



James Brearley

Investment Managers & Stockbrokers
Established 1919

Execution-Only Dealing Services

Terms of Business for Retail Clients with
Third Party Investment Advisers or Managers

www.jbrearley.co.uk

INTRODUCTION

1. The purpose of these Terms

- 1.1 We have been introduced to you by the Intermediary specified in your Account Application Letter.
- 1.2 These terms of business (these “Terms”) describe our execution-only brokerage, custody and associated services and the terms and conditions on which we provide them. It also sets out your responsibilities and other relevant information.
- 1.3 These Terms are accepted by you when you sign the Account Application Letter, and (should your Account Application Letter be accepted by us) our agreement with you (our “Agreement”) comprises these Terms and the Account Application Letter (as described below).
- 1.4 You should read these Terms carefully before you sign the Account Application Letter or authorise your Intermediary to give an Order (as defined below) on your behalf.

2. Phrases and terms used in these Terms

- 2.1 In these Terms certain words or phrases are intended to have specific meanings where they are used. These are set out in the Schedule.

3. About James Brearley

- 3.1 James Brearley is the trading name of James Brearley & Sons Limited (Company Number 03705135).
- 3.2 Our Head Office is located at Walpole House, Unit 2, Burton Road, Blackpool FY4 4NW.
- 3.3 We are authorised and regulated by the Financial Conduct Authority (FCA Number 189219). They can be contacted at: 12 Endeavour Square, London E20 1JN.
- 3.4 We are a member of the London Stock Exchange. We are also a member of the Personal Investment Management & Financial Advice Association.

4. Your client categorisation

- 4.1 Under these Terms and for the purposes of the services referred to herein, we will treat you as a retail client (within the meaning of the FCA Rules). This means that you will benefit from the protections given to retail clients under the UK regulatory system.
- 4.2 Your Intermediary may ask us to classify you differently, however as this would normally result in a lower level of regulatory protection, our policy is to refuse such requests.
- 4.3 Despite our policy, certain entities (trusts, companies etc) may not be able to rely on all of the protections afforded to retail clients (for example, the right to refer a complaint to the Financial Ombudsman Service). You should refer this to your Intermediary if you are unsure how this may affect you.
- 4.4 As a result of your categorisation as a retail client, please note that our ability to deal in certain Investments for you may be limited, excluded or subject to certain conditions, as may be described elsewhere in these Terms.

5. Responsibilities

- 5.1 When providing services to you James Brearley undertakes to act in your best interest at all times. Your general responsibilities under these Terms are set out below:
 - a) You will ensure that at all times you have the power or approval to enter into any transaction or service provided under these Terms.
 - b) You will ensure that you have the authority to pay and receive money and other assets covered by these Terms from us and to sign any form supplied by us to you.
 - c) Your Intermediary will not give us instructions to buy or sell Investments unless you are able to settle your liability to us in full on the due date, except where appropriate, where your cancellation and cooling off rights apply.
 - d) You accept that if we do not have a record of your National Insurance Number or Legal Entity Identifier (LEI) as the case may be, that it may not be possible for us to execute transactions for you. These same requirements extend to any associated party to the account.

- e) You will not use our services for any purpose which is against any law.
- f) You will ensure that all Investments held by us on your behalf or which your Intermediary instructs us to sell are not held to the order of another person (for example, you will ensure they are free of lien, undertaking or a Third Party claim on title).
- g) You will respond promptly to any request we make for information about you via your Intermediary and provide us with comprehensive, accurate and factual information.
- h) You will inform us via your Intermediary immediately of any changes to your correspondence address, e-mail address or personal circumstances.
- i) You will keep any security information, username, passwords or system access codes secure. If you become aware that anyone has your password without having your authority to use it, you should inform your Intermediary as soon as possible.

6. Our Services - General

- 6.1 Pursuant to these Terms, James Brearley provides its Dealing Service, Custody Service and other associated services as described herein (these are together referred to as our “Services”).
- 6.2 James Brearley does not offer general financial planning services (for example, on pensions and life assurance) or legal or tax advice.
- 6.3 Under these Terms, we can provide our Services in respect of some or all of the following Investments:
 - a) Equities (Shares) for both UK and foreign companies.
 - b) Fixed Interest Investments – Corporate Bonds, Eurobonds, Sovereign Debt, UK Government Stock (Gilts) and Certificates of Deposit.
 - c) Warrants to subscribe for any Investments listed in (a) and (b).
 - d) Open and closed-ended funds defined as appropriate for retail investors (i.e. Unit Trust and OEICs).
 - e) Investments which are similar or related to any of (a) to (d), for example, certain PRIIPs. We do not provide dealing services in relation to all forms of PRIIPs (for example, we do not offer pensions and life products).
- 6.4 We are not bound by any form of agreement with any PRIIPs provider.

7. Risk of investing and using our services

- 7.1 The price and value of Investments and the income you receive from them can fall as well as rise. You may get back less than you invested or you may get back nothing at all. You should think carefully before investing, whether such Investments are right for you and whether or not you can afford to invest and take advice from your Intermediary and your tax, legal and other professional advisers.
- 7.2 Whilst it is our responsibility to make sure that all investments made available for Execution are targeted at retail investors, it is your Intermediary’s responsibility to provide you with an indication of their risk categorisation.

8. Your Intermediary

- 8.1 You have appointed the Intermediary designated in your Account Application Letter to advise you on or manage your Investments.
- 8.2 James Brearley will not provide you with any investment advice or portfolio management services.
- 8.3 You authorise:
 - a) your Intermediary to transmit Orders and other instructions for your account to us on your behalf, and for us to accept such Orders and instructions as if they had come from you directly,
 - b) your Intermediary to access all information regarding your account;
 - c) your Intermediary to communicate with us regarding your account; and
 - d) us to send information, notifications or other communications to your Intermediary on your behalf for your attention.

- 8.4 We are not responsible for any advice given to you by your Intermediary or any investment decisions they make on your behalf.
- 8.5 We are not responsible for assessing the suitability or appropriateness of Investments for your account to which any Order relates. We are also not responsible for any assessments of suitability or appropriateness made by your Intermediary.
- 8.6 You or your Intermediary will retain all responsibility for the suitability of any Investment purchased or held.
- 8.7 We will not make any recommendations to you or offer any opinion as to the suitability or merits of any transaction or course of action.
- 8.8 If your Intermediary changes, we will not be able to accept Orders from the new firm acting on your behalf until they have entered into our standard intermediary agreement. Further, you will be required to confirm your wish to change your original Intermediary and also sign a new Account Application Letter, confirming the appointment of your new Intermediary to place Orders and Instructions on your behalf.

9. Costs and charges

- 9.1 The charges payable to James Brearley for our Services have been agreed with your Intermediary and further details may be obtained from them.
- 9.2 By signing the Account Application Letter you are deemed to have accepted those charges and authorised your Intermediary to agree changes to them on your behalf with us.
- 9.3 In providing our Dealing Service we act as your agent in executing transactions on your behalf in the marketplace and in providing our Custody Service, we act as trustee, holding your Investments on trust for you as Beneficial Owner.

