

Terms of Business

Schroder & Co. Limited

Capitalised words have a particular meaning when used in these Terms. The meaning of these words can be found in the Glossary at the end of this document or in the particular Appendix to which they relate.

The Terms are set out in the following way.

Section 1

sets out the structure and effective date of the agreement between us and describes the cancellation rights available to you. This section applies to all Clients.

Section 2

contains terms specific to our investment services as follows:

- 2.1 terms for our discretionary investment management services;
 - 2.2 terms for our investment advisory services;
 - 2.3 terms for our execution-only services;
 - 2.4 terms for our cash administration services.
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Section 3

contains terms specific to our wealth planning services.

Section 4

contains terms specific to our banking services.

Section 5

contains terms specific to our custody services.

Section 6

contains terms which apply where custody services are provided by an External Custodian.

Section 7

contains terms which apply where we are the ISA manager of your Individual Savings Account(s).

Section 8

contains terms which apply when you use our Online Services.

Section 9

contains general terms which apply to all Clients.

Appendix 1

contains information about the risks inherent in investments and strategies which you may be exposed to when using our services.

Appendix 2

contains a summary of our Execution Policy.

Appendix 3

contains a summary of our Conflicts of Interest Policy.

Appendix 4

contains foreign exchange (FX) transaction terms.

Glossary

contains a list of defined terms and rules on interpretation.

Section 1

The Agreement between you and us

This section contains terms which apply to all Clients.

1.1 About us

- 1.1.1 We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and we are entered on the Financial Services Register with number 144206.
- 1.1.2 We are registered in England as Schroder & Co. Limited with company number 02280926. Our registered office is 1 London Wall Place, London EC2Y 5AU with telephone number 020 7658 1000.
- 1.1.3 We operate under a number of trading names including Cazenove Capital. We and other wealth management entities in the Schroder Group also operate as Cazenove Capital Management, Schroders Wealth Management, Schroders Private Banking, Schroders Private Bank and Cazenove Charities or such other trading name or names as we may use from time to time as notified to you in accordance with these Terms. The use of a trading name does not affect the legal entity which is providing the services to you.

1.2 Agreement

- 1.2.1 The Terms comprise a number of sections. How they apply depends on the services you have selected and we have agreed to provide:
 - (a) this Section 1 (The Agreement between you and us) and Section 9 (General terms) apply to all Clients;
 - (b) Section 4 (Banking services) applies to all Clients who have an Account with us or to whom we provide banking services;
 - (c) the remainder of the sections will apply if you have selected and we have agreed to provide the particular services which the section (and in relation to Section 2 (Investment services), the sub-section) relates to.

1.3 Client categorisation

All services provided to you under these Terms are provided on the basis that we are treating you as a retail client (unless otherwise stated in the Client Information and Appointment Form or elsewhere in writing). Categorisation as a retail client affords you the highest degree of consumer protection under the

Regulatory Rules. However, this does not necessarily mean that you will automatically be eligible to bring a claim under either any investor compensation schemes or ombudsman service available in the relevant jurisdiction are below. If we categorise you as other than a retail client in accordance with the rest of this clause then we will notify you of this. As a retail client, you may have the right to elect to be re-categorised as a professional client (referred to as opting up). This right is available to private individual investors and other retail clients, such as local public authorities. We can only opt you up if certain criteria are met and certain procedures followed. We must carry out an adequate assessment of your expertise, experience and knowledge to satisfy ourselves that you are capable of making investment decisions and understanding the risks involved. Professional clients typically have greater knowledge and experience of investing in financial markets and a higher appetite for risk, and are given a lower degree of consumer protection under Regulatory Rules. However even if we opt you up to professional client status, we do not assume that you have market knowledge and experience like other non-opted up professional clients. Some retail clients elect to be re-categorised as professional clients, in spite of the lesser degree of protection, because they find it administratively convenient and it can help them access products which require more knowledge and experience. You have the right to request re-categorisation either generally or in respect of a particular service, type of transaction or product. You must make any such request in writing to your usual contact. We will only accept such a request if we are permitted to do so in accordance with the criteria in the Regulatory Rules (which require us to review your financial situation and your ability to bear the risk of a lesser degree of consumer protection). We will consider any requests received on a case-by-case basis against the criteria set out in the Regulatory Rules. We will inform you of any limitations that such a re-categorisation will entail, together with the scope of that re-categorisation. If, following such a request, you are categorised as a professional client, you must keep us informed of any change in your circumstances which may affect your categorisation as a professional client. We will provide you with further details about the kind of information which may be relevant to your categorisation and which you will need to provide to us. If we notify you that we will treat you as a professional client, you may request to be treated as a retail client either generally or in relation to one or more particular services, or in relation to one or more types of transaction or product.

1.4 Effective date

- 1.4.1 The Agreement will come into force on the date we have received and accepted the signed Client Information and Appointment Form, or, if later, the date from which we start to provide services to you under these Terms.
- 1.4.2 You acknowledge that we will not be required to provide services to you under the Agreement until you have provided us with the information we require to take you on as a Client, associated formalities have been completed and (where applicable) funds or assets have been received by us (or, if applicable, by an External Custodian). In particular:
- (a) before providing services to you we need to obtain certain information from and about you to satisfy our obligations under the Regulatory Rules and anti- money laundering legislation;
 - (b) in order to start providing our investment services and/or custody services to you we must have received on a Business Day, in cleared funds, your initial deposit and/or transfer of assets (as applicable).
- 1.4.3 We reserve the right not to accept a person as a client in our absolute discretion. We are also entitled to terminate the Agreement in certain circumstances as set out in these Terms.
- ## 1.5 Cancellation rights
- 1.5.1 Subject to the remainder of this Term, you have a right to cancel the Agreement where you have engaged us to provide services to you and/or you are opening a new Account. Your right to cancel is available during the period of 14 calendar days after entering into the Agreement or receiving these Terms, whichever is the later. To exercise your right to cancel please write to your usual contact at 1 London Wall Place, London EC2Y 5AU.
- 1.5.2 You will not have a right to cancel where the Agreement concerns securities or any other product whose price depends on fluctuations in the financial markets outside our control or the rate of interest on a deposit is fixed for a period of time.
- 1.5.3 No penalty will apply on cancellation. However, our accrued fees and charges will be payable in respect of services supplied up to the date of cancellation and other costs may apply in the same way as on termination, as set out in these Terms.
- 1.5.4 Where you exercise your right of cancellation in respect of an Account, we will return any cash due to you within 30 calendar days of receiving your

notice of cancellation. In relation to Accounts, you are responsible for cancelling any direct debits or standing orders relating to your Account. If someone sends a payment to your closed Account we will take reasonable steps to return the payment to the sender.

- 1.5.5 In addition to the cancellation rights set out above you are entitled to terminate the Agreement on notice at any time as provided for in these Terms.

Section 2

Investment services

2.1 Discretionary investment management services

2.1.1 Nature of our services

Where you have selected our discretionary investment management services, this means that you appoint us to manage your Portfolio on a discretionary basis and you authorise us to buy and sell investments for your Portfolio without prior reference to you.

2.1.2 Our discretion

Subject to your Investment Objective, Risk Profile and agreed restrictions, we, normally acting as agent, will have complete discretion over the relevant Portfolio (without prior reference to you). We may, under this discretion, buy, sell, retain, exchange or otherwise deal in investments and other assets, place deposits, subscribe to issues and offers for sale and accept placings, underwritings and sub-underwritings of any investments, make decisions in relation to corporate actions or execute transactions in collective investment schemes and otherwise act as we judge appropriate in relation to the management of a Portfolio, subject to the FCA Rules and acting honestly, fairly and professionally in accordance with your best interests.

Subject to any restrictions agreed between you and us in writing we may invest any amount we deem appropriate in a single investment, asset type or issuer.

2.1.3 Intermediary

Where an authorised intermediary has advised you on your chosen Investment Objective and Risk Profile, we will provide our discretionary investment management services taking into account the Investment Objective and Risk Profile notified to us by you or the authorised intermediary. However, we are not responsible for the selection or periodic review of such Investment Objective and Risk Profile.

2.1.4 Review

Unless an authorised intermediary has confirmed to us that it takes responsibility to review your Investment Objective and Risk Profile, we will review, on a periodic basis, your Investment Objective and Risk Profile, and may, from time to time, suggest to you such amendments as, in our opinion, are appropriate. You agree to advise us promptly of any changes in circumstances which may alter or affect your Investment Objective or Risk Profile.

2.1.5 Benchmark

We will agree with you, and report on, an appropriate method of evaluation or comparison, such as a meaningful benchmark for your Portfolio.

2.1.6 Not an advisory relationship

Where we are providing discretionary investment management services (or such services are contemplated), any communication by us with you in relation to investments does not create an advisory relationship between you and us, but is made on the basis that any subsequent investment transaction shall be made by us as a discretionary investment management decision.

We may, however, from time to time, provide you with general information, including information or general opinions about investments and markets, guidance about the risks associated with any investments or financial promotions about investments. Any such communication is not, and is not intended as, a personal recommendation to you and should not be treated as such, and any investment transaction that is completed following such communication will be undertaken by us in the exercise of our discretion. If you wish to receive personal recommendations from us, you will need to agree an investment advisory mandate or a wealth planning mandate, in accordance with these Terms.

2.1.7 Your requests

We may, at our discretion, accept suggestions or requests from you in relation to specific investments to be held, bought or sold in respect of your Portfolio. Where we accept such suggestions or requests from you, we will do so in the exercise of our discretion. Where we decide, in our discretion, not to accept any such suggestion or request from you, we may make separate arrangements for you to deal in such an investment on an execution-only basis.

2.2 Our investment advisory services

2.2.1 Nature of our services

Where we provide our investment advisory services, we will provide advice to you on our own initiative or when you ask us to, in respect of investments for or in your Portfolio. Following receipt of your specific authorisation, we will execute orders in respect of investments for your Portfolio. We will have no discretionary authority.

We will monitor the Portfolio and provide you with ongoing advice, including on the suitability of investments in your Portfolio and, on a periodic basis, we will review the Portfolio against the agreed Investment Objective and Risk Profile. Where a bundle of services or products is envisaged between us, our assessment must consider whether the overall bundled package is suitable for you. When we carry out a periodic review, the information you provide will enable us to check that your Portfolio remains suitable for you, so it is very important that you do provide us with accurate and up to date information. If, as a result of the periodic review, we undertake we consider that you need new advice, we will communicate this to you via the usual channels for communication agreed between us. If we are unable to check this because you do not provide us with the information, we may have to stop providing services to you.

We will provide our investment advisory services taking account of the agreed Investment Objective and Risk Profile of the Portfolio and subject to our suitability obligations as required by the FCA Rules. You acknowledge that the performance of a Portfolio may vary significantly from the Investment Objective or Risk Profile as a result of decisions made by you.

2.2.2 Product cancellation

In relation to regulated products, you agree that, to the extent permitted by the FCA Rules, any rights of cancellation or withdrawal will not apply.

2.2.3 If you do not require advice

Where you give us orders in relation to investments, and you and we agree in writing that we will not be giving advice, any orders which we agree to carry out will be on an execution-only basis.

2.3 Execution-only services

2.3.1 Nature of our services

Where we provide our execution-only services we will arrange for the execution of transactions in investments on your behalf following receipt of your specific instructions. We will have no discretionary authority and will not give advice.

Execution-only services are only available to you if we also provide custody services in relation to your Portfolio.

2.3.2 Appropriateness

In respect of execution-only services involving non-complex financial instruments, we will not assess the suitability or appropriateness of the transaction. As a result you will not benefit from the protections of the FCA Rules on assessing suitability or appropriateness.

Where we provide our execution-only services in relation to complex financial instruments (for example derivatives or hedge funds), under the FCA Rules, we are obliged to assess the appropriateness of the transaction for you by reference to your knowledge and experience and understanding of the risks involved. We may require you to provide us with information regarding your knowledge and experience in the relevant investment field so as to enable us to assess whether the transaction is appropriate for you. If you do not provide such information we may be unable to determine whether the transaction envisaged is appropriate for you. If we do not consider the transaction to be appropriate for you, or you do not provide us with the relevant information when requested, and you ask to proceed despite being given the relevant warning, we may decline to carry out the transaction.

Where we have categorised you as a professional client under the FCA Rules, we shall presume that you have the necessary experience and knowledge in order to understand the risks involved in the relevant transaction.

2.3.3 Purchasing interests in funds

Where you instruct us to invest in a fund on your behalf, we may purchase the standard retail share class unless your individual order meets the minimum size criteria for a different share class under the terms of the relevant fund documentation.

2.3.4 General information

We may, from time to time, provide you with general information (including information and general opinions about investments and markets, general guidance about the risks associated with any investments or financial promotions about

investments). Any such communication is not, and is not intended as, a personal recommendation to you and should not be treated as such, and any investment transaction that you instruct us to make following such communication will be carried out by us on an execution-only basis.

2.4 Cash administration services

2.4.1 Introduction

We offer cash administration services where your money is held on deposit with Approved External Banks subject to the rest of this Term. We will agree with you in writing the type of cash administration services you require.

2.4.2 Client money deposits

- (a) Where agreed with you in writing, we may place your money on deposit with Approved External Banks, as client money under the FCA client money rules. The FCA client money rules require us to hold your money in a client account separate from our own money. In the event that we become insolvent or otherwise fail, the client money distribution and transfer rules will apply to money held in client money accounts.
- (b) Your money may be held, as agreed with you in writing, either in an individual designated client account (designated by reference to your name) or in a general pooled client money account. Where your money is held in a general pooled client money account, this means that your money may be pooled with money belonging to other Clients, which means you do not have a claim against a specific account, your claim is against the client money pool in general.
- (c) If we use an Associate to hold your money, in accordance with the FCA client money rules, not more than 20% of the total client money we hold will be held by an Associate.
- (d) We may also place your money in Qualifying Money Market Funds. If this is the case, the money will not be held in accordance with the FCA client money rules, but the units or shares in the fund will be held in accordance with the FCA custody rules. You will be asked to give your explicit consent to your money being held in Qualifying Money Market Funds. Further information on the nature and operation of Qualifying Money Market Funds is available on request.

- 2.4.3 Deposits in your name
- (a) Where agreed with you in writing you appoint us as your agent to place your money with Approved External Banks in your name and at your risk.
- You acknowledge that deposits with Approved External Banks in your name will not be held as client money in accordance with the FCA client money rules.
- (b) You agree to complete (as may be required by us) our standard third party authority form in order to appoint us as your agent and give instructions to Approved External Banks in respect of your money and entitlements. You also agree to complete and sign such account-opening and third party authority documentation which each Approved External Bank may require from time to time.
- 2.4.4 Deposits held with Approved External Banks:
- (a) You agree that the terms and conditions applying to deposits held with Approved External Banks will be the terms and conditions determined by the relevant Approved External Bank. These terms and conditions, including the rates of return and fees, are subject to change at the absolute discretion of the Approved External Bank. Details of the applicable terms and conditions are available on request.
- (b) Interest earned on your money held on deposit with Approved External Banks will be paid in accordance with the relevant terms and conditions of the Approved External Bank net of any fees or taxes deducted by the Approved External Bank.
- (c) We will only place your money with institutions which are included in our list of Approved External Banks unless otherwise agreed between us in writing. In accordance with the FCA Rules, we will exercise all due skill, care and diligence in the selection, appointment and periodic review of our Approved External Banks. A list of our Approved External Banks (as updated from time to time) is available on request. We review our list of Approved External Banks on a regular basis and will make changes from time to time as we consider appropriate.
- (d) Although we conduct due diligence on, and regularly review, our list of Approved External Banks there is always a risk of default. We are not responsible for any Approved External Bank where your money is held.
- (e) Unless you notify us otherwise in writing we will assume that we may place your money with an Associate of ours and Approved External Banks outside, as well as, within the UK.
- (f) Where we place money with Approved External Banks outside the UK (including, but not limited to, Guernsey, Jersey or the Isle of Man) you acknowledge that the applicable legal and regulatory regime will be different to that in the UK. In particular, in the event of a default by the Approved External Bank, your money may be treated differently and may not be protected as effectively as if money had been held in the UK. Where your money is held outside the EEA, your rights in the event of a default or insolvency of the third party may be different to those in the UK (and may be reduced). A summary of the relevant depositor or investor protection schemes that apply in jurisdictions outside the UK is available on request.
- 2.4.5 Reporting
- Regular information on our cash administration services will be provided to you as part of your Reporting Pack.

Section 3

Wealth planning services

3.1 Nature of our services

- 3.1.1 Our wealth planning services involve us giving you advice, as appropriate, on a range of structures, strategies and investments, including but not limited to life assurance, pensions and collective investment schemes to help you meet your financial objectives. We can also arrange for the agreed structure, strategy and investment as appropriate to be put in place or purchased.
- 3.1.2 Our wealth planning services offer strategic advice and guidance on:
- (a) pension arrangements and planning;
 - (b) estate planning;
 - (c) protection for you and your family by way of insurance;
 - (d) tax-efficient structures for holding your wealth; and
 - (e) ancillary advice on investments.

3.1.3 You will be provided with a Services and Costs Disclosure Document before we provide our wealth planning services to you.

3.2 Wealth planning recommendations

3.2.1 Before providing our wealth planning services we will ask you questions about your current financial situation and tolerance for risk, and we will then agree with you your strategic aims, together with any restrictions on the type of structure, strategy or investment you wish to put into place, buy or deal in.

3.2.2 We will undertake a detailed analysis of your wealth planning requirements. We will then write to you providing you with our recommendations and setting out the reasons we have made each recommendation to you.

3.2.3 The recommendations we provide will be suitable and appropriate at the time they are provided. However, you agree to notify us if your circumstances change in order that we can review the advice to see if it needs to be revised as a result of your changed circumstances. You acknowledge that it is your responsibility to inform us of any changes to your circumstances and we are not to be responsible if you fail to do so.

