

# BUSINESS TERMS & CONDITIONS

SHARD CAPITAL PARTNERS LLP

# BUSINESS TERMS AND CONDITIONS

## Retail and Professional Clients

### PART I: GENERAL TERMS AND CONDITIONS

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## PART I

### GENERAL TERMS AND CONDITIONS

Please read these General Terms & Conditions (“Terms”) as they will govern your relationship with Shard Capital Partners LLP (“Shard Capital” “we” or “us”).

#### 1. INTRODUCTION

- 1.1. These Terms together with any Supplemental Terms set out the terms under which we shall provide you with financial services. They replace all earlier terms or contractual arrangements previously entered between us. Please read them carefully and ask us to explain any points that are not clear to you. These Terms constitute the formation of a contract between you and Shard Capital. These Terms will come into effect on the earlier of the date on which (i) we confirm to you that we have received your correctly completed application form and identification documents, or (ii) we execute a transaction for you or on your behalf. Your legal relationship with Shard Capital is governed by this document, together with the terms set out in other documents which we give you, such as your application form or those documents or disclaimers relating to specific financial products or services. In the event of any conflict between these Terms and other documents relating to specific financial product or services, these Terms prevail.
- 1.2. Shard Capital is authorised and regulated by the FCA. The FCA maintains a register of all businesses that it regulates at [register.fca.org.uk](http://register.fca.org.uk). Shard Capital and its affiliates undertake all dealing, settlement, safe custody, nominee and associated services for Shard Capital.

#### 2. DEFINITIONS

- 2.1. In these Terms the following words shall, unless the context otherwise requires, have the following meanings and may be used in the singular or plural as appropriate:
  - i. “**Account**” shall mean a transaction account of the Client at Shard Capital.
  - ii. “**Account Statement**” shall mean a periodic statement of the transactions credited or debited to an Account.
  - iii. “**Account Summary**” shall mean a statement of the Clients securities portfolio, open position’s, margin requirements, cash deposit etc. at a specific point in time.
  - iv. “**Agent**” shall mean an individual person or legal entity undertaking a transaction on behalf of another individual person or legal entity but in his/ its own name.
  - v. “**AIM**” shall mean the London Stock Exchange Alternative Investment Market. AIM It is designed primarily to enable trading in new, small and growing companies. The shares traded on AIM are considered more high-risk than those listed on the main market.

- vi. **"API"** shall mean Application Programming Interface for the use of alternative trading interfaces or platforms.
- vii. **"Application Form"** shall mean the application form/s completed by the Client and given to the Shard Capital, requesting that Shard Capital open one or more Client Accounts.
- viii. **"Authorised Person"** shall mean a person authorised by the Client to act on behalf of the client.
- ix. **"Best Execution Policy"** shall mean Shard Capital's principal policy used when executing client orders.
- x. **"Business Day"** shall mean any day on which the London Stock Exchange and banks are open for business in England.
- xi. **"Clearing House"** shall mean a company through which transactions on an exchange may be cleared.
- xii. **"Client"** shall mean means the person or persons described as the client in the Application Form.
- xiii. **"Client Account"** shall mean a transaction or trading account of the Client at Shard Capital.
- xiv. **"Client Classification"** shall mean Shard Capital's overall, product, or transaction specific classification of Clients.
- xv. **"Client Money Rules"** means the provisions in the FCA's Client Assets sourcebook relating to client money.
- xvi. **"Commercial use"** shall mean any use of the Trading Platform by Clients which are legal entities or firms;
- xvii. **"Commissions, Charges & Margin Schedule"** shall mean the schedule of commissions, charges, margin, interest and other rates which at any time may be applicable to the Services as determined by Shard Capital on a current basis.
- xviii. **"Contract"** shall mean any contract, whether oral or written, for the purchase or sale of any commodity, security, currency or other financial instrument or property, including any derivatives such as an option, a future, a CFD or other transaction relating thereto, entered into by Shard Capital with the Client.
- xix. **"Counterparties"** shall mean banks and/or brokers through whom Shard Capital may cover its Contracts with Clients or with whom Shard Capital otherwise deals in relation to Clients' transactions.
- xx. **"Durable Medium"** means any instrument which enables the Client to store information in a way accessible for future reference for a period of time adequate to the purposes of the information and which allows the un-changed reproduction of the information stored.
- xxi. **"Exchange"** shall mean a regulated market or designated investment exchange.
- xxii. **"FCA"** means UK Financial Conduct Authority.
- xxiii. **"Financial Ombudsman Service"** shall mean the independent service set up by law in accordance with the Financial Services Act of 2000 as amended.
- xxiv. **"Inside Information"** shall mean non-published information which is likely to have a noticeable effect on the pricing of a Contract if it was made public.
- xxv. **"Market Maker"** shall mean a professional participant in the financial markets who continuously offers purchase and sale prices for a financial instrument in order to buy and sell respectively in the event of interested Clients.
- xxvi. **"Market Rules"** shall mean the rules, regulations, customs and practices from time to time of any exchange, clearing house or other organisation or market involved in, or otherwise relevant to, the conclusion, execution, terms or settlement of a transaction or Contract and any exercise by any such exchange, clearing house or other organisation or market of any power or authority conferred on it.
- xxvii. **"MiFID II"** means MiFID II Directive and MiFID II Delegated Regulation and any other regulations issued on the basis thereof.
- xxviii. **"MiFID II Directive"** means European Directive 2014/65/EC on markets in financial instruments;

- xxix. **“MiFID II Delegated Regulation”** means European Commission Delegated Regulation 2017/656 supplementing Directive 2014/65/EU as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.
- xxx. **“NEX”** shall mean a Recognised Investment Exchange under the Financial Services and Markets Act 2000, a Recognised Stock Exchange under S1005 (1)(b) of the Income Tax Act 2007 and a member of the ICAP Group. NEX operates the following market segments:
- The NEX Main Board, an EU Regulated Market as defined under Article 4(1)(21) of the MiFID II Directive for officially listed securities which are regulated by the UK Listing Authority or another EU Competent Authority and are subject to the NEX Main Board Admission and Disclosure Standards (primary market).
  - The NEX Growth Market, a market for unlisted securities with a regulatory framework dedicated to the needs of smaller companies.
  - An SME market (primary market).
- The NEX Secondary Market, a trading venue for listed or unlisted (i.e. non-Regulated Market) securities admitted to trading on other EU markets. For more information, please visit [www.nexexchange.com](http://www.nexexchange.com).
- xxxi. **“Nominee Company”** shall mean a body corporate whose business consists solely of acting as a nominee holder of investments or other property.
- xxxii. **“Private use”** shall mean any use of the Trading Platform by Clients that are physical persons.
- xxxiii. **“Retail Client”** shall mean a client who is not a professional client or an eligible counterparty, including an individual who is not a firm and an overseas individual who is not an overseas financial services institution.
- xxxiv. **“Safe Custody Investment”** shall mean a designated investment, which is not the property of the firm, but for which the firm, or any nominee company controlled by the firm or by its associate, is accountable; which has been paid for in full by the client; and which ceases to be a safe custody investment when the firm has disposed of it in accordance with a valid instruction
- xxxv. **“Security”** shall mean any securities or other assets deposited with Shard Capital by the Client.
- xxxvi. **“Services”** shall mean the services to be provided by Shard Capital subject to the Terms.
- xxxvii. **“Settlement Agent”** shall mean an agent with or through whom the firm effects settlement of UK settled or foreign settled transactions.
- xxxviii. **“Settlement/ Trade Confirmation”** shall mean a notification from Shard Capital to the Client confirming the Client’s entry into a Contract.
- xxxix. **“Shard Capital”** or **“we”** or **“us”** means Shard Capital Partners LLP whose registered office is situated at 23rd Floor 20 Fenchurch Street London EC3M 3BY.
- xl. Shard Capital Stockbrokers and Shard Capital Investor Visa are trading names of Shard Capital.
- xli. **“Share”** shall mean the investment, specified in Article 76 of the Regulated Activities Order (Shares etc.), which is in summary: a share or stock in the share capital of: any body corporate (wherever incorporated); any unincorporated body constituted under the law of a country or territory outside the United Kingdom.
- xlii. **“Small-Cap Share”** shall mean a readily realisable security in relation to which the bid-offer spread is 10 per cent or more of the offer price, but not: a government and public security; or a share in a company quoted on The Financial Times Stock Exchange 100 Index; or a security issued by a company which, at the time that the firm deals or recommends to the client to deal in the investment, has a market capitalisation of £100 million or more (or its equivalent in any other currency at the relevant time).
- xliii. **“Stabilisation”** shall mean any purchase or offer to purchase relevant securities, or any transaction in associated instruments equivalent thereto, by investment firms or credit institutions, which is undertaken in the context of a significant distribution of such relevant securities exclusively for

- supporting the market price of these relevant securities for a predetermined period of time, due to a selling pressure in such securities.
- xliv. **“Terms”** shall mean these General Business terms and conditions governing the relationship between the Client and Shard Capital.
  - xlv. **“Trading Platform”** shall mean any online trading platform made available by Shard Capital under the Terms.
  - xlvi. **“Unit”** shall mean the investment, specified in article 81 of the Regulated Activities Order (Units in a collective investment scheme) and defined in section 237(2) of the Act (Other definitions), which is the right or interest (however described) of the participants in a collective investment scheme; this includes: (in relation to an AUT) a unit representing the rights or interests of the unit holders in the AUT; (in relation to an ICVC) a share in the ICVC.

### **3. CLIENT CLASSIFICATION**

- 3.1. The FCA rules require firms to categorise its clients as retail, professional, or eligible counterparties, as defined pursuant to MiFID II. We will treat you as a Retail Client which means you receive the highest level of protection as determined by applicable regulatory criteria, unless it is agreed otherwise. You may request to be re-categorised, but as such you will no longer qualify for certain protections which only apply to Retail Clients. We will only accept such a request if we are permitted to do so in accordance with regulatory criteria. You agree to notify us immediately if you consider at any point that you no longer fall within the definition of a Retail client.

### **4. SERVICES**

Services encompass discretionary portfolio management; advisory trading; and execution only trading. These Services are more fully described below

#### **4.1. Discretionary management**

Shard Capital offers discretionary management services. If you opt to use this service, Shard Capital will manage, on a discretionary basis, your portfolio of cash and investments. Subject to any instructions from you, Shard Capital shall have full authority at its discretion, without prior reference to you, to enter into any kind of transaction or arrangement for your account. Shard Capital will only exercise discretion in accordance with your investment objectives as prescribed by the applicable FCA rules and in a manner that we believe to be suitable for you.

#### **4.2. Advisory**

In providing advisory services, we will advise you, at your request, on entering into investments and exercising your rights in relation thereto. We seek to ensure that our advice is suitable for you. It remains your sole responsibility to inform us of any changes to your circumstances, requirements and objectives.

In terms of the FCA, we may recommend to you any investments which we reasonably believe are suitable for you. All decisions on whether to invest in, hold or dispose of any investment or asset are yours and we will only enter into transactions as you instruct.

#### **4.3. Execution only**

You may request to be treated as an execution only client either in respect of all transactions or a specific transaction. This means that we are only able to act on the instructions that you provide and you are responsible for the decisions that you make when you engage our execution only service. Regardless of the type of Services we have agreed to provide you, in circumstances where (i) you have not supplied us with sufficient information (either orally or in writing) about your investment objectives, financial circumstances and the degree of risk you are prepared to accept or (ii) even though you have previously supplied us with information, we may reasonably believe that you are not expecting us to advise you

about the merits of a particular transaction, then we will not make any personal or product investment recommendations, and we will interact with you as an execution only client, and you hereby agree to our interaction in this manner.

For more complex products such as derivatives and warrants we may request additional information from you to assess if the product is appropriate. Should you choose not to provide this information and we agree to execute the transaction on your behalf, you agree and acknowledge that we cannot assess whether the investment will be suitable to your needs.

You are responsible for the investment decisions that you make when you engage our Services as an execution only client. We do not accept responsibility on a continuing basis for advising you on the composition of your portfolio.

## **5. INVESTMENT RISKS**

When providing advisory or discretionary Services to you, if we reasonably believe that a course of action is in your best interest, we may recommend to you or deal for you in investments which carry the risks set out in Part IV. Where receiving execution only Services or you intend to deal in an unadvised capacity, you should have regard to, and agree and acknowledge the limited protections you may receive in respect of suitability and appropriateness.

General and product specific risks are described in Part IV and it is important for you to read these carefully and if you have any questions, you are advised to contact us.

## **6. DEALING AND EXECUTION**

### **6.1. Quotations**

Deal quotations are available on request. You agree and acknowledge that the market price may have changed between the time at our giving a quotation and the execution of your instructions.

### **6.2. Execution and Aggregation of Orders**

We may arrange or execute transactions on your behalf in any investments for which we have permission from the relevant competent authority, including FCA, to trade, as well as rights to or interests in any such investments.

The Services will be provided in respect of investments traded on the Official List of the London Stock Exchange, the Alternative Investment Market, Plus Markets, Irish Stock Exchange, or such other regulated investment exchange or unquoted securities which we may agree with you from time to time. We may also undertake transactions for you in units in unregulated Collective Investment Schemes.

We may arrange the aggregation of orders, which may, or may not, result in a more favourable price being obtained. We will only arrange this aggregation of your orders with other orders where we reasonably believe that it is in your best interests.

### **6.3. Order Execution**

We are required to put in place an order execution policy ("Order Execution Policy") and to take sufficient steps when dealing in financial instruments on your behalf to obtain the best possible result. The Order Execution Policy outlines all sufficient steps that Shard Capital must take to ensure that we achieve 'best execution', that is obtaining the best possible results for you when carrying out transactions on your behalf.

Should you wish to view our Order Execution Policy online at any time, please visit our website at: <http://www.shardcapital.com/about-us-reportsand-documentation/> .