10. Payment of fees and charges

- 10.1 We shall deduct all costs and charges payable by you from your Cash Account, in line with the terms agreed with your Intermediary. This may take the form of :
- a) costs and charges applied on a trade by trade basis and as detailed in the Confirmation Note.
 - b) a basis point charge applied on a calendar quarter basis;
 - c) a fixed Custody Services fee charged on a quarterly basis.
 - d) some other arrangement agreed with your Intermediary.
- 10.2 Upon the termination of our Services as described in paragraph 51 (Termination of our Services), all accrued costs and charges will be immediately due and payable and shall be deducted from your Cash Account, including (but not limited to) charges relating to the transfer of the Investments held by us in your Securities Account to a replacement custodian and the remaining balance of your Cash Account to an eligible bank or other firm authorised to hold client money.

EXECUTION-ONLY DEALING SERVICE

11. Overview of the Dealing Service

- 11.1 Our dealing service is an execution-only brokerage service designed for investors who have appointed an Intermediary with authority to transmit Orders for their account to us for Execution (our "Dealing Service").

12. Transmission and acceptance of Orders

- 12.1 Orders should be transmitted to us for Execution by your Intermediary only. Your Intermediary may transmit Orders via our dedicated internet dealing service.
- 12.2 If we become aware of any material difficulty relevant to the proper carrying out of Orders we will promptly notify your Intermediary on your behalf.
- 12.3 In certain circumstances it may not be possible for us to Execute the Order received from your Intermediary, such as when the size of the trade exceeds any limit set by the market for electronic trades. In this type of scenario we will attempt to place the trade manually with our market counterparties, however we will not be liable in any way for failing to Execute such Orders.
- 12.4 We will record the date and time that an Order is transmitted on your behalf by your Intermediary and all

relevant transaction details. Our records will in the absence of manifest error be conclusive. In case of dispute, we shall make such records available if requested.

12.5 Orders to deal in more than one class of share will be transacted separately, and all charges (including dealing commission and other charges due), will be allocated as per the charging structure agreed with your Intermediary. Sales and purchases of Investments will be treated as separate transactions for settlement purposes.

12.6 The capacity in which we Execute your Orders

When acting for you in the Execution of an Order, we will act as your agent in transacting with execution venues. James Brearley does not act as a dealer or market maker, in other words we will not sell or buy Investments to/from you from an inventory of our own assets.

13. Dealing instructions

13.1 When your Intermediary gives us an Order in listed securities, there are two main ways in which we can deal for you in terms of the price: At Best or At Limit.

13.2 An Order “At Best” means that we will deal at the best price available to us. Market prices can change quickly and therefore when we receive an Order At Best you accept that the price may change in the time it takes for us to Execute the Order.

13.3 An Order “At Limit” involves the provider of the Order (your Intermediary on your behalf) setting a specific price at which you will buy or sell the Investments which are the subject of the Order. We will agree with your Intermediary how long the limit should apply if it is not immediately achievable (for example, one day, one week or one month). We will use reasonable endeavours to execute the Order At Limit. However, we do not guarantee to execute the Order even if the price reaches the set limit. Circumstances leading to an Order At Limit not being executed could include the size and nature of the Order, the loss of our supporting real-time price feed, market conditions at the time (such as a “fast market” where prices are purely indicative), backwardation (where the selling price is higher than the buying price), other clients have placed a similar instruction to buy or sell at a limit before your own (so we may carry out their instruction before yours) and other factors that are outside of our control.

13.4 If your Intermediary places a limit order and it is not fulfilled immediately, you agree that we need not disclose or publish details of your unfulfilled limit order.

13.5 All At Limit Orders are placed by your Intermediary at your own risk. In all circumstances, irrespective of the cause, we do not accept liability for any At Limit Orders which are not executed because the set Limit price cannot be met or exceeded or is otherwise unsuccessful.

13.6 Please note that additional terms apply to instructions to buy or sell at a limit submitted via our Online dealing facility which your Intermediary will be required to accept as agent on your behalf.

14. Investment in PRIIPs

14.1 Where your Intermediary places an Order to invest in a PRIIP, we will only accept their instruction once they have confirmed to us that they have passed the appropriate Key Investor Information Document relating to that product.

15. Best Execution and our Order Execution Policy

15.1 We are required under the FCA Rules to take all sufficient steps to obtain the best possible result for you when executing Orders transmitted to us by your Intermediary (referred to as a duty of ‘best execution’), taking into account execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the Order (referred to as ‘execution factors’). Best execution does not, however, mean that we can or must guarantee that the best price will be achieved for each and every Order. There are some scenarios in which our duty of best execution may be qualified or limited, for example where we follow your Intermediary’s specific instructions as to how we should Execute an Order.

15.2 We Execute your Orders in accordance with our Order Execution Policy, which is available at the Downloads page of our website. It specifies, amongst other things:

- a) Our strategy for obtaining the best possible outcome for the execution of Orders;
- b) The importance we place on the execution factors and how they affect our choice of execution venue;

and

- c) The execution venues we use.

Execution Factors

In providing you with best execution, we will take into account a range of execution factors, including:

- a) Price and associated costs (total consideration).
- b) Speed of execution.
- c) Likelihood of execution and settlement.
- d) Size of the Order.
- e) The nature of the Order and any other relevant considerations.

In determining the relative importance of these factors, we will use our judgement and experience with due consideration given to the following criteria:

- a) Your regulatory client classification as a retail client.
- b) The characteristics of the financial instrument the Order relates to.
- c) The characteristics of the Order.
- d) The characteristics of the execution venues on which the deal can be executed.

Our provision of best execution to you will be determined primarily in terms of total cost, which is comprised of the price of the Investment we are buying or selling for you and costs incurred in executing the Order (including but not limited to costs and charges payable to/for execution venues, clearing and settlement and any other relevant third parties).

Execution venues

An 'execution venue' means the person or place with or where we execute an Order for a client. Execution venues means Trading Venues (consisting of regulated markets, multilateral trading facilities and organised trading facilities), dealers and market makers (some of which are designated as 'systematic internalisers'), other liquidity providers and firms outside the European Economic Area which provide similar services. In selecting the most appropriate venues for the purpose of executing your Intermediary's instructions to buy or sell Investments, we will take into account the relevant factors required to deliver the best possible results on a consistent basis. We consider the price as being the most important factor. Other factors include:

- a) Available liquidity and cost.
- b) Availability and market reputation of execution venues.
- c) Comparability.
- d) Consolidation of data related to execution quality by various execution venues.
- e) Such other factors as may be appropriate, including the ability of the venue to manage complicated instructions to buy or sell investments, the speed of execution and the quality of any related clearing and settlement facilities.

At the Downloads page of our website you will find the most recent execution quality data published in accordance with MiFID for each execution venue listed in our Order Execution Policy.

16. Consent to our Order Execution Policy

- 16.1** Our Order Execution Policy will be updated from time to time and the current version (in effect at a particular time) will be available at our website. Your Intermediary will be notified each time a new version of the policy is published at the website.
- 16.2** The first time and each subsequent time your Intermediary transmits an Order to us, we will consider this as your acceptance of our Order Execution Policy in effect at the relevant time.

17. Monitoring and review

- 17.1** Each year our policy for ensuring 'best execution' will be formally reviewed to ensure it remains effective in terms of achieving 'best execution' for our clients and also that it is being correctly implemented across the firm. We

will let you know, via your Intermediary about any significant changes to our Order Execution Policy.