3.2.4 You acknowledge that advice to purchase specific investments may have been based on your instructions to us to devise a strategy for the short term or a particular period. It may not be appropriate for you to hold such investments other than for the period recommended by us. We are not responsible if you decide to hold an investment outside of the period recommended by us.

3.3 Custody

3.3.1 Investments arranged by us for you under our wealth planning services may be registered by us in your name. Where we do so, we will forward to you documents showing ownership of your investments as soon as practicable after we receive them.

3.3.2 If you wish us to provide you with custody services in relation to investments please let us know. Where we hold your cash it will be held by us as a Bank and not as trustee in accordance with Section 4.

3.4 The scope of our wealth planning advice

3.4.1 We do not provide general tax advice. However, where, as part of our wealth planning services, we provide you with limited tax advice, such limited tax advice will be strategic, asset-related and specific to the structure, strategy or investment being proposed. For example, we might advise on the holding of investments in a

private investment vehicle to enhance capital gains tax efficiencies and on structures for tax, pension or estate planning. We will not advise on your tax returns or on any other tax issues.

3.4.2 We may advise you in conjunction with other professionals who are also advising you, for example, in the case of estate planning, there may be a combination of wealth planning advice (provided by us) and legal advice (provided by your lawyers). In the case of tax structuring, we may suggest structures which should then be assessed and confirmed by your accountants.

3.4.3 Unless agreed in writing that you do not want us to provide you with ongoing wealth planning services, as set out in the Services and Costs Disclosure Document we commit to an ongoing review of the recommendations we provide to you, and will offer to meet with you at least annually. If there are significant changes or planned changes in legislation affecting our recommendations we will contact you to let you know and advise you accordingly.

3.5 One-off wealth planning advice

3.5.1 Where we have agreed in writing that you do not want us to provide you with ongoing wealth planning services, our financial planners may provide you with one-off advice as requested by you on various structures, strategies and investments to meet your financial objectives.

3.5.2 Please bear in mind that where we provide one-off advice in accordance with this Term, once we have made a recommendation to you (and where relevant arranged an investment or investment structure for you arising from the recommendation), we will not, unless you ask us and we agree to do so in writing, provide you with any further advice nor undertake a review or reviews of your structures or investments.

Section 4

This section contains terms which apply to all Clients who have an Account with us or to whom we provide banking services.

Banking services

4.1 Introduction

4.1.1 Where applicable the Term specifies the type of Account it applies to. Where the Term does not specify which Account it applies to, it will apply to all of the Accounts we offer. Our Fee Schedule and Rates Schedule also contain important information about our banking services, Accounts and interest rates which apply.

4.1.2 For Clients who are not Business Customers all the terms in this Section 4 apply fully except as expressly noted.

4.2 Description of our services

As a UK-authorised and regulated deposit-taking institution, we are able to provide a range of banking services to our Clients. Our banking services include:

- (a) the provision of Accounts which are available in a range of currencies;
- (b) services in relation to the operation of Accounts;
- (c) the receipt of payments into and transfers out of Accounts;
- (d) the provision of cheque books for use with Current Accounts; and
- (e) the issue of banker's drafts, as more particularly described in this Section 4 and our Rates Schedule.

4.3 How your money is held

Money held in Accounts with us is held by us as a Bank and not as client money.

4.4 Minimum balances

4.4.1 We may require you to retain a minimum balance in an Account and may specify the minimum amount in relation to any other banking service provided by or through us. Details of minimum balances and amounts (as may be varied from time to time in accordance with these Terms) are contained in our Fee Schedule, Rates Schedule, on our Website, and are available on request.

4.4.2 Should the credit balance on an Account fall below the minimum amount required by us, we reserve the right on giving not less than two months' written notice to close the Account.

4.5 Cut-off Times

4.5.1 In the provision of our banking services we apply the following Cut-off Times:

- (a) for outgoing payments in sterling, 16:00;
- (b) for outgoing payments in US dollars, 15:00;
- (c) for outgoing payments in currencies other than sterling or US dollars, 12:00 (noon); and
- (d) for issuing a banker's draft, 16:00.

4.5.2 Any instructions received before the Cut-off Times on a Business Day will be deemed to be received by us on that Business Day. Any instruction received not on a Business Day or after the Cut-off Times will be deemed to be received by us on the next Business Day.

4.6

4.6.1

Payments into your Account

In respect of electronic payments:

- (a) we accept inward payments via BACS, CHAPS, SWIFT, Faster Payments and SEPA in accordance with the rules of those systems;
- (b) if we receive payments via CHAPS or SWIFT in a different currency to the currency of your Account and it quotes your correct Account number or International Bank Account Number (IBAN), we will convert the payment into the currency of your Account using the prevailing exchange rate; and
- (c) where we receive electronic transfers for credit to your Account, the funds will be credited to your Account for value immediately, provided we have all the information necessary to do so, unless it is received outside of Business Hours, in which case it will be credited for value and made available to you on the next Business Day.

4.6.2

In respect of cheques:

- (a) we accept cheques by post or in person at any of our UK offices;
- (b) sterling cheques may be paid in at any UK branch of our Clearing Bank using a giro credit slip;
- (c) cheques received before 11:00 will be credited to your Account for interest purposes two Business Days after we have received them. For example, a cheque received before 11:00 on a Monday will usually be credited to your Account on the Wednesday. If the cheque is received after 11:00 on the Monday it will usually be credited to your Account on the Thursday. You can treat the proceeds of a cheque as fully cleared at the end of the sixth Business Day after we have received them;
- (d) a cheque paid into your Account may be returned and the amount deducted from your Account more than six Business Days after we have received it where:
 - (i) you are, or we reasonably suspect you are, knowingly involved in a fraud concerning the cheque; or
 - (ii) you have given your express consent;
- (e) if a cheque that has been paid into an Account is returned to us unpaid by the drawer's bank we shall advise you accordingly and return the cheque to you. Any credit (including accrued interest) that has been made to the Account in respect of any such cheque will be reversed;

- (f) where legal reasons require, or in certain limited circumstances beyond our control, the payment of a cheque into your Account may be prevented or may take longer than the time periods set out in this Term;
- (g) for foreign currency cheques or cheques which are not issued by or deposited with a UK bank, different cheque clearing procedures and longer time periods may apply than those stated above and local foreign exchange or other restrictions may potentially prevent payment; and
- (h) cheques drawn on banks situated outside the UK will be sent for collection at your expense. Any charges applied by the clearing bank(s) will be deducted from the amount credited to your Account. Your Account will only be credited once the funds have been received from the paying bank. The length of time before we are credited depends on the bank or institution on which the cheque is drawn and on local banking practices in the country the cheque is from.

4.6.3 In respect of cash:

- (a) cash deposits are not accepted in any of our UK offices; and
- (b) cash may be deposited into an Account at any UK branch of our Clearing Bank, using a giro credit slip and subject to the Clearing Bank's requirements. The Clearing Bank may levy a charge for handling cash paid in over their counters. The money will be added to your balance and credited to your Account (normally the next Business Day after deposit at the Clearing Bank).

4.7 Payments out of your Account

4.7.1 In respect of electronic payments:

- (a) we can make electronic payments from your Account by CHAPS and SWIFT in accordance with the rules of those systems;
- (b) electronic payments from an Investment Deposit Account can be made only to you, or where the payments are in connection with our investment services or, on an occasional basis only, to third parties. Should you need to make regular electronic payments not connected with our investment services, you may be required to open a Current Account; and
- (c) we do not make payments out of your Account via Faster Payments.

4.7.2

In respect of direct debits, these may be set up on a sterling Current Account only, subject to the following:

- (a) regular payments must be in sterling;
- (b) mandates for direct debits will be provided by the company to which those payments are to be made;
- (c) amounts will be paid automatically by us in accordance with the agreed direct debit instruction, provided that the cleared balance of your Current Account is sufficient to meet each payment; and
- (d) if a payment date falls on a non-Business Day, then your Current Account will be debited on the next Business Day.

4.7.3

In respect of standing orders to a third party, these may be set up on a Current Account only, subject to the following:

- (a) regular payments must be for a minimum of £250 or currency equivalent;
- (b) written instructions bearing your original signature will be required to set up or amend a standing order instruction on your Current Account; and
- (c) if a payment date falls on a non-Business Day, it will be processed on the next Business Day.

4.7.4

In respect of currency conversions, if we receive your instructions to convert funds in one currency and pay funds in another currency, we will effect the currency conversion using the applicable exchange rate as determined in accordance with these Terms.

4.7.5

In respect of cheques:

- (a) sterling cheque books are only available on request with a sterling Current Account. Cheques may be subject to a £250 minimum. If more than 25 cheques are used in a 12-month period, a charge may be levied as detailed in our Fee Schedule; and
- (b) we may, on request, issue a banker's draft to you, subject to the charges detailed in our Fee Schedule.

4.7.6

Any drawings by you on an Account should only be made against cleared funds, and for this purpose, our obligation to pay out funds from an Account shall be limited to cleared funds on that Account.

4.7.7

In some cases, such as a direct debit, you may authorise another person to instruct us to debit money from your Account. When this happens, we will treat each instruction from the other person as having been authorised by you.

4.8 Overdrafts

4.8.1 We do not provide overdraft facilities under the Agreement. If your Account should become overdrawn for any reason, overdraft interest is payable by you calculated at a margin above a reference rate as set out in the Rates Schedule. Interest shall accrue on a day-to-day basis.

4.8.2 When calculating interest payments on any overdraft, any change to the independent reference rate will take effect without notice from the following Monday (or next Business Day thereafter). You acknowledge that we have no responsibility for the independent reference rate.

4.8.3 You must immediately pay us the amount by which you are overdrawn and any interest and charges due.

4.9 Credit facilities

We are able to provide credit facilities subject to agreement and the completion of separate documentation. If you require a credit facility please contact us to discuss your requirements.

4.10 Executing electronic payments

4.10.1 In order for an outgoing payment to be properly executed by us, you must notify us of the Account name and number you wish the payment to be debited from together with the following information in respect of the payee:

- (a) for payments within the UK, the sort code, account number, name of the payee, the currency, the amount and the value date you wish the payment to be made for; and
- (b) for payments to other countries, the account number and name of the payee, the IBAN and SWIFT or BIC code, the destination country, the currency, the amount and the date you wish the payment to be made for.

4.10.2 For security purposes, we may also require you to give a password if your instructions are received by facsimile, email or telephone.

4.10.3 If you have instructed us to make an electronic payment, you must ensure that there are sufficient funds in your Account.

4.11 Payment timescales

4.11.1 Where you instruct us to make a payment in a Relevant Currency, we will credit the institution which holds the payee's account if it is in the EEA at latest, by the end of the next Business Day following the one on which we receive your payment instruction.

4.11.2 Where you instruct us to make a payment which involves a currency conversion between two Relevant Currencies, we will credit the institution which holds the payee's account by the end of the next Business Day following the one on which we receive your payment instructions. For payments involving other currency conversions, different execution times will apply.

4.11.3 For payments to accounts held within the EEA, involving currencies other than a Relevant Currency, we will credit the institution which holds the payee's account by the end of the fourth Business Day following receipt of your payment instructions. The receiving bank (if in the EEA) is obliged by law to pay it into its customer's account on the day it receives the payment from us.

4.11.4 For payments outside the EEA, different payment timescales will apply, which we will not be able to control. On request, we will endeavour to provide guidance about how long the payment will take to arrive, but any such guidance is not binding on us.

4.11.5 Please note that payments might be delayed, blocked or stopped due to national or international legal obligations applicable to us or our payment agents.

4.11.6 The time of receipt of your payment instruction will be the time we receive it in accordance with term 9.13.3 rather than the time you send it. Payment instructions received on a day other than a Business Day or after the specified Cut-off Times will be treated as received on the next Business Day. Instructions for an electronic future-dated payment will be treated as received on the day agreed for payment (or, if this is not a Business Day, it will be treated as received on the next Business Day).

4.11.7 Where we refuse to make a payment in accordance with your payment instructions or authorisation, we will treat the instructions as if they had not been received for the purposes of calculating payment timescales. Where possible and consistent with our statutory and regulatory obligations we will tell you the reason for such refusal.

4.12 Cancellation or revocation of payment orders

4.12.1 If you wish to cancel or revoke a payment instruction you should telephone us as soon as possible, giving details of your Account number, the amount, the payee's name and the date of the payment order.

4.12.2 You must confirm in writing as soon as possible any cancellation or revocation instructions given over the telephone.

4.12.3 If you wish to cancel a direct debit or standing order, you must do so in writing, signed by you, giving your Account number, the name of the recipient, the amount and the frequency. Direct debits must also be cancelled with the beneficiary.

4.12.4 You may not cancel or stop a payment instruction on the day that the payment is due.

4.13 Interest

4.13.1 The interest rate applied to your Account varies and is shown on the Rates Schedule or on our Website (except in the case of Fixed Deposits or Structured Deposits for which see below).

4.13.2 You will be notified of the initial interest rate before, or at the time of, opening an Account. The actual rate payable on the relevant credit balance (after any applicable margin) will be shown on your Account statements. The current interest rates are available from us.

4.13.3 Subject to any technical interruptions, for information we will publish the applicable interest rates for Accounts on our Website. We aim to update our Website by 09:30 on each Business Day.

4.13.4 Subject to the specific terms of the Account or as set out in the Rates Schedule, interest will accrue on a daily basis on the cleared credit balance of your Account and will normally be credited to your Account on the first Business Day of the next calendar month. The balance to which the interest rate will apply will be the credit balance on your Account as determined by us, acting fairly and reasonably.

4.13.5 The minimum interest rates (if any) for Accounts are set out in the Rates Schedule.

4.14 Exchange rates for Accounts

4.14.1 Our exchange rates for currency conversions between Relevant Currencies are based on a reference exchange rate which is our current prevailing rate for amounts up to £50,000 or currency equivalent as fixed by us from market price sources, with different margins applied depending on the size of the transaction involved. The applicable margins are set out in our Rates Schedule. The reference exchange rates are the rates published on our Website (subject to any technical interruptions, input errors or communication failures) and are also available upon request.

4.14.2 We may change our reference exchange rates immediately and without notice to you where such changes reflect a change in the relevant reference exchange rate or where the change is more favourable to you. We aim to fix the reference exchange rates for transactions under £50,000 or currency equivalent within our systems regularly and to update the Website within 30 minutes (subject to any technical interruptions, input errors or communication failures). Details of the current reference exchange rates are available on request.

4.14.3 The reference exchange rate for converting amounts greater than £50,000 or currency equivalent, or for any other currency conversion that we offer not involving two Relevant Currencies, is the rate determined by us for each transaction, and is available upon request.

4.15 Charges for banking services

4.15.1 Details of all charges payable to us in relation to our banking services and your Accounts are set out in our Fee Schedule and Rates Schedule. There may be other costs or taxes imposed by third parties on your Account or payment transactions. We may debit your Account of our fees and charges and the amount of any tax, duty or other charge levied on your Account or transaction by any competent authority in connection with your Account and which we may pay to such authority on your behalf.

4.15.2 In relation to payment transactions in a Relevant Currency (except where a currency conversion is involved), the only transfer charges which can be deducted from the payment are those of the payee's payment service provider. Accordingly, for such payments the payer and payee will each normally bear the costs (if any) of their own payment service provider.

4.16 Changes to rates, charges or terms

4.16.1 We may change the interest rate we pay on an Account with immediate effect and without prior notice provided:

- (a) in the case of any Account it is to your advantage; or
- (b) it reflects a change in the applicable reference rate.

4.16.2 Any change as referred to in this Term, will normally be set on the first Business Day of each week and you agree that it will be notified to you in your next Account statement, our Rates Schedule or shown on our Website.

4.16.3 Except in the circumstances described in this Term, we will give you two months' prior written notice of any change we make to the terms for banking services, to interest rates or charges (including changes to our Fees Schedule and Rates Schedule). Changes will take effect on the date specified in the notice.

4.16.4 Where we make any change as referred to in this Term you have the right to transfer or close your Account without additional charges prior to the change coming into effect.