Should you provide specific execution instructions to us, this may prevent us from taking the steps that are necessary to achieve the best possible result in respect of the order to which the instructions relate.

We will not be liable for any loss, damage or expense which you incur if we are unable to execute an order due to a delay or change in market conditions before the transaction is completed or for any other reason, other than our negligence, wilful default or fraud.

#### **6.4. Principal Trading**

Shard Capital may act as principal when dealing with you. This means that we have purchased the shares and are selling them to you. We will always disclose when this is the case. When we act as principal, the price paid by you will be the same price that Shard Capital have paid and you will then be charged a commission and/or an administration fee.

#### **6.5. Instructions**

You agree to check all the documentation that we send to you in relation to your instructions. If there are any errors or omissions, you must let us know immediately. If we notice that there is an error or omission in the documentation that we have sent to you in relation to your instructions, we will re-issue correct documentation immediately. You agree to return the original incorrect documentation to us and to repay any overpayments. If you fail to do so you may be committing an offence. We will charge you interest on the overpayment and we will have the right to purchase replacement investments. You will pay for the investments and any costs.

If we fail to accurately carry out your instruction, we will ask you to choose one of the following options below (as appropriate):

- i. Instructions to buy an investment: We will either (a) buy investments to put you in the position that you would have been in if we had carried out your instructions correctly; or (b) pay you the difference between the price that should have been paid for the investment and the price that you paid.
- ii. Instruction to sell an investment: We will pay you the difference between the price that you obtained on the sale and the price that you should have obtained if we had carried out your instruction correctly.

You must take all reasonable steps to ensure the security of your account. We are not responsible for your acts or omissions, including your losses arising from fraud, wilful default or negligence.

We cannot sell investments for you unless you have the right to sell them. In giving us an instruction to sell an investment you represent, warrant and confirm that you own or have the legal right to sell that investment.

We may rely on and treat as binding any instruction which we have accepted in good faith, and which we believe to be from you or someone entitled to instruct us on your behalf.

We may accept instructions from you verbally or in writing. However, we may, entirely at our discretion, require any instructions given verbally to be confirmed in writing. In the case of a joint account we shall require only one of the account holders' instructions prior to proceeding.

We may entirely at our own discretion accept limit orders from you. We may accept such orders on a 'fill or kill' basis or a 'good for the day' basis. We will use our reasonable endeavours to execute such orders; however, we do not guarantee that they will be executed even if the relevant price is met.

We may acknowledge your instructions verbally or in writing (i.e. by post or email). Instructions may only be given during opening times of the relevant market and on business days. Any validly submitted instructions received by us outside these hours will be processed on the following Business Day.

We will assume you have received a communication from us 2 days after we post it to you by 1st class post, 5 days after we post it to by 2nd class post, immediately if sent by fax or when it is received by your internet service provider if sent to you by email.

For execution-only orders, we will not advise on the merits of nor assess suitability of any transaction proposed via instructions received from you. You agree and acknowledge that we will not have any responsibility for the consequences of you entering into any such transaction and that any instructions should be directed in the first instance to us.

We reserve the right at any time to:

- i. Refuse any instructions;
- ii. Limit the size or value of any instruction;
- iii. Impose and/or vary any dealing limit; and/or
- iv. Seek additional clarification or verification of instructions where we believe these are unclear. Where investments are held in the name of another person, we may not act on your instructions until we have received satisfactory proof of your authority to deal for that other person.

You must send us any dividends or other benefits which you receive but are not entitled to immediately, we will then send them to the person who is entitled to them.

You will not be held responsible for deals placed using your account code if they have been placed after you have notified us of the loss, unauthorised use or disclosure of your details. Such notification needs to be in writing.

You agree to let us know immediately if you:

- i. Lose or disclose your account code to a third party;
- ii. Your account code is stolen or if you find out that someone has used your account code without permission, or otherwise dealing or attempting to deal with us without your authority;
- iii. Do not receive confirmation by post that we have carried out your dealing instructions within three Business Days of you placing them;
- iv. Receive confirmation of a deal which you did not place.

Where there is more than one person who is party to a joint account under these Terms, any instruction, notice, demand, acknowledgement or request may be given by any one of you and any such communication will be treated as binding on the other(s). If you give us conflicting instructions, we have no obligation to act on them. Any notice given by us under these Terms to any party to a joint account will be deemed to be notice to each person interested in the account. If you are a party to a joint account your liability will be joint and several.

## **6.6. Client Money**

As a Retail Client, any money held by us on your behalf will be treated as client money within the meaning of the Client Money Rules. We will, on receiving client money, promptly place this money into a segregated client account held at our custodian bank, and in any event no later than close of next business on the day on which we receive it.

We may pass money received from you to a third party (e.g. a market, intermediate broker, OTC counterparty or clearing house) to hold or control in order to make a transaction through or with that person or to satisfy your obligation to provide a deposit (such as an initial requirement that you provide Margin) in respect of a transaction. Although we will remain responsible for money received from you even if we pass it to a third party, you may be exposed to the additional risk that, in the event of an insolvency or similar in relation to that third party, the amount of money received by us from the third party may not be sufficient to satisfy your claims. However, you may still be able to claim against us for any outstanding amounts.

We may hold client money on your behalf outside the EEA. The legal and regulatory regime applying to any bank or person that holds your money outside the EEA will be different from that of the United Kingdom. As a result, should that bank or person go into insolvency or similar proceedings, your money may be treated differently than it would have been if the money was held with a bank in the United Kingdom. We will not be liable for the insolvency, acts or omissions of any third party referred to in this sub-clause.

Under the FCA Rules, we may hold client money in a Qualifying Money Market Fund (QMMF). Such money will not be held as client money in accordance with the Client Money Rules. The units or shares in any QMMF will be held as safe custody assets in accordance with the provisions of the FCA Rules that relate to the holding of assets in custody by investment firms like ourselves on behalf of clients. In order to hold any client money in a QMMF, we are obliged to gain your express consent.

All other client money can be placed on accounts with notice periods of, or on deposit for fixed terms of, up to 90 days. By Shard Capital placing your money in notice or term deposit accounts does not directly affect your ability to withdraw or deal with funds on your account. However, this money may not be immediately available to you in the 'Event of Default' of Shard capital or any nominee or sub-custodian.

To avoid doubt, you accept that you will not be entitled to any interest received in the segregated client account held at our custodian bank and that we shall retain all such interest.

If you are categorised as a Professional Client or an Eligible Counterparty, we may treat any money held by us on your behalf as a transfer of full title or full ownership of such money by you to us for the purpose of securing or otherwise covering your present or future, actual, contingent or prospective obligations unless we agreed with you otherwise in writing. Accordingly, such money will not be regarded by us as client money.

You agree that, in the event that there has been no movement on your account balance for a period of at least six years (notwithstanding any payments or receipts of charges or similar items) and we are unable to trace you and return your account balance to you, despite having taken all sufficient steps to do so, we may cease to treat your money as client money and accordingly release any client money balances from the segregated account. You agree that we may cease to treat your money as client money and pay away the money to a registered charity. In such circumstances, we (or an Associated Company of ours) will unconditionally undertake to pay you a sum equal to the relevant client money balance paid away in the event that you seek to claim the client money balance in the future.

In the event that there has been no movement on your account balance for a period of at least six years (notwithstanding any payments or receipts of charges, interest or similar items) and we are unable to trace you despite having taken reasonable steps to do so. When the account is closed by either party, Shard Capital will take all sufficient steps to pay out any residual balances over the amount of £5 which

accrue after account closure. Any accrued amounts below £5 may be donated to a charity of Shard Capital's choice.

Any money to be returned, however Shard Capital received it, will be returned to the source it originated subject to the normal banking clearing times.

If the funds are received via debit card, we do not accept any liability for delays or errors in processing the transaction when it is out of our control.

#### **6.7. Custody Assets**

Where we hold your Securities as custodian in accordance with the FCA Rules in respect of client assets we may employ third parties to act as a sub-custodian or an agent in respect of your Securities. We may open accounts with and deposit Securities with the sub-custodian. Where we appoint a sub-custodian, we will use reasonable skill and care in selecting, using and monitoring them but we will not be liable for their acts or omissions, insolvency or dissolution other than as a result of our negligence, wilful default or fraud.

Securities will be held by, and registered in the name of you, or a nominee controlled by us or a sub-custodian. Detailed records will be held of any of your funds a sub-custodian holds for your benefit and stating that they do not belong to Shard Capital or any sub-custodian. Registration in the name of a nominee, custodian or sub-custodian may mean you lose incentives and shareholder benefits attaching to Securities.

You authorise us to arrange for some of your Securities to be held outside of the UK. Where this is the case Securities will be held by, and registered in the name of a third party or in our name where they will be subject to the settlement, legal and regulatory systems that apply in such jurisdictions. Practices for the identification of Securities may also differ depending in which jurisdiction they are held.

Your Securities may be held in 'pooled accounts' with securities of other clients of Shard Capital in one account, like with like. A number of different institutions may be used to spread the risk of default. Shard Capital will maintain records of your interests in the Securities which have been pooled. Your right to specific Securities may not be identifiable. Where there is a default by us or our sub-custodian resulting in a shortfall, you may be required to share in that shortfall in proportion to the value of the Securities, which Shard Capital or our sub-custodian hold for you with other clients. This does not limit your rights against us or our sub-custodian in any way.

Where your Securities are held by a nominee or sub-custodian, independent to us, we cannot guarantee or accept any liability, that you would not lose your Securities if the nominee or sub-custodian fails. In order to show that the Securities are not available to the creditors of that nominee or sub-custodian we will take sufficient steps to ensure that their records show that the Securities are yours and that they do not belong to us, the nominee or sub-custodian.

Where your assets are held by a nominee or sub-custodian, we cannot ensure that you would not lose any assets if the entity fails. In order to show that the assets are not available to the entity's creditors, we will take reasonable steps to ensure that their records reflect that the assets are held for you and that they do not belong to us or the nominee or sub-custodian.

In some jurisdictions, local law might not allow your assets to be separately identifiable from our assets or those of the nominee or sub-custodian. You might be at greater risk of loss if the nominee or sub-custodian fails.

We or our sub-custodian will hold any physical documents of title (including bearer stocks).

You authorise us and our sub-custodian to hold or transfer assets (or entitlements to them) to securities depositaries, clearing or settlement systems, account controllers or other participants in the relevant systems in the course of providing the Services. This applies to assets that are uncertificated or transferable by book entry transfer. These assets or entitlements will be separately identifiable from any assets or entitlements held in the same system for our account.

You acknowledge, accept and expressly consent that Shard Capital are entitled to:

- i pass on Security received from you in order to satisfy our obligations to any third party;
- ii charge, pledge or grant any security arrangement over Security in order to satisfy our obligations to any third party in which case the Security may or may not be registered in your name;
- iii lend Security to any third party in which case the Security may or may not be registered in your name;
- iv return to you equivalent Security in place of the original Security deposited by you.

We shall not be obliged to account to you for any income received by us as a result of carrying out any of these activities.

We may use a commercial settlement system to settle trades on your account and in such instances, there is a period of time known as the Delivery versus Payment (DVP) window. During the DVP window, we may not treat your assets as client assets or your money as client money. In these circumstances, the following provisions for the treatment of your cash and assets will apply:

- i. For a purchase on your account, the DVP window starts from the date on which you fulfil your payment obligation to us. The DVP window will then close on the earlier of the date on which the DVP transaction settles or the Business Day following the date on which you fulfil your payment obligation to us. If you have fulfilled your payment obligation and delivery of the asset has not occurred by close of business on the third Business Day following fulfilment of your payment obligation, we will treat your money as client money until such time as the asset is delivered to you.
- ii. For a sale on your account, the DVP window starts from the date you fulfil your delivery obligation to us. The DVP window will then close on the earlier of the date on which the DVP transaction settles or the third business day following the date you fulfil your delivery obligations to us. Where payment has not occurred by close of the third business day following the date on which you complete your delivery obligation to us, we will treat your asset as a client asset until we make payment to you.

Securities held or deposited with us cannot be put up as Security, in whole or in part for any of your obligations towards another third party without the written consent from us; such consent shall not to be unreasonably withheld.

Unless the terms applying to a particular type of transaction specify otherwise, the collateral value of the Security that you provide will be valued by us on the basis that we reasonably determine to be appropriate. This valuation may reflect, amongst other things, our view as to the level of availability of the assets provided as Margin or the discount to the current market value of the Margin that we consider reflects its market risk.

We or the sub-custodian appointed shall be responsible for claiming and receiving all interest payments, income and other unless otherwise agreed, any dividends paid on Securities held on custody by us will be paid to you less any applicable default withholding tax and will be credited to your Account.

You authorise us and our sub-custodian to hold or transfer Securities to securities depositaries, clearing or settlement systems, account controllers or other relevant systems.

If there are unclaimed safe custody assets that have been left in your account for at least 12 years, and within the 12 years no instructions have been received from you with Shard Capital taking all sufficient steps to contact you, the assets may be paid to a registered charity of Shard Capital's choice.

In order to ensure protection of your Custody Securities, Shard Capital exercises due skill, care and diligence in its selection, appointment and periodic review of External Custody Providers and its arrangements with External Custody Providers. Shard Capital uses well reputed External Custody Providers with particular expertise in provision of custody services and takes into account relevant UK legislation on safekeeping of financial instruments. Shard Capital's arrangements with External Custody Providers include covenants ensuring segregation and identification of Custody Securities. In addition, Shard Capital member of the Financial Services Compensation Scheme.

#### **6.8. Corporate Actions**

A rights issue is when an existing stockholder is offered a number of new shares proportional to their holding at a specified price for subscription by a specified date. These new shares may be renounceable (tradable) or non-renounceable.