- 17.2** We will also monitor our effectiveness in achieving ‘best execution’ on a regular basis in order to identify and where necessary correct any deficiencies. This will include monitoring the execution venues to determine whether they provide the best possible result in terms of price on a consistent basis. Upon request from your Intermediary, we will provide them with the monitoring analysis we undertake for any transaction executed on a Trading Venue by us, on your behalf.
- 17.3** We do not permit Short Selling (such as the selling of shares which you do not own, or have borrowed, where you intend to buy them back at a later date). Where we are aware of short selling we reserve the right to close out the position. We shall not be responsible for any outstanding balance.

18. Confirmation Notes

- 18.1** After an Order has been Executed, we will issue to your Intermediary on your behalf a confirmation note setting out the essential details (each a “Confirmation Note”), including, amongst other things, the amount that you will receive or the amount due by the settlement date. Where your Intermediary has arranged for you to have access to our web portal, you will also receive an email notification directing you to where the relevant Confirmation Note can be accessed and downloaded.
- 18.2** It is possible to view and download copies of all your Confirmation Notes by accessing your account online via the web portal, as detailed in paragraph 37 (Online Account Access).
- 18.3** Other than for units in an Open-ended Fund, a Confirmation Note detailing all the relevant characteristics of the executed instruction will be issued to your Intermediary no later than the first business day following Execution. For units in an Open-ended Fund, a Confirmation Note will be issued within 24 hours of our receipt of the confirmation from the relevant fund group.
- 18.4** Confirmation Notes will be issued to your Intermediary electronically.
- 18.5** You should retain all Confirmation Notes for taxation purposes.

HOW WE HOLD YOUR INVESTMENTS

19. Custody of your Investments

- 19.1** Financial instruments acquired by us on your behalf following our Execution of the Orders placed by your Intermediary, will be safeguarded and administered by us for you, as further described below (our “Custody Service”). Please note that use of our Custody Service is compulsory.

20. What is our Custody Service?

- 20.1** Our Custody Service is a service whereby an investment, instead of being registered in your own name, is registered and held on your behalf by one of our nominee companies. This arrangement allows James Brearley to take care of the necessary dealing and administration associated with your Investments whilst reducing the paperwork you will have to deal with. We are equally responsible for looking after your Investments.

21. Important terminology

- 21.1** Before we set out the details of our Custody Service, it is important that you understand some important terminology relating to how your Investments may be held.
- a) The registrar for a company is the person or institution that is responsible for keeping records of the company’s shareholders and bond holders. Usually, if you are the owner of a share in or bond issued by a company, you will be recorded by the registrar as the registered owner of the shares or bonds you own. You will typically receive a certificate or other similar document which confirms your entitlement. These are sometimes referred to as “certificated” or “registerable” Investments.
 - b) “Dematerialised” Investments are those that can be held without evidence of ownership in the form of a certificate or similar document. Instead ownership is usually recorded electronically. Shareholders usually receive regular paper statements of their Investments (which are not dissimilar to bank statements).
 - c) A “custodian” is a financial institution that has the legal responsibility for holding and looking after a client’s/customer’s Investments, both those which are certificated and those which are dematerialised. It is specifically authorised in the UK by the FCA to undertake this activity.

- d) A Sub-custodian is a firm with which a custodian may deposit assets held by it on behalf of its clients
- e) A nominee company is one which is usually formed, owned and controlled by a custodian as a separate legal entity and it is the nominee company in whose name legal title to the firm's clients' assets is registered. James Brearley owns and controls two nominee companies, James Brearley Crest Nominees Limited and Walpole St Andrew Nominees Ltd. These and any other nominee companies established by us in future shall be referred to as our "Nominee Companies".
- f) Crest is a dematerialised depository and settlement service (a "Central Securities Depository" or "CSD") for the United Kingdom and Republic of Ireland, operated by Euroclear (UK & Ireland).

22. Your Securities Account

- 22.1 We shall open and maintain in our books and records one or more accounts in your name for the recording, safeguarding and administration of Investments acquired by us for your account via our Dealing Service or otherwise received and accepted by us, a Sub-custodian or CSD for your account (your "Securities Account").
- 22.2 Investments may be held directly by one of our Nominee Companies at CSDs or may be held indirectly via Sub-custodians (which will in turn hold title to the Investment, directly or indirectly at CSDs).
- 22.3 Investments held at CSDs shall be held in accordance with, and subject to, the relevant agreements, rules, regulations and conditions imposed by such CSDs. Investments held indirectly via Sub-custodians shall be held subject to the terms and conditions of our agreement with the relevant Sub-custodian.
- 22.4 Save as referred to in paragraph 26.3, your Investments will at all times be identifiable separately from our own proprietary assets and those of any Sub-custodians and CSDs.
- 22.5 We will be responsible for the actions of all nominee companies controlled by us or by a company associated with us to the same extent as we are responsible for the actions of James Brearley.
- 22.6 Your Investments will be held in dematerialised form wherever possible (as an electronic entry on a register, rather than in the form of a physical share certificate).
- 22.7 Our Nominee Company will be the legal owner of your Investments but at all times, you will remain their Beneficial Owner.

23. Use of Sub-custodians

- 23.1 In order to be able to provide the Custody Service, for example to provide custody of assets at an Overseas CSD, we may need to appoint Sub-custodians for the deposit of your Investments.
- 23.2 Where we use a Third Party as a Sub-custodian we will exercise all due skill, care and diligence in the selection, appointment and periodic review of the Sub-custodian.

24. Responsibility for Sub-custodians and CSDs

- 24.1 Where we have exercised all due skill, care and diligence in the selection and periodic review of a Sub-custodian, we will not be liable to you for any losses due to the acts, omissions or insolvency of that Sub-custodian, except as set out at paragraph 56 (*Legal Responsibilities*).
- 24.2 We will not be liable for losses arising as a result of the acts or omissions of CSDs, except as set out at paragraph 56 (*Legal Responsibilities*).

25. Consequences of the Insolvency of Sub-custodians and CSDs

- 25.1 Subject to the relevant requirements and exceptions under the FCA Rules and save as referred to in paragraph 26.3, your Investments held at Sub-custodians and CSDs will be separately identifiable from our own assets and those belonging to the relevant Sub-custodian and CSD. This segregation, along with other legal and regulatory measures, is intended to protect and ringfence your assets from the failure of a Sub-custodian, a CSD, or the failure of our firm. Nevertheless, in the unlikely event of such a failure, there may be a shortfall in the account or accounts in which your Investments are held, meaning you would have to share in the losses caused by such shortfall along with the other affected Beneficial Owners of the assets in the relevant accounts.

