investment position). We do not provide such a service in relation to individual investments, a Fund or your Portfolio as a whole
  - d we will not effect or arrange a transaction for you under which you may or will incur obligations as an underwriter or sub-underwriter in connection with any form of investment unless you and we agree

separately in writing in accordance with the Regulatory Rules

- e we will not sell investments on your behalf if we know that this will result in you having a short position. A short position arises where a person has contracted to sell investments which he does not currently own
- f we do not advise on pension products or life assurance policies under these Terms
- g in accordance with our Conflicts of Interest Policy, which forms part of your Agreement, we will not buy or hold Rathbones Group Plc shares in a discretionary Portfolio.

- 1.16.2 We do not solicit clients or potential clients or promote or advertise our services or activities in countries outside of the United Kingdom. Nothing in these Terms should be regarded as us offering or soliciting to conduct investment services or activities in any jurisdiction other than the United Kingdom.

- 1.16.3 We may from time to time ask you to provide certain information in relation to a specific transaction so that we can fulfil our obligations under the Money Laundering Rules. If you are unable to provide us with the required information we may be unable to provide our services to you.

- 1.16.4 Each section of these Terms of Business describes additional restrictions relevant to the specific services covered in each section.

- 1.16.5 In providing services to you under these Terms, we will not act as your general investment Adviser and our obligations under this Agreement are limited to managing your Portfolio in accordance with the specific Investment Mandate recommended and agreed with you by your Adviser. In particular, under these Terms we do not advise, and do not hold ourselves out as advising you generally on your financial affairs, pensions, taxation, offshore investments, or other matters which are not expressly agreed under these Terms.

## 1.17 Arrangements involving a third-party provider

- 1.17.1 We may be bound under a contractual agreement with a third-party provider where you are a beneficiary or policyholder of a Portfolio which is legally owned by a third-party provider (for example, your SIPP or an offshore insurance bond). Our contract with the third-party provider may prevail over this Agreement if it imposes additional terms. For example, the third-party provider or its agent(s) may:
- a instruct us to act without reference to you and/ or limit your rights under section 7, term 7.9 generally
  - b prevent us accepting monies or assets directly from you
  - c prevent instructions from you on payments or receipts to or from third parties under section 7, term 7.9.5, or to and from any parties other than the legal owner or their nominee

# 1 OUR AGREEMENT AND OUR SERVICES – continued

- d place restrictions on the investments permitted within the Portfolio which will take precedence over your instructions or direction.
- 1.17.2 If you are a beneficiary or policyholder of a Portfolio which is legally owned by a third-party provider:
  - a we will provide custody, dealing and settlement services under section 3 directly to your third-party provider
  - b we will provide banking services under section 5 directly to your third-party provider
  - c your eligibility for, and access to, compensation under the FSCS may be different to what is set out in section 7, term 7.30. Your third-party provider can provide you with details of the compensation arrangements (if any) that apply to their product.
- 1.17.3 Please contact us if you would like to receive further information regarding our Agreement with your third-party provider.

## 1.18 Introductions to non-UK firms

We may introduce you to firms (including members of the Rathbones Group) who carry on business outside of the UK. Our Website may include links and references to websites (including websites of the Rathbones Group) located outside of the UK. The protections afforded by the UK regulatory system, including the FSCS, will normally not apply to services carried out for you outside of the UK, including the purchase of non-UK funds. Such services or funds may be completely unregulated.

## 1.19 Non-exclusive relationship

We also provide our services to other clients. We may give different advice or take different actions for other clients to those we take for you, subject to our Best Execution Policy and Conflicts of Interest Policy, which forms part of this Agreement.

## 1.20 Appointing and retaining your Adviser

- 1.20.1 The services available under these Terms are only available if you appoint and retain a RoA approved Adviser.
- 1.20.2 If your relationship with your Adviser terminates for any reason you must notify us immediately. You must appoint a replacement RoA approved Adviser within 60 days of your original Adviser ceasing to act, and notify us accordingly.
- 1.20.3 If you do not wish to appoint a replacement RoA approved Adviser you can decide to, within 60 calendar days, enter into a new agreement with us so we can provide you direct discretionary investment management. As a direct discretionary investment management client of Rathbones your Investment Manager will be responsible for assessing the suitability of our discretionary investment management service for you, and of the specific Investment Mandate that applies to your Portfolio.
- 1.20.4 If you do not appoint a replacement RoA approved Adviser or enter into a new direct discretionary investment management agreement, we will terminate our Agreement in accordance with section 7, term 7.20.

## 1.21 Bare Trusts

- 1.21.1 Where you are acting as the trustee(s) of a bare trust, this term 1.21 will apply. You, in this context, means the person(s) acting as the trustee(s) of the bare trust and not the beneficiary.
- 1.21.2 We publish related guides called "What is a Bare Trust?" and "Bare Trust FAQs" which explain what a bare trust is and our role as discretionary investment manager of the assets of a bare trust. These documents are available on request. We do not provide trusts advice under these Terms and the FCA does not regulate trusts advice.
- 1.21.3 When the beneficiary of a bare trust reaches age 18 they are (subject to the terms of the underlying trust instrument(s)) legally entitled to the assets of the bare trust and may take control of them. As a result, many bare trust structures are terminated at that point.
- 1.21.4 If you wish the trust structure to continue after the beneficiary reaches age 18 and up until they reach age 25 (or an earlier age), and for us to continue to act as discretionary investment manager, we may agree to do so but you and we will need to agree this in writing, and this is subject to terms 1.21.5 and 1.21.6 below.
- 1.21.5 When the beneficiary reaches the age of 25 (or such earlier age as may be agreed in writing with you), in order for us to continue to provide discretionary investment management services either:
  - a the beneficiary must instruct us directly to act as their discretionary investment manager in their capacity as beneficial owner of the trust proceeds, or
  - b the beneficiary must instruct us to act as their discretionary investment manager but give authority to you as the former trustee(s) of the bare trust to continue to give instructions on their behalf.
- 1.21.6 If we do not receive instructions as set out in term 1.21.5 we may terminate the client relationship with you on thirty days' written notice and require the Portfolio to be transferred to another authorised investment firm. This ability to terminate the client relationship is in addition to our rights under term 7.20.

## 2 DISCRETIONARY INVESTMENT MANAGEMENT SERVICES

### 2.1 Description of the services

- 2.1.1 We shall provide the service of:
- a making decisions to invest the assets comprising the Portfolio in accordance with your Investment Mandate, as recommended and agreed with you by your Adviser
  - b ongoing monitoring of your Portfolio, with a view to achieving the Investment Objective. When providing our services we will take account of any parameters forming part of your Investment Mandate and our obligations regarding suitability of our decisions taken whilst managing your Portfolio, under the Regulatory Rules.
- 2.1.2 Subject to applicable law and these Terms, where we provide discretionary investment management services:
- a we have full discretion to buy and sell investments and other assets on your behalf, for your Portfolio, without prior reference to you
  - b we have full discretion to deal with Corporate Actions and Voting Rights in relation to assets in your Portfolio, as set out at term 2.4
  - c normally acting as your agent, we may enter into any kind of transaction on your behalf in respect of your Portfolio using a broker or agent if we choose (whether by way of purchase, sale, retention, exchange or other dealing, by the making of deposits or offers for sale, by the acceptance of placings, or otherwise) in respect of any investments and other assets and any markets.
- 2.1.3 In providing our discretionary investment management services, we are generally able to purchase investments for you across the whole of the relevant investment market, subject to these Terms and to the Regulatory Rules. We are not limited to, and are not incentivised to, purchase particular products or investments or use particular providers.
- 2.1.4 However, to meet the requirements of some Investment Mandates, we may deem it appropriate to invest wholly, predominantly, or partly in collective investment schemes or funds, which may involve investing solely in In-House Funds.

### 2.2 Your Investment Mandate

When providing our discretionary investment management services and managing your Portfolio, we will have regard to the Investment Mandate for that Portfolio, as recommended and agreed with you by your Adviser.

### 2.3 Fund consolidation

We may consolidate all your Funds within the same Portfolio for the purposes of asset allocation if we consider it appropriate. This enables us to make decisions across all your Funds within the same Portfolio in the best interests of your Portfolio as a whole.

### 2.4 Corporate Actions or voting rights

Subject to any standing written instructions you have provided to us, you authorise us (subject to our Conflicts of Interest Policy) to take such action (including no action) as we consider appropriate regarding Corporate Actions, voting rights or any other rights or actions (which may include the exercise of shareholder rights to require investee companies to take specific actions), in our own name or jointly with others, in respect of investments in your Portfolio if we think it is in your best interests to do so. We do not have to notify you of actions or decisions we take. You can ask us for a copy of our current Voting Policy and approach to responsible investment and stewardship.

### 2.5 Reports

- 2.5.1 We shall provide you and your Adviser with periodic reports in respect of your Portfolio every three months or more frequently upon request. Such reports will normally be provided within 30 days of the end of the period to which the report relates.
- 2.5.2 Each periodic report will include the information required by the Regulatory Rules and in particular a valuation of your Portfolio, details of transactions carried out in respect of your Portfolio, and a statement of monies held on any Account with us.
- 2.5.3 In accordance with our obligations in relation to suitability under the Regulatory Rules, we will provide regular reports of how your investments are consistent with the Investment Mandate recommended and agreed with you by your Adviser.
- 2.5.4 In relation to executed transactions we are not required to provide you with a notice confirming the execution of each order on a transaction-by-transaction basis, however:
- a where you specifically request to receive such information we shall promptly send you a confirmation notice in accordance with the Regulatory Rules
  - b we may at our discretion decide to send you information about executed transactions, on a transaction-by-transaction basis, together with such explanatory material as we think appropriate as an additional service. In such cases this information does not have to be sent within a particular timeframe.
- 2.5.5 You should check the contents of the periodic reports and confirmations we send you carefully and let us know as soon as possible of any inaccuracy.

### 2.6 Performance measurement

Periodic reports will include a measure of performance which can be compared against such indices or benchmarks as may be disclosed and/or agreed with you or your Adviser from time to time. Further information is available on request.

## 3 CUSTODY, DEALING AND SETTLEMENT SERVICES

This section applies where we provide you with custody, dealing and settlement services, which is the case for most clients.

### 3.1 Description

- 3.1.1 We will provide our custody, dealing and settlement services in accordance with the FCA Rules (including the FCA client assets sourcebook).
- 3.1.2 We will provide custody services for you in respect of your Portfolio at Fund level, unless otherwise agreed with you.
- 3.1.3 Our custody, dealing and settlement services comprise:
  - a safekeeping investments within your Fund
  - b arranging for the registration of your investments
  - c settling transactions in respect of your Fund
  - d collecting income in relation to your Fund
  - e carrying out of other administrative actions in relation to your Fund.
- 3.1.4 We will take appropriate steps, in accordance with the FCA Rules, to seek to protect your investments and have policies and procedures in place to prevent your assets from being used wrongfully, including close monitoring of transactions and prompt follow up if securities are not delivered on the settlement date and beyond. We will maintain records to show that the investments which we hold for you are held on your behalf.

### 3.2 How your investments are held and registered

- 3.2.1 Registration of your investments
  - a We will usually appoint a third party to hold your investments for you. We may also hold your investments and if we do, we will hold them in accordance with the Regulatory Rules.
  - b Investments in your Fund will normally be registered or otherwise recorded in the name of a nominee company that is controlled by us or a Rathbones Group company, a third-party custodian selected by us, or a recognised investment exchange. Investments may also be registered in your name.
  - c In some circumstances, legal title to your investments may be registered or recorded in the name of a third-party or in our name. This would be the case if the investment is subject to the law or market practice outside the UK and, because of this, legal title to your investment cannot be registered or recorded as described above.
  - d Where your investments are held or recorded in the same name as our assets, we will ensure that your investments are separately identified in our records from our own assets.
  - e Where you instruct us, and we agree to arrange for your investments to be held in the name of any person other than those specified in this term 3.2, we

do not accept any responsibility for the acts or omissions of that person and you do so entirely at your own risk.

### 3.2.2 Third party custodians

- a We may deposit your investments into an account or accounts opened with third party custodians appointed by us. We will conduct an appropriate risk assessment and exercise all due skill, care and diligence in the selection, appointment, and periodic review of custodians and in agreeing the terms on which investments and in agreeing the terms on which each custodian may appoint its own sub-custodian. However, we will not be responsible for any acts, omissions or default of any custodian we deposit your investments with except where such a default is caused by the negligence, fraud or wilful default of us or a Rathbones Group company.
- b Although we will try to ensure that adequate arrangements are made to safeguard your rights, particularly in insolvency, your investments may be at risk if the custodian defaults or becomes insolvent.
- c We may deposit your investments with a third-party custodian outside the UK which does not regulate the activity of holding and safekeeping of investments if this is required under local laws or because of the nature of the investments or the services connected with them.
- d Unless this is not possible because of local law, we will take reasonable steps to ensure that the third-party custodian records investments separately from any assets belonging to the third-party custodian or us.
- e We have appointed a global custodian to perform custody services, our global custodian may appoint sub-custodians. We may change our global custodian or appoint other delegates during the term of our Agreement.

### 3.2.3 Holding your investments with other clients' investments

- a Your investments may be held together with those of other clients in an omnibus account, which is an account that holds the investments for multiple investors. This is also sometimes referred to as pooling investments. We maintain internal records to identify your investments.
- b Holding investments in omnibus accounts has certain risks. For example:
  - i your entitlement to specific investments may not be identifiable by separate certificates, physical documents of title or equivalent electronic records
  - ii if we or a sub-custodian that holds your investments becomes insolvent or defaults, any shortfall may be shared pro rata among all clients whose investments are registered or held in the same name, and you may not receive your full entitlement

## 3 CUSTODY, DEALING AND SETTLEMENT SERVICES

### – continued

- iii your entitlement arising out of shares, income and Corporate Actions will be distributed, pro rata, in proportion to the amount you hold or as we see fit
  - iv it also means we will use investments from the pool of investments to settle transactions.
  - c You can ask us about holding your investments in an individually designated account if you do not want your investments to be held on a pooled basis. Additional terms and fees will apply. Please contact your Investment Manager for further information.
- 3.2.4 Please let us know if you would like us to provide you with an individual segregated Account for your investments. Additional Terms for this service will apply. Details of the additional fees for this service are set out in the Schedule of Charges. Please contact your Adviser for further information.

#### 3.3 Documents of title

- 3.3.1 We will hold all documents of title to investments held in your Fund in accordance with term 3.2, or we may appoint a third party to hold the documents for you. We will ensure that when evidence of title to your investments is in uncertificated form or otherwise transferable by book entry transfer, or where title passes by delivery, evidence of title will be maintained in such a way that your investments are separately identifiable from investments held in the same way for our accounts or for any member of the Rathbones Group.
- 3.3.2 We will ensure that any documents we hold for you in bearer form are kept separately from documents of title to our own assets in bearer form.

#### 3.4 Shortfalls in investments

An investment shortfall is where the investments held by us, or a third-party, on your behalf fall short of the amount we are obliged to hold for you. If we identify a shortfall and have not yet resolved it:

- 3.4.1 and we conclude that another person is responsible for the discrepancy or the discrepancy is due to a timing difference between the accounting system of that other person and us, we will take all reasonable steps to resolve the situation with the other person without undue delay, and may take appropriate steps as referred to below
- 3.4.2 and we are responsible for the shortfall or where we are investigating the matter and consider it appropriate to do so, we may take appropriate steps under the Regulatory Rules until we resolve the shortfall which may include:
- a appropriating a sufficient number of our own assets to cover the value of the shortfall and holding them under the Regulatory Rules in such a way that they will be available to the relevant clients in the event of our failure
  - b appropriating a sufficient amount of our own money to cover the value of the shortfall and holding it as client money under the FCA client money rules

- c a combination of (a) and (b) above which in aggregate is sufficient to cover the value of the shortfall.

#### 3.5 Best execution

- 3.5.1 We will take all sufficient steps to obtain the best possible result for you when we execute orders on your behalf or receive and transmit orders to other entities for your Fund taking relevant factors into account. This is known as "best execution". We have a Best Execution Policy to comply with our best execution obligations. We review our Best Execution Policy annually and whenever a material change occurs that affects our ability to continue to provide best execution. We will notify you of any material changes to our Best Execution Policy. We have provided you with a copy of our Best Execution Policy.
- 3.5.2 If we pass an order to another party for execution, that other party may execute the trade outside a Trading Venue.
- 3.5.3 We may not be able to take all sufficient steps to obtain the best possible result for you where you provide us with specific instructions in relation to the execution of an order, or part of an order (for example instructions as to execution venue, price, or timing).
- 3.5.4 We must assess the compatibility of financial instruments with your needs to ensure that financial instruments are delivered to you only when this is in your best interests. This means that we may be delayed in executing your order or we may decline to execute an order for you.
- 3.5.5 Certain transactions we execute may be subject to transaction reporting requirements. You must provide promptly us with all information we may reasonably request and take timely action as we may reasonably request, so we can fulfil any applicable transaction reporting requirements. We may be delayed in executing the transaction or we may not execute the transaction if you do not promptly provide the information we request. We may be required to report certain information about affected transactions to the FCA, which we may do via third parties.

#### 3.6 Carrying out client orders, combining orders and order allocation

- 3.6.1 We will carry out other comparable client orders sequentially and promptly, when we receive the order, irrespective of the client service level. However, this may not be possible if the characteristics of the order or prevailing market conditions make this impracticable or the interests of the client require otherwise. You can ask us for a copy of our policy on carrying out client orders.
- 3.6.2 We may trade transactions in respect of your Fund together with those of other clients and of our employees, and companies within the Rathbones Group and their employees, without asking you first. This is called "aggregation". Aggregation may work on some occasions to your advantage, and on other occasions to your disadvantage.

## 3 CUSTODY, DEALING AND SETTLEMENT SERVICES

### – continued

3.6.3 We will allocate any of your transactions we combined with others in accordance with our order allocation policy. Where we cannot fill the combined order, we will generally allocate the order to all participants proportionately, unless we consider that it is not in your interest to receive a reduced allocation or we are otherwise unable to do so.

#### 3.7 Limit orders

We may accept limit orders. Limit orders are instructions from you to buy or sell an investment at a specified price limit or better and for a specified size of up to one month's duration. If your limit order is in respect of shares admitted to trading on a Trading Venue, and your order is not immediately executed under prevailing market conditions, we will seek to require those executing an order to make the limit order public, unless you expressly instruct otherwise. We may not always make limit orders public.

#### 3.8 Securities depositories etc

We may use securities depositories, clearing and settlement houses and similar security systems in providing the services to you.

#### 3.9 Market and exchange rules and practice

3.9.1 We will carry out transactions in investments on your behalf in accordance with the rules and regulations of the relevant market or exchange. We can take any steps to comply with the rules, regulations and with market practice.

3.9.2 You allow us to carry out your instructions or transfer funds by any way we consider suitable, including banking channels, electronic or manual funds transfer systems, mail, courier, or telecommunications services and other methods. We can use the services of any institution, exchange, or correspondent bank in carrying out your instructions and we may pass their charges on to you without giving you prior notice.

3.9.3 You will be bound by the rules and regulations that govern the applicable exchanges, funds transfer systems, or institutions and must accept their normal charges. We are not responsible for the acts or omissions or any delay or suspension of the exchanges, funds transfer systems or institutions we use.

#### 3.10 Dealing and settlement

3.10.1 We will settle all transactions undertaken by us for you in accordance with applicable market practice as long as we hold or receive all necessary documents or assets. Delivery or payment by the other party to any such transaction will be at your risk and our obligation to account to you for any investment or the proceeds of sale of any investment will be conditional upon receipt by us of the relevant documents or sale proceeds (as applicable) from the other party. We will not charge you any settlement fines we receive if we accept your dealing instruction and it fails to settle.