If the client is holding a stock for which there is a right issue the client will receive the rights and have the opportunity to subscribe for new stocks, ignore the rights or sell the rights, if possible.

In order to prevent renounceable rights from becoming worthless when they expire, if the client by the Instruction Deadline has not instructed Shard Capital, Shard Capital may, but is not required to, sell the rights (if possible) on behalf of the client before the expiry of the rights. The proceeds from a sale of rights will be deducted the standard commission of the Account.

If the rights are non-renounceable, they will, if not exercised, be worthless at expiry.

Shard Capital will notify the client about conversions of convertible bonds held in custody with Shard Capital, provided that Shard Capital has been made aware of such conversions and can notify the client within the stipulated deadlines. Such notification will be for information only and will not be a recommendation. Within the deadline set by Shard Capital, the client must inform Shard Capital whether the client wants to (i) convert the bonds into shares or (ii) collect the proceeds from the bonds at maturity. If Shard Capital does not receive instructions from the client within the deadline set by Shard Capital, the convertible bonds will be allowed either to mature or to wait for a subsequent offer or conversion.

In the case of other Corporate Actions, Shard Capital, to the extent required, may seek to obtain instructions from the client and will otherwise seek to handle such Corporate Actions in the best interest of the client to the extent that time and operational procedures will allow. Shard Capital will have no liability for anything done or not done in the discretion of Shard Capital acting in good faith. Special local rules may apply to certain Corporate Actions.

The client is made aware and acknowledges that in voluntary Corporate Action where the alternative to a cash settlement is the settlement in a security that is not supported by Shard Capital, the client will not have the option to choose, but will be given the cash settlement.

It is standard practice for depositary receipts to charge an annual administration fee per share depending on the issuing depositary bank. The intent of the fee is to cover costs for the banks that take on the operational processes necessary to issue and trade the depositary receipt line. Typically, the fee is deducted when dividend payments are made, however, in case the depositary receipts do not pay a dividend or did not include the custodial fee in their dividend events, the fee will be administered through fee-only events.

The dividend fee is stipulated in the deposit agreement between the depositary bank and the company based upon industry standards.

The fee per depositary receipt is not dependent on the total amount of dividend being paid, but the amount of securities held.

Shard Capital may charge commission and fees related to Corporate Actions. The prevailing trading costs are set out in the Commissions, Charges & Margin Schedule.

Taxes and fees may also occur on Corporate Actions such as fee on a stock dividend or tax on a merger. When such taxes and fees occur Shard Capital may debit the client's Account accordingly.

#### **6.9. Charges and Payment for Transactions**

Our charges will be in accordance with our published rates in effect at the time the charges are incurred. You agree to pay us our charges when these fall due. There may be other charges for each contract to cover settlement/ compliance costs. A copy of our published rates has been notified to you at or before the time the charge is incurred. You agree that we can deduct these charges from your account with us. The equity charges can be found on our website at <http://www.shardcapital.com/scsb-charges/>

In addition to our charges you will be responsible for payment of any and all stamp and other duties, taxes, impositions and fiscal charges (in each case wherever in the world imposed), brokerage clearing and settlement fees, transfer fees, registration fees and all other liabilities, charges, costs and expenses payable or incurred by us on your behalf and if any applicable, value added tax or a similar charge.

We may impose certain additional charges as set out in our published rates which you hereby agree to be liable for in the event that you fail to comply with your obligations under these Terms. In particular, if you default in paying any amount when due, interest will be payable by you at the rate specified in our published rates, and in addition you will a charge for each letter concerning your breach of your obligations.

If we should enter into a transaction on your behalf using the London Stock Exchange SETS trading system or any other trading system which imposes any liability on us (in whatever capacity) we reserve the right to make additional charges to reflect the additional risk we are incurring including (without limitation) a mark-up or mark-down on the price of the investment concerned (that is at a premium or discount to the amount at which we will actually purchase or sell the investment concerned). Should we do so you will be notified at the time and details of any additional charges will be shown on the contract note issued to you.

In addition to paying any commission and charges due to us you will reimburse us for any costs and expenses which we may incur which are directly attributable to you. These charges may include (without limitation) the costs of providing information to third parties (such as your accountants or auditors), valuations, or our involvement in legal proceedings brought against you.

We shall be entitled at any time with or without notice to you to debit your account for any amounts due to us. We will be entitled to set off any amount due to you against any amount due to us, paying you or you paying us the resultant net balance.

All cheques should be made payable to Shard Capital's client account except for settlement of an invoice for fees

#### **6.10. Accounts**

Shard Capital will make available to the Client a Settlement/ Trade Confirmation in respect of any transaction or contract entered by us with or for you and in respect of any open position closed by us for you. Settlement/Trade Confirmations will normally be issued following the execution of the transaction.

An account summary and account statement is available to you through the account portal. The account statement will normally be updated every Business Day. By accepting the Terms you agree not to receive any account statements or account summaries in printed form from Shard Capital other than upon specific request. Where access to the account portal is not available to clients, statements will be provided to you at least annually (or for Retail clients, at least six monthly). Any notice or other communication to be provided by us under the Terms, including account statements, may be sent by us at our option to you in electronic form by email or by display on your account summary on the account portal. You are required to provide us with an email address for this purpose. We are not responsible for any delay, alteration, redirection or any other modification the message may undergo after transmission from us. A message on the Account on the Account Portal is considered received by the Client when Shard Capital has placed the message on the Account Portal. It is your responsibility to ensure that your software and hardware setup does not stand in the way of your receiving emails or get access to the account portal from Shard Capital.

#### **6.11. Settlement**

Whenever we execute your order we will confirm the transaction by sending you a contract note in accordance with the FCA rules showing amounts due to you or from you on the stated given settlement date and giving other essential details of the transaction.

You agree to settle in full the cost of purchases, and all other amounts owing to us in accordance with and on the dates shown on contract notes, invoices and statements. We reserve the right, and are authorised by you, not to settle transactions or accounts with you unless and until we have received all necessary documents or money to debit your account with all charges, interest and other costs incurred in accordance with these Terms. Please note that should you fail to comply with your settlement obligations we may exercise all or any of the rights we reserve to apply the additional charges referred to under Charges and Payments for Transactions and/ or sell securities held by you with us to cover costs and/ or purchase at your cost, stock to fill delivery.

You are obliged to and hereby agree to make available cleared funds to settle purchases on or before the settlement date, or if you are selling investments, to deliver to us the investments being sold at least two Business Days prior to the settlement date. Any documents of title shall be dispatched to you by first class post or courier and to the latest address notified to us by you and at your sole risk. We shall have no responsibility for any failure in delivery to you on the part of the postal system or courier. If within 28

days of the settlement date of your bargain you do not receive a certificate for a purchase and/ or a balance certificate in respect of a sale you must telephone us immediately. We will accept no responsibility for any non-delivery outside this deadline where our records show the certificate has been dispatched.

#### **6.12. Rights of lien and set off, power to sell and make repurchase**

In the event that we do not receive settlement money on or before the date they are due, we may:

- i. Sell any securities purchased or cancel any transactions made on your behalf. You agree to indemnify and keep us indemnified for any losses or expenses arising out of or in connection with such action;
- ii. Charge interest on any money due to us at the rate of 2.5% per annum above LIBOR during the period of default (before and after judgement).

We agree to provide three (3) Business Days' notice that interest will be charged. Interest will cease to be charged upon receipt of money due.

In the event that we do not (or the relevant custodian does not) have possession of all necessary investments for delivery under the transaction, we may, at our discretion, buy any investment or other property where this is, or is in our reasonable opinion likely to be, necessary in order to settle the transaction. You shall reimburse us for the full amount of the purchase price plus all associated costs and expenses.

### **7. GENERAL**

#### **7.1. General**

In event of there being any inconsistency between any of these Terms and any relevant rule of the FCA or any Exchange or market (including any associated clearing house or clearance system) the relevant rule will take precedence.

In these Terms, references to any law, statute or regulation or enactment shall include references to any statutory modification or re-enactment thereof or to any regulation or order made under such law, statute or enactment (or under such a modification or re-enactment).

In the event that any provision or any part of any provision of these Terms is held to be unenforceable or illegal, in whole or in part, such provision or part shall to that extent be deemed not to form part of these Terms but the enforceability of the remainder shall remain unaffected.

The Contracts (Rights of Third Parties) Act 1999 shall not apply to these Terms and only the parties to it may enforce and benefit from these terms.

We may amend, suspend and/ or terminate any or all of the Services at any time. Where reasonably practicable we will give advance notice of this but this may not always be possible and/or practical for business reasons.

No failure or delay by either of us in exercising any right, power or privilege in these Terms shall operate as a waiver thereof nor shall any single or partial exercise by us of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege.

The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

You consent to our assigning, or transferring responsibility for the performance of any of our obligations in these Terms and the rights or benefits hereunder to such transferee as we may determine, provided such transferee shall (if required) be permitted to carry on the same business as us. To the extent that we transfer our business to an affiliate or a third party, we may transfer client money held by us on your behalf to such transferee. In such circumstances, we would have discharged our fiduciary duty to you provided that we have complied with our regulatory obligations which include exercising form due skill, care and diligence in assessing whether the affiliate or third party will apply adequate measures to protect the client money being transferred. These terms will also apply to the extent that client money are deemed to have transferred as a result of changes to our group structure or our legal status.

We may also appoint sub-contractors, agents or other parties and otherwise delegate such obligations and functions as we shall be required to perform in accordance with these Terms, as we shall in our absolute discretion determine.

Your rights under the Terms are personal to you and are not capable of assignment, your obligations under the Terms may not, without our prior written agreement, be performed by anybody else.

We may employ agents selected by us on any terms which we think appropriate.

## **7.2. Entire Agreement**

These Terms, together with any documents referred to in them, and together with any other written agreement between you and us, constitute the whole agreement between us relating to its subject matter and supersede and extinguish any previous arrangement, understanding or agreement, whether in writing or oral, relating to such subject matter.

## **7.3. Termination**

These Terms shall remain in full force and effect until terminated in accordance with this clause.

These Terms may be terminated by either party upon giving the other party written notice of termination, which will take effect immediately, unless otherwise specified in the notice. If we terminate these Terms we will give you at least 10 Business Days' notice of the termination. If we have serious grounds or valid reasons for doing so, we may however terminate the Terms with less than 10 Business Days' notice, including immediately.

Your Account will not be closed merely because there is a nil balance or you have sold all your investments. If charges accrue on the deposit accounts, you will still be liable for them and we retain the right to debit your deposit account in the usual way.

Where you have not traded on an Account for a period exceeding twelve months and we are not holding Investments or cash on your behalf, we reserve the right to suspend or close your Account without prior notification. Please contact us if you require further details of what this means.

In the case of an individual, the agreement constituted by these Terms will terminate automatically when we receive notification of your death. Your Account will be suspended and dealt with appropriately on instruction of your personal representative once a grant of probate or letter of administration has been received by us.

On the death of one of the joint holders, the ownership of such cash and investments passes automatically to the surviving joint holder(s) unless we are advised otherwise at the time of the first death. The surviving joint holder(s) must notify us immediately of the death of a joint holder(s), and provide us with a certified copy of the death certificate.

The agreement constituted by the Terms will terminate in the event of Shard Capital entering into insolvency, being convicted of a criminal offence or being in material breach of its fiscal responsibilities.

On termination, the parties undertake to complete all Contracts that are already entered into or under execution as soon as possible. Termination will be without prejudice to the completion of transactions already initiated. All transactions in progress will be executed in accordance with your instructions and these Terms shall continue to bind parties in relation to such transactions.

Any termination is subject to the settlement of any outstanding transactions and the payment of any charges and other amounts due (which become due and payable immediately). If you request us to re-register or transfer your securities, you will be liable to a fee to cover the cost. If you decide to transfer management of your positions or alter the power of attorney which permits Shard Capital to operate your account, an administration fee equal to 1% of the overall value of the positions held in your account will be deducted at the time of such transfer. This charge will be deducted to cover all costs associated with re-registrations or transfers.

Upon termination of these Terms we will be entitled, without first giving notice, to stop providing you with access to the Trading Platform.

The termination of these Terms will not affect any rights which may already have arisen or obligation which may already have been incurred by either party under these Terms.

If we exercise our right to end or suspend your use of the Services we will not be liable for any losses, which may be suffered by you due to a decrease in the value of your investments between the date you purchased, and the date we sold them.

#### **7.4. Notices and Communications**

Except as otherwise expressly provided, any notice which either party is required or authorised by these Terms to give or make to the other shall be in English and given in writing and sent by post or email in accordance with the "notices and communication" clause.

Notices sent by post shall be sent by first class post to the registered address (being the relevant registered address at the time such notice is sent) and deemed received on the second Business Day after posting. Notices sent by email shall be deemed received on the earliest of the following: receipt by the sender of a read receipt; confirmation from the recipient of receipt; or the first Business day after they arrive at the recipient's mail server.

Communications in relation to these Terms and the Services provided under it may be in writing, by email or other electronic means, or orally (including by telephone). You specifically consent to us providing you with information (whether or not personally addressed to them) in an electronic format, either by means of our website [www.shardcapital.com](http://www.shardcapital.com), or by email using the address you have provided us from time to time. Except where expressly provided otherwise, the language of communication between us shall be English.

We, an associate or our respective employees may, within the parameters laid down by the FCA, communicate an unsolicited real-time communication to you where we consider this to be appropriate. You agree that we may make such a communication. Please notify us if you wish us not to do so. Shard Capital will always accept your request not to continue a particular discussion.

#### **7.5. Telephone Recordings**

You agree and acknowledge that FCA rules require us to record all telephone conversations that result or may result in an Order or transaction and therefore consent to all telephone conversations between us being recorded without use of a warning tone for the purposes of recording the material terms of the transaction and information in relation to the transaction to establish facts and/ or to ascertain compliance with regulatory or self-regulatory practices or procedures.