26. RISKS OF OMNIBUS ACCOUNTS & OVERSEAS INVESTMENTS

- 26.1** Your Investments may be held by us (in our name or the name of one of our Nominee Companies) in an omnibus securities account at a Sub-custodian or CSD along with the Investments of other of our clients and will be interchangeable and indistinguishable from all other James Brearley clients' Investments of the same issue held in such account. This means that your rights in respect of such Investments are not in respect of specific shares or other Investments but rather in respect of shares or other Investments of the same number, class, denomination and issue as those originally acquired by us or deposited with us for your account. Sub-custodians or CSDs may then hold your Investments in a further omnibus account with a Third Party that it engages. If a Sub-custodian, CSD or any further Third Party appointed by them defaulted, and held fewer assets than it should for the benefit of all of its custody clients, there may be a shortfall. Any shortfall may then have to be shared pro rata among all clients whose assets are held by the relevant Third Party, meaning that you may not receive back your full entitlement.
- 26.2** You may request in writing a wish for such Investments to be held in an "individual client segregation account". We reserve the right to apply an additional charge should you wish to hold your investments in an individual client segregation account (£1,000 per annum) to cover the additional administration this structure creates. We also reserve the right to reject your request. The main benefit of individual client segregation is that your Investments are held in a separate account at Crest designated to you which may lead to a prompter distribution of them, in the event of James Brearley falling into administration.
- 26.3** Overseas Investments may be subject to different settlement, legal and regulatory requirements than those which apply within the United Kingdom.
- 26.4** A further risk is that, in certain countries, it may not be possible under their national laws for Investments belonging to you and held by a Sub-custodian or CSD in that country to be separately identifiable from the proprietary assets of that Sub-custodian or CSD or James Brearley. This creates the risk that your Investments would not be ring-fenced and protected from the default or insolvency of the Sub-custodian or CSD or James Brearley and could possibly be available to satisfy claims of creditors of the insolvent institution, and/or result in potentially significant shortfalls and delays in recovering your Investments.

27. Security interests of Sub-custodians and CSDs

- 27.1** Sub-custodians and CSDs may have a lien, rights of set-off or retention and sale or other security interest over Investments credited to any account(s) held with such Sub-custodian or CSD which secure claims for payment in respect of administration, custody and other fees and charges owed to them as provided in the applicable agreement with such Sub-custodian or CSD (or rules, regulations and conditions imposed by such CSD) or that arise under applicable law in the relevant jurisdiction.

28. Corporate actions

- 28.1** Corporate actions are anything that a company does that has a direct impact on shareholdings or that involves payments to or from shareholders. Examples of corporate actions include takeovers, rights issues, scrip issues, splits, consolidations, demergers and dividend payments. These corporate actions are further explained in our 'Jargon Buster' document which can be accessed via the Downloads page of our website.
- 28.2** We will be responsible for allocating all dividend and interest payments we receive and for allocating other entitlements which are due to you.
- 28.3** We have no facility for receiving shares instead of cash dividends. Dividends, interest and other income accruing to your account will be paid to you in accordance with the instructions your Intermediary has given us.
- 28.4** We will let your Intermediary know about any corporate actions effecting those positions held in our Custody Service. However, you will be responsible for taking the decisions about the action to be taken and you will need to inform your Intermediary of the action to take in respect of the Investments you hold. If your Intermediary does not tell us what you want us to do within the time-frame we specify, we will take the default option set out in our notification to your Intermediary (if any) or otherwise take no action.
- 28.5** Where your Investments are pooled with those of other clients, your entitlements arising from any corporate action will be allocated to you promptly and within any guidelines set out by the FCA. However, this is subject to the following conditions in respect of fractional entitlements, being those shares or units remaining after we have made these allocations: The fractional entitlement will be sold at the prevailing market value and the

resulting proceeds allocated to you, however if these are of a small value (less than £5) we may pay them to a charity of our choice.

28.6 We will not notify your Intermediary of company meetings. You will not automatically receive Annual Reports and Accounts or be able to attend and vote at company meetings. Neither will you be entitled to receive any shareholder benefits that you may be entitled to if the Investments were registered to you in your own name.

28.7 We may be able to facilitate your attendance at company meetings and receive annual reports and accounts. If you wish to attend such meetings or receive such reports, please advise your Intermediary. Please note that we may levy a charge for making such arrangements.

29. Settlement of your transactions

29.1 The term 'settlement' refers to the exchange of cash and Investments between a buyer and seller following their agreement to a sale and purchase of a particular Investment (i.e., a trade). The date that agreement is made is referred to as the trade date or simply, "T". Settlement is usually required to take place within one or two days following the trade date, and so reference is often made to settlement being required by "T+1" or "T+2", for example. The exact time period by which settlement must occur depends on a number of factors, particularly the rules of the exchange or other trading or execution venue at which the trade was agreed and the currency in which the Investment is denominated, among others.

29.2 The Confirmation Note related to our Execution of a particular Order will set out the amount of cash and Investments due from or to you and the expected settlement date.

29.3 In the event that, at the time we receive (a) a buy Order from your Intermediary, your Cash Accounts do not contain sufficient cash in the required currency to settle such purchase transaction or (b) we receive a sell Order from your Intermediary and your Securities Account does not contain sufficient Investments to settle your delivery obligation on the settlement date, we will not Execute the Order.

29.4 We will settle purchase and sale Orders in accordance with the rules or terms of the relevant trading or other execution venue on which we have Executed the Order and any applicable established securities trading practices and procedures in the market or jurisdiction in which the transaction occurs, including, but not limited to by delivery-versus-payment (where payment is made simultaneously with delivery of the corresponding assets) and free-of-payment (where the two exchanges are staggered, with payment or delivery happening one before the other).

30. Non-standard settlement

30.1 Usually when you buy or sell Investments, the intended settlement day is in the future so that payment (for purchases) or delivery (for sales) can be achieved. Where a non-standard settlement period is required, the price of the Investments you buy may be higher if you make a purchase or you may receive less for your investment if you sell. We shall not be liable for any price difference relating to purchases and sales which require non-standard settlement.

31. Certificated securities

31.1 We do not usually hold in our custody any Investments in certificated form which are registered in your name. We will normally return such Investments to you via your Intermediary at the earliest opportunity.

31.2 However, there may be times when it is necessary for us to hold Investments in certificated form which are registered in your name by special arrangement, for example, pending transfer of the Investment into our Custody Service.

31.3 During the period we are holding such Investments, we will hold them securely and we will maintain records of them being your property. We will also regularly check what we are holding in our safe custody against our records and those records of the company or their registrar. Please note, this does not apply to any Investments in certificated form which are registered in your name (or any other safe custody asset) unless we hold them for more than one business day.

31.4 Please note that, where you are the registered owner of certificated Investments, reports and accounts, dividends and other information will still be sent directly to you by the respective companies or their registrars. We will have no obligation to provide you or your Intermediary with any such information and we cannot be held liable should you not receive such information.

31.5 Before your Intermediary can instruct us to sell Investments which are held in your own name in certificated form, we must be provided with the certificates and correctly completed transfer forms which will enable the positions to be transferred into our Custody Service. We can then accept your Intermediary's sale instruction and will then be able to pay you the proceeds of the sale and any other amounts owing to you on the date shown on your Confirmation Note (the intended settlement date).