3.10.2 We may conditionally debit the purchase costs from your Fund or credit the proceeds of sale from your Fund on the usual settlement (or subscription) days for the market concerned until we settle the transaction. This may result in a benefit or loss if we settle the transaction other than on the usual settlement days. You may make or lose money if we do not settle the transaction on a usual settlement date. This means that you cannot rely on any debit or credit until the transaction is settled.

3.10.3 If we encounter any difficulties or issues in settling a transaction for you we may cancel any debit or credit to you or correct errors made in any documents without giving you prior notice. However, we will try to let you know if this happens.

3.10.4 You agree to pay us back fully and be responsible for any debts, costs or losses that arise if you ask us to debit your Account against investments or funds which do not clear.

3.10.5 Where we can effect transactions or take steps to do this for you we may agree such reasonable terms as we think fit with the counterparty or other person involved (which may be a member of the Rathbones Group). For example, we may:

- a give representations and warranties on your behalf
- b execute agreements, confirmations, terms, master documentation and enter into other contractual arrangements binding on you
- c take any steps in accordance with market practice or custom as we see fit to effect or settle those transactions, and you will be bound by these.

#### 3.11 Delivery versus payment transactions

3.11.1 We may place or settle delivery versus payment (DvP) transactions as your agent. Delivery vs payment is a securities settlement process that requires that payment is made either before or at the same time as the delivery of securities.

3.11.2 You agree that where we settle transactions through commercial settlement systems for you:

- a where you instruct us to purchase assets on your behalf and we intend for the assets to be due to you within one day of you paying us, we will not treat the sums allocated for payment as client money under the FCA client money rules, unless the trade has not settled by the end of the third business day after you pay us. We will treat the assets we receive on your behalf in accordance with this section 3
- b where you instruct us to sell assets on your behalf and we intend that the proceeds from such sale(s) will be due to you within one business day of you delivering the assets to us, we will not treat the assets to be sold as client assets under the Regulatory Rules unless the trade has not settled by the end of the third business day after you deliver the assets to us. We will treat the monies we receive upon settlement in accordance with section 7, term 7.6.

## 3 CUSTODY, DEALING AND SETTLEMENT SERVICES

### – continued

#### 3.12 Collection of income

- 3.12.1 We will claim and receive dividends, interest payments and other entitlements in respect of investments within your Fund. You will normally receive dividends in cash.
- 3.12.2 We will credit such income to your Fund promptly (and in any event within ten Business Days) as follows:
- for dividends and distributions on UK investments, after we receive funds that are available to use
  - for dividends and distributions on non-UK investments, after we receive notification that the custodian has received the funds or, if later, after receipt of cleared funds following any necessary currency conversion (which shall be carried out promptly)
  - for all other income, after the date we receive funds that are available to use.
- 3.12.3 We may pay income net of local taxes (ie deducted tax at source), as long as we are acting in the best interests of our clients as a whole. If we do so, this will apply to you and all other clients regardless of your personal tax circumstances (unless we have agreed with you alternative arrangements). This is to manage costs and because we operate a pooled nominee.

#### 3.13 Corporate Actions and voting rights

- 3.13.1 How we exercise Corporate Actions or voting rights for investments in your Portfolio depends on the investment service we provide you with. Further information is contained in section 2.

#### 3.14 Annual reports etc

Please contact us in writing if you would like to receive a copy of the annual report and accounts, vote at meetings, exercise voting rights for investments in your Portfolio and/or receive other documents for any company, entity or fund in your Fund. We will try to facilitate any such request, subject to time constraints. We do not have to provide you with such documentation on an ongoing basis.

#### 3.15 Litigation

We do not have to participate in or process class action litigation claims or similar matters, but may participate if we see fit. If we do participate we will try to provide the input requested, subject to time constraints. If you are paid any money in settlement, we will deduct any associated costs that we have incurred in participating. We do not have to inform you about any litigation claims which come to our notice.

#### 3.16 Costs

The costs of the provision of our custody services are included in our general fees and charges for our services as provided for in section 7, terms 7.13 and 7.14.

#### 3.17 Foreign currency

- 3.17.1 We may carry out any foreign exchange transactions we deem necessary or reasonably incidental to carry out your instructions or protect our rights under this Agreement. You agree to assume all risks associated with foreign exchange and currency conversion. We may, for example:
- convert any of your assets or monies held in another currency to settle any of your debts due to us in one currency
  - convert money we receive that is in a different currency from the currency of the Fund into the currency of the Fund.
- 3.17.2 Where we carry out foreign exchange transactions we will act as Principal (i.e. we will be the buyer or the seller of foreign currency from or to you). We will use our Reference Exchange Rate to carry out foreign exchange transactions unless we have agreed a fixed rate with you for a particular transaction.

#### 3.18 Tax repayment

We will not ordinarily make or assist in making any tax repayment claims to which the Fund may be entitled.

#### 3.19 Fractional rights

- 3.19.1 Where your investments are held in a pooled account and affected by a Corporate Action, your entitlement will be allocated amongst several clients. Your fractional share of that pooled entitlement will be rounded down to the nearest whole number.
- 3.19.2 Subject to the Regulatory Rules, we will retain fractional entitlements or rights in respect of investments you have a right to receive where the aggregate credit which would result to you is less than £5 (or if applicable £5 in value of the relevant currency of the Fund).

#### 3.20 Liens and security interests

- 3.20.1 We, or a third-party custodian, may take a security interest, lien (a right of retention or sale), or a right of set-off over your investments. Subject to term 3.20.2, any such lien or right granted to us or a third-party custodian will only extend to properly incurred charges and liabilities arising from the provision of custody services in respect of your investments held in that account.
- 3.20.2 If your investments are held outside the UK your investments may be subject to a security interest, lien (a right of retention or sale) or a right of set-off. We may agree for your investments to be subject to such a security interest, lien or right of set-off if:
- the security interest, lien or right is required by applicable law in that area
  - we have taken reasonable steps to determine that holding your assets subject to a security interest, lien or right is in your best interests.

## 3 CUSTODY, DEALING AND SETTLEMENT SERVICES

### – continued

3.20.3 We cannot lend, pledge or use your investments for our own purposes or those of any other person, except as otherwise provided in this Agreement or agreed in writing.

#### 3.21 Unclaimed investments

3.21.1 You agree that we may sell any unclaimed investments (other than client money) in your Fund and pay the proceeds to a registered charity of our choice if:

- a we have held that investment for at least 12 years and you have not given us any instructions relating to the investment during the last 12 years
- b we have taken reasonable steps to trace you and return your investment to you
- c we comply with the applicable Regulatory Rules.

3.21.2 If you contact us after we have paid away the proceeds of sale from your investments, we will reimburse you with a sum equal to the value of the investments when we sold them.



## 4 ISAs, JUNIOR ISAs AND EISs

This section applies if we provide you with services:

- as ISA Manager, in connection with the management of your investments held within a Rathbones stocks and shares ISA or Rathbones stocks and shares junior ISA (JISA)
- in respect of a discretionary managed fund invested wholly or mainly in Enterprise Investment Scheme (EIS) shares.

### 4.1 Right to cancel

- 4.1.1 Where you open an ISA, JISA or EIS with us or transfer an ISA or JISA to us, you can cancel this within 14 calendar days from the date we receive your signed application form, or, if later, the date you receive the details of your cancellation rights.
- 4.1.2 Where you cancel an ISA or JISA, your cancelled subscription will not count as a subscription to an ISA or JISA for that tax year.
- 4.1.3 If you ask us to provide services to you before the cancellation period and later decide to cancel, your investments may fall in value and you may get back less than you put in.
- 4.1.4 If you would like to cancel your ISA, JISA or EIS please write to us, before the end of the 14 calendar day cancellation period, at the office which we have notified to you deals with your Portfolio or to our registered office detailed in section 1, term 1.1.5.
- 4.1.5 You can also terminate our Agreement in accordance with section 7, term 7.20.

### 4.2 Subscriptions to ISAs and JISAs

- 4.2.1 You can only make subscriptions to ISAs or JISAs if you are eligible and as permitted by the ISA Regulations, including any subscription limits set out in the ISA Regulations.
- 4.2.2 We will only accept applications to subscribe to ISAs or JISAs when we have received a signed and completed Client Agreement, any other information we notify you of and, if applicable, a form to make any additional permitted subscription.
- 4.2.3 If you would like to open an ISA or JISA, you must provide us with any of the following:
- a your instructions to transfer from an account any amount up to the subscription limit
  - b a cheque
  - c an electronic transfer of funds.

### 4.3 Flexible ISAs

- 4.3.1 We offer flexible ISAs. A flexible ISA is an ISA that you can take cash out of, and put cash back in (either altogether, or in part), in the same tax year, without this affecting your annual ISA limit for new subscriptions. We may use this flexibility to manage the investments within your ISA.
- 4.3.2 In some limited circumstances, due to HMRC's rules, cash taken out of an ISA cannot be put back in without

counting towards your annual subscription limit. If you would like more information on this, please let us know. We will accept replacement funds for any withdrawals made by non-UK residents within the same tax year.

- 4.3.3 We only offer flexibility for cash held in a stocks and shares ISA (including from the sale of investments). We do not offer flexibility for JISAs.

### 4.4 General provisions concerning ISAs and JISAs

- 4.4.1 In this section, where we refer to an ISA or JISA, this includes all subscriptions or transfers you make to such an ISA or JISA where we are the ISA Manager.
- 4.4.2 For an ISA, you will be the beneficial owner of the investments and cash held within your ISA. For a JISA, the child on whose behalf the JISA is held will be the beneficial owner of the underlying investments and cash held within the JISA.
- 4.4.3 You may not use an ISA or a JISA as security for a loan. We will not retain any lien or security interest over the ISA or JISA.
- 4.4.4 We can provide HMRC with all relevant information about the ISA or JISA and the investments within it.
- 4.4.5 We will make claims and conduct appeals in respect of ISA and JISA liabilities including reliefs from tax in respect of the ISA or JISA (as applicable).
- 4.4.6 We will let you know if the ISA or JISA has, or will become, void because of any failure to satisfy the ISA Regulations.
- 4.4.7 We will hold any cash held within your ISA or a JISA as Banker and not in accordance with the FCA client money rules unless we are required to. This means that, if we fail, the client money distribution and transfer rules will not apply to this sum and you will not be entitled to share in any distribution and transfer under the client money distribution rules.
- 4.4.8 Interest earned on cash balances held within an ISA or a JISA will remain within the ISA or JISA.
- 4.4.9 We will register your ISA or JISA investments in the name of our nominee company, in our name or in the name of a custodian appointed by us. See section 3, term 3.2 for further details.
- 4.4.10 Share certificates or other documents evidencing title to ISA or JISA investments will be held by us or as we may direct.
- 4.4.11 The following applies where securities arising from rights issues and takeovers are incorporated in your ISA or JISA:
- a if they are eligible investments under the ISA Regulations, we will take up or accept the issue or offer of investments within the ISA or JISA to the extent that funds are available within the ISA or JISA, and in respect of ISAs only will take up the remainder (if any) with monies (if available) in a Fund outside the ISA
  - b if they are not eligible investments under the ISA Regulations we may, in relation to ISAs and JISAs,

## 4 ISAs, JUNIOR ISAs AND EISs – continued

sell the investments within 30 calendar days and retain the proceeds within the ISA or JISA

- c in relation to ISAs only, alternatively, we may hold the investments as custodian outside the ISA.

4.4.12 If you ask us in writing, we will arrange for you to:

- a receive a copy of the annual reports, accounts and any other information issued to shareholders, securities holders or unit holders issued by each company or other entity directly held within your ISA or a JISA
- b attend shareholders', securities holders' or unit holders' meetings, to exercise voting rights in respect of investments in your ISA or JISA.

4.4.13 We may charge you for the arrangements we make under term 4.4.12 as set out in our Schedule of Charges.

### 4.5 Transferring your ISA or JISA to us

- 4.5.1 You can, if you are eligible, transfer an ISA or JISA that are held with another manager to us.
- 4.5.2 To transfer an ISA or JISA to us, you must send us an ISA transfer request or a JISA transfer request (as applicable).
- 4.5.3 We may decide not to accept particular investments and we can ask your previous ISA manager to sell those investments and transfer the cash to us. The value of assets may go up or down during the transfer.

### 4.6 Transferring your ISA to another manager

- 4.6.1 You can request to transfer all or part of your ISA. We will try to complete the transfer by your chosen date if you give us at least 30 days. We may need more time to transfer your ISA if your ISA holds units in an FCA regulated collective investment scheme (or the equivalent investment in another jurisdiction) and you request a transfer when the scheme has suspended trading.
- 4.6.2 You must ensure that all monies that are withdrawn from your ISA, and which you wish to have replaced, have been replaced before you request a transfer of your ISA.

### 4.7 Withdrawing your ISA

- 4.7.1 You can request to withdraw all or part of your ISA. We will try to complete the withdrawal by your chosen date if you give us at least 30 days. We may need more time to withdraw your ISA if your ISA holds units in an FCA regulated collective investment scheme (or the equivalent investment in another jurisdiction) and you request a withdrawal when the scheme has suspended trading.
- 4.7.2 If you withdraw funds from your ISA you may lose the ISA benefits for the withdrawn funds. If you intend to invest such funds in an ISA with another ISA manager, you should not request a withdrawal but should instead request an ISA transfer.

### 4.8 Termination of your ISA

- 4.8.1 We may terminate your ISA by giving you 30 calendar days' written notice as long as we offer you the ability to transfer the ISA to another approved ISA manager before the notice takes effect.
- 4.8.2 Where you or we close your ISA, you cannot replace any funds from previous years that have been withdrawn but not replaced in the current year unless we choose to re-open the ISA.

### 4.9 Termination of your ISA upon death

- 4.9.1 If you die, your ISA will become a "continuing account."
- 4.9.2 We will close the continuing account when we receive instructions from your executors to close it, when the administration of your estate is complete or on the third anniversary of your death (whichever comes first).
- 4.9.3 No subscriptions or transfers may be made into, or out of, your continuing account from the date of your death until the date of closure. However, we may continue to provide discretionary investment management services in relation to the investments held in the ISA (please refer to section 7, term 7.35 for further details). Funds held within the ISA continue to benefit from ISA tax advantages, and any interest, dividends, or gains attributable to a continuing account after the date of death until the date of closure are exempt from tax.
- 4.9.4 When your ISA terminates on death or if your continuing account terminates (as applicable) we will pay or transfer the cash and investments (less any applicable charges and expenses) to your personal representatives after we have received the grant of representation (please refer to section 7, term 7.35 for details). After we transfer the assets and cash from a continuing account, we will close the ISA.
- 4.9.5 We will produce a statement for the ISA or continuing account (as applicable) at the date of closure.
- 4.9.6 Upon your death, your ISA benefits may be passed on to your spouse or civil partner via an additional permitted subscription allowance either in cash or using non-cash assets (ie in specie). Your spouse or civil partner may, in addition to their own ISA allowance, be allowed to invest into their own ISA additional subscriptions to the higher value of the cash and investments held in:
  - a your ISA at the date of your death
  - b the continuing account upon the date of closure pursuant to term 4.9.1.
- 4.9.7 Additional permitted subscriptions:
  - a in cash must be made within three years of the date of death, or if later, within 180 days of the completion of the administration of the estate of the deceased ISA holder
  - b using non-cash assets (ie in specie) must be made within 180 days of the beneficial ownership of the assets transferring to the surviving spouse or civil partner.

## 4 ISAs, JUNIOR ISAs AND EISs – continued

### 4.10 Terms applicable to JISAs

#### 4.10.1 Opening a JISA:

- a you can open a JISA for a child who is under 18 and a UK resident and who satisfies any other eligibility requirements in the ISA Regulations
- b we normally only offer to open a JISA where the person opening the JISA is either:
  - i an existing client of ours with a Portfolio managed by us
  - ii a new client of ours who opens a Portfolio (whether in their own or joint names) which we will manage and wishes to open a JISA for a child at the same time
- c we do not normally accept applications to open JISAs from persons aged 16 or 17.

#### 4.10.2 Registered contact

- a The registered contact will be the person who completes and signs the JISA Client Agreement and can give instructions on managing the investments in the JISA. We will not accept instructions in relation to the management of the investments in the JISA from any person other than the registered contact. A JISA may only have one registered contact at any time
- b The registered contact must be a person with parental responsibility for the child until the child's 16th birthday. Another person with parental responsibility for the child may replace the then current registered contact at any time. To change the registered contact both the existing registered contact and the new registered contact must complete the relevant form and declaration provided by us. There are some exemptions to this, such as, where the existing registered contact has died
- c The child on whose behalf the JISA is held may opt to become the registered contact at any time on or after their 16th birthday by applying to us. If the child exercises this option, they may not later be replaced as registered contact by anyone else. If the child does not apply to us to become the registered contact, the person acting as the registered contact immediately before the child's 16th birthday will continue in this position.

#### 4.10.3 Investments and subscriptions:

- a the child's interest in any investment assets held in the JISA can only be sold via us
- b all subscriptions to JISAs are gifts to the child and are non-refundable
- c once the Fund has been opened, we may accept subscriptions to the JISA from any person and need not obtain your consent before doing so. We will invest any subscriptions to the JISA in accordance with the relevant Investment Mandate.

#### 4.10.4 Transferring the JISA to another manager:

- a you may request to transfer either the whole or a part of your JISA to another JISA manager approved under the ISA Regulations. We will try to complete the transfer by your chosen date if you give us at least 30 days
- b a child cannot have more than one JISA of each type at any one time. This means that if a JISA is transferred to a stocks and shares JISA with another provider the whole amount must be transferred. The JISA can be transferred entirely or in part to a new or existing cash JISA if, at the end of the transfer, the child does not have more than one JISA of each type.

#### 4.10.5 Withdrawals:

- a withdrawals cannot be made from the JISA until the child has reached the age of 18 except in the following cases:
  - i if the child becomes terminally ill before their 18th birthday, you can apply to HMRC to withdraw money from the JISA. We will allow you to withdraw money from the JISA if we receive confirmation from HMRC. We may terminate the JISA if you withdraw all the assets in the JISA
  - ii cash and investments may be withdrawn from a JISA:
    - aa by the registered contact when the JISA is closed
    - bb by us to meet our fees and expenses.

#### 4.10.6 Terminating the JISA:

- a we may terminate the JISA where:
  - i all the assets in the JISA are transferred to another provider under term 4.10.4
  - ii the child dies
  - iii the fees and expenses we charge on the JISA reduce the balance of the JISA to zero
  - iv upon the child's 18th birthday
  - v termination is permitted by the ISA Regulations.

#### 4.10.7 What happens when the child turns 18:

- a the child may apply to withdraw the total value of the JISA. If the child does not withdraw the value of the JISA on their 18th birthday, we will treat the JISA as an adult stocks and shares ISA from that date and the provisions in this section 4 on ISAs will apply instead of the JISA provisions
- b if we do not obtain the information we need from the child before their 18th birthday for an adult stocks and shares ISA, all cash and investments will remain in the ISA. We will manage the ISA on a temporary basis in accordance with the relevant Investment Mandate until we are provided with the relevant information

## 4 ISAs, JUNIOR ISAs AND EISs – continued

- c if we do not obtain the information we need, (including in order to undertake a suitability assessment) within a reasonable period of the child's 18th birthday, we may cease to provide our services (other than custody and execution-only services). No further Subscriptions will be permitted to the ISA until we receive the information we need.

### 4.11 Fees for ISAs and JISAs

- 4.11.1 Our Schedule of Charges contains details of our fees.
- 4.11.2 Our fees in respect of your ISA will normally be debited from the non-ISA part of your Portfolio. However, if you only hold an ISA as your Portfolio, or you do not have enough money to meet the fees, we will debit our fees from your ISA or from any other investment held by us, our nominees or agents on your behalf. If you do not have enough money in your Portfolio to pay our ISA fees, we will invoice you separately and you will be required to pay the fees within 30 calendar days of the date of invoice.
- 4.11.3 Where we debit our fees from your ISA, these monies cannot be replaced within your ISA without counting towards your annual Subscription limit.
- 4.11.4 We will debit our fees in respect of a JISA from such Account within your Portfolio as agreed between us.