We are required to keep a record of the recording for a period of five years or where required by the FCA, up to seven years. On request, a copy of the recording will be made available to you for up to five or seven years (as applicable) from the date the communication was made. We reserve the right to charge you a reasonable fee in connection with complying with any request to make copies of such recordings available to you.

All recordings and other records are our sole property and may be used as evidence in the event of a dispute.

#### **7.6. Client Communication**

We will provide information to clients about the benefits, risks and costs associated with our products and services to help them understand what they can reasonably expect. We will provide appropriate information in a way that aims to be clear, fair and not misleading. We will pay due regard to our clients' information needs in a timely way.

#### **7.7. Liability and Indemnity**

You agree to indemnify us, against any liability or expense which may be incurred in the proper exercise of our powers and duties in connection with these Terms. We are not liable to you for any losses unless directly caused by our negligence, wilful default or fraud.

We shall take all reasonable care in performing our duties and obligations to you under these Terms but we are not liable to you for any losses arising from any cause beyond our reasonable control, losses which we could not reasonably have anticipated when you gave us an instruction or losses in relation to any loss of business, loss of goodwill, loss of opportunity or loss of profit.

Under no circumstances will we be responsible or liable for any consequential loss including but not limited to any loss of business opportunity arising directly or indirectly out of or in consequence of anything done or omitted to be done by us or the breach by us of any obligation due to you. Nor shall we be responsible or liable for the tax consequences of any transaction which we may effect for you.

In the absence of instructions from you, we reserve the right to take any action, we consider appropriate to protect our interests. If we do so, we reserve the right to pass onto you any cost, loss and expenses that may be incurred by us.

You agree that the only duties or obligations we owe you are those set out expressly in these Terms.

Nothing in these Terms exclude or restrict any liability to you, which by law or FCA rules cannot be excluded or restricted.

#### **7.8. Tax**

We do not offer tax advice and accept no liability for tax consequences of advice provided to you. We will not provide or be responsible for the provision of any tax or legal advice.

We may recommend shares in companies that are EIS (Enterprise Investment Schemes) qualifying. It is your sole responsibility to seek appropriate tax and legal advice.

#### **7.9. Complaints and Compensation**

All complaints should be directed in the first instance to our Compliance Officer at the following address: Shard Capital Partners LLP, 23rd Floor 20 Fenchurch Street London EC3M 3BY.

We will endeavour to resolve your complaint as quickly as possible, but in any event will acknowledge receipt of your letter within five business days. The acknowledgement will include a full copy of our internal complaints handling procedure. Upon resolution of your complaint, we will send you a final response letter, which sets out the nature of that resolution and any applicable remedy. If, for any reason, you are dissatisfied with our final response, please note that you are entitled to refer your complaint to the Financial Ombudsman Service. A leaflet detailing the procedure will be provided in our final response.

We participate in the Financial Services Compensation Scheme and will provide you with details of the cover and protection that the scheme provides you with upon request. Further information is also available from the FCA

#### **7.10. Conflict of Interest**

You acknowledge that when we process an instruction from you, we or a connected person may have a material interest in relation to the investment or transaction concerned which may give rise to a conflict of interest.

We require staff to comply with an independence policy. This means that they must disregard any material interest or conflict of interest when providing our services to you. Such a conflict may arise because:

- i. We may deal in investments where a connected person is involved in a new issue, rights issue, takeover or similar transaction concerning the investment;
- ii. We may match your transaction with that of another customer;
- iii. We may trade or deal in investments purchased or sold by you.

We have a conflicts of interest policy and take steps to mitigate any potential conflicts of interest. In the event of a conflict of interest arising where we identify that our actions to manage the conflict of interest is not sufficient to ensure, with reasonable confidence, that risks of damage to your interests will be prevented, we will disclose the general nature and/ or sources of conflicts of interest before undertaking business for you. Our Conflicts of Interest Policy can be provided to you upon request.

#### **7.11. Data Protection and Disclosure of Information**

We may need to collect personal information from our customers, employees and/or potential customers to ensure that we are providing the correct information in relation to the services we offer. Such data is collected from employees, customers, suppliers and clients and includes (but is not limited to), name,

address, email address, data of birth, IP address, identification numbers, private and confidential information, sensitive information and bank details.

We may also be required to collect and use certain types of personal information to comply with the requirements of the law and/or regulations, however we are committed to processing all personal information in accordance with the General Data Protection Regulation (EU) (2016/679) (“GDPR”), UK data protection laws and any other relevant data protection laws and codes of conduct (herein collectively referred to as “the data protection laws”).

The Company is registered with The Information Commissioners Office (ICO) which is an independent regulatory office who reports directly to Parliament and whose role it is to uphold information rights in the public interest.

The Company appears on the Data Protection Register as a controller of personal information with ICO Registration number ZA014858.

The protection of personal data requires that appropriate technical and organisational measures are taken to demonstrate a high level of data protection. We have adopted a number of internal and external data protection policies, which must be adhered to by employees of the Company. Please see our Data Privacy Notice and Data Privacy Policy on our website.

#### **7.12. Amendment**

We reserve the right to alter these Terms at any time. Alterations may be made to make it fairer to you, more easily understandable, correct a mistake, cover a development in the service, reflect a change in market conditions or practice, reflect a change in the law or regulation or any code or application of practice, reflect a change in technology, cover a development or change on our service or facilities, ensure good management or competitiveness of our business or for any other reason that we may deem to be valid. You are deemed to have consented to any alteration that may be effected to these Terms if you continue to receive the Services or if we do not receive notification otherwise from you, in writing, within the time that the changes were notified to you and their coming into effect.

#### **7.13. Jurisdiction**

These Terms are subject to English Law and you agree to submit to the exclusive jurisdiction of the English courts in the case of any dispute regarding them. These Terms sets out the terms of business relating to our provision of these Services to you subject to any subsequent amendments that may be notified. You agree that if any part of this agreement is found to be invalid or unenforceable by any court, this will not affect the rest of the agreement, which will remain in full force and effect.

You waive any objection which you might now or hereafter have to the exclusive jurisdiction of English courts as the forum to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the legal relationships established by these Terms or otherwise arising out of or in connection with these Terms and you agree not to claim that any such court is not a convenient or appropriate forum.

## PART II

### ISA, FLEXIBLE ISA AND JUNIOR ISA

Applicable to Client Accounts where a client has elected to use the specific product discussed hereunder.

#### 1. DEFINITIONS

- i. **'Regulations'** shall mean the Individual Savings Account Regulations 1998 as amended.
- ii. **'Shard Capital Flexible ISA'** is a Stocks & Shares ISA which holds investments eligible for a Stocks & Shares ISA as defined by the Regulations where you are additionally permitted to withdraw money from your ISA and replace withdrawn funds within the same tax year without affecting your ISA limit for that tax year.
- iii. **'Shard Capital ISA'** is a Stocks & Shares ISA which holds investments eligible for a Stocks & Shares ISA as defined by the Regulations.
- iv. **'Shard Capital Junior ISA'** is a Stocks & Shares Junior ISA which holds investments eligible for a Stocks & Shares Junior ISA as defined by the Regulations.
- v. **'Registered contact'** means a person with parental responsibility for an eligible child who applies to open a Junior ISA on their behalf.
- vi. A child is an **'eligible child'** if, when the account application is made:
  - They are under age 18;
  - They were born on or after 3 Jan 2011, or do not have a Child Trust Fund Account;
  - They are resident in the UK, or are a UK Crown servant, married to or in a civil partnership with a Crown servant, or a dependent of a Crown servant.
- vii. **'Tax year'** means the period from 6th April one year to the 5th April the following year.

#### 2. NEW APPLICATIONS

You may subscribe to an ISA or Flexible ISA (collectively referred to as **"ISA"** unless the context denotes otherwise) for any tax year for which you are either resident or ordinarily resident in the United Kingdom for tax purposes. You may also subscribe where you perform duties as a Crown servant outside of the UK which are treated as being performed in the United Kingdom or are the spouse or civil partner of such a person. A person with parental responsibility for an eligible child may apply to open a Junior ISA on their behalf and thereby become the registered contact. Once a Junior ISA is open, any person may make subscriptions to the account. We do not offer cash ISA or cash Junior ISA.

If you are applying for an ISA or Junior ISA for the next tax year, our custodian Jarvis Investment Management shall hold your money in a client bank account until 6th April. No interest is paid on this money. On the first working day of the new tax year we will open your ISA or Junior ISA and make investments in accordance with your instructions.

Your application will need to contain your original signature. We will only consider applications made by a third party where we are satisfied that a registered lasting power of attorney is in place or, if the third party is acting under a general or enduring power of attorney, that you are physically incapable of signing the application.

In accordance with the Regulations:

- i. The ISA Investments will be in your beneficial ownership;
- ii. The Junior ISA will be for the beneficial ownership of the eligible child;
- iii. Title in the ISA or Junior ISA Investments will be vested in the name of a nominee company owned by us, or will be held as we direct;

- iv. The Certificate evidencing title to each ISA or Junior ISA Investment will be held by us or as we may direct;
- v. We shall, if you so elect, arrange for you to receive a copy of the annual report and accounts issued by every company or other concern in respect of shares, securities or units which comprise your ISA or Junior ISA Investments;
- vi. We shall be under an obligation (subject to any provisions made by or under any other enactment and if you so elect) to arrange for you to be able to attend shareholders', security holders' or unit holders' meetings; to vote; and to receive in addition to the annual report and accounts any other information issued to shareholders, securities holders or unit holders;
- vii. We shall satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under these Terms is competent to carry out those functions or responsibilities;
- viii. We will notify you if, by reason of any failure to satisfy the provisions of the ISA or Junior ISA regulations, a ISA or Junior ISA has, or will, become void; and
- ix. Your ISA or Junior ISA shall not be given as security in respect of money borrowed by you or on your behalf.

We do not accept standing instructions in respect of matters regarding the taking up of rights attached to your account, receiving of annual reports or accounts or arranging attendance of meetings or to vote and additional reports or other information referred to above for all investments held in your account. If you wish to exercise these rights referred to above, in respect of more than one investment held in your account, you must make a written request in respect of each relevant investment. Where there are insufficient funds within the account to take up the rights issue in full, we will arrange for the maximum amount of rights to be taken up from your cash balance, none if necessary.

You authorise us to reclaim from HMRC all tax deductions and refunds to which you are entitled in relation to the ISA or Junior ISA.

### **3. INVESTMENTS**

We will invest your money into an ISA or Junior ISA in compliance with the requirements of HM Revenue & Customs. This means we shall provide to HM Revenue & Customs all particulars of your account which they may reasonably request and to exercise the duties and powers conferred to us under the Regulations; these include all claims for repayment of, or credit against, tax in respect of the account as well as providing account management services including record keeping, reporting, dealing, compliance with the Regulations and Rules of HM Revenue & Customs.

You may transfer an existing ISA or Junior ISA to Jarvis Investment Management in cash or stock. Following a transfer, investments will be made when we have received the proceeds from your existing ISA or Junior ISA Manager. Any subsequent payments (which may include outstanding dividends and tax credits) will be held within your account awaiting your instructions.

### **4. CONSOLIDATION**

All new money invested in the Shard Capital ISA, including transfers, will be held as one account. This means our custodian Jarvis Investment Management shall administer all your Stocks & Shares ISAs for different years as one account. This principle also applies to the Shard Capital Junior ISA. You can also elect to consolidate previous ISAs into your Stocks & Shares ISAs so they too can be held, managed and charged as one account. If you do not consolidate previous ISAs, they will be held, administered and charged separately from each other.

### **5. DIVIDENDS AND INCOME**

Where investment income is received net, we reclaim tax where permitted by, and in accordance with, current HM Revenue & Customs regulations. Jarvis Investment Management will reclaim UK tax credits

on dividend income, where appropriate, up to the 5th day of each month (unless a gross payment has been received), or the next working day if the 5th day falls on a weekend, and it will receive the tax credit approximately seven weeks after that date.

## **6. CHARGES**

We may apply any cash and realise investments (forming part of the Account) for payment of charges, reimbursement of expenses and payment of any tax in respect of your Account that you are bound to pay under the relevant regulations.

## **7. TRANSFERS, WITHDRAWAL AND DEATH**

Upon receipt of your written instruction (and within the time frame specified by you – which may not be less than 30 Business Days) all or part of your account shall be transferred to another ISA or Junior ISA Manager. Generally, we will complete your instructions within 30 Business Days, occasionally it may take longer to complete due to factors beyond our control. Transfers will take place in the form of cash, but stock transfers are also permitted. Our fee for transferring as stock is £10 per holding.

### **Flexible ISA**

Where you make a cash withdrawal from your Flexible ISA, we will accept repayment of all or part of the withdrawal amount subject to the following provisions:

- i. The repayment is made within the same tax year as the withdrawal.
- ii. The repayment is made into the same ISA as it was withdrawn from.
- iii. Any payment received is deemed to be a replacement to the amount withdrawn before any amount can be viewed as a new subscription.
- iv. Any payment received which exceeds the amount previously withdrawn in that tax year will be viewed as a new subscription providing the annual subscription limit is not exceeded in which case any excess will be returned to you.
- v. If you make a subscription for the current tax year and then withdraw the full subscription, you will still have made a subscription to the ISA and cannot subscribe to a different Stocks and Shares ISA for that tax year.
- vi. The withdrawal of stock will not create a flexible ISA allowance.
- vii. If money is withdrawn and not replaced prior to transferring your ISA to another ISA Manager, no repayment can be made to the new ISA Manager.

### **Junior ISA**

On the Junior ISA holder's 18th birthday the account will become an ISA. All correspondence from this point will be addressed to the account holder, and they will have full authority to place investment instructions and make withdrawals. Junior ISA Withdrawals (either capital or income) from a Junior ISA are not permitted prior to the child's 18<sup>th</sup> birthday, except in the event of terminal illness or death.