HOW WE WILL HOLD YOUR MONEY

32. How we will treat your money

- 32.1** We will establish one or more set of accounting records in our books for the purpose of recording the money held by us on trust for you (your "Cash Account"). Your Cash Account will, amongst other things:
- a) record money received in order to execute the purchase of Investments on your behalf;
 - b) record cash resulting from the disposal of Investments on your behalf;
 - c) record dividends and interest received on your behalf; and
 - d) account for any fees or charges to which James Brearley (or a Third Party) is entitled pursuant to these Terms or applicable law;
- 32.2** Money which is held by us on your behalf will be treated as Client Money in accordance with the Client Money Rules. In accordance with these rules, we will hold Client Money segregated from money belonging to James Brearley at all times.
- 32.3** We will hold Client Money in client bank accounts at one or more banks assessed by us as being fit for that purpose in accordance with the Client Money Rules. In certain circumstances Client Money may be held in a client transaction account with a Third Party which is not a bank, such as an exchange, a clearing house or an intermediate broker or settlement service (such as Crest or Euroclear) as such parties are defined under the FCA Rules, including for the purpose of one or more transactions for your account carried out through or with any such party.
- 32.4** Client Money placed by us with a bank or building society is held in instant access and term deposit accounts at our discretion, in accordance with the FCA Rules. No client money will be held with notice periods or fixed terms of more than 95 days. Money held in term or notice accounts is not immediately available, which creates a risk of a delay in your ability to access your funds, in particular if there should be a significant increase in the demand for withdrawal of money or its investment, by our clients. We address this risk by monitoring cash flows against historical and expected levels, with the aim of ensuring that your immediate access to your money is maintained under any circumstances that might be reasonably expected to occur.
- 32.5** All Client Money will be held in a manner which will identify it separately from money belonging to us at all times. We will obtain acknowledgement from the banks or other Third Party institutions with which a client transaction account is maintained that Client Money does not belong to us such that in the event of our default all Client Money we are holding on your behalf is protected and can be returned to you.
- 32.6** Where we hold Client Money on your behalf this will not be kept in an account which is specifically designated to you alone and it will be kept in a "pool" with Client Money we are holding for one or more other clients.
- 32.7** We will normally hold Client Money on your behalf in a "General Pool" consisting of accounts with one or more banks or other eligible third parties. In the event of the insolvency or a default by any such bank or other Third Party, which forms part of the "General Pool", if there is a shortfall (i.e. the amount available is less than is expected or due), you may share in that shortfall in proportion to your original entitlement to the Client Money in the "General Pool". Any Client Money held on your behalf in the "Separate Pool" described in paragraph 32.7 will be unaffected by any shortfall in the "General Pool".
- 32.8** Under certain circumstances, such as at your request (via your Intermediary) or as a specific condition relating to an Investment, we may hold Client Money on your behalf with that of one or more other clients in a "Separate Pool" with one or more specific banks or eligible third parties (such a Separate Pool being a designated client bank account as defined in the FCA Rules). In such circumstances, if there is a shortfall in this "Separate Pool", you may share in that shortfall in proportion to your original entitlement to the Client Money in the "Separate Pool". Any Client Money held on your behalf in the "General Pool" described in paragraph 32.6 will be unaffected by any shortfall in the "Separate Pool".

- 32.9 Please note that receipts of monies will normally be via the “General Pool” before moving to the “Separate Pool” at your request (via your Intermediary). Similarly, if your funds are held in the “Separate Pool”, payments will normally be made via the “General Pool” with funds moving from the “Separate Pool” at your request (via your Intermediary).
- 32.10 We will normally only hold Client Money in sterling. Should you wish to send funds to us in another currency, we will take this as your instruction to convert the amount to the sterling equivalent at the prevailing exchange rate.
- 32.11 In the unlikely event that a bank or other eligible Third Party with which we deposit or grant control over Client Money fails or defaults, you may be eligible for certain compensation under the Financial Services Compensation Scheme, as further detailed at paragraph 41 (*Compensation Schemes*).
- 32.12 James Brearley is not liable for the acts, omissions or defaults of any banks or other institutions with whom we deposit Client Money, except as described at paragraph 56 (*Legal Responsibilities*).

33. Interest

- 33.1 The current rate of interest paid on Client Money is stipulated in our Online Services Charge Card, a copy of which is available via your Intermediary or can be accessed via our website www.jbrearley.co.uk. An element of interest earned on Client Money will be retained by James Brearley.

34. Payments and receipts

- 34.1 We will make payment of cleared funds to you electronically for example via the BACS, CHAPS, or Faster Payments systems. You should let your Intermediary know if you change your bank details.
- 34.2 Cleared funds are funds which are available to invest or which can be paid to you. You will not usually be able to invest or withdraw funds from your account until they are deemed by us to be cleared funds.
- 34.3 You should expect a BACS payment to take around three working days to clear. If you require your money to be returned to you in less than three days, we can make payment to your bank using the Faster Payments Service or Clearing House Automated Payments System (CHAPS) which are usually sameday transfers. Any charges for such payments will be agreed with your Intermediary.
- 34.4 Please note, we cannot guarantee that BACS, Faster Payments and CHAPS will be completed in the timescales stated above. Whilst we will use our reasonable endeavours to ensure these timescales are met, we are also reliant on the external banking system, which is beyond our control.
- 34.5 We will not be responsible for or liable to you for any consequential loss arising from any payment which is not completed in these timescales. You should not rely on using funds held with us for meeting any urgent or emergency expenditure.
- 34.6 This applies to you and any Third Party acting for you and “consequential loss” means:
- Any financial loss, including but not limited to the loss of profits, turnover and anticipated profits.
 - The loss of any goodwill.
 - Any loss or damage relating to any property or equipment.
 - Any additional expenditure you incur.
- 34.7 Payments you make to us will be paid directly into a client bank account as soon as they are received by the relevant bank. We will make appropriate records and allocate the appropriate amount to your Cash Account as soon as practicable in accordance with the Client Money Rules. However you should be aware that in the case of payments you make by cheque, it may take one week (5 business days) for the funds to be cleared. Similarly, if you are intending to sell an Investment in order to cover the cost of buying another Investment, the proceeds from the sale will usually need to be received by us and be deemed by us as cleared funds before the settlement date of the purchase. This means for example, you will not be able to purchase an Investment for settlement in one day’s time (T+1) using sale proceeds due in two days’ time (T+2). If you are unsure, you should contact your Intermediary for guidance. If you send us a cheque, you should state your James Brearley account reference on the reverse of the cheque.
- 34.8 If a cheque you provide to us is returned from the bank (for example, due to an error, it is unsigned, etc.) we will let your Intermediary know.
- 34.9 You can make an online payment to your account by debit card. We can only accept debit card payments from Visa or Mastercard. All debit card payments will be in sterling. Our refund policy is that we do not offer refunds

through the card processor, at any time. Subject to available funds in your account, you can request a withdrawal of monies to your designated bank account via your Intermediary. Your Intermediary can inform you of the James Brearley bank details in order for you to make an electronic payment by BACS or standing order.

- 34.10** Please note we will not normally make payments to a Third Party outside of the “account structure” (for example, HM Revenue and Customs, your local council, etc.).

35. Unclaimed Client Assets

- 35.1** Client Money balances or safe custody assets held for you will be considered as unclaimed by you where, with respect to Client Money, there has been no movement on your account (other than charges, interest or similar) for six years or with respect to safe custody assets, where we have not received any instructions relating to such assets for twelve years, and we have been unable to contact you via your Intermediary despite our attempts to do so in accordance with the FCA Rules.
- 35.2** Where FCA Rules allow us to do so and after taking all necessary steps required by the FCA Rules, we may stop treating as Client Money any unclaimed Client Money balances allocated to you and pay away any such unclaimed Client Money to a registered charity of our choice.
- 35.3** Where FCA Rules allow us to do so and after taking all necessary steps required by the FCA Rules, we may either (a) liquidate any unclaimed safe custody asset we hold for you, at market value, and pay away the proceeds or (b) gift an unclaimed safe custody asset we hold for you, and in either case, to a registered charity of our choice.
- 35.4** Before we liquidate and/or transfer your safe custody assets or Client Money as described in paragraphs 35.2 and 35.3, we must provide you via your Intermediary with a written undertaking that in the event of you seeking to claim the safe custody asset thereafter, we shall pay to you a sum equal to the value of the safe custody asset at the time it was liquidated or paid away.