## 5 BANKING SERVICES

This section applies where we provide you with banking services which is the case for most clients.

### 5.1 Introduction

- 5.1.1 We will provide you with limited banking services on your Accounts. Your Accounts are designed to be ancillary to your Portfolio and to service your Portfolio. You can use your Accounts to collect dividends, facilitate the settlement of security transactions and to hold cash within your Portfolio for investment. We do not provide you with many of the day-to-day services a high street retail bank providing a payment account would offer such as cheque books, bank cards or the ability to withdraw physical cash. Your Accounts are not payment accounts.
- 5.1.2 Money held in accounts is held by us as Banker and not as trustee.
- 5.1.3 Details of our charges for banking and account services are set out in our Schedule of Interest Rates. In addition, information on our charges are available on our website and from your Investment Manager, upon request.

### 5.2 Our banking services

- 5.2.1 The limited banking services we provide are:
- the accounts
  - services related to the accounts including, executing electronic payments from your Account subject to the limitations set out in this section 5
  - the receipt of electronic payments into your Accounts
  - the receipt of payments into your Account via cheques subject to the restrictions set out in this section 5.
- 5.2.2 We will not:
- accept physical cash deposits or allow physical cash withdrawals from your Accounts
  - provide cheque books
  - provide you with debit or credit cards
  - allow you to make mobile phone payments.
- 5.2.3 We may agree to make third party payments for you by cheque or electronically as set out in Terms 5.8.5 and 5.9.2(b). We may require you to provide us with five Business Days' notice to make a third party payment so we can ensure there is sufficient cash within your Portfolio to make the payment. We may also need to take other actions (such as sell investments) to make the payment, depending on the circumstances. We may need to discuss any changes to your Portfolio to make the payment.

### 5.3 Types of Account

- 5.3.1 We may support your Portfolio by using any of the following types of Account:
- Income Account  
This Account supports the collection of dividends and other income in respect of your Portfolio.

Depending on your requirements, we will pay the balance of this Account quarterly to you or your Capital Account for further investment. We do not pay interest on this Account.

#### b Capital Account

This Account facilitates the purchase and sale of investments in respect of your Portfolio and any payment or receipts you make to or from your Portfolio. This Account may become overdrawn if, for example, you request a payment before investments can be sold to fund it. We pay interest on this Account in accordance with term 5.6.

#### c Fixed Time Deposit Account

This is a deposit account with a fixed interest rate for a predetermined length of time of 28 days or longer. Please see term 5.8 below for provisions applicable specifically to Fixed Time Deposit Accounts.

### 5.4 Operation of the Accounts

- 5.4.1 We will credit your Accounts with:
- any funds received from or held on your behalf in respect of your Portfolio to Accounts held or maintained in your name. This includes dividends and interest due to you, after applicable tax is deducted
  - any funds received from selling investments in accordance with this Agreement.
- 5.4.2 We will debit your Accounts with:
- the fees and expenses as provided for in this Agreement and set out in our Schedule of Charges and/or Schedule of Interest Rates
  - interest on outstanding balances, in accordance with our Schedule of Interest Rates
  - any other payments owed by you in connection with the services we provide you under this Agreement, such as the cost of purchasing investments.
- 5.4.3 You will be responsible for paying any tax due, including any tax on your dividend and interest income. Your tax treatment depends upon your personal circumstances and may change.

### 5.5 Overdrafts

- 5.5.1 We may manage your Portfolio in such a way that your Accounts with us may become temporarily overdrawn. The overdraft will not normally be more than 10% of the total value of your Portfolio or such other value that we may agree with you. We will not normally grant you an overdraft without your prior approval and within limits agreed by us, except in the following situations:
- where we need a temporary overdraft to switch investments in the Portfolio
  - to allow us to pay cash to you before we have received the income or sales proceeds
  - to meet fees due to us
  - to facilitate applications for new issues of securities.

## 5 BANKING SERVICES – continued

5.5.2 We can ask you to repay the amount of any overdraft and accrued interest in full at any time.

5.5.3 You will have to pay interest on any overdraft in accordance with term 5.6.6. You may also have to pay other charges, as set out in our Schedule of Interest Rates.

### 5.6 Interest rates

5.6.1 We will pay interest on balances held in interest-bearing Accounts in accordance with our Schedule of Interest Rates, which is available on our Website and upon request.

5.6.2 We calculate interest on a tiered basis using a rate set by us for sterling and currency. The amount of interest we offer depends on how much uninvested cash you have in your Account.

5.6.3 We may make changes to interest rates, including interest rates on overdrafts and interest bands immediately and without notice where such changes are:

- a more favourable to you
- b based on changes to the Reference Interest Rate.

5.6.4 You can find the interest rates we offer on our Website, published in all our offices or in your periodic reports. You can also ask your Investment Manager for our interest rates.

5.6.5 We charge overdraft interest to your Accounts in accordance with our Schedule of Interest Rates.

5.6.6 Interest will accrue on the balance of interest-paying Accounts on a day-to-day basis and will normally be applied quarterly in arrears. Where your Account is overdrawn during a quarterly period any debit interest due from you (see term 5.4.2(b)) will be deducted from the credit interest due to you prior to application.

5.6.7 Interest will accrue on the basis that there are 365 days in a year on applicable sterling Accounts. In respect of any other currency, interest will usually accrue on the basis that there are 360 days in a year.

5.6.8 We may deduct tax from credit interest and other payments due to you where required by applicable law unless you have provided appropriate certificates to enable us to make payments gross. We will deduct tax on joint Accounts unless all joint holders have provided such certification.

5.6.9 Interest on Accounts held within ISAs or JISAs will be subject to the ISA Regulations.

### 5.7 Fixed Time Deposit Accounts

5.7.1 We may offer Fixed Time Deposit Accounts, in respect of fixed deposits for fixed periods as agreed between us. The following terms apply to Fixed Time Deposit Accounts:

- a we will not change the interest rate until the deposit matures. We normally pay interest on fixed time deposits at maturity, except where a fixed time

deposit lasts for more than 12 months when we will pay interest annually and on maturity

b you must provide us with instructions to renew or withdraw the money in your fixed time deposits no later than 10.30am on the maturity date. We will pay the deposit plus any interest into your Capital Account if you do not give us any instructions or if your instructions are late

c you cannot make withdrawals part way through the term of the deposit. If funds are required, we may allow you to break the deposit in accordance with 5.7.1(d)

d we may allow you to break a Fixed Time Deposit before its maturity under certain circumstances. If we do allow you to do so, we will charge you an amount equal to the difference in interest payable on the fixed time deposit and the interest payable on our Capital Accounts for the whole period of the fixed term.

### 5.8 Cheques

5.8.1 When a cheque is paid into your Account, we must collect the payment from the person who gave you the cheque. This process is known as the cheque clearing cycle.

5.8.2 We process all pounds sterling cheques from a bank in the UK as images. An imaged cheque is a scanned digital image of a paper cheque, which allows it to be processed electronically instead of by paper. The clearing cycle for cheques in pounds sterling from a UK bank will be as follows:

- a the day we receive a cheque is known as day one (provided this is before 1.00pm on a Business Day)
- b you can usually access funds in respect of the cheque and, in addition, you can be certain that the cheque has cleared (except in the case of deliberate fraud) one Business Day after day one (this is known as day two). Interest will begin to accrue from day two.

5.8.3 Cheques that are in a foreign currency will take longer to clear.

5.8.4 We will issue a cheque to you upon your verbal instruction. However, we may ask you to confirm a request for a cheque in writing if the cheque is above our applicable limits.

5.8.5 Subject to term 5.2.3, we will only accept your instructions to issue a payment to a third party recipient where the instructions themselves are in writing. We may need to obtain additional information from you such as verifying the recipient's details and confirming your instructions.

5.8.6 We will try to stop a cheque at your request where we have issued a cheque on your behalf.

5.8.7 Where a cheque is drawn on your Account, the amount will be debited immediately and will stop earning interest from that point.

5.8.8 Where we issue a cheque on your behalf, it will remain valid for six months from its date.

## 5 BANKING SERVICES – continued

### 5.9 Electronic payments

#### 5.9.1 Receiving money into your Account:

- a where electronic payments are received into your Account, funds will be available to you and, if the Account is an Account where interest is payable, be eligible for the calculation of interest on credit balances on the Business Day that such funds are received by us.

#### 5.9.2 paying money from your Account:

- a you must provide us with certain information so we can make an electronic payment for you, as set out below:
  - i for all payment requests, you must specify which Account you wish the payment to be debited from - if you do not specify an Account, we will make all payments from your Capital Account
  - ii to make a payment in sterling to another UK bank, you must give us the recipient's name, address and account number, bank sort code and reference where relevant (for example a building society roll number)
  - iii to make a payment to a bank within the EEA (in any currency we allow), you must give us the recipient's name, address and account number, the payee bank's name and address, International Bank Account Number (IBAN) and SWIFT Bank Identifier Code (BIC)
  - iv to make a payment to a bank outside the EEA (in any currency we allow), you must give us the recipient's name, address and account number/ International Bank Account Number (IBAN), the payee bank's name and address, and SWIFT Bank Identifier Code (BIC) and/or local routing code
- b we will assume that you have given us permission to make an electronic payment or series of electronic payment transactions where you have provided us with instructions in accordance with section 7, term 7.9 or if you have provided us with instructions to make a payment using the MyRathbones Service and subject to term 5.12. However:
  - i we will accept your verbal instruction to make a payment if:
    - aa the payment is from your Accounts to another related client's Account (eg husband and wife) if the payment is below any limit previously agreed in writing with us
    - bb the payment is to an account held by you with another bank, as long as you have previously notified us of the account in writing
  - ii you must provide us instructions in writing to make a payment to a third party or an account that you have not previously notified to us. We will only make the payment subject to term 5.2.3 and 5.12. We may also need to speak to you to verify your instructions

- c the following cut-off times are the latest times we process payment instructions:
  - i to make a payment to an international bank on a Business Day outside the UK, you must provide us with instructions by 11.00am
  - ii to make a non-sterling payment to a bank in the UK, you must provide us with instructions by 11.00am
  - iii to make a same day payment, you must provide us with instructions by 12 noon
  - iv to make a BACS payment, you must provide us with instructions by 2.00pm
- d if you give us instructions after these cut-off times or on a non-Business Day, we will treat your instruction as received on the next Business Day
- e subject to term 5.9.2 (f) below, the table below gives you information on when the recipient's financial institution will receive the payment if you send us instructions before the cut-off time:

Type of payment	When the recipient's financial institution will receive the payment
A same day payment in sterling to a UK financial institution	Same Business Day
A BACS payment in sterling to a UK financial institution	Three Business Days
A payment in sterling or euro to a UK or EEA financial institution	One Business Day if the instructions are not on paper. If you give us instructions by paper, two Business Days
A payment in a currency that is not sterling or euro to a UK or EEA financial institution	Four Business Days
Payments made to financial institutions outside the UK and EEA	This depends on the currency and the country you are sending the money to. You can contact us to ask us when the recipient will receive the payment
Payments between your Accounts with us	Immediately except where we use an external clearing system, in which case the execution times set out in the rows above would apply

## 5 BANKING SERVICES – continued

- f we may refuse to make a payment, or may delay a payment, where we have reasonable grounds to do so. For example:
  - i you have provided us with incorrect, insufficient or ambiguous details for a payment
  - ii you do not have sufficient funds in the Account
  - iii if we have concerns about a possible breach of the law
  - iv if we have concerns about security, unauthorised or fraudulent use of the Account or other legitimate concerns
  - v the payment is over any internal limits
  - vi the payment exceeds our risk appetite
- g pursuant to our internal controls, we reserve the right to refuse to execute a payment transaction to a bank or other account where the account details are not already held by us
- h we will normally tell you why we have refused to make a payment and what you need to do so we can make the payment, unless telling you would be unlawful
- i you generally cannot cancel a payment once we have received the instruction. However, you can ask us to cancel a payment you have asked us to make on a future date up until the end of the Business Day before the agreed date for payment. We will try to cancel your payment if we receive your request before the relevant cut-off time (see term 5.9.2(c)). However, we may not always be able to cancel the payment. If you want to cancel or amend a payment instruction you should notify us as soon as possible during office hours on a Business Day by telephoning your Investment Manager. You must include all details of the payment instruction provided with the instruction (as set out in term 5.9.2(a)) if you send us a request to cancel a payment.

### 5.10 Foreign currency

- 5.10.1 If we receive money that is different to the currency of your Account, we will use our Reference Exchange Rate to convert it at the time we receive it.
- 5.10.2 If you ask us to make a payment transaction in a currency different to the currency of your Account, we will act as principal in the foreign exchange transaction (ie we will be the buyer or the seller of foreign currency from or to you) and unless we have agreed a fixed or different rate with you for a particular transaction, the exchange rate we will use is our Reference Exchange Rate.
- 5.10.3 Where an instruction for a payment transaction involves a currency conversion to be carried out by another party, we will have no control over the exchange rate used.
- 5.10.4 We may make changes to exchange rates immediately and without notice where such changes are:

- a more favourable to you
- b based on changes to our Reference Exchange Rate.

### 5.11 Periodic reports

- 5.11.1 We will send you a three monthly periodic report (or at such other frequency agreed between us) in respect of your Account which will include a statement of transactions. Daily account statements are also available via our MyRathbones Service and your online statement will be updated at the end of each Business Day.
- 5.11.2 It is very important that you check each periodic report and inform us as soon as possible if it shows any transactions which are incorrect or unauthorised. Failure to tell us about incorrect or unauthorised transactions may mean that you will not be entitled to any redress. Please see term 5.13 for details about our liability for incorrect or unauthorised transactions.

### 5.12 Security

- 5.12.1 You must not disclose your Account details or security information to anyone. Please take care when storing or disposing of information about your Account. You should shred copies of documents which include your signature to avoid fraud, including faxes or photocopies of your signature.
- 5.12.2 If you think that someone has obtained any of your Account details or is using or attempting to use your security information or your signature, please let us know as soon as possible (in accordance with section 7, term 7.9). We will deal with such notification once received by us.
- 5.12.3 If you request us to request an outgoing electronic payment, we may apply certain security measures (for example via a call back check) before we accept your instruction.
- 5.12.4 From 31 October 2024, for some payments, we will ask the receiving bank to check that the payee's name matches the payment details you have given us. This is called "Confirmation of Payee". Where we apply Confirmation of Payee, the receiving bank should tell us whether the payee's name is a match, a close match, no match, or that a check was not possible. We will provide this information to you. You must then confirm that you wish to go ahead with the payment.

### 5.13 Liability for unauthorised transactions

- 5.13.1 You must notify us as soon as possible (in accordance with section 7, term 7.9) of any suspected unauthorised or incorrectly executed transactions. Other than transactions involving cheques or Fixed Time Deposits, you must notify us within 13 months of becoming aware of the unauthorised or incorrectly executed transaction. If you do not notify us within this time period you will not be entitled to redress.
- 5.13.2 You will be liable for all losses in respect of unauthorised transactions where you have acted fraudulently.



## 5 BANKING SERVICES – continued

- 5.13.3 If we are liable in respect of an unauthorised or incorrectly executed transaction we will refund the amount of the unauthorised payment to you in accordance with the Regulatory Rules and where applicable return the Account to the state it would have been in had the unauthorised transaction not taken place (for example, by refunding any charges or interest that you have paid as a result). If we have reasonable grounds to suspect that there has been fraud or you have been grossly negligent we may investigate the matter before effecting a refund. We will carry out any investigation as quickly as practicable in the circumstances.
- 5.13.4 If we claim you have acted fraudulently or failed with gross negligence to comply with these terms, we will, subject to our legal obligations, provide you with supporting evidence of this.

### 5.14 Cancellation

You can cancel your Accounts (except a Fixed Time Deposit Account). Details of how to exercise your cancellation rights are set out in section 1, term 1.10.

### 5.15 Set-Off

- 5.15.1 If you owe us money (such as fees for carrying out a transaction) and do not pay it on time, we may take this money from any Account you hold with us to reduce the amount you owe us. This is called our 'right of set-off'. We will inform you in writing at least 14 calendar days' notice before we use our right of set-off. We will only use this right where we consider it reasonable to do so and if the law allows us to.
- 5.15.2 If you owe us money in different currencies, we may convert the amount you owe us using a market rate of exchange which we reasonably select.
- 5.15.3 Where your Account is a joint Account, our right of set off allows us to take money in your Account to pay:
- a a debt owed to us by one or more of the Account holders
  - b a debt owed to us by one or more of the Account holders and someone else together.

### 5.16 Amendment

- 5.16.1 We will normally give you at least two months written notice in respect of changes we proposed to this section relating to our banking services unless we make a change to our interest or exchange rates, which we may make immediately without notice to you.
- 5.16.2 If we give you notice of changes and have not heard from you we will treat you as having accepted the changes. If you do not accept the changes you may also end the Agreement by notice before the changes come into effect.

### 5.17 Use of the MyRathbones Service for requesting payments

- 5.17.1 This term 5.17 applies when we have provided you with access to the MyRathbones Service. You can send requests to us via the MyRathbones Service requesting that we make electronic payments out of your Account and between your Accounts. However the MyRathbones Service does not allow you to initiate an automated payment transaction. Your Investment Manager will consider your request for a payment transaction received via the MyRathbones Service and deal with such request in accordance and subject to these Terms. Full online terms can be found when you log on to the MyRathbones Service.
- 5.17.2 If you or anyone else granted access to the MyRathbones Service becomes aware of, or suspects any unlawful or unauthorised use of, the MyRathbones Service, or suspects that someone knows their password or any other security information, please contact the Helpdesk as soon as possible on 0800 151 3355 during Business Days or by email at [onlinehelp@rathbones.com](mailto:onlinehelp@rathbones.com) at any time.

### 5.18 General

- 5.18.1 We will not provide banker's references to other parties without your written consent.
- 5.18.2 We will not open an Account for you unless you have provided us with appropriate information by which we can verify your identity. Full details of the documentation required are available from us.
- 5.18.3 Where your Account has been superseded because, for example, that type of account is no longer being actively promoted, we will inform you in appropriate cases.

### 5.19 Dormant Accounts

We may, if we participate in the UK Government's dormant accounts scheme, close an Account that has had no transactions for 15 years and we have lost contact with the Account holder despite making reasonable attempts to find them. We can transfer the balance to the UK's central reclaim fund. If the Account holder is subsequently identified and seeks repayment, we may reclaim this money back from the reclaim fund on the Account holder's behalf.

## 6 SPECIALIST TAX PORTFOLIO SERVICE (STPS)

### 6.1 Description of the services

- 6.1.1 Where we provide STPS Services these will involve the provision of our discretionary investment management services (see section 2 of these Terms), for clients who specifically wish to benefit from the use of personal tax reliefs available from time to time, such as capital gains tax deferral relief, inheritance tax relief and/or income tax relief and wish their Fund(s) to be managed accordingly.
- 6.1.2 There are different strategies available dependent upon your personal circumstances and priorities regarding tax relief.
- 6.1.3 Further details of the STPS Services are contained in the relevant STPS Services brochure which is available on request and must be obtained prior to applying for any of our STPS Services. Where we provide STPS Services to you, the investments that you take out as part of the STPS Services will be held in one or more separate Portfolios (the STPS Portfolio(s)).
- 6.1.4 These services are specialist in nature and are usually only available for certain types of investor subject to the recommendation of a RoA approved Adviser. Please note the risk factors set out in term 6.3 as well as those contained within Appendix 2.
- 6.1.5 For the avoidance of doubt, this section 6 applies to the STPS Services in addition to all other relevant sections of the Terms, including section 2 on discretionary investment management services and section 4 on EISs, where applicable.