4.17 Fixed Deposits and Structured Deposits

4.17.1 The following terms apply to Fixed Deposits and/or Structured Deposits as specified below.

- 4.17.2 In providing and operating Fixed Deposits or Structured Deposits the following Instruction Deadlines shall apply:
- (a) in respect of sterling and US dollar deposits, 10:00 on the maturity date of the deposit; and
 - (b) for currency deposits other than sterling and US dollar deposits, 10:00 two Business Days prior to the maturity date.
- 4.17.3 The period of a Fixed Deposit or Structured Deposit is established at the start of each deposit and will, subject to our agreement and these Terms, be determined by you. The maturity date of the deposit must be a Business Day.
- 4.17.4 A confirmation will be sent or made available to you if required at the beginning of each Fixed Deposit or Structured Deposit period detailing the amount of the deposit, the interest period, the interest rate or basis for calculation and the renewal instructions.
- 4.17.5 The interest rate on a Fixed Deposit will be determined by us by reference to money market interest rates for the corresponding interest period.
- 4.17.6 The basis for the calculation of interest on a Structured Deposit will be notified to you in writing in advance. However, such notification may contain indicative terms, which are subject to change. Final terms of a Structured Deposit will be confirmed in the transaction advice which will be provided after the deposit starts. If in our opinion, the final terms of a Structured Deposit have changed significantly from the indicative terms, we will endeavour to contact you prior to the placement of the funds.
- 4.17.7 We will endeavour to contact you shortly before the maturity of a Fixed Deposit to remind you of the forthcoming maturity date and your existing instructions, if any, or to obtain your instructions. If you wish to amend the instructions for the renewal of a maturing Fixed Deposit we must be in possession of your amended instructions not later than the Instruction Deadline.
- 4.17.8 Unless you instruct us to the contrary by the Instruction Deadline, at the maturity of a Fixed Deposit, interest will be added to the principal and the new amount will be held on an instant access deposit Account pending your instructions.
- 4.17.9 Fixed Deposits and/or Structured Deposits may not be broken before maturity.
- 4.17.10 If, at our absolute discretion, we agree to break a Fixed Deposit or a Structured Deposit before its maturity, we will charge you the following:
- (a) in respect of a Fixed Deposit, an amount equal to the interest payable on the Fixed Deposit for the remainder of the term from the date of breakage at a rate (determined by us acting reasonably) being the aggregate of not more than 2% per annum and the interest rate applied to the Fixed Deposit at inception; and
 - (b) in respect of a Structured Deposit, the cost of unwinding any underlying financial instruments at their market value, subject to market conditions at the time. You may get back less than you originally deposited if a Structured Deposit is broken early.
- 4.17.11 Any funds paid to you at the maturity of a Fixed Deposit, or at any other time, will be paid in the currency of the Fixed Deposit. Your payment will be made to an Account nominated by you or, at your request, to an account held by you at a Schroder Group company or elsewhere and it will normally be made electronically to arrive on the date of payment.
- ## 4.18 Notice Accounts
- 4.18.1 Funds may only be withdrawn after the relevant notice period for the Notice Account has elapsed. Interest will accrue until the date of withdrawal. Funds will be transferred to the Account specified by you following the completion of the notice period.
- 4.18.2 When notice is given, the relevant notice period (35, 65, 95 or 190 days) begins the following Business Day, with funds, including interest, paid out on the day the notice expires. Where this day is not a Business Day, funds will be paid out the next Business Day.
- 4.18.3 Once notice is given, it is not possible for such notice to be withdrawn.
- 4.18.4 A minimum balance of £10,000 must be maintained in a Notice Account for interest to be payable on the Notice Account.
- 4.18.5 Interest is calculated from the date funds are deemed to have been credited to your Notice Account, until the date of withdrawal.
- 4.18.6 If we make changes to our interest rates, these will be done in line with these Terms. If the interest rate is not in your favour, we will give you, at least, the minimum notice that is applicable to the Notice Account you hold. If, for example, you hold a 95 Day Notice Account, we will give you at least 95 days' notice of the change. We also reserve the right to add, amend or withdraw interest rate tiers to the account on giving you similar notice as described above in advance.
- 4.18.7 We reserve the right to refuse to accept new funds into a Notice Account at any time.

4.19 Cheques

If your Account is a Current Account with a cheque book, the following terms apply:

- (a) when writing a cheque you must ensure that the cleared balance on the Account is sufficient and the cheque is signed by you;
- (b) you must ensure that the amount of the payment written on the cheque in words matches the amount written in numbers on the cheque, otherwise your cheque may be rejected;
- (c) unless otherwise agreed in writing, in respect of a cheque book for a joint Account, we are authorised to honour cheques which are signed by only one of you;
- (d) if there are insufficient cleared funds in the Account to meet a cheque that has been drawn, the cheque will be immediately returned to the bank concerned where it was paid in with the comment "Refer to Drawer". A charge may be incurred as set out in the Fee Schedule;
- (e) you may not write a future date on a cheque;
- (f) all paid cheques will be retained by us for at least six years (a copy may be provided on request subject to a charge as set out in our Fee Schedule);
- (g) an uncleared cheque that you have written will be deemed by us to be out of date six months after the date written on the cheque. Such cheques may not be accepted by us and may be returned to the bank where they were paid in with the comment "Out of date". A charge may be incurred as set out in the Fee Schedule;
- (h) you should inform us as soon as possible if your cheque book is lost or stolen; and
- (i) if you wish to stop payment of a cheque that you have written you should telephone us as soon as possible giving details of your Account number, cheque number and the date of the cheque. You must immediately confirm your instructions in writing. It is not possible to stop payment of a cheque once we are committed to pay the cheque. A charge may be incurred as set out in the Fee Schedule.

4.20 Banker's drafts

Where we agree at your request to issue a banker's draft the following terms apply:

- (a) we will deduct from your Account the amount of any banker's drafts we issue at your request plus our related fees as detailed in our Fee Schedule;

- (b) a banker's draft is drawn against funds on your Account and it is not possible to stop or cancel a banker's draft;
- (c) if you no longer need a banker's draft we have provided to you, you should return it to us. We will pay the amount of the banker's draft into your Account that the banker's draft was issued from. If foreign exchange is involved, the funds will be re-credited using the current exchange rate. We may deduct a charge from your Account for this; and
- (d) if a banker's draft is lost or stolen, you can ask us to provide a replacement, refund the amount of the draft to you or send an electronic payment to the intended recipient. Before we do this, we will check to see whether the original banker's draft has been paid, and if it has not been paid, we will ask you to agree in writing to pay us the original value of the banker's draft if we subsequently have to pay it.

4.21 Protecting your Account

- 4.21.1 You must comply with your obligations to keep your Security Details safe as set out in these Terms.
- 4.21.2 You will be responsible for all losses in respect of your Account caused by any negligent or fraudulent activity on your part and any person acting with your authority.
- 4.21.3 If we have any doubt about the authenticity of any instructions received in relation to your Account, we may contact you on the telephone number or email address that you have provided to verify such instructions.
- 4.21.4 We may stop or prevent payments being authorised by your password, without original signed instructions. We will only do so where we suspect unauthorised or fraudulent use of the Account or password or have reasonable grounds for concern about the security of your Account. If we exercise this right, we will inform you that we intend to do so, and give the reason for doing so, unless this would compromise reasonable security measures or be otherwise unlawful. Where applicable, we will provide you with replacement Account and/or password details as soon as practicable.

4.22 Taxation of interest

- 4.22.1 For all Accounts, tax will not be deducted and interest will be applied to the Account gross.

4.23 Liability

- 4.23.1 Subject to the rest of this Term, you will be liable up to a maximum of £50 for any losses incurred in respect of unauthorised payments from your Account arising from the use of lost or stolen Security Details, or from the misappropriation of the Security Details where you have failed to keep them safe.

4.23.2 The £50 limit above does not apply to losses where:

- (a) you have acted negligently or fraudulently;
- (b) losses relating to a credit balance where you have failed, intentionally or with negligence, to comply with any term of the Agreement relating to the issue or use of Security Details;
- (c) losses arising from the creation or misuse of an overdraft on an Account caused by the misuse of your Security Details by someone who obtained them with your consent; or
- (d) losses where you have authorised another person to use your Account.

4.23.3 Unless you have acted fraudulently, you will not be liable under this Term for any losses arising from the unauthorised use of any Security Details:

- (a) after you have notified us in accordance with this Term; or
- (b) where we have not, at any time, provided you with the appropriate means to notify us in accordance with this Term.

4.23.4 The above limits do not apply in respect of losses incurred in your Account as a result of any other cause. However, you may still be entitled to a refund under these Terms.

4.23.5 We will not be liable to you for any breach of (or failure to perform) our obligations where that breach (or failure) is due to abnormal and unforeseeable circumstances beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary.

4.23.6 You must notify us (by telephone or as otherwise permitted under these Terms) of any unauthorised or incorrectly executed transactions as soon as you become aware of them. We will not be liable to you for any loss suffered in respect of a payment that you have not authorised, or which has been incorrectly paid, unless you notify us without undue delay on becoming aware of the unauthorised or incorrect payment, and in any event not later than 13 months after the date that your Account is debited. This will not apply if we have failed to provide you with information about the payment in your Account statement.

4.23.7 Where you do not supply the correct payment details (for example, you provide the wrong account number or sort code for the payee), we will not be liable for failing to make a payment or making an incorrect payment. Where you supply the payee's name in addition to their account number, we will only be responsible for making the payment in accordance

with the account number. We will make reasonable efforts to recover the funds involved. We may charge you the reasonable costs of doing so in accordance with our Fee Schedule for banking services.

4.24

Refunds

4.24.1

Where we make a payment from your Account that you have not authorised and where you have notified us in accordance with these Terms, we will make immediate efforts to trace it (for which charges may apply in the circumstances described in these Terms) and tell you the outcome. We will refund the amount of the unauthorised payment and, where applicable, restore your Account to the position it would have been in had the unauthorised payment not taken place.

4.24.2

Subject to the other Terms, we will refund to you the full amount of any payment from an Account carried out by or through the payee where:

- (a) your authorisation to debit your Account did not specify the exact amount of the payment;
- (b) the amount of the payment exceeded the amount that you could reasonably have expected, taking into account your previous spending pattern, these Terms and the circumstances of the case (but not increases that arise as a result of exchange rate fluctuation); and
- (c) you request a refund within eight weeks of the funds being debited from your Account.

4.24.3

For the purposes of this Term, you must provide us with such information as is reasonably necessary to check whether the above conditions have been satisfied. We will refund the full amount of the payment or give a reason for refusing the refund within 10 Business Days of receiving your request for a refund, or, where applicable, within 10 Business Days of receiving any further information required under this Term.

4.24.4

You will not be entitled to a refund where you have directly given your consent to us to the payment and either we (or, where applicable, the payee) have provided you with information about the payment at least four weeks before the due date of the payment or information about the payment was made available to you personally via telephone or other means at least four weeks before the due date of the payment.

4.24.5

For direct debits in sterling, the other provisions of this Term will not apply to the extent that rights under the UK Direct Debit Scheme apply.

4.24.6

We are liable to you for the correct execution of payments from your Account:

- (a) in the case of payments in a Relevant Currency within the EEA, unless we can prove that the institution which holds the payee's account received the payment in accordance with the timescales set out in these Terms; or
- (b) in the case of other payments, unless we can prove that the payment was authenticated, accurately recorded, entered in our accounts and not affected by a technical breakdown or some other deficiency.

4.24.7 If, having investigated in accordance with these Terms, and we conclude that we are liable, we will, without undue delay, refund the amount of the unpaid payment or defective payment and, where applicable, restore your Account to the position it would have been in had the error not taken place. We will not have any further liability to you.

4.25 Statements and advices

4.25.1 For Accounts opened in conjunction with the provision of our investment services, statements and transaction information in respect of your Accounts will be included in your Reporting Pack. However, a separate statement of your Account is available as regularly as is appropriate for the type of banking service provided (maximum frequency is monthly).

4.25.2 Statements will not be provided in respect of Fixed Deposits or Structured Deposits.

4.25.3 Requests for duplicate copies of statements or for statements not otherwise issued may incur a charge as detailed in our Fee Schedule. You may elect not to receive statements for your Account unless it is operated in conjunction with the provision of investment services.

4.25.4 Information available in statements may be made available on request or, where so agreed between you and us, electronically.

4.25.5 In addition to your Account statement, we will provide debit or credit advices for any payment transaction other than direct debits and credits to your Account made by BACS unless otherwise agreed.

4.25.6 You should check your advices and statements as soon as they are received and let us know promptly in writing if they contain any mistakes.

4.26 Important information about compensation arrangements

4.26.1 We are covered by the FSCS. The FSCS can pay compensation to eligible depositors if a bank is unable to meet its financial obligations. Most depositors are covered by the scheme.

4.26.2 In respect of deposits, an eligible depositor is entitled to claim up to a specified amount. For joint accounts, each individual account holder is eligible to claim up to the relevant FSCS limit. The limit relates to the combined amount in all the eligible depositor's accounts with the bank (whether under the name Schroder & Co. Limited, Cazenove Capital, Schroders Wealth Management, Schroders Private Banking, Schroders Private Bank and Cazenove Charities or any other trading name used by Schroder & Co. Limited), including their share of any joint account, and does not relate to each separate account.

4.27 Inactive Accounts

4.27.1 If we determine that an Account has been dormant for a period of two or more years, or that the address we currently hold for you is no longer correct, despite reasonable steps to confirm with you that the Account is still active, we may cease to send Account statements to you for security reasons. You can instruct us at any time to recommence the sending of statements, but we may ask you to provide appropriate verification of identity before reactivating the Account.

4.27.2 You agree that if there has been no movement on the balance of any of your Accounts for a period of at least six years (notwithstanding any payments or receipts of charges, interest or similar items) and we have taken reasonable steps to trace you and to return the balance, then in relation to each such Account, we may release all money from that Account, and interest will no longer be accrued. Such money will, however, remain owing to you and we undertake to make good any valid claims against any released balances.

4.27.3 Under the Dormant Bank and Building Society Accounts Act 2008, we can close an Account that has had no transactions for 15 years and we have lost contact with the Account holder in spite of making reasonable attempts to find them. We can then transfer the balance to the UK's central reclaim fund. However, if the Account holder is subsequently identified and seeks repayment, we will pay back in full the balance in the Account when we closed it. We may reclaim this money back from the reclaim fund on the Account holder's behalf.

4.27.4 UK Finance can help you trace a lost bank account. It is also possible to trace another person's lost account if you are legally empowered to do so. This free service applies to every bank in the UK, including banks that no longer exist, for instance as a result of mergers or reorganisations. Please refer to www.mylostaccount.org.uk for further information.

4.28 Business Customers

This Term only applies where you are a Business Customer:

- (a) the limitation of your liability in these Terms for unauthorised payments from your Account arising from use of lost, stolen or misappropriated Security Details does not apply to Business Customers; and
- (b) refund rights in these Terms do not apply to Business Customers

5.2.2

Our global sub-custodian is obliged to ensure (in respect of itself and any sub-custodians it may appoint) that, amongst other things, securities belonging to our Clients are recorded separately from the assets of itself, any sub-custodian or our own holdings.

5.3

Holding your money

5.3.1

Where we hold your money, it will be held by us as a Bank and not as trustee, and as a result such money will not be held in accordance with the FCA client money rules. If we become insolvent or otherwise fail, the client money distribution and transfer rules will not apply to your money and so you will not be entitled to share in any distribution under the client money distribution and transfer rules. However, you may be entitled to compensation from the FSCS.

Section 5

5.1 Our responsibilities as custodian

5.1.1 Where we are providing custody services we will be responsible for:

- (a) the safekeeping of any investments forming part of a Portfolio (including any cash);
- (b) the settlement of transactions effected by us;
- (c) the collection of income, the presentation for redemption or payment of any investments which are redeemed or called; and
- (d) the effecting of other administrative actions in relation to a Portfolio.

5.3.2

Unless you have appointed your own External Custodian, each Portfolio will include one or more Investment Deposit Accounts which will hold the cash within the Portfolio. Such cash will be held by us in accordance with this Term.

5.3.3

In limited circumstances, in particular where we agree as part of our cash administration services to place your money with Approved External Banks as client money, your money may be held as client money in accordance with the FCA client money rules.

5.4

Registration of securities

5.4.1

We will arrange for a Portfolio's investments to be registered in the name of our nominee company or the nominee company of an Associate or held to our order by a sub-custodian or sub-custodians chosen by us or by an Associate acting as our sub-custodian (where relevant, satisfying the requirements of the FCA Rules). Where investments are held by a third party they will be separately identifiable from the assets of the third party and from our own assets or those of our Associates. This is subject to the rest of this Term.

5.4.2

Where any investments are in uncertificated form, or are otherwise transferable by book entry transfer, we may (where this is common market practice) use the services of any securities depository, clearing or settlement system, account controller or other participant in the relevant system, on such terms as we think fit, for the purposes of the holding and transfer of such investments (or entitlements thereto). Such investments or entitlements will be separately identifiable from any investments or entitlements held for our own account within the same system.

5.4.3

We will keep records which identify your investments separately. Where required by the FCA Rules, a statement of your investments and other investments held by us and our sub-custodian(s) will, if the

5.1.2 We will use reasonable care and diligence in carrying out our responsibilities as custodian, and will at all times act in good faith.

5.1.3 We have appointed an Associate, Schroder & Co. Bank A.G., which is a bank regulated in Switzerland, as our global sub-custodian.

5.1.4 If relevant, we will provide such information as your accountant or auditor may reasonably require to perform its functions, in particular, the verification of assets held by us or any sub-custodian.

5.2 Foreign law and practice

5.2.1 Where we hold or arrange to hold investments outside the UK, in certain jurisdictions there may be different settlement, legal and regulatory requirements to those applying in the UK and also different practices for the separate identification and segregation of your investments.

information is not included in your Reporting Pack, be sent to you at on a quarterly basis which will be based on trade date and include a valuation, where applicable. If you require, you may request statements more frequently.

5.4.4 Investments held within a Portfolio may be pooled with those of other Clients. Holding in “omnibus” accounts in this way is common practice for custody service providers. **However, you should be aware that holding in this way presents certain risks.** Individual entitlements to such securities may not be identifiable by separate certificates or other physical documents of title or equivalent electronic records and, should we or a sub-custodian default, any shortfall may be shared pro rata among all our Clients whose investments are registered or held in the same name and you may not receive your full entitlement. Delays in identifying individual investments following such a failure may result in an increased risk of loss. This explanation does not limit or exclude any obligation which is imposed upon or by applicable law or regulation.

5.4.5 We will not use your investments for our own account or for the account of another Client.

5.4.6 If so requested, you will promptly arrange for the execution or production of any documents necessary to carry out transactions effected in accordance with the Agreement. Where you envisage a delay or failure in delivering such documents, you agree to notify us immediately.

5.4.7 We will not lend investments or documents of title or certificates evidencing title to investments comprising a Portfolio to any third party. However, in accordance with your instructions we may deposit such assets by way of collateral with a third party and may borrow on your behalf against the security of those assets. In addition, some collective investment schemes may be permitted to stock lend in accordance with the terms of the relevant prospectus or fund documentation.

5.4.8 We may not, without your consent, or pursuant to your agreement under these Terms, commit you to supplement the assets of a Portfolio by borrowing on your behalf or by committing you to a contract which requires you to supplement such assets.