REPORTS AND ACCOUNT INFORMATION

36. Account Statements

- 36.1** In order to ensure that you have regular information about which Investments we are holding for you within our Custody Service and the cash we are holding as Client Money, we will send your Intermediary a quarterly statement. These will be sent on a calendar quarter basis or at a frequency determined by the FCA if this is different.
- 36.2** You may request via your Intermediary a valuation on a more frequent basis, however we may apply a charge for the production of any such valuation (£25).

37. Online Account Access

- 37.1** It is possible to view a statement of your account at any time via the online portal, which you can arrange via your Intermediary.
- 37.2** They will provide you with a unique username and password to allow you to view your portfolio. This facility provides the opportunity to view an up-to-date valuation of your portfolio, a history of all transactions, a statement of how much cash is held, capital gains tax reports for the current and previous fiscal year and the ability to view historical valuations of the portfolio as at the close of play on any business day. You will be responsible for keeping your username and password secure. We reserve the right to terminate your access to this online facility or any portion of it at our sole discretion, without prior reference to you.
- 37.3** You will also be able to access a copy of all Confirmation Notes via the secure mail facility, along with our quarter-end valuations, the annual tax report and corporate action notifications as and when they arise.

38. Annual Statements and Reports

- 38.1** You will receive via your Intermediary a Consolidated Tax Certificate for all dividends and interest received, including interest received on any cash held. These are produced and made available at the end of the UK tax year.
- 38.2** You will receive via your Intermediary an annual Cost & Charges statement being a summary of the actual fees and charges that you have incurred at a service and product level over the previous 12 month period.

COMMUNICATION WITH JAMES BREARLEY

39. Communication between you, us and your Intermediary

- 39.1 We will aim to ensure that all of our communication with you and your Intermediary is clearly and fairly presented so that you and your Intermediary are able to understand its content. If anything is unclear or you are unsure about why we have sent something, please let your Intermediary know in the first instance.
- 39.2 There are some important general points which you should be aware of:
- These Terms will be provided only in English. The language in which we will communicate with you and your Intermediary (orally and in writing) is also English.
 - We will only act on your instructions as conveyed via your Intermediary, with the exception of a notice of termination of this agreement as set out in clause 52.4.
 - For your protection, telephone calls are recorded and we may refer to the recordings should there be any confusion or dispute in respect of a transaction or conversation with your Intermediary. We may be required to make the recordings of our conversations available to third parties (i.e. those who provide services to James Brearley) or to a regulatory body such as the FCA.

OTHER IMPORTANT INFORMATION

40. Complaints - if you are unhappy with our service

- 40.1 Your Intermediary may be able to answer questions you may have regarding the interaction between us and them and how Orders are generated and executed for your account and your Investments are held.
- 40.2 If you are unhappy with any aspect of the Services we provide and wish to make a complaint to us, you should direct this to your Intermediary, who will in turn refer this to our dedicated Complaints Officer.
- 40.3 Our aim is to deal with all complaints fairly, honestly and professionally. All complaints are dealt with by our Complaints Officer. They will provide your Intermediary with a full response to your complaint addressing all of the issues thoroughly. They will provide your Intermediary with a decision on the outcome of your complaint. However, in the event that we are unable to resolve a complaint to your satisfaction, you may be eligible to refer your complaint to the Financial Ombudsman Service, a free (for consumers) and independent service that helps settle disputes between consumers and UK based businesses providing financial services. You can obtain more information about the Financial Ombudsman Service from www.financial-ombudsman.org.uk or you can write to them at: Financial Ombudsman Service, Exchange Tower, London, E14 9SR.
- 40.4 When our Complaints Officer provides your Intermediary with our final response to your complaint, they will send them a copy of the Financial Ombudsman Service's explanatory leaflet to pass on to you which will explain how you can refer your complaint to them should the need arise.
- 40.5 Certain entities (trusts, companies, etc.) may not be eligible to refer a complaint to the Financial Ombudsman Service. You should contact your Intermediary if you are unsure how this may affect you.

41. Compensation schemes

- 41.1 In the event of our insolvency and where we are unable to meet our obligations to you, if you are eligible you may be able to make a claim to the Financial Services Compensation Scheme (a compensation fund for customers of failed financial services firms) ("FSCS"). The maximum amount which can be claimed is set in accordance with the legal requirements in place and may change from time to time. Whether or not you can make a claim also depends on your legal status (natural person, legal person etc) the type of business and the circumstances of the claim. In the event of the default of one or more of the banks or other institutions used by us to hold or control Client Money on your behalf, if you are eligible, you may also be able to make a claim to the FSCS.
- 41.2 Generally, the limit for claims made to the FSCS is £85,000 per person. Further information about the maximum compensation which can be claimed for investment business (for example a share portfolio held with an investment manager or stockbroker) and/or cash held as a deposit (for example with a UK Bank or building society) is available from the Financial Services Compensation Scheme www.fscs.org.uk.
- 41.3 Where we use a non-UK financial institution (such as a bank) to hold Client Money on your behalf, the maximum compensation will be governed by any compensation scheme in place in the non-UK financial institution's home state. Further information can be obtained from your Intermediary.

42. Insurance

42.1 We maintain an insurance policy that we believe is sufficient to cover any liability to you arising from any fraud or negligence by us.

43. Keeping your account secure

43.1 You will be responsible for keeping secure any usernames and passwords relating to any online services provided to you by James Brearley. You should also take care to ensure that any information about you which may be used as part of the account security checks is also kept secure.

44. Anti-Money Laundering

44.1 You agree to provide to us (via your Intermediary, or directly if so requested by us) such information and documents as we may request from you (directly or via your Intermediary) in order for us to comply with our obligations under the Money Laundering Regulations and all other applicable law relating to the prevention of money laundering and counter-terror financing in force in the United Kingdom during the term of this Agreement. Such information and documentation will include information about your identity, verification of your identity and information on the purposes for which you wish to use our Services, amongst other things. We require such information and documents prior to accepting your Account Application Letter as well as on an on-going basis during the term of our Agreement in connection with our continuing monitoring and review obligations under the Money Laundering Regulations and other applicable law. You understand that should you fail to provide any such information or documents requested of you, we may be unable to provide or may suspend our Services to you.

45. Data Protection

45.1 You acknowledge that any personal data we hold about you for the purpose of the agreement between you and your Intermediary (Intermediary Agreement) in relation to the services to be provided by us to you under these Terms will be processed by us as a data processor (and not as a data controller) and that your Intermediary will be the data controller in relation to your personal data for the purposes of the Intermediary Agreement. We will ensure that all personal data that we hold about you will be fairly and lawfully processed in accordance with our obligations set out in the Intermediary Agreement and the General Data Protection Regulation ((EU) 2016/679) and any national implementing laws, regulations and secondary legislation in the UK, as amended or updated from time to time.