### 6.2 Appointment of Adviser

- 6.2.1 We will only provide STPS services to you under these Terms where our STPS Services have been recommended to you by a RoA approved Adviser. You therefore, must seek and follow the advice of a RoA approved Adviser before applying for any STPS service.
- 6.2.2 We will only provide STPS Services to you, under these Terms, if you retain a RoA approved Adviser and follow their advice at all times whilst the STPS Services are being delivered by us to you
- 6.2.3 If your relationship with your RoA approved Adviser terminates for any reason you must notify us immediately. You must appoint a replacement RoA approved Adviser within 60 days of your original RoA approved Adviser ceasing to act, and notify us accordingly
- 6.2.4 If you do not notify us of a replacement RoA approved Adviser in accordance with term 6.2.3, we reserve the right to appoint and you hereby authorise us to appoint a RIM financial Adviser on your behalf, as your RoA approved Adviser. An additional Schedule of Charges will apply which will be provided to you in advance of any such appointment.
- 6.2.5 Before appointing a RIM financial Adviser as set out at term 6.2.4, we will use reasonable endeavours to contact you, explain the position and give you an opportunity to appoint your own RoA approved Adviser in accordance with term 6.2.3. As the STPS

Services involve very specialist types of investments with an inherently higher level of risk, RIM consider that it is in your best interests to have a RoA approved Adviser appointed at all times, which is why term 6.2.4 seeks your authority to appoint a RIM financial Adviser on your behalf.

### 6.3 Risk Factors

- 6.3.1 STPS Services are suitable only for well informed investors and should be regarded as higher risk and long-term in nature.
- 6.3.2 There are five principal risks to which investors are exposed through STPS. An investor in STPS must be comfortable with these risks, have the financial capacity to withstand these risks and be assessed as such by their Adviser.
  - a Investment
    - i The value of the shares held within your STPS Portfolio and income received from them will go down as well as up and investors may not receive back the amount they originally invested
    - ii the service invests in smaller company shares, possibly listed on the Alternative Investment Market (AIM) and/or unquoted companies. Such smaller companies generally have a higher risk profile than companies listed on fully quoted exchanges, meaning they can experience pronounced share price movements due to a number of factors including limited liquidity
    - iii it may be difficult to obtain reliable information about the value of smaller company shares or the extent of the risks to which they are exposed
    - iv an STPS Portfolio will not meet normal standards for Portfolio diversification in many cases as its asset allocation is solely designed for the purpose of securing tax relief
    - v the nature of smaller company investment means that opportunities to invest can be limited at certain times. There may therefore be times, principally early in an STPS Portfolio's investment programme, when investor Funds remain in cash until a suitable opportunity to invest arises.
  - b Liquidity
    - i The ability to buy and sell shares of smaller companies can be limited by the availability of buyers and sellers and investments in them may prove difficult, or sometimes impossible, to realise in a reasonable timescale or at an acceptable price
    - ii it is possible for a quoted company to de-list from AIM and become unquoted, which may prohibit the sale of shares in a reasonable timescale or at a reasonable price.
  - c Qualifying
    - i The underlying investee companies in an STPS Portfolio must meet certain criteria to qualify for tax reliefs. A company could lose its qualifying

## 6 SPECIALIST TAX PORTFOLIO SERVICE (STPS) – continued

status if, for example, it changes its business activities to those that don't qualify, and its shares would then have no tax advantage.

d Tax relief

- i The levels and types of reliefs from taxation may change or cease if the regulatory or statutory environment changes, possibly without notice
- ii the value of available tax reliefs may depend on the individual circumstances of the investor and other factors beyond our control.

e Holding period

- i The different investment strategies available under STPS have different minimum holding periods. Failure to meet these holding periods through share sales or the death of the investor may result in the underlying tax mitigation strategy not materialising or being available as originally anticipated
- ii inheritance tax relief accrues during the life of an investor, but its benefit is only realised upon death. In order to benefit from some reliefs available through the STPS Service, qualifying investments must be held until the death of the investor.

### 6.4 No advice

We do not provide advice in respect of the suitability for you of either the selection of our STPS Services or the type of investment strategy. Your Adviser will advise you on those issues and make appropriate recommendations - without such recommendations being made by your Adviser and communicated to us, we will not provide the STPS Services to you.

### 6.5 Qualifying conditions

- 6.5.1 In order for you to benefit from certain personal tax reliefs qualifying conditions will typically apply, for example as to the types of investment and the period for which they must be held.
- 6.5.2 We may also apply certain eligibility conditions to our Specialist Tax Portfolio Services, including for example minimum investment amounts.
- 6.5.3 Further information regarding qualifying conditions is available upon request. Your Adviser is responsible for ensuring that the STPS Services, and the specific Investment Mandate recommended for your STPS Portfolio, are suitable for you taking account of any relevant qualifying conditions.

## 7 GENERAL TERMS

### 7.1 Material interests and conflicts of interest

- 7.1.1 Your attention is drawn to the fact that when we provide our services, we, a member of the Rathbones Group or an Affiliate, may have an interest, relationship or arrangement that is material in relation to the investment, transaction or service concerned.
- 7.1.2 We take all appropriate steps to maintain effective internal arrangements to identify, and to prevent or manage, conflicts or potential conflicts of interest which may damage the interests of clients, as appropriate to the nature, scale and complexity of our business activities. We maintain a Conflicts of Interest Policy in relation to these arrangements, a copy of which is available on request.
- 7.1.3 We also maintain a Conflicts of Interest Register (which details individual conflicts) and Conflicts of Interest Log (which records high level conflict themes). Where we are not able to prevent or manage effectively any conflicts which arise we shall promptly disclose such conflicts to you. The Conflicts of Interest Register and Log will change periodically when our business activities vary. An annual review is also conducted to ensure such changes are captured.
- 7.1.4 Although not an exhaustive list, some of the measures for conflicts management cover the following areas:
- a any gifts or benefits offered or received by our employees, to or from, clients or financial services companies they deal with must adhere to internal reporting and pre-clearance policies, regulatory and legal requirements
  - b it is usual for employees to undertake deals in financial instruments on their own behalf. We recognise that this can create a conflict with the duties owed to our clients. Therefore all of our employees and connected parties are required to comply with our Personal Account Dealing policy which amongst other matters prohibits:
    - i dealing ahead of client orders
    - ii dealing in an investment where they know, or should know, that a written recommendation, or a piece of research or analysis, in respect of that investment or any related investment is due to be published
  - c we are structured so that we can operate independently with limited intervention from one of our Rathbones Group Affiliates. This structure is designed to limit the probability of group conflicts arising
  - d from time to time, we may want to market services to clients of another business within the Rathbones Group. In such instances we will disclose our relationship with the other relevant entity in the Rathbones Group to those clients and ensure the services are appropriate and suitable in line with our policies and procedures.
- 7.1.5 Except as required by the Regulatory Rules and subject to the rest of these Terms, neither we nor another

business within the Rathbones Group shall be liable to Account to you for any profit or other remuneration received from or by reason of such transactions or connected transactions or to disclose the same or the identity of any other party involved in such transaction nor will our fees be abated.

### 7.2 Risk warnings

- 7.2.1 We generally look to build Portfolios invested across a full range of asset classes; however, you should appreciate that there are risks involved in relation to any investment.
- 7.2.2 Set out below are some general risk warnings of which you should be aware:
- a the value of investments, and the income from them, may go down as well as up, and you may not get back the full amount of your investments
  - b levels of income may fluctuate
  - c past performance is not an indication of future performance
  - d where an investment is denominated in a currency other than your usual currency, changes in exchange rates may cause the value of your investment and/or income to go down or up
  - e the tax treatment applicable to investments depends on individual circumstances and may change over time
  - f investments in your Portfolio may become illiquid or unrealisable as a result of market activity or other circumstances beyond our control
  - g investing in investment funds which themselves primarily invest in other collective investment funds, can result in higher fees due to the layering of fees charged by each collective investment fund
  - h investment funds which are not regulated by the FCA may not be subject to equivalent levels of regulation and compensation schemes which apply to most FCA regulated investment funds.
- 7.2.3 In the provision of our services under this Agreement subject to the Client Agreement and the Investment Mandate, we may purchase on your behalf investments or deal in certain markets to which certain specific risks apply. It is important that you are aware of and understand the nature of these risks. Appendix 2 contains information on certain types of investment and investment techniques and the risks associated with the types of assets which may be purchased for you. Please read this Appendix carefully. If there is anything you do not understand or you have any questions please contact your Adviser in the first instance.

### 7.3 No investment management during transfer periods

- 7.3.1 You acknowledge that there will be times when it is neither appropriate nor possible to invest your money or assets in (or where applicable disinvest your money or assets from) the markets. This will be the case where:

## 7 GENERAL TERMS – continued

- a we are to act as plan manager (for example, in relation to a personal pension plan) and there is a period before that appointment is effective
- b cash and/or investments are being transferred to us to be managed and there is a period before that transfer is effective or we are in the process of investing money or assets for the first time in the market so that the Portfolio will be aligned with the Investment Mandate.

7.3.2 In the circumstances described in term 7.3.1 you acknowledge that there is a risk that the markets move against you during the period that your money or assets are not invested in, or disinvested from, the markets. We will not be liable for the consequences of market movements or events.

### 7.4 Income

- 7.4.1 Income in respect of investments may be reinvested, paid out or part reinvested and part paid out on a regular basis, as agreed between us.
- 7.4.2 Where you elect to receive monthly payments of income you acknowledge that we may in some cases estimate the likely income available in respect of your investments over the year and pay out a proportion of such estimated amount each month. In the event that the actual income available in respect of your investments is less than we have estimated, you may receive a repayment of capital as well as income in a monthly distribution.

### 7.5 Holding your money as Banker

- 7.5.1 In the provision of our services to you we will, from time to time, hold money in respect of your Portfolio on your behalf.
- 7.5.2 Where you are a beneficiary or policyholder in respect of a Portfolio which is legally owned by a third-party provider (for example, where we are appointed to provide services in respect of your SIPP or assets held under an insurance scheme) this term 7.5 will apply in respect of services provided directly to your third-party provider as legal owner of the Portfolio.
- 7.5.3 We are an authorised credit institution with permission to hold deposits. As a result save in the circumstances described in term 7.6 (or otherwise agreed in writing with you) money held by us for you will be held by us as Banker and not as trustee and as a result your money will not be held in accordance with the Client Money Rules. If we as a firm fail the client money distribution and transfer rules will not apply to these sums and so you will not be entitled to share in any distribution and transfer under the client money distribution rules.
- 7.5.4 Money received by us on your behalf will normally be transferred as soon as possible to an Account of yours, operated in accordance with the Terms set out in section 5, usually on the same day as receipt (if on a Business Day) or on the next Business Day.
- 7.5.5 We also operate pooled bank accounts holding your money as Banker in certain situations including:

- a for a limited period, on receipt of funds pending allocation or opening of an Account in your name
- b when you have applied for a placing or new issue and prior to the confirmation of the allocation
- c for a limited time only when we receive funds but your Account has recently been closed.

7.5.6 Money held by us as Banker is not client money. We shall not be liable to account to you for any profits or remuneration we receive in our capacity as Banker.

### 7.6 Limited circumstances when your money is held as client money

- 7.6.1 In the provision of investment services to you there are certain limited circumstances which may arise when we will cease to hold your money as Banker and will hold your money as trustee in accordance with the Client Money Rules. Where we hold money as client money, if we as a firm fail, the client money distribution and transfer rules will apply to money held in relation to the client money we hold. Client money will be held in a client account separate from our own money and separately from any money we hold for you as Banker.
- 7.6.2 Where you are a beneficiary or policyholder in respect of a Portfolio which is legally owned by a third-party provider (for example, where we are appointed to provide services in respect of your SIPP or assets held under an insurance scheme) this term 7.6 will apply in respect of services provided directly to your third-party provider as legal owner of the Portfolio.
- 7.6.3 The circumstances in which we may hold client money are as follows:
  - a where we have received funds from you and the funds have not been allocated to an Account within ten Business Days of receipt
  - b on the sale of a unit or units in a unit trust where we have received the proceeds on your behalf but the transaction has not yet been confirmed
  - c where we hold unclaimed funds on your behalf which have not been paid to your Account or an external bank account. For example, where you are no longer our client and we have not been able to pay you funds that we are still receiving for you (such as dividends)
  - d where we identify a discrepancy as a result of, or that reveals, a shortfall in assets, which we have not yet resolved. In such circumstances we may, appropriate a sufficient amount of our own money to cover the value of the shortfall and hold it as client money
  - e on the purchase of an asset where we have debited your Account for the purposes of settlement, but the transaction has not yet settled.
  - f where we have received funds relating to entitlements (e.g. dividends) that have not been allocated to an Account within ten business days of receipt.

## 7 GENERAL TERMS – continued

- 7.6.4 On receiving client money we will promptly place it into one or more client bank accounts with a regulated bank or credit institution as permitted by the Client Money Rules. We may use a member of the Rathbones Group to hold your money (subject to a limit of 20% of the total client money we hold). We do not pay interest on money held as client money.
- 7.6.5 We will use all due skill care and diligence on the selection, appointment and periodic review of the regulated bank(s) or credit institution(s), where your client money will be deposited and the arrangements for holding this money.
- 7.6.6 Client money accounts are established only with banking counterparties which we consider suitable for the purpose and who acknowledge that the funds are held by us as trustee and that the accounts are separate from and may not be combined with any other accounts of ours held by them.
- 7.6.7 We shall not be responsible for any credit institution or bank by whom or in which your money is held. Your money may be pooled with money belonging to other clients which means that you do not have a claim against a specific account; your claim is against the client money pool in general.
- 7.6.8 We may allow another person such as an exchange, clearing house, or an intermediate broker to hold or control your money for the purpose of a transaction for you through or with that person, or to meet your obligation to provide collateral for a transaction. In the event of failure or insolvency of such a third party, where your money is pooled with other clients, you may not receive the full entitlement and may share pro rata along with other clients whose money is held in this way.
- 7.6.9 In addition, we may:
- a hold your money at a bank, or credit institution outside the UK. The names of such banks or institutions are available on request
  - b transact business for you which involves your money being passed to an intermediate broker or settlement agent or OTC counterparty outside the UK.
- 7.6.10 The legal and regulatory regime applying to the overseas institution will be different from that of the UK and in the event of the institution's default, your money may be treated differently from the position which would apply if it were held in the UK. Where your money is held outside of the UK, your rights in the event of a default or insolvency of the third party holding your money may be different and may be reduced.
- 7.6.11 Should we lose contact with you and where we determine that there has been no movement on your client money cash balance for a period of at least six years (disregarding any payment or receipt of interest charges or similar items), we will act in accordance with our internal procedure for allocated but unclaimed client money, which:
- a requires us to take certain steps to trace you and return your money to you
  - b allows us, where you cannot be traced, to pay away any allocated but unclaimed client money balances, as permitted by the FCA Rules.
- 7.6.12 Where an unallocated client money balance in excess of £25 (in the case of a retail client) or £100 (in the case of other clients) is paid away, we (or a company in our group) will undertake to pay to you a sum equal to the balance paid away in the event of you seeking to claim the balance in future.
- 7.6.13 In the event of a Primary Pooling Event, you agree that we may opt to transfer some or all of your client money to another entity for safekeeping on your behalf as permitted by the Regulatory Rules. Please raise with your Adviser in the first instance if you have any questions about the treatment of your client money in the case of a Primary Pooling Event.

### 7.7 Re-denomination

We reserve the right to re-denominate the currency of your Portfolio into any currency, if required to do so by law or prevailing market practice.

### 7.8 Online Service

- 7.8.1 We will make the Online Service available to you on request subject to our discretion. In addition, where requested by you, we may make the Online Service available to a Connected Person(s) (including if applicable individuals employed by or associated with such Connected Person(s) as referred to in term 7.8.2). Unless otherwise specified, the Terms will refer to any person who has been given access to the Online Service as an Online User.
- 7.8.2 Where the Connected Person(s) is a firm such as a financial Adviser, intermediary or professional Adviser, the services provided by that Connected Person(s) may require individuals employed by or associated with the Connected Person(s) to have the ability to view your Portfolio(s) to provide you with those services. In such circumstances, the individuals employed by or associated with the relevant Connected Person(s) may be able to view your Portfolio.
- 7.8.3 Once an Online User has registered for the Online Service and this has been accepted by us, a user ID and password will be posted to the Online User at the address held by us.
- 7.8.4 When an Online User first logs on after receiving a password from us, the Online User will be asked to accept the Online Terms. Each Online User will be bound by the Online Terms in the use of the Online Service, so it is important to read them carefully before clicking on the 'Accept' button at the foot of the page. In the event of a conflict between the Online Terms and these Terms of Business, the Online Terms shall prevail in respect of any matter relating to the Online Service, unless expressly provided otherwise by us. In all other cases, the provisions of these Terms of Business shall prevail.

## 7 GENERAL TERMS – continued

7.8.5 Any changes to these Terms of Business will continue to be notified to you in the manner set out in these Terms of Business. Where there are any changes to the Online Terms, an Online User will be notified of this when the Online User logs on to the Online Service (a Notification). A Notification will state the Effective Date of the updated Online Terms and will include a link to those Terms. An Online User will be unable to continue to use the Online Service if, after receiving a Notification, the Online User does not accept the revised Online Terms.

### 7.9 Instructions and communications

7.9.1 You or your Adviser may give us instructions orally or in writing subject to the remaining provisions of this term 7.9, provided that where instructions are given orally we may require you or your Adviser to confirm such instructions in writing. Telephone instructions to mobile telephones of your Investment Manager or messages sent via their LinkedIn, Facebook or any other social networking Accounts will not be accepted or acted upon. You must call the office which deals with your Portfolio. We do not accept instructions given to us by SMS text message, social media or any other non-recorded means. See the definition of what methods of communication we regard as being “in writing”.

7.9.2 Under the “Reliance on Adviser” model, only your Adviser can give us instructions which relate to the suitability of our discretionary investment services for you, and the suitability of the specific Investment Mandate which applies to your Portfolio - we will not accept any such instructions from you.

7.9.3 Where you have agreed to receive communications from us by a specified method, or where you have chosen to communicate with us using those media/ technologies, we may decide, and shall be entitled, to send you periodic reports, any notices, information about Corporate Actions or any other required or requested information or communication, including updates to these Terms, using one or more of those method(s) and not by post.

7.9.4 If you have requested and been given access to the Online Service where any information or confirmation is required to be given ‘in writing’ in these Terms, we shall be entitled to provide such confirmation via the Online Service. Separate Terms will apply in relation to the Online Service and these Terms will be provided to you where you have been given access to the Online Service. You should refer to the Online Service Terms for the specific details relating to instructions and communications provided by the Online Service.

7.9.5 We may;

- a require your prior instructions (and not solely instructions from your Adviser)
- b seek your confirmation of instructions received from your Adviser

in order to make a payment or transfer to a third party or to an account that you have not previously notified to us except where:

- i we receive a request from a third party via an asset transfer platform to transfer assets in your Portfolio to a third party, we will effect the transfer where you have consented, either orally or in writing or
- ii such payments or transfers are made in the normal course of settling transactions or fall below agreed limits (please see section 3 for further details).

7.9.6 In respect of instructions received by telephone, we cannot accept any responsibility for any inconsistency between telephoned instructions, and any subsequent confirmation in writing and the latter shall always prevail.

7.9.7 You may give us instructions by secure email in accordance with procedures (including security procedures and the use of passwords) for giving such instructions which we may notify to you from time to time. You agree and acknowledge that:

- a urgent, time sensitive and confidential communications should not be sent by secure email
- b there are risks inherent in secure email communications, including the risk of unauthorised interception, mis-delivery, malfunction, viruses or delay (if, for example, the recipient at our office is not available)
- c secure email instructions (including instructions contained in any attachment) are deemed to have been received by us at the time they are accessed by us. You accept that there may be a delay in processing instructions received via secure email (including instructions contained in any attachment) after we have received them.