In the event of terminal illness, the registered contact may make a claim to HMRC to be allowed to access the funds in the child's Junior ISA. HMRC will issue a letter of acceptance which must be handed to us. Should the child die before they reach 18 years, the Junior ISA will be dealt with in accordance to the termination clause.

**Death (All ISAs)** If you hold an ISA, in the event of your death, your ISA (and any tax exemptions associated with the ISA) will cease from the date of your death. On receipt of a certified copy of your death certificate, the ISA wrapper will be removed. The investments in the former ISA will be dealt with in accordance with the termination clause.

## **8. VOIDING AND REPAIR**

In certain cases of breach of Regulations, HM Revenue and Customs may allow the position to be repaired and the ISA or Junior ISA to be continued, subject to a penalty or to some action being taken in relation to the ISA or Junior ISA.

Should the breach not be repairable, it will be considered void (invalid) and you will lose your tax exempt status. In these circumstances, we will notify you or the registered contact as soon as practicable. If we have to take action to repair your ISA or Junior ISA or to transfer assets from a void ISA or Junior ISA into another account or elsewhere, you must pay us any charges that we incur in doing so.

Provided that we act in good faith we shall not be liable for any loss or tax liability incurred by our taking or not taking action in these circumstances, nor if tax exempt status of your ISA or Junior ISA is nevertheless lost.

## MULTI-ASSET TRADING ACCOUNT

The following provisions are applicable to Client Accounts in circumstances where a client has elected to use the specific product discussed hereunder. Subject to your client classification, to satisfy our regulatory obligations to you, additional supplemental terms (“Supplemental Terms”) may apply to how we are able to provide products and services to you. For any Supplemental Terms please refer to the Shard Capital website.

### 1. DEFINITIONS

- i. **“CFD Contract”** or **“CFD”** shall mean a contract which is a contract for difference by reference to fluctuations in the price of the relevant security or index.
- ii. **“Contract Option”** shall mean a contract between Shard Capital and a Client, the terms of which correspond in all respects to the terms of an option, which is quoted, listed or ordinarily purchased or sold on and cleared through a regulated market place or another market.
- iii. **“Debenture”** shall mean the investment, specified in article 77 of the Regulated Activities Order (Instruments creating or acknowledging indebtedness), which is in summary: any of the following which are not government and public securities: debentures, debenture stock, loan stock, bonds, certificates of deposit, any other instrument creating or acknowledging indebtedness.
- iv. **“Debt Instrument”** shall mean Debentures, debenture stock, loan stock, bonds, and certificates of deposit or any other instrument creating or acknowledging indebtedness.
- v. **“FIFO”** is an abbreviation of “First in - First Out” and shall mean that in the event one or more contracts with the same characteristics shall be closed, Shard Capital will as a point of departure close the older contract first.
- vi. **“Margin”** means a sum of money (or, where agreed, other collateral) required to protect us against potential losses on a Transaction which you are required to hold in your Account in order to open and maintain a Transaction;
- vii. **“Margin Trade”** shall mean a contract opened and maintained based on a margin deposit as opposed to a contract based on a purchase price.

### 2. INVESTMENTS AND INSTRUMENTS

Subject to the Client fulfilling its obligations under the Terms, Shard Capital may enter into transactions with the Client in the following investments and instruments:

- i. Futures, and CFDs on commodities, securities, interest rate and debt instruments, stock or other indices, currencies and base and precious metals;
- ii. Spot and forward bullion, currencies, and OTC derivatives;
- iii. Securities, including shares, bonds, and other debt instruments, including government and public issues;
- iv. Options and warrants to acquire or dispose of any of the instruments above, including options and Contract Options;
- v. Managed assets whether as OTC or stock exchange traded instruments; and
- vi. Such other investments as Shard Capital may from time to time agree.

### 3. ADDITIONAL SERVICES

- 3.1. In relation to any transaction or contract, Shard Capital will execute such transaction or contract as principal unless it is specifically agreed that Shard Capital shall act as Agent for the Client.
- 3.2. You shall, unless otherwise agreed in writing, relative to Shard Capital enter into contracts as principal. If you act as Agent, regardless of whether you identify the principal to Shard Capital, Shard Capital shall not be obliged to accept the said principal as a client, and consequently Shard Capital shall be entitled to consider you as principal in relation to the contract.

- 3.3. The Services provided by us may involve:
- i. Transactions that require the provision of Margin;
  - ii. Short sales (i.e. sales where one party to the Contract is obliged to deliver an asset which it does not possess); or
  - iii. Transactions in instruments which are: traded on exchanges which are not recognised by the FCA or designated investment exchanges according to the FCA Rules; and/or not traded on any stock or investment exchange; and/or not immediately and readily realisable. You and Shard Capital enter into any Contract as Principals. Shard Capital may at its discretion cover or hedge any Contracts with its Liquidity Providers, but you will have no recourse against any of our Liquidity Providers.
- 3.4. Orders may be placed as market orders to buy or sell as soon as possible at the price obtainable in the market, or on selected products as limit and stop orders to trade when the price reaches a pre-defined level. Limit orders to buy and stop orders to sell must be placed below the current market price, and limit orders to sell and stop orders to buy must be placed above the current market price. If the bid price for sell orders or ask price for buy orders is reached, the order will be filled as soon as possible at the price obtainable in the market. Limit and stop orders are executed consistent with the Shard Capital Best Execution Policy and are not guaranteed executable at the specified price or amount, unless explicitly stated by Shard Capital for the specific order.
- 3.5. In the event that we provide advice, information or recommendations to you, we shall not be responsible for the profitability of such advice, information or recommendation and you acknowledge, recognizes and understands that:
- i. All transactions in exchange-traded investments and many contracts will be effected subject to, and in accordance with, Market Rules;
  - ii. Market Rules usually contain far-reaching powers in an emergency or otherwise undesirable situation;
  - iii. If any exchange or clearing house takes any action which affects a transaction or Contract, directly or indirectly, including any Contract Option, Shard Capital is entitled to take any action relevant to the situation and reasonable to the parties in the interests of you and/ or Shard Capital;
  - iv. Shard Capital shall not be liable for any loss suffered by you as a result of the acts or omissions of any exchange or clearing house or any action reasonably taken by Shard Capital as a result of such acts or omissions unless Shard Capital has exercised negligence, wilful default or fraud.
  - v. Where any transaction is effected by Shard Capital as Agent for you, delivery or payment (as appropriate) by the other party to the transaction shall be at your entire risk;
  - vi. Shard Capital's obligation to deliver investments to you or to account to you or any other person on your behalf for the proceeds of sale of investments shall be conditional upon receipt by Shard Capital of deliverable documents or sale proceeds (as appropriate) from the other party or
  - vii. parties to the transaction;
  - viii. Shard Capital may in whole or in part, on a permanent or temporary basis withdraw any account facility provided by us to you. Situations where Shard Capital may take such action include situations where Shard Capital: considers that you may be in possession of Inside Information; considers that there are abnormal trading conditions; or is unable to calculate prices in the relevant Contract due to the unavailability of the relevant market information.
- 3.6. We shall inform you of the withdrawal and the reasons for it, where possible, before the withdrawal and if this is not possible immediately thereafter, unless giving such information would compromise objectively justified security reasons.

- 3.7. Shard Capital shall not provide any advice to you on any tax issues related to any Services. You are advised to obtain independent legal advice with respect to tax implications of the respective Services.
- 3.8. Notwithstanding any other provision of the Terms, in providing its Services, Shard Capital shall be entitled to take any action considered necessary and reasonable to ensure compliance with the Market Rules and all other applicable laws and regulatory decisions

#### **4. DEALING**

##### **4.1. General**

You shall inform Shard Capital in writing of the persons you have granted a power of attorney to instruct us on your behalf. For practical reasons, Shard Capital can only undertake to register one power of attorney for the Client. If the Client at any time wishes to revoke such a Power of attorney, to change the extent of the power of attorney, or grant Power of attorney to a different person, this shall also be communicated to Shard Capital in writing. Shard Capital is in accordance with general rules regarding power of attorneys entitled to receive instructions from any person authorised by the Client as well as persons who appear authorised.

Any instruction sent via the Trading Platform or by email by you shall only be deemed to have been received and shall only constitute a valid instruction and/ or binding contract between Shard Capital and yourself when such instruction has been recorded as executed and confirmed by Shard Capital through the Settlement/ Trade Confirmation and/ or Account Statement, and the mere transmission of an instruction by you shall not constitute a binding contract.

You shall promptly give any instructions to Shard Capital, which Shard Capital may require. If you do not give such instructions promptly, we may, at our reasonable discretion, take such steps at your cost, as we consider necessary or desirable for our protection or the protection of you. This provision is similarly applicable in situations when Shard Capital is unable to contact you.

Shard Capital may (but shall not in any circumstances be obliged to) require confirmation in such form as we may reasonably request if an instruction is to close an Account or remit money due to you or if it appears to us that such confirmation is necessary or desirable.

Pursuant to general rules regarding power of attorney you are accountable to us for losses which we may incur as a result of instructions from a person who has explicit or implied power of attorney over your account.

Shard Capital shall act in accordance with instructions as soon as practically possible and shall, as far as trading instructions are concerned, act consistent with the Shard Capital Best Execution Policy. However, if, after instructions are received, we believe that it is not reasonably practicable to act upon such instructions within a reasonable time, we may defer acting upon those instructions until it is, in our reasonable opinion, practicable to do so or as soon as possible notify you that we are refusing to act upon such instructions.

It is possible that errors may occur in the prices of transactions quoted by Shard Capital. In such circumstances, without prejudice to any rights it may have English law, Shard Capital shall not be bound by any contract which purports to have been made (whether or not confirmed by Shard Capital) at a price which:

- i. Shard Capital is able to substantiate to you was manifestly incorrect at the time of the transaction;
- or

- ii. Was, or ought to have reasonably been known by you to be incorrect at the time of the transaction.

In which case Shard Capital reserves the right to either cancel the trade all together or correct the erroneous price at which the trade was done to either the price at which Shard Capital hedged the trade or alternatively to the historic correct market price.

When you instruct Shard Capital to enter into a position opposite to one or more of your open positions, Shard Capital will close out the opposite position in accordance with the FIFO principles unless the position has related orders or otherwise agreed.

You acknowledge that Shard Capital has the right to, but not the obligation to close directly opposite positions. This applies not only when the positions are held on the same account, but also when they are held on separate accounts.

If you operate several Accounts (or sub-accounts) and have opposite positions open on different Accounts (or sub-accounts), we shall not close out such positions. You are specifically made aware that unless closed manually, all such positions may be rolled over on a continuous basis and thereby consequently all incur a cost for such roll-over.

#### 4.2. **Online Order Execution**

We shall not be liable to you for any loss, expense or liability suffered or incurred by you due to failure of the system, transmission failure or delays or similar technical errors unless such loss, expense or liability is a direct consequence of negligence or wilful default on our part.

We may offer you real-time tradable prices. Due to delayed transmission between yourself and Shard Capital, the price offered by us may have changed before we receive your order. If we offer you automatic order execution, we shall be entitled to change the price at which your order is executed to the market value at the time at which the order was received from you.

Prices offered by Shard Capital regarding the sale, purchase or exercise of Contract Options reflect the price of the relevant ex-change traded product. Due to delays from your execution of an order or instruction regarding a Contract Option to the execution of the relevant exchange traded product on the exchange, the price as listed on the Trading Platform is subject to change, in order for the Contract Option to reflect the price of the relevant exchange traded product at the time of its execution or exercise (as applicable).

The Trading Platform may be available in several versions, which may differ from one another in various aspects including, but not limited to the level of security applied, products and services available etc. We shall not be liable to you for any loss, expense, cost or liability suffered or incurred by you due to you using a version different from Shard Capital's standard version with all available updates installed.

You shall be responsible for all orders, and for the accuracy of all information, sent via the internet using your name, password or any other personal identification means implemented to identify you.

If the Trading Platform is used for commercial use you are liable for contracts executed by use of your password even if such use might be without your authority or wrongful in any manner.

Regardless of the fact that the Trading Platform might confirm that a contract is executed immediately when you transmit instructions via the Trading Platform, it is the Settlement/ Trade Confirmation forwarded by us or made available to you on the Trading Platform which solely constitutes Shard Capital's confirmation of execution.

#### 4.3. Use of the Trading Platform

The technical requirements to which the Client's IT equipment, operating system, Internet connection etc. shall conform are described on Shard Capital stockbroker's website.

You shall enter your user ID and password when logging on to the Trading Platform and should memorize the password. Entering an in-correct password five times in a row will automatically terminate the connection and block the user ID.

We will inform you of the termination/ blocking and the reasons for it, where possible, before the termination/ blocking and if this is not possible immediately thereafter, unless giving such information would compromise objectively justified security reasons.

You are obligated to notify us by calling 0203 463 4989 without undue delay on becoming aware of unauthorised use of the Trading Platform, or if you suspect that the password has been misappropriated by a third party. We will immediately block your Trading Platform after which you can then order a new password. You are, for a period of 18 months after notification entitled to request us to provide you with the means to prove that you have made such notification.

You are also entitled to block your Trading Platform at any time by contacting Shard Capital at telephone 0203 463 4989. Blocking the Trading Platform prevents other persons from accessing it. Open orders and positions placed on the platform before the blocking will not be affected by the blocking unless you specifically request so, and you are responsible for deciding about your positions.

The right to use the Trading Platform is personal, and you shall not allow other persons to use your user ID and/ or your password. If you want to allow a third party to trade on your account, you must first issue a separate power of attorney before such arrangements are put in place. The power of attorney shall be written on one of Shard Capital's power of attorney forms. In the event that the power of attorney is approved by Shard Capital, a personal user ID and password will be provided to the holder of the power of attorney.