5.4.9 You agree that we may hold your investments and register them in our name or in the name of a sub-custodian where, due to the nature of the law or market practice of an overseas jurisdiction, it is in your best interests to do so or it is not feasible to do otherwise. If investments are registered in our name, you understand that:

- (a) your investments may not be segregated from our own investments;
- (b) your investments may not be as well protected from claims made on behalf of the general creditors in the event of a default by us;
- (c) you consent to your investments being so held in such circumstances; and
- (d) the consequences of doing so are at your own risk.

5.4.10 You acknowledge that we may refuse to provide custody services in respect of certain investments. We will notify you where we are unwilling or unable to provide custody services for a particular investment and you agree that we shall be entitled, having given you notice, to sell any such investment and subject to the terms of the Agreement either reinvest the proceeds (in respect of discretionary services) or hold the proceeds as cash pending receipt of instructions from you (in other circumstances).

5.5 Settlement

We will operate a settlement system under which you are debited with the purchase cost or credited with the proceeds of sale upon the date when we formally agree to (book) the trade (contractual settlement). This may result in either a benefit or a loss to us or you where settlement is actually effected at other times. We reserve the right to effect the cancellation of any debit or credit so attributed to you if there are unreasonable delays or difficulties in settlement. In this event, we will promptly notify you but, where appropriate, will also continue to seek to effect settlement.

5.6 Corporate actions, income collection and tax reclaims

5.6.1 We will attend to the collection of all income due on, and the vesting of all other rights and entitlements attaching to, investments in a Portfolio, during the period such investments are held in our custody. Where we receive money relating to investments after your Portfolio is closed, we will take reasonable steps to pay the money to you subject to our usual charges. However, where we are unable to trace you, the money will be held by us in a pooled client account and treated in the same way as funds in an inactive account in accordance with these Terms. We will not be responsible if we are not informed that a corporate action is taking place.

5.6.2 Where relevant, you may provide documentation to us in order to allow the correct tax treatment of distributions at source. Where agreed with you in writing, we will use our reasonable efforts to make, or assist in making, any tax repayment claims to which

you (or where you are a trustee, the trust or scheme) may be entitled and we may charge a fee for doing so. We reserve the right to set a minimum value below which we will not attempt to reclaim tax. We will not be responsible for failure to secure tax reclaims or for any delay in receipt.

5.6.3 Dividends and distributions and any other income will be credited to you not later than the date of receipt by us of cleared funds. Dividends and distributions on non-UK investments may be credited to you on the date when we receive notification of receipt by the sub-custodian (where applicable) or after receipt of funds following any necessary currency conversion (which shall be promptly effected). In the case of pooled accounts, you will receive your entitlements to dividends, shares and any other benefits arising from corporate events which we receive in line with market policy and these will be credited to your relevant individual Portfolio. On occasion the collective registration process may result in us receiving a small number of surplus shares. These will be retained by us and the proceeds used to offset the cost of our custody services.

5.6.4 We will use our reasonable endeavours to contact execution-only and investment advisory Clients regarding corporate action decisions that need to be made, for example where a company offers its shareholders a cash dividend or a scrip alternative or dividend reinvestment plan, where we are on notice of such matters. If we are unable to contact you, and usually for all discretionary Clients, we will elect for the cash dividend in such cases and will elect for the security currency where there is a currency option, unless you have given us written instructions to the contrary. However, we will take no action for execution-only or investment advisory Clients that we are unable to contact in respect of other corporate actions where a decision is required. Discretionary Clients (whether or not we are the custodian) authorise us to take any action we deem appropriate (including no action) at our absolute discretion in relation to any corporate action (including class actions) without obtaining your prior instructions, subject to any standing written instructions.

5.6.5 We will not have any obligation, in relation to any investment which is, or has been in your Portfolio, to notify you about any class action or other group litigation, or to participate in any legal action on your behalf.

Section 6

External Custodian services

6.1 Appointment of External Custodian

6.1.1 Where agreed between you and us we may provide our investment services to you in relation to a Portfolio for which you have appointed an External Custodian.

6.1.2 Where you appoint an External Custodian, you will ensure that the External Custodian complies with our instructions and requests in respect of the Portfolio.

6.1.3 You must ensure that your External Custodian regularly and on our request, promptly provides us with accurate and complete details of:

- (a) the initial, and any changes to the, composition of your Portfolio;
- (b) all income received in respect of your Portfolio;
- (c) any events affecting the investments in your Portfolio;
- (d) statements of cash balances; and
- (e) all custody and settlement bank account statements in electronically readable reports for reconciliation purposes.

6.1.4 We will not be liable for any inaccuracies or incompleteness of the information provided to us by the External Custodian and, in particular, where we have agreed in writing to provide you with information about assets not held in our custody, you acknowledge that we will rely on the information provided to us by your External Custodian in order to compile any Reporting Pack.

6.2 Your responsibility

You acknowledge that the selection, appointment and use of an External Custodian is solely your responsibility. We shall have no liability for custody arrangements where an External Custodian, is appointed, including, without limitation, the expenses, fees and charges of the External Custodian, or the acts or omissions of the External Custodian. In addition, we will not be responsible for supervising or monitoring the External Custodian. You also acknowledge that appointing an External Custodian may restrict the services we provide to you.

6.3 Settlement

All transactions for your Portfolio will be settled by payment of cash to, or delivery of securities by, the External Custodian. We will advise the External Custodian of all transactions which we have effected

for the Portfolio. You must ensure that the External Custodian can settle any transaction effected by us.

6.4 Best execution

Where the Agreement requires funds to be placed on deposit with the External Custodian, or currency transactions to be effected or currency risks hedged with the External Custodian, you acknowledge that where we do not execute orders we do not have any obligation of best execution in relation to the relevant transaction except to the extent required under any applicable law or regulation.

Section 7

ISAs

7.1 Introduction

7.1.1 These Terms apply where we act as an ISA manager in connection with an ISA. We only act as ISA manager in respect of stocks and shares ISAs. Investments held within your ISA will be subject to the investment services you have selected from us (discretionary investment management, investment advisory or execution-only) as applicable to your ISA. We will provide custody, settlement and related services in respect of investments held within your ISA.

7.1.2 In the event of any conflict between the ISA terms in this section and the remainder of the Terms, the ISA terms in this section shall prevail in respect of your ISA where we are your ISA manager. Without prejudice to the foregoing, in respect of your ISA where we are your ISA manager, our custody services as described the other parts of the Terms are modified by this section, and our set-off rights and default remedies in the other parts of the Terms, are disapplied by this Section.

7.1.3 We will operate your ISA in accordance with and subject to, the ISA Regulations and the applicable rules and guidance of HMRC. In the event of a conflict between the agreement and the ISA Regulations, the ISA Regulations shall prevail.

7.1.4 We will notify you if, by reason of any failure to satisfy the provisions of the ISA Regulations, an ISA has, or will, become void.

7.2 Opening an ISA, subscriptions and withdrawals

7.2.1 To open an ISA account, we must be in receipt of a signed and completed ISA application form, together with either your instructions to transfer from an Account you hold with us any amount up to the subscription allowance, or your personal cheque payable to "Schroder & Co. Limited re [your name]"

for the same. Incomplete application forms will be returned to you. Your total ISA investment in any tax year must not exceed the permitted ISA subscription limits. Dealing charges for ISAs must be met from funds available within your ISA.

7.2.2 We may decline to open an ISA for you if you are unable to provide us with such information as we may reasonably require for money laundering purposes; to ensure compliance with the ISA Regulations or other regulatory purposes; or any other good reason, in which case we shall wherever possible (consistent with our statutory obligations) notify you of the reason for any rejection.

7.2.3 You may subscribe to your ISA only when permitted under the ISA Regulations. Your ISA application form gives us continuing authority to subscribe to your ISA and therefore remains valid for subscriptions made in the initial and further consecutive tax years. If you wish to stop subscriptions into your ISA, you must inform the person responsible for your Portfolio immediately.

7.2.4 You acknowledge that as the ISA service involves a non- packaged product you have no right to cancel or withdraw once you have completed and submitted your ISA application form or transfer form (as applicable).

7.3 Ownership and registration

7.3.1 The investments in your ISA must be, and must remain in, your beneficial ownership and must not be used as security for a loan.

7.3.2 The Terms titled 'Set-off', 'Security Interest' and 'Default remedies' do not apply to an ISA.

7.3.3 ISA investments will be registered in our name or in the name of a nominee company or otherwise as we may direct. Share certificates or other documents evidencing title to ISA investments will be held by us or as we may direct.

7.3.4 You confirm that all statements in your ISA application form are, to the best of your knowledge and belief, true and correct. You must inform us promptly in writing of any changes affecting information on that application form or your eligibility to hold an ISA.

7.4 Company reports

7.4.1 If you notify us, we will arrange for you to:

- (a) receive a copy of the annual reports and accounts issued by every company or other concern in respect of shares, securities or units which are held directly in your ISA; and

- (b) attend shareholders', securities holders' or unit holders' meetings, vote and receive, in addition to the annual report and accounts, any other information issued to shareholders, securities' holders or unit holders.

7.4.2 Charges for the above will be in accordance with the Fee Schedule.

7.5 Delegation of functions

If we delegate any of our functions or responsibilities under these Terms we will select such delegates with reasonable care and skill and will satisfy ourselves, when we make any such delegation, that the delegate is competent to carry out those functions and responsibilities.

7.6.1 Funding and withdrawals

Whilst we act as your ISA manager, payments to, or from, your ISA will be made only to, or from, an account in your own name with us or with another bank. We will not accept third party funds and will not make payments to third parties from your ISA, and any such third party payments or instructions may be rejected.

7.6.2 Flexible ISA

We are able to operate a flexible Stocks and Shares ISA. This means you may withdraw a cash amount from your ISA and replace that (in whole or part) within the same tax year, without affecting your annual ISA limit for new subscriptions.

The following shall apply if you have a flexible Stocks and Shares ISA with us. Please note, to the extent of any conflict between the other provisions of these Terms including other terms relating to ISAs, these provisions shall prevail.

Any withdrawal of a cash amount from your ISA in any year is deemed to be made first out of a current year's subscription. Any replacement subscription is deemed to be a replacement first of any withdrawal of a cash amount made out of a previous years' subscription.

If you transfer of all of your previous years' subscriptions to us, for the purposes of this flexible Stocks and Shares ISA, you may not replace any withdrawn cash within your Stocks and Shares ISA which you had not replaced prior to the transfer.

7.7 Public offer shares

Shares received through a public offer for sale will not be eligible for a transfer in specie into your ISA.

7.8

Cash

Any cash held in an ISA managed by us will be held in an account with us as a Bank and as a result such money will not be held in accordance with the FCA client money rules. In the event of our failure, such money will not be subject to the client money distribution and transfer rules which form part of the FCA client money rules, and so you will not be entitled to share in any distribution under the client money distribution and transfer rules. You may, however, be entitled to compensation from the FSCS.

7.9

Interest

Uninvested money in an ISA with us (i.e., money not immediately required to settle an investment transaction in an ISA) will receive interest at such rates as may be specified from time-to-time by us. Generally, if interest is paid on the cash in a stocks and shares ISA it is credited gross but is subject to a flat rate charge (currently 20%) payable to HMRC and which would be deducted by us.

7.10

Transfer of ISAs

7.10.1

If you wish to transfer your ISA or part of your ISA to another approved ISA manager willing to accept the transfer, we will complete the transfer in accordance with the ISA Regulations relating to transfers and will do so within such period of receiving your written instructions as is specified in the ISA Regulations.

7.10.2

We generally make no extra charge when receiving plans from other managers or transferring plans to an alternative ISA manager, but we reserve the right to do so. Transfers of stock in certificated format will be liable to an additional charge for stamp duty.

7.10.3

We are able to make and accept partial transfers of ISAs and we are able to receive transfers of ISAs in cash or in specie. Where a transfer is received in cash, our normal dealing commissions will apply when that cash is reinvested.

7.11

ISA management

We will make claims, conduct appeals and reach agreement on your behalf for tax reliefs in relation to your ISA. We will not normally reclaim any overseas tax deducted on non-UK qualifying investments that may be held in your ISA from time to time. We will not reclaim tax on dividends from a non-UK resident company paid into your ISA.

7.12

Qualifying investments

7.12.1

We will purchase for your ISA only those investments which are qualifying investments for a stocks and shares ISA under the ISA Regulations.

- 7.12.2 If a previously qualifying investment should no longer qualify, we will sell the investment and reinvest the proceeds in the ISA, or transfer it out of the ISA. The same applies to warrants (other than those arising through an investment trust public offer for sale).

7.13 ISA closure

- 7.13.1 On your instructions, your ISA may be transferred to another ISA manager or all or part of the investments held in the ISA (and proceeds arising from those investments) shall be transferred or paid to you.
- 7.13.2 Your ISA will be closed in the event that your Agreement with us is terminated, so you must give instructions regarding the transfer of your ISA to a new ISA manager if you or we terminate the Agreement and you wish to retain your investments within an ISA.
- 7.13.3 We will aim to complete closure requests within such period of receiving your instructions as specified in the ISA Regulations. There is no charge for partial withdrawals of cash. Partial cash withdrawals shall be treated as capital (i.e. not interest) under the ISA Regulations. Please see our Fee Schedule for details of payment charges. When liquidating an ISA before transferring the cash proceeds, normal commission rates apply.

7.14 ISA termination

- 7.14.1 If you die, your ISA will continue until the date of closure (continuing account). The date of closure is the earlier of: (i) the completion of the administration of your estate; (ii) the third anniversary of your death; (iii) the closure of the continuing account otherwise in accordance with these Terms.
- 7.14.2 From the date of your death until the date of closure, no subscriptions or transfers may be made, into, or out of, your continuing account.
- 7.14.3 We shall treat any interest, dividends or gains attributable to a continuing account and which arise after the date of death until the date of closure, as exempt from tax.
- 7.14.4 We may terminate your ISA if applicable law or regulation make its continuation impracticable for us.

7.15 Fees

You agree that fees payable in respect of your ISA are as set out in our Fee Schedule. Our management fees may be paid from non-ISA cash (i.e. cash held outside the ISA).

Section 8

Online Services

8.1 Our services

Our Online Services comprise an electronic information system and a means for non-time critical communications between you and us. The Online Services allow:

- (a) access to valuations, transaction details, Account movements and other information on your Account and/or Portfolio;
- (b) electronic copies of the Reporting Pack and transaction advices as well as other information we have sent to you or which we agree to make available to you;
- (c) a non-urgent messaging system;
- (d) the storage of transaction records; and
- (e) the creation of ad hoc valuations.

8.2 Local access restrictions

Our Online Services should not be accessed in countries where online access to the corresponding range of services is prohibited under local law or where we do not authorise usage. It is your responsibility to check whether any local law restrictions apply to you in relation to our Online Services.

8.3 Access to Online Services

- 8.3.1 Access to Online Services is provided to a person who has identified him/herself to us by successfully providing their Security Details.
- 8.3.2 Access to Online Services is granted on an individual basis. This means each User will need to have his/her own Security Details.
- 8.3.3 We may change the access requirements for Online Services at any time as we deem appropriate. We will notify you of the changes that we have made to the access requirements.
- 8.3.4 In order to protect the User, we may, at any time and without providing any reasons, ask for additional verification of identity, including arranging a meeting with us. Until such time as we are satisfied as to the User's identity we may block access to the User's Online Services.

8.4 Blocking access to Online Services

- 8.4.1 A request from you to block access to Online Services must be made during Business Hours by contacting us and must be immediately confirmed to us in writing afterwards.
- 8.4.2 We are entitled to block the access of a User to one or all of the Online Services at any time, without giving notice or any reasons:
- (a) to protect you;
 - (b) until such time as you have provided us with satisfactory evidence as to your identity;
 - (c) for required operational reasons, such as, but not limited to, maintenance work; or
 - (d) if the Online Services have not been used by you for a long period.

8.5 Portfolio information

- 8.5.1 Online Services provide the User with access to Account and/ or Portfolio information at the close of business on the previous Business Day.
- 8.5.2 We do not guarantee or warrant the accuracy or completeness of any information or data provided about your Account or Portfolio. In particular, you should be aware that:
- (a) prices, performance and valuation data are subject to review and may change as part of internal checks performed during our statement production process;
 - (b) the prices shown may not reflect the actual realisable values of investments held in your Portfolio; and
 - (c) interest rates and foreign exchange rates shown may not reflect our current rates and are subject to change in accordance with the Terms.

8.6 Documents

- 8.6.1 Online Services allows the User to access copies of the Reporting Packs, transaction advices and other information which we agree to provide or make available to you under the Agreement.
- 8.6.2 The material available is subject to the provisions applicable to hard copy material set out in these Terms.

8.7 Inbox

- 8.7.1 Amongst the services provided by us to the User is a mailbox in which messages and documents can be sent and received. These messages are encrypted, but you should be aware of the security and operational risks which apply to this type of communication. A User will only be able to access such messages after providing us with their Security Details.
- 8.7.2 Two years after the date of sending, without prior notice, we automatically delete messages from the inbox if they have been read. We are entitled to delete messages from the inbox of a User earlier than this if the maximum storage space per User has been exceeded. Early deletion also takes place if the Account and/or Portfolio is closed or the agreement for Online Services is terminated. It is the responsibility of the User to retrieve the messages earlier if required and to back them up.

8.8 Ad hoc valuations

The User can create ad hoc valuations. Valuations created in this way are stored for two years within the Online Services system and are then automatically deleted.