7.9.8 Although instructions may be given outside normal office hours (9.00am to 5.00pm on Business Days), instructions will only be deemed to be received by us during normal office hours on a Business Day and in relation to emails (including instructions contained in any attachment) when manually accessed by us during such time. For our banking services, cut-off times for receipt of instructions apply as set out in section 5.

7.9.9 Instructions received and accessed by us will be acknowledged by us acting upon them except in the circumstances described in term 7.9.11.

7.9.10 As long as we act reasonably, we may rely and act on any instructions by whatever means transmitted which appear or purport to be sent by you or a third party authorised by you, apart from in the circumstances described at term 7.11.

7.9.11 We reserve the right not to act on instructions received from you if:

- a to do so may involve us or you in a breach of legal, regulatory or contractual requirements, for example, where the service or product you request is not available for retail clients
- b we believe on reasonable grounds that to do so would be impracticable or against your interests, for example, where the result would be an illiquid holding

## 7 GENERAL TERMS – continued

- c we believe on reasonable grounds that the instructions are given fraudulently or in any other unauthorised manner
  - d to do so would run the risk of us suffering financial loss
  - e you are not the legal owner of the Portfolio.
- 7.9.12 In normal circumstances you should give instructions in writing via your Adviser.
- 7.9.13 Where you are a beneficiary or policyholder in respect of a Portfolio which is legally owned by a third-party provider (for example, where we are appointed to provide services in respect of your SIPP or assets held under an insurance scheme) the third-party provider may be able to instruct us without reference to you and your rights to instruct us under this term 7.9 may be limited. You should consult with your third-party provider for details.
- 7.10 Reliance on Adviser - Powers of Adviser under these Terms**
- 7.10.1 You agree that we may accept instructions from your Adviser in relation to the provision of information and operation of your Portfolio but we reserve the right to seek confirmation from you of any instructions received from your Adviser prior to acting on those instructions.
- 7.10.2 Where we seek your confirmation of your Adviser's instructions and this results in a delay in acting on those instructions, Rathbones will not be responsible for any loss suffered by you as a result of that delay, providing that Rathbones have acted reasonably and in good faith.
- 7.10.3 We will never accept instructions from your Adviser to change your bank Account details, make a payment from your Portfolio to a third party or any other instruction which involves a transfer out of value from your Portfolio, without first seeking your confirmation of that instruction.
- 7.11 Third party (other than your Adviser) authority and powers of attorney**
- 7.11.1 If you authorise us to accept the instructions of a third party by completing our delegated authority form (or as otherwise agreed between you and us), you agree that such third party is authorised to instruct us and to provide us with information on your behalf, which may include:
- a instructions to carry out transactions
  - b instructions to make payments from your Account(s) including third party payments in accordance with term 5.2.3.
- 7.11.2 A third party that is not acting under a power of attorney will not be authorised to make a change to the service you receive (for example, a change from discretionary investment management services to execution-only services), open a new Fund, nor agree to subscribe or resume Subscription to an ISA.
- 7.11.3 You will be responsible for any instructions and information provided by a person you have authorised to act on your behalf.
- 7.11.4 We will continue to accept instructions and information from an authorised third party until we receive written notice from you that they are no longer authorised to do so.
- 7.11.5 Where you have granted a third party a lasting or enduring power of attorney we are entitled to assume that you have capacity to act until notified to the contrary by the person(s) granted authority. We reserve the right not to act on instructions received from the person(s) granted authority under the lasting or enduring power of attorney unless we are satisfied, in our absolute discretion, that the lasting or enduring power of attorney allows for us to be instructed.
- 7.11.6 Subject to the terms 7.10 and 7.11, the same terms in term 7.9 apply to oral, written, faxed or emailed instructions received by us from a third party as they do to instructions received from you, and you must ensure that your authorised third party complies with these provisions.
- 7.11.7 For the avoidance of doubt, we may disclose Account balances and any other details about your Accounts to your appointed attorneys, and to the third parties authorised by you. If one or more of your appointed attorneys or authorised persons dies, loses their legal capacity or renounces the powers granted to them, we will assume the remaining attorneys or authorised persons continue to be authorised unless you tell us otherwise in writing.
- 7.11.8 We will write to you and as appropriate any third party (including any Connected Person) authorised by you, at the address(es) notified to us in writing. We may communicate to you and any authorised person (including any Connected Person) by post, fax, telephone, secure message or email, as appropriate. We may also provide information on our Website where we consider it appropriate to do so.
- 7.12 Reports**
- 7.12.1 We will supply you and your Adviser with regular periodic reports for our services as set out in the relevant section of these Terms. The periodic reports we provide may include a valuation of your Portfolio, details of transactions carried out in respect of your Portfolio, as well as a statement regarding each of your Accounts.
- 7.12.2 We will also provide an extended periodic report to you on an annual basis which will in addition include information relating to your Portfolio including aggregated information on any costs and charges incurred in respect of your Portfolio over the course of the previous calendar year.
- 7.12.3 In addition to our valuation and reporting obligations currently specified in the Terms, you may also request that we provide you with a report relating to the deposits, client money or investments which we hold for you at any time. Details of any fees are contained in our Schedule of Charges.



## 7 GENERAL TERMS – continued

- 7.12.4 You are responsible for checking the accuracy of any periodic reports and transaction confirmations we send you as well as their contents including valuations, and informing us as soon as possible if there appear to be any inaccuracies.
- 7.12.5 In respect of any valuations we prepare and which are included in our periodic reports, such valuations will be based on prices obtained from exchanges and other pricing services which we consider appropriate. We will of course use reasonable endeavours to verify the accuracy of such valuations, but otherwise we bear no responsibility for inaccurate valuations. We may at our discretion provide ad hoc valuations outside of the regular periodic reports. We bear no responsibility for the accuracy of ad hoc valuations.
- 7.12.6 Each year when required, we will send you a set of UK Taxation Papers. Whilst we take every effort to ensure the information provided is correct, the complexities of the tax treatment of certain income receipts and our reliance on information provided by the paying organisation means we cannot guarantee the accuracy of all aspects of the Taxation Papers.
- 7.12.7 Where you have more than one Fund, we may, where we consider it appropriate, consolidate these for reporting purposes unless you expressly instruct us in writing to do otherwise.
- 7.13 Fees, charges and expenses**
- 7.13.1 You agree to pay our fees and charges plus VAT (if applicable) for the services we agree to provide to you under this Agreement as provided in these Terms and set out in our Schedule of Charges and Schedule of Interest Rates applicable at the relevant time.
- 7.13.2 In accordance with the Regulatory Rules we will provide you with information relating to costs and charges before providing our services to you. Where this is not included in the Schedule of Charges and Schedule of Interest Rates, this will be provided separately and in good time before we provide the relevant service to you.
- 7.13.3 Any fees, costs and charges incurred in the course of our provision of services to you as set out in these Terms will be included in the periodic reports we send to you in respect of your Portfolio.
- 7.13.4 If we incur any fees, costs and charges which are not set out in our Schedule of Charges and Schedule of Interest Rates, we shall provide to you in good time, before carrying out the relevant transaction or providing the relevant service, information on any fees, costs and charges which will apply.
- 7.13.5 Where we provide you with information relating to fees, costs and charges before providing our services, where actual costs are not available, we may need to use reasonable estimates and assumptions in order to provide you with this information. While we take care to ensure our estimates are reasonable and review any assumptions used on an ongoing basis, fees, costs and charges incurred may vary from the information initially provided due to reasons beyond our control, such as changes in the market which are hard to predict.
- 7.13.6 Our fees are normally calculated in arrears and payable at the end of each quarter by reference to the value of your Portfolio at the end of each quarter (and in the event of termination the date of termination). Fees are not calculated and accrued on a daily basis. Pro rata fees and charges will be payable for any part of a quarter. The amount of fees payable will depend on fluctuations in the financial markets on which investments in your Portfolio are traded. Such fluctuations are outside our control. Where our fees are calculated as a percentage of your Portfolio, as the value of your Portfolio goes up or down, the amount payable to us will increase or decrease.
- 7.13.7 Subject to term 7.18, you agree to reimburse us for all the costs and expenses we incur in the carrying out of our services. The costs will include, but not be limited to:
- a any costs and expenses described in our Schedule of Charges and Schedule of Interest Rates
  - b transaction costs
  - c commissions, taxes and similar liabilities and costs
  - d other reasonable costs and expenses incurred by us in carrying out our services on your behalf.
- 7.13.8 You authorise us to deduct the costs, fees, charges and expenses due (plus VAT if applicable) in relation to the provision of our services under this Agreement and all related charges and expenses (plus VAT if applicable) from your Fund at the times and frequency which have been notified to you in the Schedule of Charges and in relation to ad hoc charges and expenses following notification to you.
- 7.13.9 You also authorise us to deduct from your Fund the amount of any tax, duty or other charge levied on your Fund by any tax authority or other governmental or regulatory authority (including any amount which you owe to any tax authority which we are required to pay to such authority on your behalf). See also term 7.14.4 regarding the deduction of your Adviser's charges from your Portfolio.
- 7.13.10 If there are insufficient funds in your Fund to pay our costs, fees, charges and expenses we will invoice you separately and payment will be required within 30 calendar days of the date of invoice.
- 7.13.11 Our fees and charges may be changed from time to time. We will let you have at least 30 calendar days' notice before we make any change (except in relation to changes to our fees and charges in respect of our banking services where we will give you at least two months' notice).
- 7.13.12 You should note that other taxes or costs may arise which are not paid via us or imposed by us.
- 7.13.13 Our fees are currently chargeable to VAT and in accordance with this term 7.13 you agree to pay our fees plus the applicable VAT (and any VAT payable in respect of other charges and expenses due to us). In the event that HMRC determines that our fees are no longer

## 7 GENERAL TERMS – continued

chargeable to VAT and are VAT exempt we will cease to charge VAT on our fees from the date at which such determination applies. Following an HMRC determination that our fees are VAT exempt, if in our reasonable opinion it appears that VAT has been paid to HMRC in error we will seek to make a recovery from HMRC. You agree to provide us with such assistance as we may reasonably request in order to make such a claim. To the extent that we recover money from HMRC in respect of VAT paid in error by you we will pay this money to you. For the avoidance of doubt we shall not be required to reimburse you any amount in excess of any amount which has been credited to us by HMRC.

### 7.14 Third party benefits

- 7.14.1 In the course of providing our services to you we may receive and retain from other persons minor non-monetary benefits in accordance with the Regulatory Rules, for example, participation in conferences, seminars and other training events and hospitality of a reasonable de minimis value such as food and drink at such events.
- 7.14.2 When you invest in a unit or share in a collective investment scheme such as a unit trust there are charges which apply to the fund, including the annual management fee which the fund manager will charge for managing the fund. These fees are usually not visible to you as they are deducted from the fund itself and can vary significantly. We have always sought to use our buying power for the best interests of our clients and wherever possible we try to source the cheapest unit/share classes available for you. We do not receive any commission paid by fund managers to us.
- 7.14.3 If it is possible for us to negotiate the conversion to a cheaper unit or share class we will automatically convert your existing units/shares into these new cheaper unit/share classes. This will be shown in the non-market transaction page of your periodic valuation. You will not bear any fees or charges in respect of these conversions and they do not alter any of the charging arrangements which you have previously agreed with us. We are however required to inform all clients who use our nominee and custody services that you have the opportunity to opt out of our policy of automatically switching clients to cheaper unit/share classes where available. If you would like to opt out of switching to these cheaper unit/share classes or if you have any concerns or questions about this policy please contact your Adviser in the first instance.
- 7.14.4 Where you have been introduced to us by an Adviser any fees or charges payable by you to the Adviser will be agreed between you and the Adviser. If you wish such Adviser's fees (plus VAT as applicable) to be deducted from your Portfolio you agree to notify us of the Adviser's fees, and authorise us to arrange for payment of such fees (plus VAT as applicable) from your Portfolio. In the event that the Adviser transfers its business to a third party, on receipt of a copy of the duly executed transfer Agreement you authorise us to continue to make such payments but to the third party rather than the original Adviser.

- 7.14.5 We may stop or reduce the payment of all or part of an adviser agreed remuneration if:
- we no longer have a business relationship with your Adviser
  - we become aware that your relationship with your Adviser has ceased
  - we reasonably believe that the payment of the adviser agreed remuneration would be in breach of any relevant laws or regulations
  - we reasonably believe that your Adviser was not appropriately authorised by the Financial Conduct Authority or exempt from authorisation under the Financial Services and Markets Act 2000 or any replacement regulator at the time of providing you with advice or services in relation to your individual fund
  - your Adviser ceases to trade
  - upon notification of your death.

### 7.15 Research

We may receive research material or services in return for direct payments made by us out of our own resources in accordance with the Regulatory Rules.

### 7.16 Your undertakings

- 7.16.1 You agree to accept and be bound by the terms of this Agreement, including these Terms and undertake that you, and any person authorised by you, has full power and authority to enter into and instruct us, on the terms of this Agreement.
- 7.16.2 In relation to information, you undertake:
- that any information you have provided to us and (where relevant) any competent authority is complete and accurate
  - to notify us and (where relevant) any competent authority promptly if there is any material change to the information provided by you (including, but not limited to, notifying us if your country of residence or nationality changes, for example if you marry a citizen of another country and thereby acquire dual nationality)
  - to provide us with all information, documentation or copy documentation that we may require to allow us to carry out our Portfolio opening procedures
  - to provide us with any additional information as we may reasonably request from time to time to enable us to comply with our legal, regulatory and contractual obligations in connection with or relating to this Agreement, or such further information as may be properly required by any competent authority, in each case promptly following such request.

## 7 GENERAL TERMS – continued

- 7.16.3 It is your Adviser's responsibility to inform us if any change in your circumstances requires a change to the specific Investment Mandate that your Adviser has recommended and agreed with you, and in accordance with which we are managing your Portfolio. You undertake to ensure that your Adviser informs us promptly of any changes to your Investment Mandate.
- 7.16.4 In relation to investments, you undertake that:
- a unless you are acting as trustee or agent, you are acting as principal and for your own account at all times and that the investments and cash within your Portfolio are within your beneficial ownership
  - b except for security interests provided for in this Agreement, the investments and cash within your Portfolio are and will remain free from all liens, charges and other security interests unless we expressly agree otherwise
  - c while the Agreement continues you will not, either directly or indirectly, cause us to incur any liability to any third party which is not anticipated by the express provisions of these Terms
  - d while the Agreement continues you will not, except through us, deal, or authorise anyone else to deal, in the investments in your Fund.
- 7.16.5 You undertake to sign and/or produce, by the time we ask you, any documents we need to enable us to carry out our duties under this Agreement including, but not limited to, documentation relating to evidence of nationality or place of residence.
- 7.16.6 You acknowledge that a failure by you or your Adviser to provide information requested by us may adversely affect our ability to provide our services under this Agreement, and in some circumstances mean that we are unable to provide our services.
- 7.17.5 We do not accept responsibility for losses you suffer as a result of our (or our agents, nominees, custodians or others appointed by us) failing to comply with this Agreement as a result of circumstances outside our or their reasonable control. These circumstances would include, but not be limited to: acts or regulations of any government, regulatory or supranational bodies or authorities including any curfew or lockdown; currency restrictions, devaluations or restructuring; the interruption, breakdown, failure, suspension or malfunction of any communications or computer service; the failure of any exchange, clearing house, market maker, dealer, broker or counterparty to perform its obligations; or acts of God, war, revolution, civil disorder, terrorist attack, strikes or industrial disputes.
- 7.17.6 In the event that we receive, are notified of or become aware of any Insolvency Situation we shall be entitled to suspend or delay the performance of any of our obligations under this Agreement. We shall not be liable for any losses you may suffer as a result.
- 7.17.7 Where we are required to comply with the terms of an applicable court order in respect of your Fund, or any of your Accounts, you agree that we shall not be liable for any losses you may suffer as a result.
- 7.17.8 Nothing in the Agreement is intended to have, or has, the effect of excluding or restricting our duties or liabilities to you under the Financial Services and Markets Act 2000 or the regulatory system.
- 7.17.9 We will do our best not to prejudice any tax status of yours based on the tax considerations which you have notified to us in writing. However, you or your other professional advisers must remain responsible for the management of your own tax affairs.
- 7.17.10 We will normally act as your agent and you will therefore be bound by the actions we take on your behalf in accordance with this Agreement. Nevertheless nothing in this Agreement, none of the services we are to provide nor any other matter shall give rise to any fiduciary or equitable duties which would prevent or hinder us or any company within the Rathbones Group or Affiliate from performing our services or entering into transactions with or for you.

### 7.17 The extent of our responsibility for our actions and the actions of others

- 7.17.1 We will carry out our duties with reasonable skill, care and diligence and in accordance with the instructions and authority you have given us or which are given to us by your Adviser on your behalf. As long as we do this we do not accept any liability for loss (or the loss of an opportunity to gain) which arises from the provision of services to you.
- 7.17.2 We do not accept liability for any losses or the loss of opportunities to gain arising from an incorrect or unsuitable Investment Mandate recommended to you and instructed to us by your Adviser.
- 7.17.3 We accept responsibility for the acts or omissions in respect of this Agreement of any nominee company controlled by us or a Rathbones Group company.
- 7.17.4 We will exercise reasonable skill, care and diligence in our selection and use of nominees, custodians or agents. As long as we do this (and as long as the losses do not arise directly from our fraud, negligence or wilful default) we are not responsible for loss arising from the default of a nominee, a custodian or agent whether the loss arises from loss of funds, investments, title documents or otherwise.

### 7.18 Your responsibilities

- 7.18.1 You agree to be responsible for any reasonably foreseeable loss or liability we incur as a result of our providing any services under or in connection with this Agreement. However, you will not be responsible for any loss or liability:
- a which arises out of our own fraud, negligence or breach of this Agreement
  - b which is unreasonably or improperly incurred
  - c where a regulatory body or court of law subsequently finds our actions or omissions to be the cause of that loss or liability.

## 7 GENERAL TERMS – continued

- 7.18.2 Without limiting the extent of term 7.18.1, provided that we have used reasonable endeavours to establish whether such instruction was in fact given or authorised by you, you agree to be responsible for any loss or liability we incur as a result of us acting on any instruction purporting to be given by you in accordance with term 7.9 (including instructions contained in any attachment), whether or not such instruction was in fact given by or authorised by you.
- 7.18.3 Term 7.18.2 shall not apply to any service provided to you falling within the scope of the PSRs.

### 7.19 Your Adviser's responsibilities

- 7.19.1 It is your Adviser's responsibility to ensure that they obtain from you and understand all the information necessary to recommend and agree your Investment Mandate that will apply to your Portfolio, to include:
- a gathering sufficient relevant Know Your Client (KYC) information on you including information for anti-money laundering and counter-terrorist financing purposes
  - b ascertaining your Investment Objectives including any Rathbones permitted Portfolio restrictions
  - c assessing your attitude to risk, your capacity for loss and any vulnerabilities
  - d determining the suitability of our discretionary investment management service for you and completing a suitability assessment to determine your investment needs and risk profile
  - e mapping your assessed risk profile to our Risk Levels and investment strategies as set out in Rathbones' "Our Investment Strategies" document, in order to determine your Investment Mandate that will apply to your Portfolio
  - f making recommendations to you on any appropriate product wrapper, for example an ISA or SIPP.
- 7.19.2 At inception, and on an ongoing basis, your Adviser will be responsible for ensuring the information referred to in term 7.19.1 is maintained and the information relied upon is up to date.
- 7.19.3 Your Adviser is responsible for completing periodically a re-assessment of suitability of your Investment Mandate to you.
- 7.19.4 Your Adviser is responsible for informing us on at least an annual basis when the suitability assessment has occurred and in a timely manner advise us of any changes to your Investment Mandate, level and frequency of income, capital withdrawals required, capital additions anticipated and any other matters relevant to the ongoing management of your Portfolio.