You will have access to reports on trading activities and account balances on the Trading Platform. These documents can be downloaded or printed.

Orders may be cancelled up until the time of execution however we are under no obligation to cancel an order. A request for cancellation or an order can be made via the Trading Platform or by calling Shard Capital Sales Trading on 0203 463 4989. Requests concerning cancellation of orders generated when the margin is exceeded can only be made to Shard Capital Sales Trading. An order shall not be considered to be cancelled until you have received a written confirmation from us.

If the Trading Platform is used for Private Use, the following limitations on your liability in case of abuse or other unauthorised use of the Trading Platform shall apply:

- i. If Shard Capital proves that:
  - a) You or a person to whom you entrusted your user ID and/ or your password, by grossly irresponsible conduct have made the unauthorised use by a third party possible, or
  - b) You or a person to whom you have entrusted your user ID and/ or your password, have failed to inform Shard Capital as soon as possible after having become aware that your user ID and/ or your password has become known to an unauthorized third person, or
  - c) The unauthorized use is made by a person to whom you have disclosed your user ID and/ or the password without the matter being covered by this clause; you shall be liable for losses caused by unauthorized use of the Trading Platform.

- ii. You shall be liable without limitation if the unlawful use was made by someone with whom you have knowingly entrusted your ID and password in circumstances where you realized or should have realized that there was an obvious risk of abuse as a result of such disclosure.

Where the Trading Platform is used for Private Use, Shard Capital shall be liable for direct losses resulting from non-executed or defective executed orders, unless non-executed or defective executed order is due to conditions for which you are liable. Shard Capital shall not be liable for any indirect or consequential losses.

Shard Capital shall not be liable for losses in cases of abnormal and unforeseeable circumstances beyond the control of Shard Capital pleading for the application of those circumstances, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

If the Trading Platform is used for commercial use Shard Capital shall not be liable for any indirect or consequential losses and/ or losses resulting from:

- i. Operational failures preventing the use of the Trading Platform;
- ii. Interruptions preventing you from accessing the Trading Platform;
- iii. Use of the Internet as a means of communication and transport;
- iv. Damage caused by matters relating to your own computer systems.

Shard Capital Stockbrokers shall not be responsible for losses resulting from the Client's installation and use of the computer programs used on the Trading Platform, unless such liability follows from indispensable rules of law. Where the Trading Platform is used for Commercial Use, the Client shall be responsible for ensuring that the Trading Platform is adequately insured against direct and indirect losses which may result from the installation and use of the computer programs in the Client's computer system. Furthermore, the Client shall be obliged to make backup copies of data which, should such data be lost, might result in losses for the Client.

#### 4.4. **Transfer of funds to the Client Account**

You understand agree and accept that in order to secure the identity of the sender, Shard Capital only allows transfers to the Client's Account from the Client's own accounts in other banks. We must receive sufficient information about the transfer from the sending bank to make a certain identification of which Client and which account the funds shall be registered on. Therefore, the you understand and accepts that we are only able to respect the time limits mentioned in below if we can identify the sender as the Client and on which Client and account the funds shall be registered.

For transfers of currency of an EU or EEA country from an account in a bank in an EU or EEA country the funds are booked and at disposal on the Client's Account without undue delay after Shard Capital has received the funds if Shard Capital receives the funds before 2 p.m. CET on a Business Day. If the transfer is received in the period between 2 p.m. CET on a Business Day to 8 a.m. CET on the following Business Day, the Client cannot expect the funds to be at the Client's disposal until the following Business Day after 10 a.m. CET. When the Client transfers funds in another currency or from another country than mentioned herein, the funds are booked and at disposal on the Client's Account no later than two Business Days after the funds are received by Shard Capital. If we receive the funds on a non-Business Day or receives the funds after 2 p.m. CET on a Business Day, the funds are considered to be received on the following Business Day and, consequently, the Client cannot expect the funds to be at disposal until the third following Business Day after 10 a.m. CET. 7.4 When the Client transfers funds between two accounts held with Shard Capital Stockbrokers, the funds are at the disposal on the receiving account on the day of the transfer. The Client acknowledges that Shard Capital cannot be held liable for how many

days it takes from the sending bank sends funds to Shard Capital receives them. The Client is made aware, that special events can cause the booking of funds to be delayed by up to three Business Days from the day that Shard Capital receives it.

**4.5. Margins, Security, Payments and Delivery**

The Client shall pay to Shard Capital on demand: a. such sums of money by way of deposits, or as initial or variation margin as Shard Capital may require. In the case of a Contract effected by Shard Capital on an exchange, such margin shall be not less than the amount or percentage stipulated by the relevant exchange plus any additional margin that Shard Capital at its reasonable discretion may require; b. such sums of money as may from time to time be due to Shard Capital under a Contract and such sums as may be required in or towards clearance of any debit balance on any Account; c. such sums of money as Shard Capital may from time to time require as security for the Client's obligations to Shard Capital Stockbrokers; and d. any amount to maintain a positive cash-balance on any and all Account(s).

When dealing with Contract Options Shard Capital will enter into a contract with its Counterparties which is identical in all respects to the Contract Option between Shard Capital and the Client and Shard Capital may under such Counterparty contract be required to deliver additional margin from time to time. Shard Capital may without notice change the margin requirement towards the Client to reflect changes in applicable margin requirements for Shard Capital from time to time under any Counterparty contract.

If the Client makes any payment which is subject to any price fluctuations, withholding or deduction, the Client shall pay to Shard Capital such additional amount to ensure that the amount actually received by Shard Capital will equal the full amount Shard Capital would have received had no price fluctuations, withholding or deduction been made.

Payments into the Client's account are deposited by Shard Capital on the condition of Shard Capital receiving the amount in question. This shall apply irrespective of whether it has been explicitly stated in receipts or other notices of or requests for payment.

With the prior written agreement of Shard Capital on each occasion, the Client may deposit Security with Shard Capital or provide Shard Capital with a guarantee or indemnity from a person and in a form acceptable to Shard Capital instead of cash for the purpose of complying with its obligations. The Client is made specifically aware that Shard Capital at its reasonable discretion may determine the value by which Security shall be registered and consequently contribute to Shard Capital's demand towards the Client and Shard Capital may continuously change such value of Security without prior notice to the Client.

Any Security will be held by an intermediate broker or eligible custodian, appointed by Shard Capital, and the intermediate broker or eligible custodian shall be responsible for claiming and receiving all interest payments, income and other rights accruing to the Client.

Shard Capital is with the Client's specific consent entitled to:

- i. pass on any money or Security received from the Client in order to satisfy Shard Capital's obligations to any third party;
- ii. charge, pledge or grant any security arrangement over Security in order to satisfy Shard Capital's obligations to any third party in which case the Security may or may not be registered in the Client's name
- iii. lend Security to any third party in which case the Security may or may not be registered in the Client's name; and
- iv. return to the Client a Security other than the original Security.

Shard Capital shall not be obliged to account to the Client for any income received by Shard Capital as a result of carrying out any of the activities described in this Clause.

The Client shall be obliged to promptly deliver any money or property deliverable by it under a contract in accordance with the terms of that Contract and with any instructions given by Shard Capital for the purpose of enabling Shard Capital to perform its obligations under any corresponding contract entered into between Shard Capital and a third party.

If the Client fails to provide any margin, deposit or other sum due under the Terms in respect of any transaction Shard Capital may close any open position without prior notice to the Client and apply any proceeds thereof to payment of any amounts due to Shard Capital.

If the Client fails to make any payment when it falls due, the Client shall pay interest (from the due date and until payment takes place) on the outstanding amount.

The Client is advised that Shard Capital shall have the right, in addition to any other rights it may have under the Terms, or English law in general and subject to regulatory obligations,

to limit the size of the Client's open positions (net or gross) and to refuse orders to establish new positions. Shard Capital will inform the Client as soon as possible regarding such refused orders and the reason for the refusals. Situations where Shard Capital may exercise such right include, but are not limited to, where: a. Shard Capital has reason to believe that the Client may be in possession of Inside Information; b. Shard Capital considers that there are abnormal trading conditions; c. the value of the Client's Security (as determined by Shard Capital) falls below the minimum margin requirement as defined in Shard Capital Stockbroker's Commissions, Charges & Margin Schedule; or d. the Client has a negative cash-balance on any Account.

#### 4.6. **Margin Trades**

On the date of the opening of a Margin Trade between Shard Capital and the Client, Shard Capital may require the Client to have margin on the Account at least equivalent to Shard Capital's initial margin requirement.

Shard Capital's margin requirement shall apply throughout the term of the Margin Trade. It is the Client's responsibility continuously to ensure that sufficient margin is available on the Account at any time. If practicably possible Shard Capital shall notify the Client if the margin requirements are not met. If, at any time during the term of a Margin Trade, the margin available on the Account is not sufficient to cover Shard Capital's margin requirement, the Client is obliged to reduce the amount of open Margin Trades or transfer adequate funds to Shard Capital. Even if the Client takes steps to reduce the size of open Margin Trades or to transfer sufficient funds to Shard Capital Stockbrokers, Shard Capital may, subject to regulatory obligations, close one, several or all of the Client's Margin Trades or part of a Margin Trade and/or liquidate or sell securities or other property at the Client's account at its sole discretion without assuming any responsibility towards the Client for such action.

If Shard Capital due to insufficient margin close one, several or all of the Client's Margin Trades, the Client shall expect, unless otherwise agreed and confirmed by Shard Capital that all of the Client's open Margin Trades will be closed.

Subject to regulatory obligations, if the client has opened more than one Account, Shard Capital is entitled to transfer money or Security from one Account to another, even if such transfer will necessitate the closing of Margin Trades or other trades on the Account from which the transfer takes place.

Shard Capital's general margin requirements for different types of Margin Trades are displayed on Shard Capital Stockbroker's trading platforms. However, Shard Capital reserves the right to determine specific margin requirements for individual Margin Trades.

The Client is specifically made aware that the margin requirements are subject to change without notice. When a Margin Trade has been opened, Shard Capital is not allowed to close the Margin Trade at its discretion but only at the Client's instruction or according to Shard Capital's rights under the Terms. However, Shard Capital will increase the margin requirements if Shard Capital considers that its risk on a Margin Trade has increased as compared to the risk on the date of the opening.

#### 4.7. **Accounts**

Shard Capital will make available to the Client a Settlement/Trade Confirmation in respect of any transaction or Contract entered into by Shard Capital with or for the Client and in respect of any open position closed by Shard Capital for the Client. Settlement/Trade Confirmations will normally be available instantly following the execution of the transaction.

An Account Summary and Account Statement are available to the Client through the Trading Platform. The Account Summary will normally be updated periodically during Shard Capital's opening hours. The Account Statement will normally be updated every Business Day with information for the previous Business Day. By accepting the Terms the Client agrees not to receive any Account Statements or Account Summaries in printed form from Shard Capital other than upon specific request.

Any notice or other communication to be provided by Shard Capital under the Terms, including Account Statements and Settlement/Trade Confirmations, may be sent by Shard Capital at its option to the Client in electronic form by email or by display on the Client's account summary on the Trading Platform. The Client is obliged to provide Shard Capital with an e-mail address for this purpose. An e-mail message is considered received by the Client when sent from Shard Capital. Shard Capital is not responsible for any delay, alteration, re-direction or any other modification the message may undergo after transmission from Shard Capital. A message on the Client's account on the Trading Platform is considered received by the Client when Shard Capital Stockbrokers has placed the message on the Trading Platform. It is the responsibility of the Client to ensure that the Client's software and hardware setup does not stand in the way of the Client receiving e-mails or get access to the Trading Platform from Shard Capital.

#### 4.8. **Commissions, Charges and Other Costs**

The Client shall be obliged to pay to Shard Capital the commissions and charges set out in the Commissions, Charges & Margin Schedule. The platform charges can be found at:

[www.shardcapitalstockbrokers.com/importantinformation](http://www.shardcapitalstockbrokers.com/importantinformation).

Shard Capital may vary such commissions and charges without notice when the change is to the Client's advantage, or the grounds for changes are due to external circumstances beyond Shard Capital's control. Such circumstances are: a. Changes in the relationship with Shard Capital's counterparties, which affect Shard Capital cost structures; and/or b. Changes in commissions and charges from exchanges, clearing houses, information providers or other third-party providers that are passed on to the Client by Shard Capital.

Shard Capital may vary such commissions and charges, with one month's notice if: a. market conditions, including competitive behaviour, call for changes to Shard Capital conditions; b. Shard Capital for commercial reasons wishes to change its general cost and pricing structure; and/or c. significant particulars of the Client, based on which individual conditions were provided, have changed.

In addition to such commissions and charges, the Client shall be obliged to pay any applicable taxes, storage and delivery charges, ex-change and clearing house fees, interest charges on cash balances and all other fees which could be incurred by Shard Capital in connection with any Contract and/or in connection with maintaining the Client relationship.

Furthermore, Shard Capital shall be entitled to demand that the following expenses are paid separately by the Client: a. all extraordinary disbursements resulting from the client relationship e.g. telephone, telefax, courier, and postal expenses in case the Client requests hardcopy Settlement/Trade Confirmations, Account Statements etc. which Shard Capital could have delivered in electronic form; b. any expenses of Shard Capital, caused by non-performance by the Client, including a fee determined by Shard Capital in relation to forwarding of reminders, legal assistance etc. c. any expenses of Shard Capital in connection with replies to inquiries by public authorities, including a fee determined by Shard Capital in relation to forwarding of transcripts and enclosures and for the preparation of copies d. administration fees in connection with security deposits, and any expenses of Shard Capital in relation to a pledge, if provided, including any insurance premium payments; an e. any expenses of Shard Capital in connection with auditor's comments/reports if such is requested by the Client.