8.9 Security and operational risks

- 8.9.1 Despite the multi-level self-identification procedure, use of Online Services is not absolutely secure and various parts of the system are beyond our control, for example, the computer used by the User and public networks. It is solely the responsibility of the User to ensure that they are protected from the risks of accessing the Online Services from their own or a public network, and we will accept no liability for any loss or damage resulting from the same, including but not limited to viruses, network interruptions or unauthorised access by third parties.
- 8.9.2 The User should reduce the security risks associated with the use of Online Services wherever possible by taking suitable protective measures. In particular, the User should:
- (a) keep the operating system and the browser up-to-date;
 - (b) install security patches made available and recommended by each provider;
 - (c) take security precautions for public networks, such as installation of a firewall or deployment of anti-virus programs that are continually updated; and
 - (d) take any necessary precautions in order to backup any data stored on his/her computer or other electronic data processing system.

8.9.3 If a User loses an Online Services RSA SecurID token, he/she must immediately report the loss to us in order to block access to the Online Services. The User can order a replacement token by contacting us. A replacement token for an Authorised Party must be ordered by the Client.

8.10 Responsibility of the User and our liability

8.10.1 Each User agrees to keep the Security Details in relation to Online Services safe in accordance with these Terms.

8.10.2 Where an Authorised Party has access to Online Services, it is your responsibility to ensure that they comply with the requirements set out in these Terms in relation to their Security Details.

8.10.3 Each User who obtains access to Online Services with his/her Security Details is considered to be in possession of the rights of access vis-à-vis us. We are authorised to grant a User who has proven his/her identity in this way unrestricted access to the information available via Online Services.

8.10.4 The User bears the risks deriving from:

- (a) manipulations of his/her computer or other electronic data processing system by unauthorised persons;
- (b) misuse of his/her Security Details;
- (c) their own or their Authorised Party's breaches of contractual or statutory duties of care;
- (d) intrusions by unauthorised persons in the transmission of data or other technical or operational issues affecting the internet; and
- (e) any other security or operational risk described above unless caused by our negligence, fraud or wilful default.

8.10.5 The User bears the risk of unauthorised access to Online Services up to the point in time that an application to block access takes effect.

8.10.6 Except where imposed upon us by applicable law or regulation, we will accept no liability for any:

- (a) inaccuracy or incompleteness of any information or data provided about your Account or Portfolio;

- (b) loss or damage to the computer or other electronic data processing system of the User or a third party caused by transmission errors, input errors, mistakes, technical faults, computer viruses and disruptions, business interruptions or illegal intrusions;
- (c) loss incurred by you due to the use of Online Services by an Authorised Party and you shall hold us harmless from any damage incurred by us due to the failure of an Authorised Party to abide by its duty of care when using Online Services;
- (d) loss or damage as a result of an unauthorised person accessing Online Services where such person has identified themselves to us as a User; or
- (e) detriment caused to the User deriving from the deletion of messages from his/her mailbox or the deletion of documents. The User acknowledges that he/ she should export any data to their computer or other electronic data processing system should they require these for longer than two years.

8.11 Authority for others to act

8.11.1 Where you request an Authorised Party to be given access to Online Services we will first require you and the Authorised Party to complete certain documentation to our satisfaction.

8.11.2 An Authorised Party's authorisation will remain valid until it is expressly revoked in writing by you or your legal successor. It does not automatically become invalid in the event of your death, incapacity to act or bankruptcy or by cancelling a signing authority or deleting the Authorised Party from a register of authorised signatories.

8.11.3 The revocation of a power of attorney or other authorisation to manage assets or receive information from us does not automatically lead to the cancellation of an authorisation for an Authorised Party to use Online Services. Where you no longer want an Authorised Party to have access to the Online Services you must notify us of this in writing.

8.12 Termination

8.12.1 Our Online Services are an additional facility which we may make available. We may terminate or suspend the provision of our Online Services to any User on notice to you at any time. This will not affect the Agreement. We are not liable to you for any failure to provide our Online Services.

- 8.12.2 A User may terminate their access to Online Services at any time by written notice to us. You may terminate the access granted to an Authorised Party on written notice to us.
- 8.12.3 Access to our Online Services will terminate automatically for all Users in the event of termination of the Agreement.
- 8.12.4 On termination of access, each User must promptly return any security token we have provided.

- i) property investments;
- (j) structured products, including structured deposits and structured capital at risk products;
- (k) options, futures, contracts for differences and other derivatives whether on or off exchange and whether structured derivatives or other forms of debt and equity derivatives; and
- (l) FX Transactions;

Our services may, subject to restrictions agreed with you or determined by us from time to time, include:

- financial instruments not admitted to trading on a regulated market, in derivatives or in illiquid or highly volatile instruments;
- short sale purchases using borrowed funds (i.e., those we have lent to you, if we provide a margin credit facility);
- securities financing transactions such as stockloan and repo transactions and buy/sell backs; and
- transactions involving margin payments (that is where you are required to make additional payments to maintain a position).

Section 9

General terms

This section contains terms which apply to all Clients.

9.1 Investments

Where you appoint us to provide you with services, and subject to any restrictions or limitations that we agree with you in writing, we may provide our services in relation to all investments, including but not limited to, the following types of investment (denominated in any currency):

- (a) shares in UK and international companies (including unlisted or unquoted shares), debenture stock, interests in partnerships, limited partnerships, limited liability partnerships, monies, currencies, loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments including government, public agency, municipal and corporate issues, eurobonds, fixed interest and other securities, treasury bills and other money market instruments;
- (b) warrants to subscribe for shares, bonds, and fixed or variable rate securities;
- (c) depositary receipts or other types of investment relating to investments and warrants;
- (d) unit trusts, open-ended investment companies, mutual funds and other collective investment schemes in the UK and elsewhere (whether regulated or unregulated) including a range of funds managed by us or our Associates;
- (e) fixed term or other types of deposits;
- (f) individual hedge funds and funds of hedge funds;
- (g) private equity investments;
- (h) venture capital investments;

9.2

Risk warnings

Appendix 1 contains a non-exhaustive list of information and risk warnings that are relevant to the range of investments, markets and strategies that we may use to provide our services to you. You should read Appendix 1 carefully. If there is anything you do not understand you should ask us for an explanation.

9.3

Warrants and derivatives

9.3.1

We will not effect transactions in warrants or derivatives (other than warrants to hedge investment risk) unless specifically agreed in your Investment Mandate or otherwise with you in writing.

9.3.2 Where we are authorised to effect transactions in warrants or derivatives we may debit any Account with any sums required to pay or supplement any deposit or margin in support of such transaction. There may be no limit on the amount to be committed by you as margin or deposit in support of such transactions. If you fail to provide margin when required to do so, we (or any applicable exchange, clearing house or counterparty) may close out your positions or those entered into by us on your behalf and exercise any of the rights described in these Terms or in the contracts for the relevant transaction. We will, in any event, if margin is not provided in relation to a particular transaction, normally close out that position within five Business Days following the date on which your obligation to meet the margin call arises.

9.4 FX Transactions

9.4.1 Subject as set out in the Investment Mandate or otherwise in writing, where providing our investment services you authorise us to enter into FX Transactions on your behalf with, as counterparty, ourselves or any Associate or third party. The provisions of Appendix 4 will be applicable in respect of such FX Transactions.

9.4.2 We may enter into FX Transactions, including FX Forward Transactions incidental to effecting transactions with or for you or for investment purposes or hedging purposes incidental to the management of your Portfolio or to meet your foreign currency needs.

9.4.3 When converting foreign currency incidental to an investment transaction, it is our normal practice to execute the FX Transaction after receiving confirmation of the execution of the investment transaction (which is not necessarily at the same time or on the trade date for the investment) and so there is a risk that you may be adversely affected by movements in the relevant currency markets until such FX Transaction is entered into.

9.4.4 We may settle, unwind, close out or terminate FX Transactions as we see fit. You authorise us to pay or deliver sums or securities from the Portfolio in satisfaction of your obligations under an FX Transaction.

9.4.5 The summary of our Execution Policy in Appendix 2 also contains information about FX Transactions.

9.5 Our capacity

9.5.1 In relation to FX Transactions, warrants and/or derivatives, we may act as agent or principal. Where we act as principal this will be stated in the transaction confirmation.

9.5.2 Where we are acting as your agent, you will be bound by our actions. Nevertheless, none of the services to be provided under these Terms nor any other matter shall give rise to any fiduciary or equitable duties which would prevent or hinder us (or any Associate) acting as both market-maker and broker, or principal and agent, or as a Bank to you and other Clients, or dealing with other Associates and other Clients, and obtaining a profit, whether disclosed or not from such activity, including programme trades and derivatives related to such investments, and generally effecting transactions as provided above, to which you consent accordingly (provided that at all times we act honestly, fairly and professionally in accordance with your best interests).

9.6 Investment Objective

9.6.1 You may elect to hold several Portfolios with us. Where we are to provide services in relation to a Portfolio, an Investment Objective will be agreed by you and us, and we will provide our services subject to such Investment Objective and Risk Profile.

9.6.2 You acknowledge that any investment restrictions within the Investment Objective, Risk Profile or otherwise as agreed in writing, may not be applied to underlying investments in collective investment schemes or structured products that we invest in on your behalf or recommend to you, unless expressly agreed between us in writing.

9.6.3 You acknowledge that any Investment Objective we agree with you is just that (an objective). Although we will exercise reasonable skill, care and diligence in providing services to you, our selection of investments, changes in their value or market conditions may prevent or hinder us from achieving an Investment Objective and consequently we cannot promise that an Investment Objective will be achieved.

9.7 Voting

9.7.1 Subject to the rest of the Term or any specific instructions by you, where we manage a Portfolio on a discretionary basis, we may procure the exercise of any voting rights attaching to holdings in such Portfolio as we see fit.

9.7.2 We will only procure the exercise of any voting rights attaching to holdings in an investment advisory or execution-only Portfolio or an In-House Collective Investment Scheme or Connected Investment Trust on your specific instructions or with your agreement, save that we may exercise voting rights in relation to In-House Collective Investment Schemes or Connected Investment Trusts for any administrative matter or other change that does not involve a conflict of interest for us or an Associate. However, we may count your holdings in an In-House Collective

Investment Scheme or Connected Investment Trust for the purpose of constituting a quorum at a general meeting of any such scheme or trust.

9.8 Dealing and counterparties

9.8.1 We will act in good faith and with due diligence in our choice and use of counterparties.

9.8.2 In executing orders in relation to a Portfolio, we will take all sufficient steps to obtain best execution at all times and may deal on such markets or exchanges and with such counterparties as we think fit in accordance with our Execution Policy.

9.8.3 All transactions will be effected in accordance with the rules and regulations of the relevant market or exchange, and we may take all such steps as may be required or permitted by such rules and regulations and/or by appropriate market practice.

9.8.4 Please note that specific instructions from you in relation to the execution of orders (including an instruction to use a particular broker) may prevent us from following our Execution Policy in respect of the elements of execution covered by your specific instructions.

9.8.5 If any counterparty fails to deliver any necessary documents or to complete any transaction, we will take all reasonable steps on your behalf to rectify such failure or obtain compensation. You shall pay all resulting reasonable costs and expenses properly incurred by us.

9.8.6 We may aggregate transactions for you with those of other Clients, our employees and Associates (and clients and employees of Associates), and will allocate such transactions on a fair and reasonable basis in accordance with the requirements of the FCA Rules. Aggregating transactions in this way may operate to your disadvantage or advantage in relation to each such transaction.

9.8.7 Where we have the authority to effect transactions or take steps on your behalf we may agree such reasonable terms as we think fit with the counterparty or other person involved (which may be an Associate), and for that purpose we may:

- (a) give representations, warranties, and indemnities on your behalf;
- (b) accept liabilities on your behalf;
- (c) enter into, negotiate and execute agreements, confirmations, terms of business, master documentation and any other contractual arrangements on your behalf;

(d) take any steps in accordance with market practice or custom as we think fit for the purpose of effecting or settling those transactions, and all such matters will be binding on you; and

(e) nominate and/or change your settlement account details.

9.8.8 Where we have the authority to effect transactions or take steps on your behalf, we will not (unless separately agreed between you and us in writing) enter into any transaction which we know will result in you having a short position in any investment held directly for your Portfolio.

9.8.9 For Clients which are not individuals (including companies, trusts and charities), you must obtain and maintain an LEI and provide your LEI to us, or authorise us to obtain an LEI on your behalf. If we do not have an LEI for you, then we may cease to undertake investment transactions on your Portfolio(s).

9.8.10 You shall inform us where any proposed transaction would constitute a short sale, before or at the time that you instruct us on, or enter into, such transaction. We may be obliged to make information about your transactions public and/or available to the relevant regulator. You agree that any and all proprietary rights in such transaction information are owned by us, and you waive any duty of confidentiality attaching to the information which we reasonably disclose.

9.9 Transfer of money to third parties

There may be occasions when we transact business for you that involves your money being passed to an intermediate broker or settlement agent or counterparty. Where the third party is outside the UK, you acknowledge that the legal and regulatory regime applying to such third parties may be different from that of the UK and in the event of a failure of such broker, settlement agent or counterparty, your money may be treated differently than if it was held in the UK. Unless you object in writing, we will assume that we may pass your money to such a broker, settlement agent or counterparty in order to effect or settle any relevant transactions.

9.10 Information about our Execution Policy

9.10.1 We have put in place an Execution Policy to ensure that we take all sufficient steps to obtain the best possible result on behalf of our Clients when executing orders in relation to investments or receiving and transmitting such orders for execution. A summary of our Execution Policy is contained at Appendix 2 and is available on our Website. Further details are available on request. Where you have appointed an

External Custodian you will be notified separately of the aspects of our Execution Policy which apply. **You expressly consent to our Execution Policy, including executing orders outside a Regulated Market or multilateral trading facility or OTF.**

- 9.10.2 We will review our Execution Policy at least annually and whenever a material change occurs that affects our ability to continue to obtain best execution as required by the FCA Rules. Where we make any material changes to our order execution arrangements or Execution Policy we will notify you of any such changes, which may be by means of our Website. You should therefore refer to such sources for current information about our Execution Policy or execution venues.

In accordance with the FCA Rules, each year we will publish information on the top five execution venues we have used in terms of trading volumes for classes of financial instruments. We will provide you with this information for retail and professional client orders. We will provide you with similar information for the top five brokers with whom we place orders, where relevant. This information will be published on our Website.

9.11 Limit orders

- 9.11.1 We may, at our discretion, accept limit orders (in summary an instruction to buy or sell a specified investment at a specified price limit or better and for a specified size). In respect of limit orders involving shares admitted to trading on a Regulated Market or traded on a Trading Venue which are not immediately executed under prevailing market conditions, you authorise us to exercise our discretion as to whether or not to make public any limit order, subject to your instructions in writing.
- 9.11.2 Limit orders will be filled on a best endeavours principle, and the rate achieved may differ from the strike price. Acceptance of an order by us does not represent a contract to deal at an agreed rate. When a limit order price is reached the order is entered as a market order. This means that the trade will be executed, but not necessarily at or near the limit price, particularly when the order is placed into a fast-moving market, or if there is insufficient liquidity available relative to the size of the order. A sudden and material shift in the price from one level to another is called gapping. Gapping can result in a significant loss (or profit), and a limit order cannot protect against this risk. Limit orders will be placed by us with other market counterparts using their dealing platforms. When a limit order is triggered an order to close the position is issued, but such position may not be closed immediately. The price at which the order is filled depends upon the underlying market. In fast

moving markets the specified price for the order may not be achievable or available, or the market might move quickly and significantly away from the limit before it is filled.

9.12 Conflicts of interest

- 9.12.1 As part of an organisation which provides a number of services to a range of clients, there may be times when there is: a conflict, actual or potential, between our interests, or the interests of a company within the Schroder Group and the duty we owe to a client or a conflict between the differing interests of two or more clients to whom in each case we owe a duty.
- 9.12.2 Under the Regulatory Rules we are required to have in place arrangements with a view to taking all reasonable steps to prevent such conflicts of interest constituting or giving rise to a material risk of damage to the interests of our clients. We have established a comprehensive conflicts of interest policy to identify and manage such actual or potential conflicts of interest and a summary of this is set out in Appendix 3. Further details are available on request either in paper form or via email.
- 9.12.3 Where we do not believe that the arrangements under our conflicts policy are sufficient to manage a particular conflict, we will inform you of the nature of the conflict at the time so that you can decide how to proceed.
- 9.12.4 We will notify you of any material changes (which may occur from time to time) to information about our conflicts of interest policy, which may be by means of our Website or by amendment to the Terms. You should therefore refer to such sources for current information about our policies on this. You should also note that we may make additional disclosures in relation to particular products and/or services which may differ to those in these Terms.
- 9.12.5 We will ensure that such transactions are effected on terms which are not materially less favourable to you than if the potential conflict had not existed. We may manage some conflicts of interest by disclosing such interests to you.
- 9.12.6 Set out below is a non-exhaustive list of potential material conflicts we have identified and manage:
- (a) we or an Associate undertake regulated activities, as defined in the Regulatory Rules, for other Clients;
 - (b) one of our directors or employees, or those of an Associate, is a director of, holds or deals in securities of, or is otherwise interested in, any company whose securities are held or dealt in on your behalf;

- (c) a transaction is effected in securities issued by an Associate or a customer of an Associate;
- (d) where permitted under the Regulatory Rules, a transaction is effected in respect of which we or an Associate may benefit from a commission, fee, mark- up or mark-down payable otherwise than by you, and/or we or an Associate may also be remunerated by the counterparty to any such transaction;
- (e) we deal on your behalf with, or in the securities of, an Associate;
- (f) we may act as your agent in relation to transactions in which we are also acting as agent for the account of other Clients and/or Associates;
- (g) we may, acting as principal, sell currency to you or purchase currency from you and may, in certain circumstances, deal with you in investments as principal;
- (h) the cash balance in a Portfolio is placed as a deposit with ourselves and we earn interest on it and derive liquidity from it;
- (i) a transaction is effected in units or shares in collective investment schemes, investment trusts or other funds or in any company of which we or an Associate are the manager, operator, banker, adviser, custodian or trustee;
- (j) a transaction is effected in investments in respect of which (or in respect of a derivative related to which) we, an Associate, a collective investment scheme, investment trust or fund of which we or an Associate, are manager or adviser or one of our directors or employees or that of an Associate, is contemporaneously trading or has traded on its own account or has either a long or short position in; or
- (k) we recommend the purchase or sale of an investment in respect of which one of our Clients has given us instructions to buy or sell, or in respect of which we have, respectively, a long or short position.