45.2 Accordingly, you should refer to the privacy policy of your Intermediary who will be the data controller in relation to your personal data for the purposes of the Intermediary Agreement.

45.3 Any personal data requested and received from you for the purposes of our compliance with the Money Laundering Regulations will be processed only either for the purposes of preventing money laundering or terrorist financing or where the use of such data is permitted by or under an enactment other than the Money Laundering Regulations or the General Data Protection Regulation and/or where we have otherwise obtained your consent to the proposed use of the data.

46. Your reporting obligations

46.1 You will have an obligation to make a declaration (to the FCA and the Underlying Issuer) when your shareholding in a company reaches a certain size. This applies to all of the Investments whether held by us under the Terms of our Custody Service and if you hold the shares elsewhere or in certificated form registered in your own name.

46.2 This obligation is most likely to be relevant if you invest large amounts in smaller companies. The obligation may also be triggered if a company restructures in a way which changes the voting rights you have.

46.3 You are responsible for monitoring the level of your shareholding and making all relevant disclosures when your shareholding reaches or passes through a specific threshold level. Details of the rules and thresholds and the reporting procedure can be obtained from the FCA's website: www.fca.org.uk.

47. Joint Accounts and the Rules of Survivorship

47.1 Where our Account Application Letter has been completed in more than one name, and unless we agree to the contrary in writing, we shall treat all account holders as Joint Tenants.

- 47.2 This means that in the event of the death of any person, the assets in the Cash Accounts and Securities Accounts will pass to the surviving account holder(s). We will continue to act in accordance with the Account Application Letter unless we are given any new instructions by the survivor(s) via your Intermediary. We may request that the Intermediary provides us with a new duly signed Account Application Letter.
- 47.3 For administrative purposes, we may allocate a new account number in the name of the survivor(s) and these Terms will continue to apply to the new account.
- 47.4 You should inform your Intermediary of the death of any person who has signed the Account Application Letter as soon as possible. However, we will require proof of death before we can proceed with the administrative arrangements outlined above.

48. Conflicts of Interest

- 48.1 The structure and business model of James Brearley is such that potential for conflicts of interest to arise are managed.
- 48.2 If an occasion arises where there is a conflict of interest between you and us or you and another James Brearley client, we will inform your Intermediary and obtain their consent on your behalf, before carrying out your instructions.
- 48.3 Our full policy on Conflicts of Interest is available on request via your Intermediary.

49. Commencement of the Agreement

- 49.1 Our Agreement shall be effective from the date we receive and accept (at our sole discretion) a signed copy of the Account Application Letter. Please note that we may refuse to accept you as a client for any lawful reason.

50. Changes to these Terms

- 50.1 We may amend these Terms in our sole and absolute discretion from time to time. If we intend to do so, we will write to your Intermediary to notify it that we have amended these Terms and provide it with a copy or direct it to our website where a copy can be downloaded. Such changes will become effective on the date we set out when we notify your Intermediary. The effective date will be at least 20 business days from when we write to your Intermediary.
- 50.2 Whilst we do not intend to do so, we may (in accordance with the FCA Rules) outsource our functions under these Terms to a Third Party. If we do so, we will remain responsible to you for the actions of the Third Party.

51. Transferring your rights under these Terms

- 51.1 Your rights under these Terms are personal to you and cannot be transferred or assigned to anyone else.
- 51.2 James Brearley may transfer our agreement to provide services under these Terms or our rights hereunder to:
- Any other company in the same group of companies as James Brearley & Sons Limited; or
 - A successor firm.
- 51.3 We will only do so provided that the terms and conditions provided by the company or firm to whom the agreement is transferred will provide the same or equivalent protections to you under these Terms.

52. Termination of our Agreement

- 52.1 Our Agreement shall continue unless and until terminated in accordance with this paragraph.
- Termination by James Brearley*
- 52.2 We may write to you or your Intermediary at any time and for any reason to notify you that we want to terminate our Agreement with you and discontinue our Services under these Terms. Our notice will specify a date on which (subject to the other provisions of this paragraph and these Terms) we intend the termination of our Agreement to be effective, which must be at least 20 business days following the date of our notice (“**JB Termination Date**”). Our notice will require you to (and you shall) provide to us (via your Intermediary), within 10 business days following the JB Termination Date, the details of an eligible broker, bank, custodian or other authorised firm to which we may transfer your cash and Investments
- 52.3 Where you terminate your appointment of the Intermediary, we would normally expect to terminate our Agreement with you unless you appoint a successor intermediary and we, at our sole discretion, enter into such

agreements with your replacement intermediary as we may require at the relevant time.

Termination by you

- 52.4** You may write to us, or your Intermediary may write to us on your behalf, at any time and for any reason, to notify us that you want to terminate our Agreement. Your notice must specify a date on which you intend such termination to become effective (“**Investor Termination Date**”), subject to the other provisions of this paragraph and these Terms. If at the time of your termination notice you have, or expect to have (following our Execution of Orders transmitted to us) any Investments or cash held by us for you, then your notice of termination must include full transfer details for the bank, broker, custodian or other eligible firm to which you want us to transfer your cash or Investments on or prior to the effective date of termination.

Effective date of your termination notices

- 52.5** We will cease providing our Dealing Service on the Investor Termination Date, and will therefore not accept any Orders from that date. If on the Investor Termination Date we hold no Investments or cash for you, then our Custody Service shall also cease on that date. Subject to paragraph 53 (Survival), our Agreement shall terminate at such time.
- 52.6** If on the Investor Termination Date we hold cash and/or Investments for you, then provided you have given us the details of your intended transferee as required by paragraph 51.4 we will make reasonable efforts to complete the required transfer(s) to the transferee and once we have been able to successfully transfer your cash and/or Investments to such transferee, we shall cease our Custody Service on the date on which we complete the transfer(s) and our Agreement shall terminate at that time (subject to paragraph 53 (Survival)).

Effective date of our termination notices

- 52.7** We will cease providing our Dealing Service on the JB Termination Date and will therefore not accept any orders from that date. If on the JB Termination Date we hold no cash or Investments for you, then our Custody Service shall also cease on the JB Termination Date and our Agreement will terminate on that date (subject to paragraph 53 (Survival)).
- 52.8** Where on the JB Termination Date we do hold cash or Investments for you, then:
- a) we will discontinue our Dealing Service on that date;
 - b) following our receipt of the details for your designated transferee, we will make reasonable efforts to effect the necessary transfer(s) and upon such transfers being completed, our Custody Service and our Agreement shall terminate (subject to paragraph 53 (Survival)).
- 52.9** If we receive dividend, interest or stock entitlements for you after your account has been closed, we will transfer these to your designated transferee upon your (or your Intermediary’s) instructions, however if they are less than £5 in value we may pass them to a charity of our choice.

53. Survival

- 53.1** Any provision of our Agreement that expressly or by implication is intended to come into or continue in force on or after termination of our Agreement shall remain in full force and effect.
- 53.2** All accrued rights arising prior to the termination will continue to apply thereafter.
- 53.3** Termination of our Agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination.
- 53.4** If an account is held in your sole name and we receive proof of your death, our service to you will cease. However, we will continue to hold your Investments and cash. We will then follow the instructions of your Intermediary. For administrative purposes, we may establish a new account in the name of your personal representatives which will be governed by these Terms.