Shard Capital reserves the right to introduce new fees.

Shard Capital may share commissions and charges with its associates, Introducing Brokers or other third parties or receive remuneration from them in respect of Contracts entered into by Shard Capital. Details of any such remuneration or sharing arrangement will not be set out on the relevant Settlement/ Trade Confirmations. Shard Capital (or any associate) may benefit from commission, mark-up, mark-down or any other remuneration where it acts for the Counterparty to a Contract.

Shard Capital will upon reasonable request and to the extent possible disclose to the Client the amount of commission, mark-up, markdown or any other remuneration paid by Shard Capital to any Introducing Broker or other third party.

Unless specified otherwise in the Terms, all amounts due to Shard Capital (or Agents used by Shard Capital) under the Terms shall, at Shard Capital's option: a. be deducted from any funds held by Shard Capital for the Client; or b. be paid by the Client in accordance with the provisions of the relevant difference account, Settlement/Trade Confirmation or other advice.

Furthermore, the Client acknowledges, recognizes and accepts that the procedures described in this clause and those relating to netting may result in additional indirect costs for the Client.

#### **4.9. Interest and Currency Conversions**

Subject to the below and save as otherwise agreed in writing, Shard Capital shall not be liable to: pay interest to the Client on any credit balance in any Account or on any other sum held by Shard Capital; or b. account to the Client for any interest received by Shard Capital on such sums or in connection with any Contract.

The Client is entitled to interest on the basis of the Client's positive Net Free Equity in accordance with the terms in Shard Capital's Commissions, Charges & Margin Schedule.

The Client is obliged to pay interest on the basis of the Client's negative Net Free Equity in accordance with the terms in Shard Capital's Commissions, Charges & Margin Schedule.

Shard Capital may vary such interest rates and/or thresholds for interest calculation without notice when changes are to the Client's advantage, or the grounds for changes are due to external circumstances beyond Shard Capital's control. Such circumstances are:

- i. Changes in the monetary or credit policies domestic or abroad that affect the general interest level in a way that is of importance to Shard Capital;
- ii. Other changes in the general interest level, including in the money and bond markets, that is of importance to Shard Capital;
- iii. Changes in the relationship with Shard Capital's Counterparties, which affect Shard Capital's cost structures.

Shard Capital may vary such interest rates where the Trading Platform is used for Commercial use with one month's notice, and where the Trading Platform is used for Private use with two months' notice if:  
a. market conditions, including competitive behaviour, call for a change to Shard Capital conditions; b. Shard Capital wishes to change its general commission, fee and pricing structure for commercial reasons; and/or c. changes to significant particulars of the Client, based on which individual conditions were provided, occurs. The Client is deemed to have accepted such changes if he does not, before the proposed date of their entry into force, notify Shard Capital that he does not accept them.

Shard Capital is entitled, but shall not in any circumstances be obliged, to convert: a. any realised gains, losses, option premiums, commissions, interest charges and brokerage fees which arise in a currency other than the Client's base currency (i.e. the currency in which the Client's Account is denominated) to the Client's base currency; b. any cash currency deposit to another cash currency deposit for the purpose of purchasing an asset denominated in a currency other than the Client's base currency; c. any monies held by Shard Capital Stockbrokers for the Client into such other currency as Shard Capital considers necessary or desirable to cover the Client's obligations and liabilities in that currency.

Whenever Shard Capital conducts currency conversions, Shard Capital will do so at such reasonable rate of exchange as Shard Capital Stockbrokers selects. Shard Capital shall be entitled to add a mark-up to the exchange rates. The prevailing mark-up is defined in the Commissions, Charges & Margin Schedule.

#### 4.10. **Netting**

If on any date the same amounts are payable under the Terms by each party to the other in the same currency, then, each party's obligations to make payment of any such amount will be automatically satisfied by netting.

If the aggregate amount that is payable by one party exceeds the aggregate amount that is payable by the other party, then the party by whom the larger aggregate amount is payable shall pay the excess to the other party and the obligations to make payment of each party will be satisfied and discharged.

Subject to regulatory obligations, if the Client, at any time during the Client relationship, has a negative cash-balance in any Account, Shard Capital is entitled but not obligated to net between the Client's Accounts. The Client shall bear all the charges and any other costs associated with such netting in accordance with the Commissions, Charges & Margin Schedule.

If the Client relationship is terminated, the claims that the parties have against each other shall be finally discharged by means of netting (closed). The value of open Contracts shall be determined according to the principles set forth below and the final amount to be paid by one of the parties shall be the difference between the payment obligations of the parties.

Rates based on which the Contracts shall be closed shall be market rates applicable on the day on which Shard Capital decides to close the Contracts.

Shard Capital may at its reasonable discretion determine the rates by obtaining an offer from a Market Maker in the asset in question or by applying rates from electronic financial information systems.

When determining the value of the Contracts to be netted, Shard Capital shall apply its usual spreads and include all costs and other charges.

These Terms shall be binding towards the estate and creditors of the parties to the client relationship.

#### **4.11. Market Making**

When Shard Capital executes orders as Agent for the Client on a regulated stock or futures Exchange, Shard Capital will not be a party to such a trade as such orders will be executed in the trading system of the relevant exchange at the best price and the most favourable conditions available at the time of the order or according to the Client's specific instructions, e.g. in a situation where the Client has chosen to limit the order. Shard Capital will not include any additional spread in the price of the execution achieved for the Client but will be remunerated according to the Commissions, Charges & Margin Schedule.

For Shard Capital to quote prices with the swiftness normally associated with speculative trading, Shard Capital may have to rely on available price or availability information that may later prove to be faulty due to specific market circumstances, for instance, but not limited to, lack of liquidity in or suspension of an asset or errors in feeds from information providers or quotes from Counterparties. If so and if Shard Capital has acted in good faith when providing the price to the Client, Shard Capital may cancel the trade with the Client but shall do so within reasonable time and shall provide the Client with a full explanation for the reason for such cancellation.

Following execution of any position with a Client, Shard Capital may at Shard Capital's reasonable discretion subsequently offset each such client position with another client position, or a position with one of Shard Capital's Counterparties or retain a proprietary position in the market with the intention to obtain trading profits from such positions. Such decisions and actions may therefore result in Shard Capital offsetting client positions at prices different - sometimes significantly different - from prices quoted to clients, resulting in trading profits or losses for Shard Capital. This in turn can raise the possibility of the Client incurring what may be seen as an implied cost.

The Client acknowledges, recognizes and accepts that the price quoted to the Client includes a spread when compared with the price to which Shard Capital may have covered or expected to be able to cover the Contract in a trade with another client or a Counterparty. Furthermore, the Client acknowledges, recognizes and accepts that said spread constitutes remuneration to Shard Capital and that such spread not necessarily can be calculated for all Contracts and that such spread will not be specified at the Settlement/Trade Confirmation or otherwise revealed to the Client.

If the Client is an active trader and is undertaking numerous transactions, the total impact of as well visible as not visible costs may be significant. Consequently, the Client may have to obtain significant profits in the markets in order to cover the costs associated with trading activities with Shard Capital. For very active Clients, such costs may over time exceed the value of the margin deposited. Normally, when trading margined derivatives, the lower the percentage of the applicable margin rate, the higher the proportion of the costs associated with executing a transaction.

#### **4.12. Aggregation and Split**

Shard Capital is in accordance with the company's Best Execution Policy entitled to aggregate the Client's orders with the company's own orders, orders of any of the company's associates and/or persons connected with Shard Capital including employees and other clients. Furthermore, Shard Capital may split the Client's orders when executing these. The orders will only be aggregated or split if Shard Capital reasonably believes it to be in the best interest of the Client. On some occasion's aggregation and split of

the Client's order may result in the Client obtaining a less favourable price than if the Client's orders had been executed respectively separately or mutually.

**4.13. Shard Capital's Counterparties**

To give effect to the Client's instructions, Shard Capital may instruct a Counterparty selected at Shard Capital's discretion and Shard Capital shall do so where the transaction is to be subject to the rules of an exchange or market of which Shard Capital is not a member.

Shard Capital shall not be responsible for errors committed by such Counterparties unless it is proven that Shard Capital has not acted with sufficient and reasonable care when selecting the Counterparty.

**4.14. Default and Remedies**

The provisions contained in this Clause supplement any other rights that Shard Capital or any of its associates have according to the Terms and furthermore any other rights Shard Capital has according to English law.

Shard Capital reserves the right to retain, or make deductions from, any amounts which Shard Capital owes to or is holding for the Client if any amounts are due from the Client to Shard Capital. The Client authorises Shard Capital, at Shard Capital's discretion, at any time and without notice, to sell, apply, set-off and/or charge in any manner any or all of the Client's property and/or the proceeds of any of the same of which Shard Capital or any of its associates or Agents has custody or control, in order to discharge any or all of the Client's obligations to Shard Capital.

Each and any of the following events shall constitute an Event of Default in relation to all of a Client's contracts, Margin Trades, securities and other business with Shard Capital (regardless of whether the Event of Default only relates to part of the business with Shard Capital):

- i. If the Client fails to make any payment or fails to do any other act required under the Terms or by Shard Capital at its reasonable discretion;
- ii. If the Client fails to remit funds necessary to enable Shard Capital to take delivery under any Contract on the first due date;
- iii. If the Client fails to provide assets for delivery, or take delivery of assets, under any Contract on the first due date;
- iv. If the Client dies or becomes of unsound mind, if an application is made in respect of the Client for any action pursuant to the Bankruptcy Act or any equivalent act applicable to the Client or, if a partnership, in respect of one or more of the partners, or if a company, that a receiver, trustee, administrative receiver or similar officer is appointed;
- v. If a petition is presented for the winding-up or administration of the Client;
- vi. If an order is made or a resolution is passed for the winding up or administration of the Client (other than for the purposes of amalgamation or reconstruction with the prior written approval of Shard Capital);
- vii. If any distress, execution or other process is levied against any property of the Client and is not removed, discharged or paid within seven days;
- viii. If any security created by any mortgage or charge becomes enforceable against the Client and the mortgagee or chargee takes steps to enforce the security or charge;
- ix. If any indebtedness of the Client or any of its subsidiaries becomes immediately due and payable, or capable of being declared so due and payable, prior to its stated maturity by reason of default of the Client (or any of its subsidiaries) or the Client (or any of its subsidiaries) fails to discharge any indebtedness on its due date;
- x. If the Client fails to fully comply with obligations under the Terms or any contract, including refrains from complying with Margin requirements;

- xi. If any of the representations or warranties given by the Client are, or become, untrue;
- xii. If Shard Capital or the Client is requested to close a Contract (or any part of a Contract) by any regulatory agency or authority; or
- xiii. If Shard Capital reasonably considers it necessary for its own protection or the protection of its associates, including without limitation, if the Client is subject to any law enforcement or regulatory investigation.

Upon the occurrence of an Event of Default, Shard Capital shall at its discretion be entitled to:

- i. Sell or charge in any way any or all of the Client's collateral, assets and property which may from time to time be in the possession or control of Shard Capital or any of its associates or Agents or call on any guarantee, without any notice or court order. Sale of Security, assets and property shall take place by means that Shard Capital in its reasonable discretion determines and at the price that Shard Capital in its reasonable discretion determines to be the best obtainable.
- ii. Buy or sell any Security, investment or other property where this is, or is in the reasonable opinion of Shard Capital likely to be, necessary in order for Shard Capital to fulfil its obligations under any Contract and the Client shall reimburse Shard Capital for the full amount of the purchase price plus any associated costs and expenses;
- iii. Deliver any Security, investment or property to any third party, or otherwise take any action Shard Capital considers to be desirable in order to close any Contract;
- iv. Require the Client immediately to close and settle a Contract in such manner as Shard Capital may in its reasonable discretion request;
- v. To enter into any foreign exchange transaction, at such market rates and times as Shard Capital may determine, in order to meet obligations incurred under a contract;
- vi. Re-invoice all or part of any assets standing to the debit or credit of any Account (including commuting Shard Capital or the Client's obligation to deliver an asset into an obligation to pay an amount equal to the market value of the asset (determined by Shard Capital at its reasonable discretion) on the date re-invoicing takes place); and
- vii. Close-out all Contracts and net all the Client's and Shard Capital obligations towards each other as of the date fixed by Shard Capital with effect to third parties.

The Client authorises Shard Capital to take any or all of the steps described in this Clause without notice to the Client and acknowledges that Shard Capital shall not be responsible for any consequences of it taking any such steps, unless Shard Capital has exercised gross negligence in connection herewith. The Client shall execute the documents and take the action as Shard Capital may request in order to protect the rights of Shard Capital Stockbrokers and its associates under the Terms or under any agreement the Client may have entered into with Shard Capital.

If Shard Capital exercises its rights to sell any Security or property of the Client under this Clause, it will effect such sale, without notice or liability to the Client, on behalf of the Client and apply the proceeds of sale in or towards discharge of any of the Client's obligations to Shard Capital.

Without prejudice to Shard Capital other rights under the Terms or under prevailing law, Shard Capital may, at any time and without notice, combine or consolidate any of the accounts maintained by Shard Capital and off-set any and all amounts owed to, or by, Shard Capital in such manner as Shard Capital at its reasonable discretion may determine.

#### 4.15. **Client Warranty**

The Client warrants and represents that;

- i. Investments or other assets supplied by the Client for any purpose shall, subject to the Terms, at all times be free from any charge, lien, pledge or encumbrance and shall be beneficially owned by the Client;

- ii. The information provided by the Client to Shard Capital is complete, accurate and not misleading in any material respect.

The above warranties and representations shall be deemed to be repeated each time the Client in the future for the duration of the client relationship provides instructions to Shard Capital.