9.12.7 We, and any Associate, may effect transactions in which we or an Associate have, directly or indirectly, a material interest or a relationship of any description with another party which may involve a potential conflict with our duty to you. Neither we, nor any Associate, shall be liable to account to you for any profit, commission or other remuneration by reason of such transactions or any connected transactions, nor will our fees, unless otherwise provided, be abated.

9.13 Communications

9.13.1 All written communications from us to you shall be sent to the correspondence address which you have notified to us in writing. If you agree that we may send you information electronically, we may also provide any notice or information by posting it to our Website, where permitted by the Regulatory Rules, or by email. If you wish to change your address or email details you should send to us a signed notification in writing. If you notify us by telephone, we may ask you to confirm the change in writing.

9.13.2 Communications from us shall be deemed delivered:

- (a) if sent to an address in the UK by first class post, two Business Days after posting;
- (b) if sent to an address overseas by air mail, five Business Days after posting;
- (c) if delivered by hand, on delivery; or
- (d) if delivered electronically, either when posted to our Website or one day after we send you an email or Online Services' message through Online Services.

9.13.3 You may communicate with us in all cases in writing. Any instruction or communication to be given to us in writing under the Agreement must be sent to the relevant address stated for us on the back cover of these Terms (or otherwise as notified to you), and will be considered delivered to us upon our receipt. We shall take reasonable care to verify your signature against our records but shall not be liable, save as provided in the Terms in relation to banking services, for acting on written instructions which reasonably appear to be signed by you. We may refuse to carry out an instruction if we are not satisfied that the instructions are genuine or authorised by you.

9.13.4 Subject to the rest of this Term you may communicate with us verbally, by fax, by email or by message through Online Services, but you acknowledge that if you choose to communicate with us by any of these methods you do so at your own risk. The contact details for such communications are on the back cover of these Terms or as otherwise notified to you in writing. Where you provide verbal instructions, and we act on these instructions we will not be liable to you for inconsistency between the verbal instructions and any subsequent written confirmation. You agree to waive any claim that you may have against us for breach of the duty of confidentiality (or any similar duty) which may arise through us acting in good faith in reliance upon an instruction given in writing in accordance with this Term.

9.13.5 If you wish to communicate with us by email, a valid email address must be provided by you in writing. By providing us with a valid email address or sending us an email, you are indicating that you are willing for us to communicate with you by email for any purpose under the Agreement.

9.13.6 You accept that emails and Online Services messages are not secure or reliable and that, if you choose to communicate with us in this manner, or request us to communicate with you in this manner there is a risk of technical malfunction, unauthorised interference, failed delivery or delay and computer viruses. You accept that faxes, emails or Online Services' messages may not be read or actioned in a timely manner and that any time-critical communications must be followed up by a telephone call to us.

9.13.7 Any communications apart from emails or Online Services' messages sent by you to us will be deemed to be received by us only upon actual receipt within Business Hours and on a Business Day. In respect of emails or Online Services' messages from you to us, they will be deemed received by us when accessed by us during Business Hours on a Business Day.

9.13.8 We will, where appropriate, notify you of any material changes (which may occur from time to time) to information about our products and services. Such notification may be by means of our Website or by notifying you personally. You should therefore refer to such sources regularly for current information.

9.13.9 Where you have appointed an Authorised Party, the provisions of this Term regarding communications in writing, verbally, by fax, by email or by Online Services message apply in the same way to instructions and communications with Authorised Parties as they do to you and you must ensure that any such Authorised Party complies with these provisions.

9.13.10 We will record or monitor telephone calls and electronic communications for the purposes of training, checking instructions, verifying your identity and ensuring that we are meeting our service standards and Regulatory Rules. These recordings may be used as evidence if there is a dispute. Copies of recordings that we make of conversations with you (by telephone or by electronic communication) will be made, and these will be available on request for a period of five years and, where requested by the FCA or any other competent authority, for a period of up to seven years.

9.14 Instructions

9.14.1 As long as we act reasonably, you authorise us to rely and act on any instruction or communication by whatever means transmitted, which appears or

purports to have been given by or on behalf of you or any Authorised Party (whether or not the authority of any such Authorised Party shall have been terminated by you (unless we have received written notice of that termination)).

9.14.2 You may transfer cash to other Accounts within the Schroder Group or to one or more Nominated Accounts, as notified by you to us in writing, on the basis of telephone, fax or email instructions (but not Online Services message instructions). We will accept telephone, fax or email instructions to transfer cash or other assets out of a Portfolio and/or an Account to a third party account which is not a Nominated Account, only if we are satisfied that we may act on the instructions and we may, at our discretion, telephone and speak to you on a nominated telephone number (specified in the Client Information and Appointment Form or otherwise notified by you to us) to verify such instructions. We may also request verification of your identity in the form of a password or other confidential account information or personal details.

9.14.3 We will do what we reasonably can to act upon instructions received within Business Hours on a Business Day, on the day that we receive them. However, you acknowledge that payment transactions are subject to the Cut-off Times detailed in these Terms and that with certain transactions specific market cut-off times may apply, details of which are available on request. Instructions received at any time on a non-Business Day or outside Business Hours will be acted upon on the following Business Day.

9.14.4 If you or an Authorised Party request that an instruction previously given by us be cancelled, it will not be possible to do so if the instruction has already been acted upon.

9.14.5 Instructions from you or an Authorised Party (other than instructions to amend the Agreement) will be acknowledged by our acting upon them.

9.14.6 We may in certain circumstances at our discretion (which we will exercise fairly, reasonably and proportionately to the circumstances), refuse to act upon instructions or enquiries and shall be under no obligation to make further checks, as the case may be, as to the caller's or sender's identity. For example, we may refuse to act upon instructions which we receive where:

- (a) we suspect that the instruction may not genuinely have come from you or an Authorised Party;
- (b) the instruction is unclear;
- (c) the payment seems unusual compared with the way you normally use your Account or Portfolio;

- (d) we are on notice, or reasonably believe, that someone else may have rights over money or investments in an Account or Portfolio, or there is a dispute between joint Account holders;
- (e) we suspect or are aware that there may be investigations, pending or ongoing, by any court or regulatory, governmental or fiscal authority into your affairs;
- (f) acting upon the instructions may involve us breaking a law, regulation, legal requirement, code of practice or other duty; or
- (g) acting upon the instructions may involve the purchase, sale or transfer of fractions of securities which we are not able to process.

We will try to minimise the inconvenience to you caused by any such refusal, consistent with our legal obligations.

9.14.7 In order to comply with anti-money laundering regulations or other legal requirements, we may at any time request further information from you including, for example, about the source of wealth or funds, purpose of a transaction, the beneficial ownership of an Account and/or Portfolio, and you agree to provide any such information. We may refuse to carry out an instruction or transaction if you do not provide the information requested.

9.15 Security Details

- 9.15.1 In order to protect your Account and Portfolio against misuse and (where applicable) prevent unauthorised access to Online Services, you must:
- (a) keep your password and any other Security Details secret;
 - (b) not disclose your Security Details to any other person or record your Security Details in any way that may result in them becoming known to another person;
 - (c) not send your Security Details to us by email. You should not respond to emails or Online Services' messages asking for your Account information or Security Details, as we will not ask for such details by using such methods of communication;
 - (d) tell us immediately if you think someone else may know any of your Security Details or if you suspect unauthorised use of your Account or Online Services by telephoning your usual contact;
 - (e) act with reasonable care, including taking reasonable steps to prevent unauthorised use of your Security Details; and

- (f) not act fraudulently.

9.16

Valuations, confirmations and periodic statements

9.16.1

Where we are providing you with investment services, we will send you, on at least a quarterly basis (or more frequently if specified in the Investment Mandate or otherwise agreed in writing), a Reporting Pack in relation to each Portfolio. If you have authorised us to enter into any type of leveraged transaction(s) for your Portfolio then we will provide you with the valuation pack at least once a month. The amount of fees and charges incurred during a reporting period, including management fees, will be reported to you annually and also itemised in a separate fee invoice unless you have requested otherwise. We will not provide you with a paper quarterly Reporting Pack if you have agreed to only receive reports through our online system.

9.16.2

The Reporting Pack may, if so agreed by us, include information about assets not held in our custody and in that case the official periodic statements in relation to such assets (for which we do not accept responsibility) will be provided by the relevant Approved External Bank, External Custodian or other third parties. We will not be liable to you for any inaccuracies in a Reporting Pack as a result of inaccurate or incomplete information provided to us by an Approved External Bank, External Custodian or other third parties or where any such party fails to provide us with information.

9.16.3

Valuations (whether used for the Reporting Pack, or ad hoc or periodic statements, or for the calculation of potential or incurred capital gains tax) will be based on the most up to date prices reasonably available to us from the sources which we reasonably believe to be reliable. We will use reasonable endeavours to verify the validity of such data but shall not be liable for any inaccuracies in any such data which may be used or for providing valuations for hard to value assets. You acknowledge that prices shown in any such valuations may not reflect the actual realisable values of investments held in a Portfolio. You should refer to each statement for further information on the basis of the valuation of specific assets.

9.16.4

- We will send transaction advices to you or your nominated agent after we execute orders for you unless:
- (a) you request otherwise in writing and have signed up to our paperless service;
 - (b) it would duplicate the information that another firm is to dispatch promptly to you; or
 - (c) we are managing your Portfolio on a discretionary basis.

If we are managing your Portfolio on a discretionary basis, you may elect to receive information about executed orders on a transaction-by-transaction basis by notifying us in writing.

9.16.5 In accordance with the FCA Rules, we will notify you if the value of investments in a portfolio falls by 10% or more during a quarterly reporting period. Where your account includes positions in Leveraged Financial Instruments or Contingent Liability Transactions we will let you know where the initial value of any relevant financial instrument depreciates by 10% or more (and at multiples of 10% thereafter).

9.16.6 If you so agree (by completing the relevant form or otherwise as agreed in writing), we may provide the Reporting Pack, transaction advices and any other reports or information electronically as permitted by the FCA Rules.

9.17 Fees, commissions and other charges

9.17.1 You agree to pay us our fees and charges for our services plus VAT (as applicable) as provided for in the Fee Schedule and Rates Schedule and (where relevant) the Services and Costs Disclosure Document (and/or as otherwise notified to you in writing from time to time). The Fee Schedule and other notifications provided to you set out:

- (a) the basis of the calculation of our fees and charges;
- (b) how frequently they are to be paid; and
- (c) (where relevant) whether any other payment is to be received by us (or to our knowledge by an Associate) in connection with transactions we carry out with or for you in addition to, or in lieu of, our charges.

9.17.2 Details of the fees and charges regarding collective investment schemes, investment trusts or other funds, whether managed or advised by us, an Associate or non-Schroder Group entities, are disclosed in the fund documentation of such products, copies of which are available on request. These details are summarised as part of our annual costs and charges disclosure.

9.17.3 FX Transactions will be transacted by us at a rate appropriate for the size and nature of the transaction. The rate will be disclosed on any relevant transaction advice.

9.17.4 Where we purchase a structured product on your behalf as agent, you agree that we may deduct any charge that has been agreed between you and us for our services to you as part of the transaction, and we will disclose all such charges on the transaction advice.

9.17.5 In the case of any non-market standard settlements, additional charges may be made, and if such additional charges are made, details will be supplied on request.

9.17.6 We are required to comply with the FCA Rules on inducements. This means in summary that we are not permitted to accept or retain any fees, commissions, monetary or non-monetary benefits (each an inducement) paid or provided by a third party in relation to our service to you. We are similarly not allowed to pay or provide any inducement to any third party in relation to the provision of services to you. We can only accept or retain or pay or provide such inducements if they meet certain conditions. The inducement must not impair compliance of our duty to act honestly, fairly and professionally in accordance with the best interest of our clients and it must enhance the quality of the relevant service to you. We must also make disclosures about the inducement to you before we provide the relevant service to you. We will keep you informed about inducements we have received on the basis required by the FCA Rules.

9.17.7 If we are providing advice or portfolio management services to you we are only permitted to accept or provide minor monetary or non-monetary benefits if these enhance the service in the way contemplated by the FCA Rules and are of a scale or nature that they could not affect our duty to act in your best interests, provided that we also make the required disclosures. We are not permitted to receive and retain other benefits. We will transfer such fees, commissions or monetary benefits to your account. We will let you know when we have done this.

9.17.8 Minor non monetary benefits include:

- (a) information or documentation relating to a financial instrument or investment service, that is generic in nature or personalised to reflect the circumstances of an individual client;
- (b) written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the issuer, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any firms wishing to receive it, or to the general public;
- (c) participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service;

- (d) hospitality of a reasonable de minimis value, including food and drink during a business meeting or a conference, seminar or other training event specified at (c);
- (e) research material meeting certain conditions set out in the FCA Rules.

9.17.9 We may occasionally pay a share of our fees to a third party who has introduced business to us. This may represent up to 50% of the fees we receive from a Client in connection with Portfolio management or a particular transaction. If such an arrangement exists in relation to a particular Client, it will be set out in writing between you and us and further details are available on request. This does not impair our duty to act in the best interests of our Clients. Such payments are designed to enhance the quality of the relevant service provided to the Client by the introducer, as it enables them to gain access to a service that might not otherwise be available to them.

9.17.10 We will, where appropriate, notify you of any material changes (which may occur from time to time) to information about our third party fees, commissions and other benefits, which may be by means of our Website or by amendment to the Terms or Fee Schedule. You should therefore regularly refer to such sources for current information about our policies on this. You should also note that we may make additional disclosures in relation to particular products and/or services which may differ to those within these Terms.

9.18 Expenses

You agree to reimburse us for all the costs and expenses we incur in the carrying out of our services under the Agreement. The costs and expenses will include, but not be limited to:

- (a) any costs and expenses referred to in these Terms, Client Information and Appointment Form, Investment Mandate, or which are described in our Fee Schedule, Rates Schedule, Services and Costs Disclosure Document, and/or otherwise notified to you;
- (b) transaction costs;
- (c) commissions, transfer fees, registration fees, taxes and similar liabilities and costs; and
- (d) any custody charges.

9.18.2 Changes in fees or charges

Our fees or charges may be changed from time to time and/or new fees or charges introduced. We will let you have prior written notice of any changes or new fees or charges before we implement them as provided for in these Terms.

9.18.3 Payment of fees, charges and expenses

You authorise us to deduct the fees, charges and expenses due in relation to the provision of our services under the Agreement, and all related fees, charges and expenses from an Account held with us (unless specified and agreed otherwise in writing) at the times and frequency which have been notified to you in the Fee Schedule, Services and Costs Disclosure Document and Rates Schedule. If there is insufficient cash within the relevant Account to cover fees, charges, expenses or other sums due, we may at our discretion, and where you authorise us to, sell investments in your Portfolio to the extent necessary to cover the accrued fees, charges, expenses or other sums due. If we cannot collect fees, charges and expenses in this way we will invoice you or your External Custodian and the invoice will be payable on receipt.

9.19 Taxation

9.19.1 Unless you inform us in writing to the contrary we will assume that your residence for tax purposes is your primary correspondence address.

9.19.2 You acknowledge and agree that you and your other professional advisers, if any, are responsible for the management of your overall tax affairs.

9.19.3 We do not provide tax advice except where we have agreed to provide wealth planning services for you, and then only to a limited extent as expressly set out in these Terms.

9.19.4 We will not be responsible for ensuring that you do not suffer any adverse tax consequences as a result of us providing any services under the Agreement (including in relation to the tax treatment of any investment by HMRC or any other tax authority). You should consult your own professional advisers in relation to your tax affairs. You are responsible for declaring details of your financial affairs in accordance with applicable laws.

9.19.5 These Terms, our Fee Schedule and Rates Schedule, and the Services and Costs Disclosure Document do not refer to all taxes and costs which you may have to pay in relation to your Account(s) or Portfolio(s) or our services.

9.20 Your undertakings

9.20.1 You agree to accept and to be bound by the Terms and undertake that you have full power and authority to enter into, and keep to the terms of the Agreement with us and to give us instructions as provided for in the Agreement.