### 7.20 Ending the Agreement or the provision of a particular service

- 7.20.1 Our Agreement has no minimum duration, but may be amended or replaced by subsequent versions from time to time. You may end the Agreement by giving us written notice at any time. The Agreement will end when we receive your notice in writing. Please bear in mind that if you give us notice to end the Agreement with immediate effect, and ask us to sell your investments, this could result in losses (for example, you realising less than the original purchase cost) and tax consequences which are your responsibility.
- 7.20.2 We may end the Agreement, or the provision of a particular service, by giving you 30 calendar days' written notice at any time, save that in respect of our banking services we are required to give you not less than 90 days prior written notice.
- 7.20.3 We may also end the Agreement, or suspend the services being provided to you, with immediate effect by written notice if:
- a you fail to respond to any demand for payment
  - b you act fraudulently
  - c you breach any of the terms of the Agreement and do not remedy such breach within a reasonable time after receipt of written notice from us
  - d without prejudice to this term 7.20.3 you or your Adviser do not provide, when requested by us, information which we may reasonably require in order to continue the provision of services to you or any information that we may reasonably require under this Agreement or in order to satisfy our obligations including under international tax compliance laws (as further specified in term 7.24.4)
  - e if we reasonably believe that you are, or are likely to be, unable to pay your debts when they become due (within the meaning of sections 123 or 268 of the Insolvency Act 1986), or any step, application or proceeding has been taken by you or against you in respect of your bankruptcy or individual voluntary arrangement
  - f we need to do so for regulatory or operational reasons, including where we are required to do so by law (including where we receive a notice from any governmental or tax authority requiring us to freeze all or part of your Portfolio), or where we suspect fraud, money laundering or other crime
  - g we reasonably believe that maintaining all or part of your Portfolio might expose us (or an Associate) to action or censure from any government, regulator or law enforcement agency
  - h we reasonably believe that maintaining all or part of your Portfolio might damage our reputation
  - i we are instructed to do so by a third party provider under our contract with that third party provider where all or part of your Portfolio is legally owned by a third party provider (as described in term 1.17).

## 7 GENERAL TERMS – continued

- 7.20.4 When the Agreement ends, transactions already initiated (including in-flight transactions) to which we or our agents are committed will be completed.
- 7.20.5 For the purposes of this term 7.20 written notice in relation to account closure includes email and secure message communications from you to us, however, such notice may not take effect until we have confirmed such notice with you either face to face, by telephone, or in writing with an original signature as we may require.

### 7.21 Consequences of ending the Agreement

- 7.21.1 When the Agreement ends we may charge you for:
- periodic fees, charges and expenses which have accrued and are due
  - any additional expenses we or our agents necessarily incur on termination of the Agreement
  - any losses necessarily realised by us in settling or concluding outstanding obligations; but we will not ask you for any additional payment.
- 7.21.2 When the Agreement ends we will account to you promptly for investments in your Fund and ask nominees and custodians holding your investments to do the same. Term 1.20 provides further detail of what happens when you no longer have an Adviser and so can no longer receive services from us under the "Reliance on Adviser" model.
- 7.21.3 The Agreement shall, even after termination, continue to govern any legal rights or obligations which have already arisen or which relate to our services under the Agreement or which arise in consequence of termination. In particular, the ending of this Agreement will not affect accrued rights, indemnities, existing commitments (including in-flight transactions) or any contractual provision intended to survive termination (including without limitation the provisions in terms 7.17, 7.18 and 7.19).
- 7.21.4 If, when this Agreement ends, we have, in accordance with your instructions, debited an amount from your Account to pay the fees of your Adviser in accordance with term 7.14.4, but that amount has not yet been paid over to your Adviser, we will proceed to make that payment to your Adviser after the Agreement has ended. We will not, however, apply any further debits in respect of Adviser fees to your Account after the Agreement has ended.

### 7.22 Default remedies

- 7.22.1 We shall retain a lien and security interest over any assets within your Portfolio to the extent that any charges, costs, losses or claims for which you are liable to us remain unpaid. You also agree subject to section 3, term 3.20 that assets within a Fund within your Portfolio may be subject to a lien in favour of any custodian, nominee or agent appointed by us in respect of properly incurred charges and liabilities relating to the administration and safekeeping of such assets or facilitating the settlement of trades of any depository or settlement system.

- 7.22.2 We will notify you of any disposal of investments of yours pursuant to rights under a lien or security interest. Such disposal will occur if you fail to make payments to us when due. The lien or security interest will apply in respect of each asset or type of asset or class of asset held within your Fund, or the cash within your Account, from time to time to the extent of your indebtedness to us.
- 7.22.3 If you fail to pay any sum due to us under this Agreement when due we may charge you interest at a rate determined by reference to the base rate of the Bank of England, or its successors, plus a margin as disclosed in our Schedule of Interest Rates. In the case of non-sterling amounts overdraft interest will be determined by reference to the applicable currency base rate, plus a margin as disclosed in our Schedule of Interest Rates. Such interest will accrue on a day-to-day basis. Further details are available on request.
- 7.22.4 We reserve the right to appoint an agent to recover any unpaid sums due from you to us and will pass on any costs and expenses in this respect (including the agent's fees and expenses and any legal fees) incurred by us to you which you agree to pay.

### 7.23 Confidentiality

- 7.23.1 We will use reasonable endeavours to ensure that all confidential information relating to you, your Portfolio, your Fund and any Accounts is kept confidential. However, you authorise us to disclose information (confidential or not):
- to our employees (or employees of our agents, nominees or custodians or other persons appointed by or used by us in connection with our services) on a need to know basis
  - to the Regulators and any other regulatory authority, to the extent that they are entitled to the information sought or to the extent that may be required in order to assist you in complying with any obligations under applicable law in relation to the services we provide to you under this Agreement
  - to HMRC and to any other revenue service or tax authority, to the extent that they are entitled to the information sought
  - otherwise as may be required by law, best banking or designated investment business practice, industry regulations or codes of practice
  - to our professional advisers where reasonably necessary for the performance of such professional services
  - to any member of the Rathbones Group where reasonably necessary to assist in the performance of obligations in connection with this Agreement or other legitimate business purposes
  - where you are a beneficiary or policyholder in respect of a Portfolio, Fund or Account which is legally owned by a third-party provider, to such third-party provider
  - to your Adviser firm
  - in the circumstances described in term 7.24 or term 7.25 (whether or not the information consists of Personal Data).

## 7 GENERAL TERMS – continued

### 7.24 International tax compliance laws

- 7.24.1 International tax compliance laws require us to collect and disclose certain information about our clients.
- 7.24.2 In particular, the International Tax Compliance Regulations 2015 require financial institutions, such as Rathbones Investment Management Limited, to undertake due diligence in relation to their clients and to collect certain information, including information on tax residency status.
- 7.24.3 We may be required to provide information about you, including your tax residency status, to HMRC. HMRC may subsequently exchange this information with tax authorities in other jurisdictions or with other governments under information exchange Agreements entered into under the provisions of the US Foreign Account Tax Compliance Act (FATCA) or the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (CRS).
- 7.24.4 You may therefore be asked to provide additional information to enable us to satisfy these obligations. You agree to fully and accurately disclose such information when requested by us. Failure to provide such information when requested will mean that we are entitled to end the Agreement with immediate effect by written notice in accordance with term 7.20.3.

### 7.25 Use of your Personal Data

- 7.25.1 The “data controller” of the Personal Data for the purposes of the relevant Data Protection Legislation is Rathbones Investment Management Limited. We will only ever use your Personal Data in accordance with the relevant Data Protection Legislation, this Agreement and our Privacy Notice for Clients, as may be amended from time to time, a copy of which is available on our Website at [rathbones.com/privacy](http://rathbones.com/privacy), by emailing us at [dataprotection@rathbones.com](mailto:dataprotection@rathbones.com) or by writing to our registered office: Rathbones Investment Management Limited, Port of Liverpool Building, Pier Head, Liverpool L3 1NW.
- 7.25.2 We may share your Personal Data with certain third parties (and may transfer it overseas) where this is necessary to provide services to you and in order to comply with our regulatory obligations and applicable laws (including Data Protection legislation).
- 7.25.3 In order to provide our services to you, it may be necessary for us to process Personal Data about someone other than you (e.g. your family members). This Personal Data may come from you or your Adviser. By providing us with their Personal Data, you confirm to us that you are authorised to provide this information from that individual as part of the provision of the services that you require.
- 7.25.4 If you fail to provide us with the Personal Data requested by us (including, but not limited to, in relation to the Online Service as set out in the Online Terms) it may mean that we are unable to provide the services you have requested.

- 7.25.5 Where our processing of your Personal Data relies on your consent, you may withdraw your consent at any time. Please note this may also affect our ability to provide the services to you in accordance with this Agreement. For more information on our lawful basis for processing your Personal Data, please see our Privacy Notice for Clients which is available on our Website at [rathbones.com/privacy](http://rathbones.com/privacy), by emailing us at [dataprotection@rathbones.com](mailto:dataprotection@rathbones.com) or by writing to our registered office: Rathbones Investment Management Limited, Port of Liverpool Building, Pier Head, Liverpool L3 1NW.
- 7.25.6 In accordance with any marketing preferences you have notified to us, we may from time to time contact you (in person or by post, email or telephone) with information about events, opportunities and additional services offered by us and other members of the Rathbones Group. If, at any time, you want to change your marketing preferences, please contact your Investment Manager, email us at [dataprotection@rathbones.com](mailto:dataprotection@rathbones.com), or you may write to us at our registered office, addressing your letter to the Data Protection Manager, and your details will be removed from our mailing list. If you receive marketing communications from us by email, you can always click the ‘unsubscribe’ button within each email.
- 7.25.7 If you have any questions or issues you would like to raise about how we process your Personal Data, you can contact our Data Protection Manager by emailing us at [dataprotection@rathbones.com](mailto:dataprotection@rathbones.com) or by writing to our registered office: Data Protection Manager, Rathbones Investment Management Limited, Port of Liverpool Building, Pier Head, Liverpool L3 1NW.

### 7.26 Delegation and use of Rathbones Group members/agents

- 7.26.1 We may delegate any of our critical or important functions or services provided under this Agreement to any member of the Rathbones Group provided we are satisfied that such person is competent to carry out such responsibilities and has all relevant licences. Our liability to you in respect of all matters delegated will not be affected by such delegation. We will give you prior written notice if we delegate the exercise of our discretionary investment management services.
- 7.26.2 We may, where reasonable, employ agents (including members of the Rathbones Group) to carry out administrative, dealing, and/or ancillary services (not covered by term 7.26.1) necessary to enable us to perform our obligations under this Agreement. We will act in good faith and with reasonable skill and care in our choice, use and monitoring of such agents.

### 7.27 Money laundering compliance

- 7.27.1 We are required by law to operate procedures pursuant to the Money Laundering Rules, which will include requesting that you or the controllers of the entity (trustees, beneficiaries, directors, settlors and in certain circumstances shareholders) provide us, if required, with documentary proof of identity, proof of address, source of funds and/or source of wealth. You agree to comply with any such requests promptly and new monies will not be accepted without these requirements being applied.

## 7 GENERAL TERMS – continued

- 7.27.2 You agree that we may receive and retain documentary proof required by the Money Laundering Rules and can disclose it to any government authority that is legally entitled to request it. You further agree and consent to identity checks being carried out electronically for anti-money laundering purposes.

### 7.28 Bribery and corruption

- 7.28.1 We do not tolerate instances of bribery or corruption.
- 7.28.2 We have implemented and will maintain suitable anti-bribery and corruption procedures which comply with the Bribery Act 2010. These procedures cover all aspects of our business.

### 7.29 Tax evasion

- 7.29.1 We will not take any action on behalf of a client or connected party which may facilitate tax evasion.
- 7.29.2 We have implemented and will maintain suitable procedures which comply with the Criminal Finances Act 2017. These procedures cover all aspects of our business.

### 7.30 Compensation under FSCS

- 7.30.1 We are covered by the Financial Services Compensation Scheme which considers compensation for investment business and eligible deposits separately.
- 7.30.2 In certain circumstances, and in relation to the services provided to you under these Terms, you may be entitled to make a claim to the FSCS in the event of our default.
- 7.30.3 Where you are a beneficiary or policyholder in respect of a Portfolio, Fund or Account which is legally owned by a third-party provider (for example, where we are appointed to provide services in respect of your SIPP or assets held under an insurance scheme) your eligibility for, and access to, compensation under the FSCS may be otherwise than as set out in this term 7.30. You should consult your third-party provider for details of the compensation arrangements that apply to their product. Please also see section 1, term 1.17 for further terms which apply to such arrangements.
- 7.30.4 In respect of investment business, the FSCS can pay compensation to an eligible complainant if we, as an investment firm, are unable to meet our financial obligations to you. More detailed information about compensation provided by the FSCS (including the scope of the FSCS in relation to investment business and eligible deposits, the amounts of cover offered and eligibility to claim) is included in our notice "Basic information about the protection of your eligible deposits". You should note that compensation limits may be subject to change by the FSCS.
- 7.30.5 In relation to eligible deposits, the FSCS can pay compensation to eligible depositors if we, as the firm which accepted the eligible deposit, are unable to meet our financial obligations to you. An information sheet and an exclusions list (entitled Basic information about

the protection of your eligible deposits), setting out which types of deposits are not protected, will be provided to you in accordance with the Regulatory Rules and are available on our Website. Please note that, in respect to compensation in relation to eligible deposits, certain depositors may be excluded under the FSCS, and in a small number of specified circumstances, eligible deposits may be categorised as 'temporary high balances' and are protected above the standard limit of protection.

- 7.30.6 More detailed information about compensation provided by the FSCS (including the scope of the FSCS in relation to investment business and eligible deposits, the amounts of cover offered and eligibility to claim) is available on request. You should note that compensation limits may be subject to change by the FSCS. Any changes to any limits disclosed in these Terms will be detailed on our Website and are available on request.
- 7.30.7 You may also find further information on our Website and the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk). In addition you may contact the FSCS by telephone on 020 7741 4100 or 0800 678 1100.

### 7.31 Complaints

If you have a complaint in respect of any of our services you should write to the Compliance Officer at our head office. Details of our internal complaints management policy are available on request. If you are unhappy with how we deal with your complaint you may be able to complain to the Financial Ombudsman Service. Further information is available on request and from [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

### 7.32 Telephone calls and Electronic Communications

- 7.32.1 Telephone calls and Electronic Communications between you and us may be recorded (including to the extent and in the manner as may be required by the Regulatory Rules or any other applicable law) and may be used as evidence of your instructions and/or if there is a dispute. Such records will be provided on request for an administration fee and will be available for a period of five years (or where requested by the FCA for a period of up to seven years) from the date the record is made.
- 7.32.2 Any Personal Data captured in accordance with this term 7.32 shall be treated in accordance with term 7.25 and our Privacy Notice for Clients.
- 7.32.3 Subject to term 7.25, we may telephone (or, where you have provided relevant details, contact you via a method of Electronic Communication) to discuss investment opportunities or further investment services which we may be able to provide to you.

### 7.33 Joint clients

- 7.33.1 If you are more than one person, unless agreed otherwise in writing the following additional terms apply:

## 7 GENERAL TERMS – continued

- a each of you accepts joint and several liability for the obligations accepted by you under this Agreement
  - b where you have more than one Fund we may, where we consider it appropriate, consolidate all Funds for the purposes of reporting unless you expressly instruct us in writing to do otherwise
  - c periodic reports will only be sent to the first named party in the Client Agreement, unless you request and we agree otherwise
  - d each of you acknowledges that we may disclose/ share your Personal Data to/with each of you
  - e each of you has individual authority to give instructions (for example, to make deposits, withdrawals and to make and receive payments) and to take other actions (for example signing documents or agreements) in relation to the Account.
- 7.33.2 If you are more than one person, we may accept instructions from any of you but we may require consent from both of you if:
- a we have agreed this with you in the Client Agreement, or otherwise in writing
  - b we become aware of a dispute between you and the other clients
  - c you wish to make any material changes to our Agreement, such as:
    - i amend your residential address
    - ii adding or amending any of your external bank account details held by us
    - iii to register a new third party payment beneficiary
    - iv adding or changing a delegated authority
    - v add any new Connected Person(s)
  - d you wish to transfer out assets in specie to another custodian
  - e you wish to pledge assets as security.
- 7.33.3 Any change to your Investment Mandate may only be instructed by your Adviser.

### 7.34 Companies, Trusts and other Entities

- 7.34.1 Where the Account is in the name of a company, or has been opened on behalf of a trust or other entity, unless agreed otherwise in writing, the following additional terms apply:
- a except as set out below, each of the entity's Entity Authorised Signatories, have individual authority to give instructions (for example, to make deposits, withdrawals and to make and receive payments) and to take other actions (for example signing documents or agreements) in relation to the Account;
  - b if the entity has specific requirements regarding multiple signatories or particular officers with certain authorities, these must be agreed with us in writing
  - c you must notify us immediately where an Entity Authorised Signatory ceases to act or ceases to have authority to give instructions on the entity's behalf,

we will continue to accept instructions and information from such persons until we receive written notice from you that they are no longer authorised to do so

- d we may require consent from all, or particular, Entity Authorised Signatories where we are instructed to:
  - i make any material changes to our Agreement such as:
    - amending the entity's address
    - adding or amending any of the entity's external bank account details held by us
    - registering a new third-party payment beneficiary
    - adding or changing a delegated authority
    - adding any new Connected Person(s)
  - ii transfer out assets in specie to another custodian.
  - iii pledge assets as security
- e any changes to the entity's Investment Mandate may only be instructed by your Adviser.

### 7.34.2 Where you have entered this Agreement as a trustee:

- a our Agreement is with each of you and your responsibility is joint and several. This means that you and any persons are liable together, but also individually for all money due
- b if there is a change in trustee, we may choose to continue this Agreement and any successor trustee will also be bound by this Agreement.

### 7.35 Death

7.35.1 In the event of your death (or, if there is more than one of you, the death of either or both of you) we will require a certified copy of the death certificate(s).

7.35.2 If you are a joint client, and only one of you dies, this Agreement will continue. We will treat the survivor(s) as our client and only person(s) entitled the Portfolio. Please let us know in writing if you would like us to make alternative arrangements.

7.35.3 Subject to term 7.35.2, if you die and you are the sole client, Rathbones will continue to manage your portfolio in line with the Investment Mandate agreed prior to death until such time as a grant of representation has been provided. Our Estate Schedule of Charges will apply to the services we provide. Any ISAs will become a continuing account in accordance with term 4.9.1 and HMRCs requirements

7.35.4 We will ask your estate for reasonable evidence of your death (typically a certified copy of the death certificate) and evidence of authority (typically the grant of representation and any Will or Codicil(s)) of your personal representatives.