54. Cooling-off rights

- 54.1** In certain circumstances there are also cancellation rights which apply under the EU Distance Marketing Directive and FCA Rules. For an initial period of 14 calendar days after our receipt of your signed Account Application Letter, you have the right to cancel the relevant service(s). This can be done via your Intermediary verbally or in writing. If your Intermediary notifies us that you wish to exercise your right to cancel we will deal with the request to cancel as soon as practicable. This cancellation right only applies to the service(s) you have

opted for and does not apply to individual transactions undertaken on your account. If your Intermediary notifies us that you wish to exercise your right to cancel your agreement to these Terms within 14 calendar days, we will not levy any charges for the Custody Service although you will be obliged to pay for any Investments and pay us any amount due to us at the time you cancel or terminate our services under these Terms.

55. If you fail to pay what you owe us

- 55.1** In the event that you fail to make any payment owed to us, we may retain any money, Investment or other asset due to you (or held by us for you). We may sell them to offset your debt.
- 55.2** Selling Investments in such circumstances could mean that you miss out on favourable market conditions and we will not be responsible for any loss (or loss of opportunity) you suffer as a result of our action.
- 55.3** Where you owe us money we may apply interest at 4% over the base rate of the Royal Bank of Scotland in place at that time.
- 55.4** In addition, a Third Party may have similar rights to retain any money, Investment or other asset due to you (or held by them for you) in respect of any payment owed to them.

56. Legal Responsibilities

- 56.1** Unless caused by our negligence, fraud or intentional failure, we will not be responsible for any loss, by which we mean any financial loss, the loss of any goodwill, any loss or damage relating to any property or equipment, or any costs or additional expenditure you incur in connection with our services provided under these Terms, including but not limited to if any such loss arises through:
- a) Changes in market conditions; or
 - b) An error of judgement made in good faith on our part or the part of any employee, dealer, analyst, adviser, investment manager or agent used by us.

Furthermore, where we accept an Order or instruction from your Intermediary, we will not be responsible for any loss or loss of opportunity you incur if we are unable to execute the Order or instruction due to the failure of any Third Party or Third Party system on which we are dependent, including but not limited to the disruption or suspension of the service provided by a Third Party and the loss of connection to the Third Party's system. Similarly, where we accept an Order or instruction from your Intermediary we will not be responsible for any loss or loss of opportunity you incur, if we are unable to execute the Order or instruction in good time because we are required to carry out prerequisite administrative processes, either where imposed by a Third Party or under the applicable legal system.

- 56.2** Nothing in these Terms will avoid any responsibilities we may have:
- a) Under the Financial Services and Markets Act 2000 and the FCA Rules.
 - b) For death or personal injury caused by negligence.
 - c) For fraud (including fraudulent misrepresentation).
 - d) Any limit or other liability which it is unlawful to exclude or attempt to exclude under the law of England and Wales.
- 56.3** You will indemnify, pay or reimburse us against all costs, expenses, demands and losses which we incur in the lawful and proper exercise of our duties when providing our Services to you under these Terms.

57. No waiver

- 57.1** Any failure or delay by James Brearley to seek redress for a breach or to insist on the performance of any condition or provision of these Terms shall not be taken as our decision to waive that condition or provision.
- 57.2** Similarly, our failure or delay to exercise any right or remedy to which we are entitled does not mean we have waived that right or remedy.

58. Governing Law

- 58.1** These Terms and our continued relationship with you are governed by the law of England and Wales. You and James Brearley submit to the exclusive jurisdiction of the courts of England and Wales.
- 58.2** The information set out in these Terms is based upon our understanding of all current legislation, which may change in future. All references to the FCA Rules, laws and regulations shall be considered to be to their current form and any future amendments or successors to them.

THE SCHEDULE DEFINED TERMS

“**Account Application Letter**” means the letter you complete and sign in order to, amongst other things, apply to become a client of James Brearley with respect to its Dealing Service.

“**BACS**” means the Bankers Automated Clearing System – an electronic system which allows payments and transfers of money.

“**Beneficial Owner**” means the ultimate owner of an investment (i.e. the person who is entitled to the benefits of ownership).

“**Cash Account**” has the meaning given to such term in paragraph 32.1.

“**Client Money Rules**” means the FCA Rules relating to client money, set out at Chapter 7 of the Client Asset Sourcebook of the FCA Handbook.

“**Confirmation Note**” has the meaning given to such term in paragraph 18.1.

“**Custody Service**” has the meaning given to such term in paragraph 20.1.

“**Dealing Service**” has the meaning given to such term in paragraph 11.1.

“**Execute**” or “**Execution**” means the completion by us of an Order.

“**FCA**” means the Financial Conduct Authority of the United Kingdom.

“**FCA Rules**” means the rules and guidance of the FCA as set out in the FCA Handbook (as updated from time to time).

“**Intermediary**” means the regulated firm designated as your investment adviser or investment manager in your Account Application Letter, that has appointed James Brearley, via a separate agreement and agreed the commercial terms for doing so.

“**Investments**” means financial instruments as defined in the FCA Handbook and includes (among others) company shares, bonds and units in collective investment undertakings (investment funds).

“**James Brearley**” means James Brearley & Sons Limited.

“**Joint Tenants**” means an arrangement relating to jointly held assets, where in the event of the death of any one person, the assets pass to the surviving party or parties.

“**MiFID**” means EU Directive 2014/65 on markets in financial instruments.

“**OEIC**” means Open Ended Investment Company. An Open-ended fund.

“**Open-ended Fund**” means a type of fund where new units or shares may be created where there are new investors. The fund can increase and decrease in size and normally has no end date.

“**Order**” means an instruction transmitted to us by your Intermediary for the purchase or sale of an Investment by James Brearley on your behalf.

“**Overseas**” Anything relating to a foreign country. An overseas investment is one which is not constituted and/or listed in the UK.

“**PRIIPs**” means packaged retail and insurance-based investment products, which include (a) an investment where, regardless of its legal form, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets that are not directly purchased by the retail investor, and (b) an insurance product that offers a maturity or surrender value and where that maturity or surrender value is wholly or partially exposed, directly or indirectly, to market fluctuations. “**Securities Account**” has the meaning given to such term in paragraph 22.1.

“**Short Selling**” means the selling of an investment which you do not own with a view to buying it back at a lower price.

“**Stamp Duty**” is a tax levied in respect of purchases of shares and similar Investments made within the UK. “**Sub-custodian**” has the meaning given to such term in paragraph 21.1.d.

“**T+2**” refers to where settlement is due two working days after the trade date. This is the standard settlement period under which transactions in listed securities are normally entered into. Settlement may be up to T+20 (i.e. 20 working days after the trade date being deemed non-standard).

“**Third party**” means a person or organisation who is not you or us.

“**Trading Venue**” means a Regulated Market, Multilateral Trading Facility or Organised Trading Facility each as defined in MiFID.

“**We, us, our**” means James Brearley or an affiliate of James Brearley (being a company or other entity owned and controlled by James Brearley, or under common control with James Brearley).

“**You, your, yours, yourself, client**” The individual, joint account holder or entity named in the Account Application Letter and to whom we provide services under these Terms.

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James Brearley is the trading name of James Brearley & Sons Ltd.
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