- .20.2 In relation to information, you undertake that:
- (a) all information which you have provided to us is complete and correct;
 - (b) you will notify us promptly if there is any material change in any information you have provided to us;
 - (c) you will provide us, in a timely fashion, with any other relevant information or documentation which we may reasonably request in order to complete our client take on formalities; and
 - (d) you will provide such other additional information or documentation which we may reasonably request from time to time in order to fulfil our or your legal, regulatory and contractual obligations.
- 9.20.3 You acknowledge that a failure to provide information referred to in these Terms may adversely affect the quality of the services that we provide, and may mean we have to cease to provide our services.
- 9.20.4 You represent that you are not a US Person and undertake that if you become a US Person you will notify us of this fact immediately.
- 9.20.5 You agree to notify us immediately if you are or you become a US Taxpayer or a Non-Participating FFI.
- 9.20.6 You agree to provide us with all information, documentation and waivers required to avoid qualifying as a Recalcitrant Account Holder.
- 9.20.7 Where we are providing investment services you undertake:
- (a) not to deal, except through us, with any of the assets in a Portfolio, and not to authorise anyone else to deal in any of them; and
 - (b) except as agreed in writing between us (including those agreed under the Terms), that the Account(s) and/or Portfolio(s) is/are free from all liens, security rights and charges, and that no liens, security rights or charges will arise from your acts or omissions (in each case, save as set out in, or arising under these Terms).
- 9.20.8 You confirm that save as otherwise disclosed to us in writing, you will be acting as principal and for your own account at all times in relation to the services provided by us. Please let us know if you wish to act in a different capacity, such as agent or trustee for another person, in which case we may need to ask you to provide additional documentation.
- 9.21 Your liability**
- 9.21.1 Except insofar as the same may result from our negligence, wilful default or fraud, or that of any nominees, custodians, sub-custodians, agents or delegates which are Associates, you agree to be responsible for all reasonably foreseeable costs, losses, claims and expenses which may be incurred by us and/or them or made against us and/or them:
- (a) in consequence of any breach by you of the Agreement;
 - (b) as a result of any party claiming to be entitled to ownership of, or a right of security over, or an interest in, any investments, assets or money in your Account(s) or Portfolio(s), in each case whether held jointly or individually; or
 - (c) arising out of the exercise of rights or obligations by us or any Associate in accordance with the Agreement.
- 9.21.2 To the extent that any party claims, or we believe that there is a reasonable prospect that a party may claim, ownership of, or a right of security over, or an interest in, any investments, assets or money in your Account(s) or Portfolio(s) whether held jointly or individually, you agree that we may retain and apply such investments, assets or money (whether in whole or in part) as we may in our reasonable discretion consider necessary to meet such claim, or prospective claim, or to meet our legal or regulatory obligations in relation to such claim.
- 9.21.3 Where you are acting as a trustee, your liability under the Agreement shall be limited, in the absence of fraud or a breach of your powers or duties as trustee, to the assets of the trust from time to time.
- 9.22 Our liability to you**
- 9.22.1 We will act in good faith and with reasonable skill and care in performing our duties and obligations under the Agreement. We accept responsibility for direct losses to you which are reasonably foreseeable to the extent that such direct losses are due to our negligence, wilful default, or fraud. We will only accept liability for the acts or omissions of any nominee, custodian, sub-custodian, agent or delegate which is a member of the Schroder Group and to the extent that such losses are a direct result of their negligence, wilful default or fraud. We will not otherwise be liable to you for direct losses save in respect of Accounts and our banking services as outlined in these Terms.
- 9.22.2 We, and any member of the Schroder Group, are not liable for any consequential or indirect losses you may suffer (without affecting our liability in respect of Accounts and our banking services as provided in these Terms).
- 9.22.3 If any custodian or sub-custodian should fail to deliver any necessary documents or account for any investments, we will take reasonable steps on your behalf to recover such documents or investments, or

any sums due, or compensation in lieu, but subject to the other provisions of these Terms, we will not be liable for any such failure. You agree to pay all reasonable costs which we may incur as a result of taking such steps.

- 9.22.4 We will not be liable for any losses or loss of opportunity you may suffer as a result of our being unable to carry out any of your instructions, or to provide any service as a result of any applicable law, rule or obligation or circumstances reasonably beyond our control including, but not limited to, any market disruption, interruption of payment or clearing services, industrial action, equipment failure, computer or related software failure, act of any governmental authority, legal constraint, fire, flood, civil disturbance, criminal or terrorist activity or interruption of communication facilities.
- 9.22.5 We have a right of retention, lien, security interest and right of set off over your Account and Portfolio as provided for in these Terms. Where any of your investments are held by a third party (including a sub-custodian, nominee, depositary or settlement system), you agree that such third party (or any person to whom the holding of your investments is delegated) may have a security interest, lien, right of set-off, and similar rights over your investments. Such rights will be under the standard terms of such person if of a type routinely required by them, and only to the extent permitted by the FCA Rules or other applicable regulatory regime. Where your investments are held by a third party (or any person to whom the holding of your investments is delegated), and such third party or other person has a security interest, lien, right of set-off, or similar rights over investments, you are exposed to the risk that such third party or other person may exercise such rights over your investments and reduce the amount of your investments even where you have not breached any of your obligations under these Terms. If your investments are subject to a security interest, lien, right of set off or similar right in a jurisdiction apart from the UK, we will disclose further information to you indicating the risks associated with the arrangement and take other steps to make the ownership status of the assets clear, as required by the FCA Rules.
- 9.22.6 You confirm and acknowledge that we, together with any nominee, custodian, sub-custodian, agent or delegate appointed by us, are acting solely on the basis of information and facts concerning your personal and financial circumstances (or where relevant, that of the trust or scheme of which you are a trustee) which have been expressly disclosed by you (or where applicable an Authorised Party) to us or an Associate pursuant to our relationship governed by

the Agreement.

- 9.22.7 No warranty is given by us as to the performance or profitability of any Account or Portfolio or any part of it.
- 9.22.8 The Agreement will not be deemed to be breached as a result of changes in the price or value of assets in a Portfolio brought about solely through movements in the market.
- 9.22.9 Nothing in the Agreement shall exclude any liability to you arising under the FSMA, any regulations made under it or the Regulatory Rules.

9.23 Data protection and confidentiality

- 9.23.1 The parties to the Agreement shall not disclose information of a confidential nature acquired in consequence of the Agreement, except as set out in this Term or which:
- (a) the disclosing party is required or authorised to disclose by law, under the Regulatory Rules, by court order or any regulatory, governmental or fiscal authority; or
 - (b) is disclosed to the disclosing party's advisers or auditors or agents where reasonably necessary for the performance of the disclosing party's obligations under the Agreement or the protection of the disclosing party's interests.
- 9.23.2 We explain what Personal Data we will process, why and how we will process it, who we may share it with, and the rights that individuals have in respect of their personal data at the following location: www.cazenovecapital.com/uk/privacy-policy. A hard copy of this is available on request. In the remainder of this Clause 9.23, we refer to this as our "Privacy Policy".
- 9.23.3 If you provide us with Personal Data relating to your relatives or other third parties in connection with our provision of services to you, you agree to provide them with the information set out in the Privacy Policy.

9.24 Unsolicited real time communications

We, our representatives and employees (and those of other Schroder Group companies), shall be entitled to contact you by post, telephone, fax, email, SMS, in person or otherwise without express invitation in the interests of the proper management and administration of a Portfolio and/or an Account or for the purposes set out in this Term.

9.25 Joint Accounts or Portfolios

- 9.25.1 Where you have a joint Account and/or Portfolio or if otherwise you are more than one person, the following terms apply:

- (a) your obligations under the Agreement will be joint and several. You will be individually as well as jointly responsible for all of the obligations in the Agreement, including the entire amount of any fees, charges or costs relating to any of your Accounts and Portfolios;
 - (b) any notice given to any of you will be deemed to be given to all of you;
 - (c) unless otherwise agreed between us in writing, we may act on the instructions of any of you and any such instruction will bind all of you. This means that one party can withdraw the entire Account and/or Portfolio alone. However, we reserve the right to require written instructions from each Client, or a court order, if in our discretion, we consider that appropriate and fair in the circumstances; and
 - (d) on the death of any one of you, the Agreement will not terminate and we may treat the survivor(s) as the only person(s) entitled to, or interested in, the Account and/or Portfolio. Should all of you die during the term of the Agreement the other provisions regarding death shall apply.
- 9.25.2 If you are opening one or more separate Accounts and/or Portfolios, this Term shall only apply to those Accounts and/or Portfolios which are designated as joint Accounts or joint Portfolios.
- 9.25.3 The provisions set out in this Term shall not apply in relation to ISAs, as we can only accept the instructions of the named ISA holder.
- 9.26 Death or incapacity**
- 9.26.1 In the event that you die or become incapacitated during the term of the Agreement:
- (a) where we are providing banking services, we will accept payments into the Account, but will not make any further payments out of the Account until we are instructed by your properly appointed personal representative(s) or attorney, as applicable;
 - (b) where we are providing discretionary investment management services, we shall continue to manage the Portfolio according to your Investment Objective until such time as we are instructed otherwise by your properly appointed personal representative(s) or attorney, as applicable; and
 - (c) we may terminate the Agreement on notice with immediate effect and the general termination provisions will apply.
- 9.26.2 On your death we will require a certified copy of your death certificate and your estate must provide us with such information as we may reasonably request to confirm the appointment of your personal representatives. Subject to a suitable indemnity being provided to us we may (but, prior to receiving a certified copy of any grant of representation, are not bound to) act on the instructions of your personal representatives and in particular, we will retain an absolute discretion as to whether or not we will sell or transfer investments on their instruction.
- 9.26.3 Where you have become incapacitated we will require evidence, in a form satisfactory to us, that your attorney has authority to provide instructions to us regarding your Account and/or Portfolio, as applicable.
- 9.27 Trustees, pension schemes, partners, unincorporated associations**
- 9.27.1 Where you are a trustee of a trust, partner in a non-incorporated partnership or member of an unincorporated association, at our option, the Agreement shall continue in full force and effect notwithstanding any change in the composition of the trustees, partners or members respectively, whether by death, retirement or addition of trustees, partners or members or otherwise.
- 9.27.2 Where you are subject to the Trustee Act 2000:
- (a) you warrant and represent that the investment guidelines and your attitude to risk (as agreed in writing between us) and the provisions of the Agreement are consistent with your written policy statement issued in accordance with the Trustee Act 2000 and that we, by acting in accordance with the Agreement, will be fully complying with your policy statement in all respects and you undertake to notify us in writing of any amendment to your policy statement; and
 - (b) under section 14 of the Trustee Act 2000, in order for us to fulfil our obligations under the Agreement, it is necessary that we have the authority (if required) to appoint substitutes and/or to act in circumstances capable of giving rise to a conflict of interest.
- 9.27.3 If you are the trustees of a pension scheme, the following additional terms apply:
- (a) we undertake to ensure that any proceeds paid from the Portfolio to you shall be paid only into a scheme bank account in the name of the trustees; and

- (b) nothing in the Agreement is intended to, nor shall, exclude any liability of ours under the Pensions Act 1995 or Pensions Act 2004.

9.28 Delegation

- 9.28.1 We may delegate any of our functions under the Agreement to an Associate or any other agent and may provide information about you and any Account and/or Portfolio to any such Associate or agent, and a delegate or agent so appointed may appoint a sub-delegate or agent, but our liability to you for all matters so delegated shall be as set out in these Terms. If we delegate or outsource a function which is critical or important to the provision of our services to you we will remain responsible for the performance of those functions. Notice of delegation of discretionary investment management of all or part of a Portfolio will be sent to you in writing to take effect on the date stated in such notification.
- 9.28.2 We may, where reasonable, employ agents (including, but not limited to, Associates) to perform any administrative, custody, dealing or ancillary services required to enable us to perform our services under the Agreement and a delegate or agent so appointed may appoint a sub- delegate or agent.
- 9.28.3 We may delegate any of our functions to, or employ, an Associate or other agent who is outside the UK and who may be conducting designated investment business, as defined in the Regulatory Rules, for you from an office outside the UK. Where this is the case, we will, if required by the Regulatory Rules, inform you of the relevant regulatory system which will apply in such cases, including any compensation arrangements, where this is different to that of the UK.

9.29 Amendment

- 9.29.1 We may amend the Agreement, including amending or replacing these Terms, on immediate written notice to you. Reasons for such amendment may include but are not limited to the following:
- (a) in order to take account of legal or regulatory changes;
 - (b) to reflect changes in the way we, our Associates, agents and suppliers do business or are structured;
 - (c) to reflect changes in market practice;
 - (d) to improve the clarity of, or protections afforded to you by, the Terms.

- 9.29.2 We will give you 30 calendar days' written notice (which may be given electronically if so agreed between you and us) of any amendment to the Agreement, including any variation to, or replacement of, these Terms except in the case of our banking services and amendments to Section 4 of these Terms, where we will give you two months' notice.
- 9.29.3 We may introduce new fees or charges on your Account or Portfolio or change the amount of any fees or charges which already apply to your Account or Portfolio by giving you 30 calendar days' notice in respect of your Portfolio and two months' notice in the case of Accounts or our banking services (which may be given electronically, if so agreed between you and us).
- 9.29.4 We may also publish any changes to our Fee Schedule and Rates Schedule, Services and Costs Disclosure Document or other contractual information on our Website before the change comes into effect or at the earliest opportunity afterwards.
- 9.29.5 If, when a variation to the Agreement takes effect or when these Terms replace previous terms, there are outstanding transactions initiated before the variation or replacement takes effect, the previous terms or unvaried Terms (as the case may be) shall continue to apply to those outstanding transactions, except where the variation or replacement reflects legal or Regulatory Rules requirements in which case they shall apply in varied or replaced form even to those outstanding transactions.
- 9.29.6 If, having been notified of a proposed change to the Agreement, you do not wish to continue to receive our services, you can terminate the Agreement as outlined in these Terms.
- 9.29.7 Any amendment or change to the Agreement which has been notified to you will take effect without further action if you do not inform us of your wishes before the proposed changes are to come into effect.

9.30 Transfer and assignment

- 9.30.1 The obligations under the Agreement bind, and the rights will be enforceable by, the parties to the Agreement and their respective successors, permitted assigns and personal representatives.
- 9.30.2 Subject to the other provisions of the Agreement, neither you nor we may novate or assign or transfer any of your or our respective rights and obligations under the Agreement, any corresponding transaction or any contract without the prior written consent of the other.

- 9.30.3 You hereby give consent to us transferring at any time all or any part of our rights and/or obligations under the Agreement to any Associate (a Transferee) by delivering to you a substitution notice. Upon delivery of a substitution notice:
- (a) the rights and/or obligations of the parties shall be novated, the parties will be released from further obligations to each other under the Agreement and the respective rights of the parties will be cancelled; and
 - (b) you and the Transferee will simultaneously acquire the same rights and assume the same obligations between you as would have been acquired and assumed had the Transferee been an original party to the Agreement instead of us.
- 9.30.4 Your consent provided in this Term covers the transfer of your assets and money, including any client money to the Transferee. Your client money transferred will either continue to be held in accordance with the FCA client money rules or if the Transferee is not subject to the FCA Rules, we will use our best endeavours to ensure that the Transferee will apply adequate measures to protect the sums being transferred. You will be notified within seven calendar days after the transfer becomes effective as to how your money is held by the Transferee, of the relevant compensation limits which apply and that you will be able to request that the Transferee returns your money and assets to you as soon as is practicable.
- 9.30.5 Subject to the other provisions of these Terms, to the extent required by, or consequential to, any transfer contemplated by this Term, you agree to enter into such further documentation and/or particular terms as we or any Transferee may reasonably require in order to make or facilitate the action envisaged in this Term.
- 9.31 Set-off**
- 9.31.1 Set-off is the process whereby an obligation owing to one person by a second person is cancelled out or reduced by an amount which the second person owes to the first for example, the set-off of any credit balance on your Account (i.e. an amount which we owe to you) against any amount which you owe to us under the Agreement or any transaction carried out under the Agreement.
- 9.31.2 We may, provided we act fairly and reasonably and in accordance with applicable FCA Rules, set-off any obligation owing from you to us or to any Associate (whether payable at such time or in the future, or conditional on a future event or set of circumstances) in connection with the Agreement or any transaction carried out pursuant to the Agreement against any credit balance on your Account or any other obligation owing by us or any Associate to you (whether payable at such time or in the future). This will apply regardless of the place of payment, booking branch or currency of any obligation.
- 9.31.3 If the obligations are in different currencies, we may convert either obligation at a market rate of exchange which we reasonably select. We may also deduct any costs incurred by us or any Associate in carrying out such set-off.
- 9.31.4 We shall be entitled to exercise these rights of set-off in respect of any obligation owing by you to us or any Associate on your own or jointly with any other person(s) against any amount standing to the credit of any Account which you have with us or any Associate (whether the same or a different Associate) on your own or any Account which you have with us or such Associate jointly with any other person(s).
- 9.31.5 Our rights of set-off include the right to combine, consolidate or merge any Account, Portfolio, or other rights and obligations under the Agreement (including payments which have not yet been credited to your Account).
- 9.31.6 These provisions shall not restrict or limit any right which we may have by law.
- 9.31.7 Where you are a Consumer, we will give you at least 14 calendar days' notice before exercising any right of set-off under the Agreement.
- 9.32 Security interest**
- 9.32.1 We shall be entitled to retain any amount standing to the credit of your Account or any asset included within your Portfolio so that we are able to satisfy any of your obligations arising from the Agreement (whether due at such time or expected in the future).
- 9.32.2 You agree that we shall be entitled to:
- (a) sell any asset in any of your Portfolios without requiring your consent and without needing to give you prior notice and immediately use the proceeds of sale of any such asset:
 - (i) to cover all costs which we have incurred as a result of such sale;
 - (ii) to cover against any obligation which you owe to us or any Associate at that time, or against any transaction carried out pursuant to the Agreement, whether or not it is payable at such time, in the future, or conditional on a future event or set of circumstances;

- (iii) to make payment into a suspense account; or
- (iv) to make payment into your Account; and
- (b) appropriate such asset (so that it becomes our asset) and deduct the market value of such asset (which we shall determine fairly using such valuation methods as we may reasonably select) from the amount which you owe to us or to any Associate and, if the value of such asset is greater than the amount which you owe to us or any Associate, we will pay within a reasonable period an amount equal to such excess to you.

9.33 Default remedies

9.33.1 If you fail to deliver securities:

- (a) we may buy securities to cover any open and undelivered positions, and debit your Account with all associated costs incurred;
- (b) if a buying-in notice is issued against us we will debit your Account with the costs incurred; and
- (c) we reserve the right to debit your Account with any fines imposed due to late delivery.