7.35.5 Prior to the grant of representation:

- a we will send correspondence and any documentation related to the Agreement to your personal representatives or (if thought fit) to the person who has notified us of your death;



## 7 GENERAL TERMS – continued

- b if your personal representatives wish us to liquidate or pay out money, we will normally only agree to this where funds are required to pay certain liabilities (for example funeral charges, inheritance tax, court fees and other related expenses) and where your personal representatives have given us an indemnity

### 7.36 Incapacity

- 7.36.1 Where you have granted a third party a lasting (or enduring) power of attorney and we subsequently receive notice that you no longer have capacity, we will require a certified copy of the appropriate notice of incapacity from the person(s) granted authority under the lasting (or enduring) power of attorney. In the absence of a lasting (or enduring) power of attorney, any authority that you have given to your Adviser to instruct us on your behalf will cease upon your incapacity.
- 7.36.2 Upon receipt by us of written notification of your incapacity and subject to the remainder of this term we may suspend the provision of services (other than our custody and banking services) in respect of the Portfolio unless:
  - a we are satisfied (in our absolute discretion) that the lasting (or enduring) power of attorney allows for us to be instructed in the provision of discretionary investment management services if applicable
  - b the person(s) granted authority under the lasting (or enduring) power of attorney undertakes to keep us fully indemnified against any and all costs, claims, demands, expenses, damages and liabilities (including tax liabilities) for which we, our directors and employees may become liable as a result of our agreeing to provide, or continue with the provision of, discretionary investment management services in relation to the Portfolio
  - c there is more than one of you, and one individual retains capacity in which case in our absolute discretion we may take instructions from the individual who retains capacity.
- 7.36.3 Where you have not granted a third party a lasting (or enduring) power of attorney and we subsequently receive notice that you have lost capacity, subject to term 7.36.4:
  - a we shall use all reasonable efforts to contact an appropriate person such as a family member
  - b we shall assist during any relevant discussions and proceedings with the Court of Protection with regard to your loss of capacity as we may consider reasonable
  - c we may at our discretion give at least one month's written notice (which will be deemed to be received on your behalf by the relevant appropriate person) of suspension of the provision to you of our services other than custody and banking services until receipt of a valid order issued by the Court of Protection appointing a person to take charge of your financial affairs, or equivalent order.

7.36.4 Where you have not granted a third party a lasting (or enduring) power of attorney and we subsequently receive notice that you have lost capacity on a temporary basis, we may at our discretion continue to provide our services to you. Where you recover capacity we will as soon as practical discuss with you our continuing provisions of services. However, in the event that you do not recover capacity within a reasonable timeframe, term 7.36.3 will apply.

7.36.5 Within these Terms, the references to lasting power(s) of attorney and enduring power(s) of attorney, are to power(s) of attorney drawn up under and/or governed by English law.

7.36.6 Where we are presented with a power of attorney, or equivalent, drawn up under and/or governed by a law other than English law (a foreign power of attorney):

- a we reserve the right to charge for costs incurred, including legal costs, in order to establish the validity of the foreign power of attorney and the scope of its authority
- b it is at our sole discretion whether to accept instructions from an attorney who is appointed under a foreign power of attorney. If we accept such instructions, then the provisions in the Terms which apply to powers of attorney shall include and apply to the foreign power of attorney.

For the avoidance of doubt a power of attorney validly drawn up under the laws of Scotland or Northern Ireland will be accepted.

### 7.37 Amendments

- 7.37.1 You must notify us of any proposed amendments to the Agreement, (which will take effect only when accepted by us) and we will notify you in writing as to whether we are prepared to accept proposed amendments or not.
- 7.37.2 We shall be entitled to amend this Agreement, including these Terms, when there is a change in regulation, law, practice or custom or as a consequence of the manner in which the Rathbones Group is structured or authorised or does business (including non-material and/or procedural or technical changes to the services provided under these Terms) and we shall notify you of any such change by giving you notice in writing in good time. Subject to provisions contained within the specific sections, amendments made by us shall take effect upon the date set out in any notice of amendments and we will normally provide you with not less than 30 calendar days' notice unless circumstances (such as legal or regulatory requirements) dictate a shorter or longer period.

### 7.38 Language

These Terms of Business are supplied in English and all communications from us to you for the duration of this Agreement shall be in English.

## 7 GENERAL TERMS – continued

### 7.39 Assignment/transfer

- 7.39.1 The Agreement is personal to you and you may not assign or transfer any of your rights or responsibilities under it.
- 7.39.2 We may assign/transfer any of our rights and responsibilities under the Agreement at any time upon giving you written notice, to any other member of the Rathbones Group provided that such member is competent to perform such rights and responsibilities and has all relevant licences. Upon such assignment, all references in these Terms of Business to 'we', 'our' or 'us' will mean the assignee and not us.

### 7.40 Third party rights

- 7.40.1 A person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 7.40.2 The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this Agreement are not subject to the consent of any other person.

### 7.41 No waiver

- 7.41.1 No failure or delay by us to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy.
- 7.41.2 No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

### 7.42 Severability

If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this term shall not affect the validity and enforceability of the rest of this Agreement.

### 7.43 Governing law

- 7.43.1 Our Agreement, including these Terms, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it shall be governed by and construed in accordance with English law. You and we agree to submit to the non-exclusive jurisdiction of the English Courts.
- 7.43.2 In addition, English law is taken by us as the basis for the establishment of relations with you prior to the conclusion of the Agreement.

# APPENDIX 1 – DEFINITIONS AND INTERPRETATION

1 In these Terms, unless the context otherwise requires, the following words and phrases have the following meanings

**Account** an Account maintained by us in your name which is used to hold your cash including, without limitation, Income Accounts, Capital Accounts (and other deposit Accounts). If you have more than one Account, reference to Account should be taken to mean “each Account” or “the relevant Account” as the context may require.

**Additional Permitted Subscription** an ISA Subscription which is in addition to your usual yearly ISA allowance but within your APS Allowance.

**Additional Permitted Subscription Form** a request to make a Subscription to an ISA which utilises any APS Allowance, in the form required by the ISA Regulations.

**Adviser** a financial Adviser:

- a who is authorised and regulated by the FCA (or an appointed representative of such a person)
- b whom has advised you on the suitability of
  - i our discretionary investment management services generally
  - ii a specific Investment Mandate for your Portfolio
  - iii where applicable our STPS Services
- c to whom you have given authority to instruct us on your behalf in relation to the Services provided under this Agreement, and to whom we may disclose information concerning you and your Portfolio.

**Affiliate** a person or entity who is connected with us or any member of the Rathbones Group.

**Agreement** the Agreement between us which is made up of the Agreement Pack and the Contractual Pack as may be amended from time to time, together with such additional terms which we may agree in writing shall form part of the Agreement.

**Agreement Pack** the Agreement Pack which comprises:

- a Client Agreement
- b Understanding investment risk and return document
- c Schedule of Charges
- d Schedule of Interest Rates.

**APS Allowance** an additional ISA allowance which may be available to you where your spouse held an ISA and died on or after 3 December 2014.

**BACS** (also sometimes referred to as Bankers' Automated Clearing Services) is a scheme for the electronic processing of financial transactions in the UK.

**Banker** acting as a deposit-taking institution.

**Basic information about the protection of your eligible deposits** an information sheet setting out details of FSCS coverage for banking deposits, including which types of deposits are excluded from protection.

**Best Execution Policy** our Best Execution Policy as required by the Regulatory Rules, as amended from time to time.

**Business Day** a weekday, excluding public and bank holidays in England, when the clearing banks in London are open for business.

**Capital Account** an Account in your name which is used to hold cash to facilitate the purchase and sale of investments in respect of your Portfolio, as further described in section 5, term 5.3.1.

**CHAPS** (also sometimes referred to as Clearing House Automated Payment System) an automated same day high value payment system for processing payments within the UK.

**Client Agreement** means the Client Agreement document or the Client Agreement and profile document, as applicable, which forms part of the Agreement Pack.

**Client Money Rules** the Client Money Rules contained in the Regulatory Rules.

**Complex Instrument** with complex mechanisms to determine or calculate the return. Any investment carries risk, but the risks associated with complex financial instruments are usually significantly greater than those associated with non-complex financial instruments and the risk of loss can be substantial. Investment in a complex financial instrument may trigger obligations regarding appropriateness in accordance with the Regulatory Rules. Examples of the type of financial instruments considered as complex products include derivatives and warrants. Structured products and units in some Collective Investment Schemes may also be deemed complex financial instruments. The below list provides some further examples but is not deemed exhaustive:

- a Currency Swaps and Currency Forward with physical delivery of the underlying asset
- b investment certificates of closed-end investment funds
- c Other investment certificates of investment funds, funds not included in UCITS funds
- d Interest rate swaps (IRS)
- e Non deliverable forwards (NDF)
- f Marginal Currency Transactions (MCT)
- g FOREX (Currency Exchange, Transactions with Precious Metals BULLION) on SPOT and FORWARD
- h Marginal transactions - transactions with stock derivative financial instruments (futures and options for futures)
- i OTC transactions - over the counter derivative transactions. Over the counter swaps - OTC swaps
- j REPO transactions, REVERSE REPO transactions
- k Transactions with the granting of broker's credit (margin loan) - short positions opening

# APPENDIX 1 – DEFINITIONS AND INTERPRETATION

## – continued

- l Options transactions
  - m Financial Contracts for Difference (CFD)
  - n Structured financial products with a principal repayment guarantee
  - o All other investment funds - hedge funds, etc
  - p FI short selling
- Conflicts of Interest Log** the log of conflict themes as described in section 7, term 7.1.3.
- Conflicts of Interest Policy** the Rathbones Group conflicts policy as described in section 7, term 7.1.2
- Conflicts of Interest Register** the register of conflicts as described in section 7, term 7.1.3.
- Connected Person** a person or persons specified by you in the Client Agreement (or otherwise notified by you to us in writing) as a Connected Person for the purposes of the administration of your Portfolio.
- Continuing Account of a Deceased Investor** the ISA of a deceased client, which continues to benefit from the ISA tax benefits until it terminates on the earliest occurrence of the three events described in term 4.9.2.
- Contractual Pack** the Contractual Pack which comprises:
- a Terms of Business
  - b Conflicts of Interest Policy
  - c Best Execution Policy
  - d Basic information about the protection of your eligible deposits
  - e Pre-Contract Consumer Credit Information- (Overdrafts).
- Cookie Policy** the Cookie Policy set out on our Website, as amended from time to time.
- Corporate Actions** rights or events which arise in respect of companies (excluding collective investment schemes) which impact shareholders, such as dividends, share splits, bonus offers and take overs. Certain Corporate Actions are mandatory in that they apply automatically and do not involve a response by shareholders, whilst others are voluntary and require a response from shareholders.
- Data Protection Legislation** the applicable laws, enactments, regulations, orders, standards and other similar instruments relating to the processing of Personal Data, each as may be amended or superseded from time to time including but not limited to the Data Protection Act 2018 and the UK GDPR.
- Derivative** a security in the form of a contract between two or more parties, whose value is dependent upon or derived from one or more underlying assets. The value at any given time is determined by fluctuations in the underlying asset and the ability of the counterparties to meet their obligations when they fall due.
- Dormant Account** an Account that at a particular point in time has been open throughout the period of 15 years ending at that time and during that period no transactions have been carried out in relation to the
- Account by or on the instructions of the holder of the Account.
- EEA** the European Economic Area.
- Effective Date** the Effective Date of our Agreement as determined in accordance with section 1, term 1.9.
- EIS** a discretionary managed fund invested wholly or mainly in EIS (Enterprise Investment Scheme) shares.
- Electronic Communication** an Electronic Communication as defined in the glossary of the Regulatory Rules and which may include fax, email, video conferencing, SMS or instant messaging.
- Eligible Child** a UK resident under the age of 18 in whose name and for whose benefit a Junior ISA is held, and who otherwise satisfies the conditions for eligibility as stated in the ISA Regulations.
- Entity Authorised Signatory** means, in relation to a client which is a company, charity or other entity, each director, trustee or other authorised officer of the entity which have either signed the Client Agreement or have been subsequently accepted by us as an authorised signatory for the entity's Account.
- FCA** the Financial Conduct Authority or its successor.
- FCA Rules** the FCA Handbook of rules and guidance.
- FOS** the Financial Ombudsman Service.
- FSCS** the Financial Services Compensation Scheme.
- Fund** a separately identified portion of assets within your Portfolio. If you have more than one Fund, reference to Fund should be taken to mean "each Fund" or "the relevant Fund" as the context may require.
- HMRC** HM Revenue & Customs.
- Income Account** an Account in your name which is used to collect dividends and other income in respect of your Portfolio, as further described in section 5, term 5.3.1.
- In-House Funds** a collective investment scheme which is managed by a company in the Rathbones Group.
- International Payment** a payment made from your Account to an Account with another bank which is outside of the UK or a non-sterling payment within the UK.
- Investment Manager** the individual who is appointed by us as your Investment Manager in relation to your Portfolio.
- Investment Mandate** the agreed parameters to be applied to each Portfolio, as more particularly described in term 1.6, as recommended and agreed with you (and communicated to us) by your Adviser. If you have more than one Portfolio, reference to Investment Mandate should be taken to mean "each Investment Mandate" or "the relevant Investment Mandate" as the context may require.
- Investment Objective** your Investment Objective in respect of your Portfolio (as the context requires), as selected by you in the Client Agreement (or otherwise as agreed between you and us) from the options offered by us.

# APPENDIX 1 – DEFINITIONS AND INTERPRETATION

## – continued

**Insolvency Situation** a situation in which you are unable to pay your debts as they fall due or when proceedings under any bankruptcy or insolvency law (or any analogous proceedings) are started against you, whether in the UK or elsewhere.

**ISA** a flexible individual savings Account which is a scheme of investment satisfying the conditions prescribed in the ISA Regulations and which is a flexible ISA as further described in HMRC's rules and guidance.

**ISA Application Form** a request to apply for a new ISA in the form required by the ISA Regulations.

**ISA Manager** acting as the manager of an ISA, including, if applicable, a Junior ISA.

**ISA Regulations** the Individual Savings Account Regulations 1998.

**ISA Transfer Request** a request to transfer an ISA in the form required by the ISA Regulations.

**Junior ISA** a stocks and shares junior individual savings Account, established in accordance with the ISA Regulations.

**Junior ISA Application Form** a request to apply for a new Junior ISA in respect of an Eligible Child in the form required by the ISA Regulations.

**Junior ISA Transfer Request** a request to transfer a Junior ISA in the form required by the ISA Regulations.

**Key Investor Document** or **KID** in respect of a PRIIP the document setting out specific information about the PRIIP, explaining for example the nature of the product, the risks, the costs, the duration of the investment, the complaints procedure, and any other relevant information.

**Key Investor Information Document** or **KIID** in respect of a UCITS Fund the document setting out specific information about the fund, explaining the essential elements of the fund including its name, a short description of its Investment Objectives and investment policy, information relating to performance, costs and associated charges and information on risk with appropriate guidance and warnings.

**Legal Entity Identifier** or **LEI** the unique code given to a legal entity or structure to facilitate certain transaction reporting obligations applying to investment firms.

**Money Laundering Rules** the applicable laws, enactments, regulations, orders, standards and other similar instruments relating to anti-money laundering and combating terrorism financing, in force from time to time, including the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended by the Money Laundering and Terrorist Financing (Amendment) (EU Exit) Regulations 2020).

**Non-Complex Instrument** means a financial instrument can be traded without a vast amount of specialist knowledge. Examples of these type of financial instruments can include:

- a shares in companies that are admitted to trading on a regulated market or multilateral trading facility (MTF);
- b bonds traded on a regulated market or MTF (except certain complicated bonds);
- c money market instruments;
- d shares or units in UCITS;
- e structured deposits (except certain complicated structured deposits).

**Online Privacy Policy** the online privacy policy set out on our Website, as may be amended from time to time.

**Online Service** the online facility provided by us and which is available via a secure portal (referred to in section 7, term 7.8) which enables:

- a an Online User to access information in relation to a Portfolio which belongs to them or to which they are connected
- b you to send us instructions and information regarding you and your Portfolio, and to receive messages from us.

**Online Terms** the Terms on our Website that govern an Online User's use of the Online Service.

**Online User** you and any Connected Person to whom we have given access to the Online Service in accordance with these Terms of Business and the Online Terms.

**OTC** over-the-counter.

**Packaged Retail and Insurance-based Investment Product** or **PRIIP** an investment where the amount repayable to the retail investor is subject to market fluctuations because of its exposure to certain reference values. A list of the types of retail products which are considered to be PRIIPS (and for which you can expect a KID) is available from us upon request.

**Personal Data** Personal Data relating to an identified or identifiable living individual which is processed by us in connection with the Agreement. For more information on how we use your Personal Data please refer to our privacy notice [rathbones.com/privacy](https://rathbones.com/privacy).

**Portfolio** each Portfolio of your assets in respect of which we provide investment services under these Terms under a single Investment Mandate recommended and agreed with you (and communicated to us) by your Adviser, including any relevant Funds and Accounts where applicable. If you have more than one Portfolio, reference to Portfolio should be taken to mean "each Portfolio" or "the relevant Portfolio" as the context may require.

**PRA** the Prudential Regulation Authority (or any successor).

**PRA Rules** the PRA Handbook of rules and guidance.

**Primary Pooling Event** has the meaning given to it in the Regulatory Rules and includes the failure of a firm or a regulatory instruction for a firm to cease holding client money.

# APPENDIX 1 – DEFINITIONS AND INTERPRETATION

## – continued

**Privacy Notice for Clients** the Privacy Notice for Clients available on our website at [www.rathbones.com/privacy](http://www.rathbones.com/privacy) as may be amended from time to time.

**PSRs** the Payment Services Regulations 2017.

**Rathbones Group** the group of undertakings comprising Rathbones Group and any direct or indirect Subsidiary of Rathbones Group from time to time.

**Reference Exchange Rate** the exchange rate, made available to you, at which we (acting as principal) will offer to buy foreign currency from you, or sell foreign currency to you.

**Reference Interest Rate** the interest rate which is used as the basis for calculating any interest to be applied and which comes from a publicly available source.

**Registered Contact** a person who:

- a is over 16 and has parental responsibility as set out in the ISA Regulations in relation to the Eligible Child and either makes the application to open a Junior ISA or assumes responsibility for a Junior ISA
- b is the Eligible Child over the age of 16 who holds the Junior ISA, where that Eligible Child has assumed responsibility for their Junior ISA in accordance with the ISA Regulations.

**Regulators** the FCA and/or the PRA or any successor organisation of either from time to time.

**Regulatory Rules** the FCA Rules and/or the PRA Rules as the context shall require.

**Retail Investment Product** a Retail Investment Product as defined in the glossary of the Regulatory Rules, which in summary includes:

- a a life policy
- b a unit in a collective investment scheme
- c a stakeholder pension scheme
- d a personal pension scheme
- e an interest in an investment trust savings scheme
- f a security in an investment trust
- g any other designated investment which offers exposure to underlying financial assets, in a packaged form which modifies that exposure when compared with a direct holding
- h a structured capital-at-risk product.

**Risk Level** the Risk Level in respect of your Portfolio or a particular Fund (as the context requires) as recommended by your Adviser, from the options offered by us.

**RoA approved Adviser** an Adviser who is approved by us to provide services to Clients who are receiving our discretionary investment management services under our "Reliance on Adviser" model.

**Same Day Payment** a Same Day Payment made from your Account to an Account with another bank which is within the UK and which is processed by CHAPS or an equivalent route as we may determine.

**Schedule of Charges** our Schedule of Charges, as amended from time to time.

**Schedule of Interest Rates** our Schedule of Interest Rates, which includes details of our bank charges, as amended from time to time.

**SIPP** a self-invested personal pension.

**Subscription** a Subscription to an ISA or a JISA as permitted by the ISA Regulations and, in the context of an ISA only, includes an Additional Permitted Subscription.

**Subsidiary** a company which is controlled by another company whether:

- a by virtue of that company owning a majority of the Voting Rights
- b by virtue of that company being in a position to exercise a dominant influence over its affairs.

**Taxation Papers** the annual Taxation Papers which we prepare for you in respect of a Fund, which include:

- a a certificate of declaration of tax; details of interest and other items
- b a consolidated tax certificate and information regarding capital gains tax in respect of your Fund (excluding ISA Funds and/or Funds where Taxation Papers have not been requested).

**Terms of Business** or **Terms** these Terms of Business, including the appendices, as may be amended from time to time.