#### 4.16. **Indemnity and Limitation of Liability**

The Client hereby agrees to compensate Shard Capital for all losses, taxes, expenses, costs and liabilities whatsoever (present, future, contingent or otherwise and including reasonable legal fees) which may be suffered or incurred by Shard Capital as a result of or in connection with:

- i. The Client's breach of the Terms;
- ii. Shard Capital taking any of the steps which Shard Capital is entitled to take in an Event of Default; unless and to the extent only that such losses, taxes, expenses, costs and liabilities are suffered or incurred as a result of Shard Capital gross negligence or wilful default.

This right to compensation shall survive any termination of the Client relationship.

Without prejudice to the clause "Special notes on using the trading platform" Shard Capital shall not be liable for:

- i. Any loss (including consequential and other indirect losses), expense, cost or liability (together referred to as "Loss") suffered or incurred by the Client as a result of or in connection with the provision of the Services unless and to the extent that such Loss is suffered or incurred as a result of Shard Capital gross negligence or wilful default;
- ii. Any Loss due to actions taken by Shard Capital according to its rights under the Terms, or
- iii. Any consequential or other indirect loss suffered or incurred by the Client whether arising from Shard Capital negligence or otherwise.

#### 4.17. **Disputes**

Without prejudice to any of Shard Capital other rights under the Terms, in case of a dispute or complaint between the Client and Shard Capital over a Margin Trade or alleged Margin Trade or any instruction relating to a Margin Trade, Shard Capital is entitled at its reasonable discretion and without notice to close any such Margin Trade or alleged Margin Trade if Shard Capital reasonably believes such action to be desirable for the purpose of limiting the maximum amount involved in the dispute. Shard Capital shall not be responsible to the Client in connection with any subsequent fluctuations in the level of the relevant Margin Trade.

If Shard Capital closes a Margin Trade under this Clause such action shall be without prejudice to Shard Capital right to contend that such Margin Trade had already been closed by Shard Capital or was never opened by the Client. Shard Capital shall take reasonable steps to inform the Client that Shard Capital has taken such action as soon as practicable after doing so. Where Shard Capital closes a Margin Trade or alleged Margin Trade in accordance with this Clause, the closing shall be without prejudice to the Client's rights to open a new Margin Trade, provided that such Margin Trade is opened in accordance with the Terms. When calculating margin or other funds required for such Margin Trade, Shard Capital is entitled to do so on the basis that Shard Capital view of the disputed events or instructions is correct.

#### 4.18. **Miscellaneous**

If at any time any provision of the Terms is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of the Terms under the law of that jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall be in any way affected.

Shard Capital shall not be liable to the Client for any failure, hindrance or delay in performing its obligations under the Terms where such failure, hindrance or delay arises directly or indirectly from circumstances beyond its reasonable control. Such force majeure events shall include without limitation any technical difficulties such as telecommunications failures or disruptions, non-availability of Shard Capital website e.g. due to maintenance downtime, declared or imminent war, revolt, civil unrest, catastrophes of nature, statutory provisions, measures taken by authorities, strikes, lockouts, boycotts, or blockades, notwithstanding that Shard Capital is a party to the conflict and including cases where only part of Shard Capital functions are affected by such events.

If the Client's combined exposure in one or more margin trades reaches a level which - in case of an adverse market development - may lead to a significant deficit not covered by the Client's deposits and/or margin with Shard Capital, Shard Capital may in its reasonable discretion a. increase the margin requirements and/or b. reduce the Client's exposure by closing one or more or all of the client's open positions.

Furthermore, Shard Capital is entitled in its reasonable opinion to determine that an emergency or an exceptional market condition has occurred. Such conditions shall include, but are not limited to, the suspension or closure of any market or the abandonment or failure of any event to which Shard Capital relates its quote or the occurrence of an excessive movement in the level of any Margin Trade and/or underlying market or Shard Capital reasonable anticipation of the occurrence of such a movement. In such cases Shard Capital may increase its margin requirements, reduce the Client's exposure, close any or all of the Client's open Margin Trades and/or suspend trading.

The Client may not assign its rights or delegate any of the Client's obligations under the Terms or according to any Contract to others whereas Shard Capital may assign its rights or delegate its obligations to any regulated financial institution.

For various investments, instruments and groups of Clients, Shard Capital may provide additional business terms. The Client acknowledges, understands and accepts that: a. such business terms made available to Clients shall constitute an addition to the Terms; and b. the Client should not undertake any transaction unless the business terms applicable for such investment, instrument or group of Clients have been understood and accepted. Transactions undertaken by the Client notwithstanding above, shall be deemed as had this sub-clause indeed been complied with.

The rights and remedies contained in the Terms are cumulative and not exclusive of any rights or remedies provided by law.

No delay or omission on the part of Shard Capital in exercising any right, power or remedy provided by law or under the Terms, or partial or defective exercise thereof, shall:

- i. Impair or prevent further or other exercise of such right, power or remedy; or
- ii. Operate as a waiver of such right, power or remedy.

No waiver of pleading a default of a clause in the Terms shall (unless expressly agreed in writing by the waiving party) be construed as a waiver of a future breach of the same clause or as authorising a continuation of the particular breach.

The Client hereby ratifies all transactions with Shard Capital effected prior to the Client's acceptance of the Terms and agrees that the rights and obligations of the Client in respect thereto shall be governed by the Terms.

By accepting the Terms on behalf of a corporation or other legal entity, the person signing represents and warrants that he/she is authorised to act on behalf of such corporation or legal entity and to bind the

same to the Terms and all obligations arising hereunder. If at a later stage it becomes apparent that the signatory was not duly authorised to bind the corporation or legal entity, Shard Capital will have the right to seek restitution from this person. Furthermore, the signatory shall indemnify Shard Capital against all liabilities, losses, damages, costs and expenses in relation to any claims or actions brought against Shard Capital as a result of the signatory holding out to be authorised to act and bind any such corporation or legal entity.

Client shall be able to communicate with Shard Capital in English or any other language as Shard Capital may offer from time to time. Shard Capital may communicate with the Client in English or any other language agreed between the parties.

The Client accepts that Shard Capital may be closed on significant European holidays. This brief statement, which constitutes an addition to the Terms, does not disclose all of the risks and other significant aspects of trading foreign exchange and derivatives. In consideration of the risks, you should enter into transactions with the mentioned products only if you understand the nature of the contracts and the contractual legal relationship into which you are entering and the extent of your exposure to risk. Transactions in foreign exchange and derivatives are not suitable for many members of the public. You should carefully consider whether transacting is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

## **PART IV**

### **RISKS**

Applicable to all Client Accounts

#### **GENERAL**

This notice is provided to you as a retail customer in compliance with rules of the FCA. Retail customers are afforded greater protections under these rules than other customers and you should be aware of your rights of access to the Financial Ombudsman Service and other benefits. Investments put your capital at risk; please remember that the price or value of investments can go down as well as up. You may not get back the amount invested. Past performance is not necessarily a guide for future performance.

#### **SPECIFIC RISKS**

**1. Foreign Markets**

Foreign markets will involve different risks from the UK markets. In some cases, the risks will be greater. On request, we will provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which we will accept liability for any default of a foreign firm through whom we deal. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

**2. Non-Readily Realisable Investments**

We may enter into transactions on your behalf in non-readily realisable investments (investments in which the market is limited or could become limited). Non-readily realisable investments can be difficult to deal in and it can become difficult to determine what a proper market price is. Please inform us if you do not wish us to buy such investments for your portfolio.

**3. Small-Cap Share**

There is an extra risk of losing money when shares are bought in some smaller companies. There is a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them. The price may change quickly, and it may go down as well as up. These shares carry a high degree of risk and you can lose all of your investment.

**4. Structured Products**

A structured product is defined as a 'complex' instrument and in deciding whether to hold a 'complex' instrument, you should be aware it is an investment which offers a pre-packaged investment strategy based on derivatives and which delivers a known return for given instrument conditions. It may be based on a single security, a basket of securities, options, indices, commodities, debt issuances, foreign currencies or swaps, or any combination of these. Their reliance on derivatives means that structured products are high risk investments and you could lose all the money you have invested. You should consider carefully whether or not this product is suitable for you in the light of your circumstances and financial position, and if in doubt please seek professional advice.

**5. Warrants**

A warrant is a right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement in the price of the warrant. The prices of warrants can therefore be volatile. You should

not buy a warrant unless you are prepared to sustain a total loss of money you have invested plus any commission or other transaction charges. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a 'Covered Warrant').

**6. Suspensions of Trading**

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

**7. Clearing House Protections**

On many exchanges, the performance of a transaction by us (or third party with whom we are dealing on your behalf) is guaranteed by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the client, and may not protect you if we or another party defaults on its duty to you. On request, we will explain any protection provided to you under the clearing guarantee applicable to any on exchange derivatives in which you are dealing. There is no clearing house for traditional options, nor normally for off-exchange instruments, which are not traded under the rules of a recognised or designated investment exchange

**8. Stock exchanges**

Shard Capital trades on in Alternative Investment Market (AIM) and NEX shares, all of which carry a higher degree of risk than blue chip investments and there is always the possibility of losing the capital sum invested. Investment should be restricted to the maximum one can afford to lose. These investments may not be suitable for everyone and if you have any doubt regarding suitability please contact your regular investment adviser. Shard Capital and/or its connected companies and/or directors or employees and/or members of their families may from time to time have a material interest (including options) in relation to an investment in which we deal on your behalf and may add or dispose of such securities from time to time. It is more difficult to buy and sell shares in small companies and it may not always be possible to deal. Market Makers operate with a wide spread between buying and selling prices for small companies and this spread and fluctuations in the share price may mean that you do not get back the full amount invested. AIM and NEX are designed primarily for emerging or smaller companies. Both the AIM and NEX Rules are less demanding than those of the Official List of the London Stock Exchange. The past is not necessarily a guide to future performance.

**9. Extended settlement and leverage (T+20 trading)**

Trading using extended settlement prolongs the settlement date and as a client you pay or receive the profit or loss at the end of the extended settlement period. When using leverage, you can lose more than your original investment and you agree that this is therefore a high-risk activity. Collateral can be used to trade in this manner and the level of leverage allowed on collateral will be determined using a risk-based assessment by Shard Capital. Extended settlement trading does not incur any financing cost, but the price dealt in the market is likely to be at a premium to the prevailing market price.

**10. Securities subject to stabilisation**

Shard Capital may from time to time carry out transactions in securities on your behalf, where the price may have been influenced by measures taken to stabilise it. You should read the following explanation carefully

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The FCA allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found. Stabilisation will be carried out by a 'stabilisation manager' (normally the firm responsible for bringing a new issue to the market). As long as the stabilisation manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions, which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

The Stabilisation Rules limit the period when a stabilising manager may subsidise a new issue; fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and require him to disclose that he may be stabilising but not that he is actually doing so. The fact that a new issue or a related security is being stabilised should not be taken as an indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

## **11. Trades in Foreign Exchange and Derivatives (Including CFD's, Futures and Options)**

### **11.1 Effect of "Leverage" or "Gearing"**

Transactions in foreign exchange and derivatives carry a high degree of risk. The amount of initial margin may be small relative to the value of the foreign exchange or derivatives contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with Shard Capital to maintain your position. If the market moves against your position and/or margin requirements are increased, you may be called upon to deposit additional funds on short notice to maintain your position. Failing to comply with a request for a deposit of additional funds, may result in closure of your position(s) by Shard Capital on your behalf and you will be liable for any resulting loss or deficit.

### **11.2 Risk-reducing Orders or Strategies**

The placing of certain orders (e.g. "stop-loss" orders, where permitted, or "stop-limit" orders), which are intended to limit losses to certain amounts, may not be adequate given that markets conditions make it impossible to execute such orders, e.g. due to illiquidity in the market. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

### **11.3 Suspension or Restriction of Trading and Pricing Relationships**

Market condition (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g., the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or close/ offset positions. Normal pricing relationships between the underlying asset and a derivative do not always exist. The absence of an underlying reference price may make it difficult to judge "fair" value.

## **12. Deposited Cash and Property**

You should familiarize yourself with the protections accorded the Security you deposit by way of money or other assets in domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or other assets is governed by the legislation and local rules in the country at which location the counterparty acts.

**13. Commission and Other Charges**

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit or loss.

**14. Transactions in Other Jurisdictions**

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation, which may offer different or diminished investor protection. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected.

**15. Currency Risks**

The profit or loss in transactions in foreign currency denominated contracts in another currency than your account currency will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to the account currency.

**16. Trading Facilities**

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary.

**17. Electronic Trading**

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hard-ware and software. The result of any system failure may be that your order is either not executed according to your instructions, is not executed at all and a lack of capability to keep you informed continuously about your positions and fulfilment of the margin requirements.

**March 2020**

## **RISK WARNING**

The value of Stock investments can go down as well as up and therefore, investors may not realise the sum originally invested. If you are unsure of the suitability of Share dealing specifically for you then you should contact an Advisor.

Past performance is never a reliable indicator to future performance of investments.

The geared nature of CFD's means that both profits and losses are magnified. If you do not use stop losses and your position moves against you, you could incur very large losses.

In the event of a trade moving against you and reducing your cash balance, you may be subject to a 'Margin Call'. This is to ensure you have sufficient funds in your account for the initial margin requirements to keep your positions open. If you do not have sufficient funds in your account, you may be forced to close your position.

CFDs are more suited to short term investors as opposed to long term investors due to the associated costs.

As an investor, you do not have the right to a vote at the AGM or any other meeting.

You are liable to pay out the dividend if you hold an equity position when they go ex-dividend.

It is important to know you are trading contracts with the CFD provider, not physically trading in the underlying market. This means you don't actually own any assets.

It is possible to lose more than your original investment if you do not use guaranteed stop losses and the position you are in is subject to slippage, gapping or a fast market.