**Trading Venue** is a defined regulatory term meaning a regulated market, a multilateral trading facility or an organised trading facility. Should you seek further explanation please refer to your Investment Manager.

**UCITS** as defined in the glossary to the FCA Rules.

**UK** the United Kingdom.

**VAT** value added tax.

**Voting Rights** Voting Rights in respect of investments in your Portfolio.

**we** Rathbones Investment Management Limited (and **our** and **us** shall have appropriate meanings accordingly).

**Website** our website at [rathbones.com](http://rathbones.com) or such other alternative or additional address as we may notify to you from time to time.

**writing** where these Terms refer to instructions or notice being given "in writing" or "written", this means, unless otherwise specified:

- a by using the messaging service in our secure online portal
- b by using secure email via the Egress system, or any other secure email system that we notify to you from time to time that we accept
- c by using a hard copy written instruction in paper form and provided to us in a form which we have notified to you is acceptable, but, for the avoidance of doubt, does not include standard, non-secure email messaging.

# APPENDIX 1 – DEFINITIONS AND INTERPRETATION

## – continued

you you the client, and where you have opened a Portfolio, Fund or Account jointly with another person, you and that other person (and 'your' shall have an appropriate meaning accordingly) and in relation to a Junior ISA, the Registered Contact.

### 2 In these Terms, unless a contrary intention appears:

- a use of the singular shall include the plural and vice versa
- b use of any gender or neuter includes the other genders
- c headings are used for reference only
- d references to any legislation, handbook or rule include any successor, amended or replacement legislation, handbook or rule (including those laws or rules enacted or re-enacted for the purpose of bringing European Union law and regulation into domestic law and regulation prior to the UK's exit from the European Union), and are to UK legislation, handbook or rules unless expressed otherwise
- e a time of day shall be construed as a reference to London, UK time
- f any phrase introduced by the terms 'including', 'include', 'in particular' or any similar expression is to be construed as illustrative only and does not limit the sense of the words preceding those terms
- g terms which are defined in the Regulatory Rules, but which are not defined in these Terms, shall have the meaning set out in the glossary of the Regulatory Rules
- h a 'lien' a legal right to retain property (such as cash or securities) until an obligation (such as a debt) has been discharged.

## APPENDIX 2 – RISK WARNINGS

**This Appendix is a very important document.**

**It describes the types of investments that (depending on the Investment Mandate that your Adviser has recommended to you) may be purchased for your Portfolio and some of the risks of those investments. Where we provide our discretionary investment management services, the Investment Mandate recommended and agreed with you by your Adviser will be applied to your Portfolio as a whole. It also sets out the risks associated with certain investment techniques as well as more general risks associated with investment markets. If you have any questions regarding the types of investments or risks disclosed in this Appendix you should ask your Investment Manager. Please note, this list cannot disclose all the risks and other significant aspects of the investments described and is thus not an exhaustive list.**

**There is an inherent risk for all investments that the tax treatments for investors may be subject to change at any time.**

### 1 Cash items

We may invest a portion of your assets in the Portfolio in cash or cash items. Cash items must be of high quality and may include a number of money market instruments such as securities issued by national governments and government agencies, Bankers' acceptances, commercial paper, and bank or building society certificates of deposit.

### 2 Fixed income securities

Your Portfolio may hold fixed income securities of corporate and government issuers in multiple jurisdictions. Such fixed income securities are not required to satisfy any minimum rating standard and may include instruments that are in poor standing and that have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal.

Fixed income securities are subject to the risk that the issuer may default on the payment of principal and/or interest. The prices of fixed income securities are inversely affected by changes in interest rates and thus are subject to the risk of market price fluctuations. In addition, changes in the credit ratings of a fixed income security or in the perceived ability of the issuer to make payments of principal and interest also may affect the security's market value.

### 3 Equity securities

Your Portfolio may include equity securities and equivalents of issuers in multiple jurisdictions, including issuers in emerging markets, of any market capitalisation (e.g. small, mid or large). Equity securities may include common and preferred stocks and warrants and equivalents (including convertible securities).

As a result of investments in equity securities, the Portfolio will be exposed to the risks typically associated with equity investing. These risks include the general risk of broad market declines and specific risks relating to

an issuer, such as management performance, financial leverage, financial position, industry problems and reduced demand for the issuer's goods or services.

### 4 Dealing in small company shares

Where we reasonably believe that such course of action is in your best interests, we may recommend to you or deal for you in shares of some small and very small companies including Penny Shares.

Penny Shares is a loose term used to describe shares which have speculative appeal because of their low value. There is an extra risk of losing money when such shares are bought. There is a significant difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may receive much less than the purchase cost. The price may change quickly and may go down as well as up.

### 5 Collective investment schemes

Your Portfolio may include holdings in collective investment schemes.

A collective investment scheme (CIS) is a scheme which allows an investor to invest money on a pooled basis (along with a number of other investors). A CIS may be structured in a number of ways, for example, in the form of a company, partnership or trust.

As an investor, you buy shares/partnership interests/units in the CIS in the hope that the value rises over time, with the investment performance depending on how the underlying investments perform.

Some CISs are 'open-ended' as the number of shares/partnership interests/units in issue increases as more invest and decreases as investors take their money out. 'Closed-ended' CISs are CISs in which people are either unable to withdraw their investments until the CIS is wound up or can only do so in very restrictive circumstances.

Normally, there is no established secondary market in CISs which means that your investment in them cannot usually be sold to third parties or outside of the redemption terms governed by the constitutional documents of the CIS. However (except for certain types of 'closed-ended' funds), the constitutional documents of the CIS will normally provide for you to be able to redeem your investment in the CIS at a fair value price or 'authorised quoted price at valuation point'.

Investors may not receive net asset value, as they may trade at 'creation' which takes into Account the transaction costs to meet redemptions or Subscriptions and the costs that arise out of creating new units in the CIS itself. The frequency with which you can redeem and price your investment will depend upon the precise terms of the constitutional documents. These terms often include provisions to suspend dealing in the CIS or postpone redemptions where circumstances justify this. These provisions are in place to ensure that all shareholders are treated fairly and to ensure that the Portfolio of investments within the CIS can be managed in an orderly manner should challenging circumstances arise.



## APPENDIX 2 – RISK WARNINGS – continued

The level of risk of an investment in a CIS will depend on the underlying investments in which it is invested and how well diversified the open-ended investment fund is. For example, a fund which invests only in one industrial sector, such as technology, will invariably be more risky than funds that invest across the whole range of companies in a market. Underlying assets may be less liquid than the frequency of dealing offered by the constitutional documents of the fund.

Any details provided of past performance are illustrative only, are not intended to indicate future performance and may not be audited. We do not take responsibility for the contents of material supplied by CIS managers being correct.

Some CISs are regulated which means that there are rules about (and limits on) the types of underlying investments in which the CIS can invest and the frequency and price at which investments in the CIS can be redeemed. In particular, the rules applicable to regulated CISs determine the extent to which they can invest in Derivatives or leverage their Portfolios.

Some regulated CISs can offer hedge fund-like characteristics and strategies within a regulated structure. Regulated CISs include authorised unit trusts, OEICs (open-ended investment companies, which are the same as ICVCs - Investment Companies with Variable Capital); SICAV (Société d'investissement à capital variable); and FCPs (Fonds communs de placement).

Other CISs such as Unregulated Collective Investment Schemes (UCISs) or Non-Mainstream Pooled Investments (NMPIs) are unregulated which means that there are few or no rules about the types of investments in which they can invest or the frequency at which they can be redeemed.

NMPIs may include certain hedge funds, private equity funds, property funds and other pooled investments which cannot obtain or have not sought authorisation by the FCA for a fund to be considered regulated.

### a Hedge funds

Hedge funds have typically been established in jurisdictions where no or limited supervision is exercised by Regulators. Hedge funds may use investment techniques such as leverage, short selling and the use of Derivatives that are unavailable to, or generally are restricted within UK authorised collective funds. Many hedge funds are run as small boutiques and investors are not compensated for taking on operational risk. Hedge funds must have sufficient liquidity to capture investment opportunities that arise at the most advantageous time and therefore some funds may impose lock up periods when funds may not be sold. Hedge funds generally cannot be traded on the secondary market. Hedge funds are under no obligation to provide performance statistics or follow valuation procedures which are considered prudent by Regulators. This has in a small minority of cases given rise to fraud.

The regulatory environment for hedge funds is evolving and changes may adversely affect the ability of the fund to obtain the leverage it might otherwise obtain or to pursue its investment strategies. In addition, the regulatory or tax environment for Derivative and related instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held in the fund. The effect of any future regulatory or tax change on the investments is impossible to predict.

Funds of hedge funds are collective investment vehicles (sometimes quoted investment trusts), managed by dedicated investment professionals who invest across a number of underlying hedge fund strategies. Funds of hedge funds aim to offer investors diversification across manager styles and therefore attempt to lower the degree of hedge fund specific risk. However, the level of fees charged can be high, given fees charged at both the manager level and in respect of the underlying funds. Funds of hedge fund managers are responsible for evaluating hedge fund strategies, identifying and selecting managers and performing due diligence and the ongoing monitoring of funds.

### b Private equity funds

Private equity funds are unregulated collective investment schemes that invest exclusively or almost entirely in financial instruments issued by companies that are not listed (or that take over publicly listed companies with a view to delisting them). Investment in private equity funds is typically by way of commitment (i.e. whereby an investor agrees to commit to invest a certain amount in the fund and this amount is drawn down by the fund as and when it is needed to make private equity investments).

Private equity funds tend to be closed-ended and to have a finite lifespan. During the life of the fund it is usually not possible for you to redeem your investment. Therefore, if you invest in a private equity fund, it may be several years before you see any sort of return on the investment.

Whilst returns may be higher than standard investments, investments in private equity funds involve a high degree of risk and are only suitable for investors who fully understand and are willing to assume the risks involved. The returns are dependent on the performance of the companies in which the fund invests and, in turn therefore, largely dependent on the manager of the fund's ability to influence that performance. Investors in private equity funds are exposed to potential loss which could involve a complete loss of the investment.

### c Property funds

Property funds invest in real property and land. These can be difficult to sell so you may not be able to sell/cash in this investment when you want to.

We may have to delay acting on your instructions to sell your investment. The value of property is often a matter of a valuer's assumptions rather than fact.

## APPENDIX 2 – RISK WARNINGS – continued

### 6 Structured products

Structured products are investment vehicles designed to produce a tailored risk return objective, generally over a fixed term. The risks and returns of structured products depend on the performance of a specific market (such as the FTSE 100) or specific assets (such as shares in individual companies).

Some structured investments offer a degree of capital protection, whilst others do not. Income or growth is usually not guaranteed and there may be no return on the investment. Investors should be prepared and able to sustain the loss of some or all of the capital invested. Even where there is capital protection, the deduction of fees and charges could result in a loss.

The value of a structured product is subject to the credit risk of its issuer and may decline if the issuer's creditworthiness deteriorates. The return of a structured product is dependent upon the continuing solvency of the issuer, which is typically an investment bank. An insolvency event could lead to a partial or total loss of the capital invested by the investor.

Structured products are designed to be held until redemption, typically 5-7 years. There may be no secondary market for the instruments and the products may not be readily realisable investments.

The performance and value of a structured product is determined by a number of factors which include the performance of the underlying reference asset, interest rates, volatility, dividends and the time to maturity. Movements in any of these factors during the life of an investment or at maturity may have a negative impact on the value and a significant impact on the overall performance of that investment.

Some products include early redemption features. In such circumstances, investors will receive the fair market value of the investment, less any costs. The timing of redemptions may give rise to reinvestment risk.

The value of an investment involving exposure to foreign currencies may be affected by exchange rate movements. The tax treatment of any returns depends on the individual circumstances of each investor.

Investors should only consider an investment if they have the knowledge and experience necessary to evaluate the risks of such an investment or are in receipt of appropriate professional advice.

Investors should be experienced with respect to investments in structured products and the underlying securities. Investors should understand the risks associated with such an investment and should only reach an investment decision after careful consideration with their professional independent financial, legal, tax, accounting and other Advisers, of (i) the suitability of an investment in the product in the light of their own particular financial, tax and other circumstances; (ii) the information set out in this document and (iii) the underlying securities.

An investment should only be made after assessing the direction, timing and magnitude of potential future

changes in the value of the underlying securities, and/or in the composition or method of calculation of the underlying securities, as the return of any such investment will be dependent, inter alia, upon such changes. More than one risk factor may have simultaneous effect with regard to the investment so that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the investment.

### 7 Structured capital at risk products

Where we reasonably believe that such course of action is in your best interests, we may recommend that you deal, or we may deal for you in structured capital at risk products. These products typically provide a specified level of income or growth over a fixed investment period but do not provide a guarantee on the return of initial capital. Where we do so, you should be aware of the following:

- a the return of initial capital invested at the end of the investment period is not guaranteed and you may therefore get back less than the original investment
- b the amount of initial capital repaid may be geared, which means that a small percentage fall in the related index may result in a larger reduction in the amount that is paid out
- c any maximum benefit being advertised may only be available after a set period
- d redeeming a product early may result in redemption penalties and a poor return
- e the initial capital invested may be placed into high risk investments, such as non-investment grade bonds
- f the rate of income or growth advertised may depend on specific conditions being met.

These products are only appropriate if you accept that you may lose some or all of the money to be invested.

### 8 Warrants

Although warrants can be utilised for the management of investment risk, these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points.

A warrant is a time limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time, with the consequence that if the investor fails to

## APPENDIX 2 – RISK WARNINGS – continued

exercise this right within the predetermined time scale then the investment becomes worthless. You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

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

Transactions in off-exchange warrants may involve greater risk than dealing in exchange-traded warrants because there is no exchange market through which to liquidate your position, or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

### 9 Commodities

Investments in commodities whether by CISs or via companies substantially involved with them may expose investors to risks not typical of other investments. Companies associated with commodities and the funds invested in them may have assets in less developed countries which have political, legal and social systems that are less stable than those found in developed countries or markets.

The assets of the companies, the commodities and Derivatives associated with them may be subject to or affected by conditions such as drought, flood, weather, disease, trade embargo, war or political unrest etc which may substantially affect their value.

Commodity funds may hold physical assets which may not be insured and subject to risks associated with high value items.

### 10 Exchange traded funds

Exchange Traded Funds (ETFs) are investment vehicles which are traded on a stock exchange, similar to equities and bonds. ETFs are generally recognised as a low cost means of investing in a diversified pool of assets with the advantage that unlike a unit trust they are more liquid as they can be traded during exchange hours.

Although ETFs are generally simple, transparent and low cost, they can vary in their structure and complexity. In their simplest form they attempt to track an index or benchmark by physically holding the constituents of the index or benchmark.

However, in their more complex form they may utilise Derivatives to replicate an index or benchmark's price movement. This increases risks such as counterparty risk (risk that the other party to the relevant Derivative may not meet its commitments) and leverage risk (where gains and losses on certain ETFs are magnified using Derivatives, or where the ETF is designed using Derivatives to perform inversely to its underlying index or benchmark). Some Derivatives may utilise collateral,

that is, setting aside a pool of assets that the investor can claim on in the event of the issuer's default. In these instances, attention should be paid to the quality of the collateral to establish whether it would continue to hold its value were the issuer to default. Collateral may be lent to third parties and there may be delays in recovering these assets. Investment in certain ETFs may entail exposure to currency risk.

ETFs which attempt to track the value of a commodity (such as gold) may back their investments by holding that commodity in a physical form with a custodian. Although the custodian may hold the asset there is a risk of theft or fire which may not be insured against.

You should be aware that the majority of ETFs are offshore vehicles and as such specific taxation rules apply for investors subject or potentially subject to tax.

### 11 Gearing

Gearing is a strategy with a view to enhancing the return for, or the value of, a security without increasing the amount invested by the holders of the security, involving one or more of the following:

- a borrowing money
- b investing in one or more instruments, such as (but not limited to) warrants or Derivatives, for which a relatively small movement in the value or price of the underlying rights or assets to which the instrument relates, whether favourable or adverse, results in a larger movement in the value or the price of the instrument
- c structuring the rights of holders of a security so that a relatively small movement in the price or value of the underlying rights or assets, whether favourable or adverse, results in a larger movement in the price or value of the security.

Where we reasonably believe that such course of action is in your best interests, we may recommend to you or deal for you in securities which may use gearing.

The strategy which the issuer of such securities uses or proposes to use may result in:

- i movements in the price of the securities being more volatile than the movements in the price of underlying investments
- ii the investments being subject to sudden and large falls in value
- iii you getting back nothing at all if there is a sufficiently large fall in value in the investment.

### 12 Illiquid investments in general

Where we reasonably believe that such course of action is in your best interests, we may occasionally enter into transactions on your behalf in investments which are not readily realisable. It may be difficult to sell these investments at a reasonable price and, in some circumstances, it may be difficult to sell such investments at any price. It may also be difficult to assess a proper market price of such investments.

## APPENDIX 2 – RISK WARNINGS – continued

Further examples of such investments are available on request.

### 13 Emerging markets

Investments in emerging markets may expose investors to risks not typically associated with similar investments in more developed markets. The classification of a country as an 'emerging market' is generally based on the relative economic, political and social development and is by necessity subjective. Some of the risks associated with emerging markets are similar to those affecting more developed economies but the undeveloped nature of an emerging economy may mean they are more pronounced or have a longer and deeper effect.

Country risk covers such factors as natural disasters which may have a greater effect on the economy and financial systems of an emerging market. The less well developed financial systems may mean that financial instability is more common and may be more exaggerated both by internal factors such as inflation or external factors such as changes in currency values. Many emerging markets experience rapid and significant changes in political control which may result in unpredictable changes of economic policy. Settlement, custodial and clearing systems may not be fully developed and investors may be subject to political intervention or risks arising from less developed systems and standards.

Emerging companies may not be as economically stable as companies in more developed countries and as well as being potentially subject to political intervention may have increased risk in terms of failure to meet their obligations.

### 14 Investments affected by stabilisation

Where we reasonably believe that such course of action is in your best interests, we may recommend investments to you or deal for you in investments whose market price may be affected by stabilisation.

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public.

Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The Regulatory Rules allows stabilisation in order to help counter the fact that, when a new issue comes on to the market for the first time, the price can sometimes drop for a time before buyers are found.

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

The fact that a new issue or a related security is being stabilised should not be taken as any indication on the level of interest from investors, nor of the price at which they are prepared to buy the securities.

### 15 Suspension of trading

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

### 16 Absence of regulation

We may from time to time deal with you or for you in circumstances in which the relevant transaction is not regulated by the rules of any investment exchange and we may deal for you on an exchange which has not been recognised or designated by the Regulators. The protection offered by such limited supervision may be less effective than if full supervision was exercised by a regulator in another jurisdiction.

### 17 Counterparty risk

When providing our services to you, we may:

- a enter into securities transactions with other financial institutions
- b invest the assets in your Portfolio in structured products, the value of which depends upon the solvency of the financial institution that is providing the underlying assets that the structured product is based upon.

In each case, the correspondent financial institution is known as 'the counterparty'. A key risk borne by investors is the risk of the counterparty failing either before a securities transaction is settled or during the investment term of a structured product (for instance through insolvency, such as bankruptcy, administration or liquidation) and defaulting upon their obligations (i.e. failing to pay for or deliver securities, not making payments due on structured products and/ or failing to repay their debts) which may:

- i in the case of a securities transaction, result in investors not receiving delivery of securities which they have purchased and/or not receiving payment in respect of securities which they have sold
- ii in the case of investment in a structured product, put all or part of an investors' capital and any income potential at risk.

This is collectively known as the 'counterparty risk'. Additionally, any assets making up part of the Portfolio, whether directly held or underlying a structured product, may be held by a third party custodian or depository. Investors may not have any direct legal interest in such assets or any direct rights against the counterparty, in the event that the counterparty defaults or becomes insolvent.









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