9.33.2 On the occurrence of an Event of Default, we may carry out set-offs and close-out netting of all outstanding transactions between you and us (including between you and an Associate) under these Terms or any transaction carried out pursuant to the Agreement, and calculate the net amount of the sums owed to, or by, us or an Associate, under each transaction. For this purpose we shall be entitled to (on, or as soon as reasonably practicable after, the Event of Default) determine in our reasonable discretion, in respect of each transaction, the total costs, loss or gain (expressed in such currency as we shall select) as a result of the close out of each payment or delivery which would otherwise have been required to be made under such transaction; and we shall be entitled to treat each cost or loss to us as a positive amount and each gain by us as a negative amount, and aggregate all such amounts to produce a single, net positive or negative amount.

9.33.3 We will promptly notify you of the net amount calculated under this Term and whether it is payable by you to us or vice versa. For these purposes, sums owed to an Associate will be treated as owed to us and sums owed by an Associate will be treated as owed by us and the net amount will be payable promptly by the relevant party following notification in such currency as we may reasonably select.

9.33.4 The default remedies in this Term shall take effect subject to the terms of any specific agreement, security documentation or master documentation (such as ISDA documentation) applicable to the transaction or assets in question.

9.33.5 You agree that, as your agent, we may execute any transfer of investments or other documents, give any necessary instructions and generally act for the purpose of giving us or our agents the power to exercise our remedies in these Terms.

9.33.6 If you fail to make any payment under or in connection with the Agreement, interest will be payable by you on any amount due and outstanding at a rate of 5% above our cost of borrowing funds in the relevant currency, such interest to accrue on a day-to-day basis.

9.34 Termination

9.34.1 The Agreement has no minimum duration, but may be terminated in the circumstances set out below.

9.34.2 You may terminate our appointment and/or close an Account or Portfolio at any time by written notice to us in accordance with these Terms. **Please bear in mind that if you give us notice to end the Agreement with immediate effect and ask us to sell your investments this could result in losses and tax consequences, for which you are responsible,** and it may take some time to realise certain assets.

9.34.3 We may terminate the Agreement on 30 calendar days' written notice to you (save that we will provide two months' written notice in respect of ending our banking services and/or closing an Account).

9.34.4 We may also terminate the Agreement by immediate written notice in the following circumstances:

- (a) if so required by any competent regulatory authority;
- (b) in exceptional circumstances (for example, suspected fraud or criminal activity);
- (c) if you breach any of the terms of the Agreement and you fail to correct such breach within 10 calendar days' notice to do so;
- (d) where you are or you become a US Person or US Taxpayer (or we have reasonable grounds to believe this is the case);
- (e) where you are or you become a Non-participating FFI (or we have reasonable grounds to believe this is the case); or
- (f) where you are or you become a Recalcitrant Account Holder (or we have reasonable grounds to believe this is the case).

We will give you the reason for termination where we are permitted to do so by law.

9.34.5 (For occupational pension scheme Clients only) where we resign our appointment as custodian or our appointment as custodian is terminated in accordance with these Terms (but the Agreement continues in force) then you will appoint a successor custodian and either:

- (a) if it is an Associate, we will procure that such Associate becomes a party to the Agreement, in which case the Agreement shall be construed for all purposes as if references to we/us/our (in our capacity as custodian) were references to such Associate; or
- (b) if it is an External Custodian, you will ensure that such custodian enters into an agreement on similar terms to the terms of the Agreement.

9.34.6 (For non-occupational pension scheme Clients only) where we resign from the appointment as custodian or our appointment as custodian is terminated in accordance with these Terms (but the Agreement continues in force) then, except where you inform us within 20 Business Days of the notification that you wish to make your own arrangements, we may, if our own appointment has not been so terminated and is not in the process of being terminated, appoint a successor.

9.35 Consequences of termination

9.35.1 Termination will be without prejudice to the completion of transactions already initiated.

9.35.2 Termination will not affect accrued rights, responsibilities, existing commitments or any contractual provision intended to survive termination (including without limitation all security interests, rights of set-off and close out rights under the Agreement), and will be without penalty or other additional payment, save as set out in these Terms.

9.35.3 You agree to pay:

- (a) our fees pro rata to the date of termination;
- (b) any additional expenses necessarily incurred by us as a result of the termination of the Agreement;
- (c) any losses necessarily realised in settling or concluding outstanding obligations;
- (d) any sums due under the Agreement; and
- (e) any outstanding amounts owed to us.

9.35.4 We or any Associate holding or controlling assets in a Portfolio shall be entitled to (1) retain and/or realise, or (2) direct (a) any Associate holding or controlling

assets in a Portfolio or, (b) the External Custodian, to retain and/or realise, any assets of a Portfolio as may be required to settle transactions already initiated, to pay any of your outstanding liabilities, including accrued fees or charges pro rata for the relevant period of an ongoing service, to meet the obligations set out in the Agreement or to fulfil any obligation you owe to us.

9.35.5 Subject to the other provisions of the Agreement, on termination, we will promptly account to you for the assets and money held by us in any Account or Portfolio and direct our nominee company and any sub-custodian to do likewise; however, you acknowledge that it may take time to access certain investments for example, where the investments are subject to minimum notice periods, or lock-ins.

9.35.6 In the event that following termination you do not promptly give to us details of to whom the assets in your Portfolio(s) should be transferred, we may convert such assets into cash, and where we are able to, pay it to you.

9.35.7 If you initiate a change of custodian, you shall be responsible for any reasonable transfer or re-registration costs we or others incur.

9.36 Complaints

9.36.1 All formal complaints should in the first instance be made to our complaints officer at our head office. You may also have the right to complain to the Financial Ombudsman Service if you are a natural person and you are unhappy with how we deal with your complaint. If you are a business (in particular a small business) you may also be eligible to complain to the Financial Ombudsman Service.

9.36.2 A detailed description of the Financial Ombudsman Service (including information as to how to make a complaint, eligibility criteria and the procedures involved) is available from the Financial Ombudsman Service, who can be contacted at South Exchange Tower, London E14 9SR or via their website at www.fos.org.uk.

9.36.3 A copy of our complaints-handling procedure is available on request.

9.36.4 If you cannot resolve your complaint through the above process you may also be able to refer your complaint to an alternative dispute resolution entity apart from the Financial Ombudsman Service or you may be able to take other action in the courts.

9.37 Compensation

- 9.37.1 The FSCS may offer protection in the event that you suffer a financial loss as a direct consequence of our being unable to meet any of our liabilities. Payments to eligible claimants under the FSCS will vary depending on the type of protected claim (for example, a deposit or investment) that the claimant has. For joint accounts, each individual account holder is eligible to claim up to the relevant FSCS limit. Claims in respect of protected investment business and mortgage advice are subject to different limits and conditions to protected deposits. Some types of claimants and accounts are not covered by the FSCS.
- 9.37.2 A detailed description of the FSCS (including information on how to make a claim, limits and eligibility criteria and the procedures involved) is available from the Financial Services Compensation Scheme who can be contacted at Financial Services Compensation Scheme, PO Box 300, Mitcheldean GL17 1DY or via their website at www.fscs.org.uk

9.38 Language

English will be the official language for the receipt of information and all communications between us and you, although we may also communicate with you, and provide information to you, in other languages if we agree. All communications from us to you, and the terms in which the Agreement is concluded and documents containing or amending the Agreement between you and us, and all information from us to you about our services will be in English.

9.39 Entire Agreement and third parties

- 9.39.1 The Agreement constitutes the entire understanding between you and us relating to the services we provide for you under the Agreement and supersedes all prior understandings, arrangements, representations, proposals or communications between you and us, whether written or verbal. This does not exclude or restrict any duty or liability that we may have to you under the FSMA.
- 9.39.2 The Agreement does not create any right or benefit enforceable by any person or persons not explicitly party to it, except that members of the Schroder Group and our Associates may enforce rights as expressed in the Agreement.

9.40 Severability

Each provision and part-provision of the Agreement is severable and if at any time any provision or part-provision becomes invalid, illegal or unenforceable, this will not affect any of the other provisions and part-provisions which shall remain in full force and effect.

9.41 No waiver

- 9.41.1 If we fail to insist that you perform any of your obligations under the Agreement or if we do not enforce our rights against you, or if we delay in doing so, that will not mean that we have waived our rights against you and will not mean that you do not have to comply with those obligations.
- 9.41.2 If we do waive a default by you, we will only do so in writing and that will not mean that we will automatically waive any later default by you.

9.42 Governing law

- 9.42.1 The Agreement and all dealings between us and you will be governed by and construed in accordance with English law.
- 9.42.2 The English courts will have exclusive jurisdiction to settle any disputes or claims which may arise out of or in connection with the Agreement and all dealings between us and you for which purpose all parties agree to submit to such jurisdiction.

9.43 Advice disclosure

- 9.43.1 We are required to state if our advice will be 'independent' or 'restricted' advice. Independent advice is defined as a personal recommendation to a client: (1) based upon an assessment of a sufficient range of relevant products available on the market to ensure that your objectives can be suitably met; and (2) which is not limited to relevant products issued or provided by us, the Schroder Group, closely linked entities or legal or economic partners (including through contractual relationships). Restricted advice is defined as any other advice. In accordance with previous regulatory guidance, we apply this requirement to both our advisory and discretionary services. Furthermore, please note that under the FCA Rules, an individual adviser is not permitted to provide both independent and restricted advice, even if that was the case in practice; all such advice would be considered restricted. The scope, nature and risks of our specific services to you, the types and range of financial instruments available, as well as the providers of such instruments, and our relationships with providers and issuers, are set out in detail in the Agreement and your particular Investment Mandate(s) (e.g. a full individual discretionary management service or a Schroder Group Funds' Service). For regulatory purposes, **we will be considered to be providing you with restricted advice** because of the following reasons: (1) our Investment Advisory, Discretionary Investment Management and Wealth Planning services do not consider the comprehensive range of investment products; (2) for the Schroder

Group Funds' Service, this is limited to investments issued or provided by us, the Schroder Group, closely linked entities or legal or economic partners (including through contractual relationships); and (3) as noted, an individual adviser cannot provide both independent and restricted advice, and our staff members may provide advice upon both the Schroder Group Funds' Service and other services.

Appendix 1 – Risk warnings

1. Introduction

1.1 This Appendix provides a general description of the nature and risks inherent in a range of investments and strategies that may be available to you as a Client of ours, as well as more general risks associated with investment markets. It cannot disclose all the risks and other significant aspects of those investments, strategies or markets.

1.2 We would like to emphasise that there are risks involved in relation to any investment. Set out below are some general risk warnings that are relevant to most asset classes and investment strategies and of which you should be aware:

- (a) you should always remember that you may not get back the amount originally invested as the value of investments, and the income from them can go down as well as up and is not guaranteed;
- (b) past performance is not a guide to future performance;
- (c) exchange rate changes may cause the value of international investments to rise or fall relative to the base currency (as agreed with you in the Investment Mandate of your Portfolio);
- (d) the value of an individual investment or Portfolio may fall as a result of a fall in markets;
- (e) with regard to investments designed to be held for the medium to long-term or with limited liquidity or with a fixed maturity date or with significant up-front costs, you should be aware that early redemption may result in lower than expected investment returns, including the potential for loss to the amount invested;
- (f) the real value (the value adjusted for the impact of inflation) of an investment will fall as a result of the rate of inflation exceeding the rate of return on the investment;
- (g) investments in smaller companies, emerging markets, some hedge funds, derivatives, leverage funds, commodity funds, venture capital trusts (VCTs), property funds, enterprise investment schemes (EISs) and private equity involve a higher degree of risk;
- (h) trading in off exchange investments, that is investments which are not traded under the rules of a Regulated Market or exchange or where there is no recognised market, and which are not settled through a regulated clearing house, exposes the investor to the additional risk that

there is no certainty that market makers will be prepared to deal in such investments and as a consequence there may be no secondary market for such investments. There may also be restrictions in relation to access and liquidity, for example, investments may only be made or redeemed on certain dates or with prescribed periods of notice. You should be aware that it may be difficult to obtain reliable information about either the current value of such investments or the extent of the risks to which they are exposed;

- (i) concentration risk may arise where there is an insufficient level of diversification such that an investor is excessively exposed to one or a limited number of investments;
- (j) counterparty or credit risk arises if a party connected to a transaction is unable to meet its obligations. In certain circumstances these risks may mean that you will not get back the sum invested or the return anticipated from such transaction;
- (k) interest rate sensitivity means that prices change relative to current and future interest rate expectations. For example, if interest rates are expected to rise the price of a fixed rate bond may fall and consequently a sale of the bond at such time may crystallise a loss;
- (l) liquidity risk is the inability to buy or sell an investment at the desired time. Such delay may affect the price at which such asset can actually be bought or sold; and
- (m) volatility is a statistical measure of the tendency of an individual investment to feature significant fluctuations in value. Commonly, the higher the volatility, the riskier the investment.

1.3 Further information about the risks associated with particular investments or particular investment strategies is set out in this Appendix and is also available on request.

2. Our investment classes and generic risks associated with them

2.1 Equities or shares

2.1.1 Equities or shares represent a shareholder's rights and interests in a company. One share represents a fraction of a company's share capital and a shareholder may benefit from an increase in the value of the share, although this is not guaranteed. Shareholders may also qualify for dividend payments, but these are paid only at the discretion of the company's management. A shareholder has no right to the return of capital and the shares could become valueless in the event of the

insolvency of the company. Dividend growth and the re-investment of those dividends are key to the long-term out-performance by equities against other asset classes and inflation.

2.1.2 The current market price of an equity is determined by a number of factors including, fundamentals relating to the company, such as its near term trading outlook, management quality, growth opportunities and sector outlook. Changes to these can influence all shares in a particular sector and the underlying movement in markets.

2.1.3 Shares in smaller companies may carry an extra risk of losing money as there can be a big difference between the buying price and the selling price of these securities. If shares in smaller companies 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.

2.1.4 Stabilisation

(a) Stabilisation enables the market price of a share to be maintained artificially during the period when a new issue of shares 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.

(b) Stabilisation is carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilisation manager follows a strict set of rules, he is entitled to buy back shares 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.

2.2 Fixed interest or bonds

2.2.1 Fixed interest, bonds or debt securities are a payment obligation of a party, usually referred to as the issuer. Bonds may be issued by governments, quasi-governmental institutions and companies. The value of a bond can be adversely affected by a number of factors, such as:

(a) the issuer's credit rating, an assessment which reflects their ability to repay the amounts payable when they fall due;

(b)

the market expectations about future interest and inflation rates;

(c) the amount of interest payable (the coupon);

(d) the length of time until the debt falls due for repayment; or

(e) the seniority of a bond within the capital structure of a company, and the quality of any security available.

2.2.2

The factors which are likely to have a major impact on the value of a bond are the perceived financial position of the issuer and changes to market interest rate expectations. Bonds issued by major governments or supranational bodies tend to be lower risk investments, while the risks of other debt securities (such as those with emerging market corporate issuers) can vary greatly. For example, if an issuer is in financial difficulty, there is an increased risk that they may default on their repayment obligations. In this event, little or no capital may be recovered and any amounts repaid may take a significant amount of time to obtain.

2.3

Cash and near cash

2.3.1

Cash accounts held on deposit in your base currency (as agreed in the Investment Mandate) or in the form of money market instruments or fixed net asset value money market funds are normally considered to be lower risk investments than bonds or equities as the nominal amount of cash deposited or held in this way should not, under normal circumstances, fall. A cash account will earn an income return or interest, the amount of which will generally be determined by the general level of interest rates. However, the investment returns from cash and near cash may be lower than for bonds or equities and at times of high inflation the real value of the cash deposited can fall.

2.3.2

Cash may also be invested in variable net asset value money market funds. These offer redemptions and subscriptions at a value that is equal to the fund's net asset value and may be more risky as, although you may increase the value of your cash investment, there is a risk that the value of your cash may decline if the value of the underlying investments held by the funds falls.

2.4

Alternative investments

2.4.1

Alternative investments are a broad and diverse asset class and may be used to diversify the investment risks within your Portfolio. They may involve unique or unusual risks as a result of providing alternative sources of return for a Portfolio. Many alternative investments are structured as unregulated funds and it is important for an investor to understand the properties of the

vehicle before investing. Whilst difficult to generalise, many alternative investment vehicles will have some or all of the following characteristics:

- (a) they are often operated in offshore centres where the level of investor protection is unlikely to be equivalent to that available in the UK and they may be subject to less rigorous or no regulations;
- (b) they may be unlisted, deal infrequently and may limit redemptions so it can be difficult to redeem an investment within a reasonable timeframe or to obtain reliable information about its value or the extent of the risks to which it is exposed;
- (c) many are highly geared, leveraged or highly specialised and these may be considered to be more risky or require a longer holding period than equities, fixed interest securities, cash and near cash; and
- (d) many will not have reporting fund status which means that they do not have to report income on shares to HM Revenue & Customs (HMRC) or investors in the fund. This may affect your tax position as, for example, a gain on a disposal of your holding will be taxed as income rather than capital gains.

2.4.2 Hedge funds

An enormous variety of investment vehicles carry the description of hedge funds. The distinguishing feature is that they typically target absolute returns rather than those relative to a particular index. Depending on your circumstances, we may use single fund or fund of funds strategies and leveraged funds. The consideration of liquidity is important so please note that many hedge funds will have monthly dealing dates for redemptions with sales requiring a period of notice and a further settlement period of six weeks or more, with a possibility of your investment being retained until such time as the fund has been audited. Many hedge funds have the right to limit or delay redemptions in defined circumstances including significant redemption requests and/or market volatility.

2.4.3 Property

- (a) Investment in real property or property funds involves a number of risks particular to this class of asset, including:
 - (i) changes in property market conditions leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market;
 - (ii) the quality of property available;

- (iii) the ability of the owner to recover service charges and other expenditure and to control the cost of these items;
- (iv) the risk that tenants may be unable to meet their obligations to the landlord;
- (v) the risk that the landlord may not be able to lease existing or new properties on favourable terms; and
- (vi) the potential illiquidity of property investment.

In addition to the above, all property is subject to local risks which may be unique in nature and caused by factors such as the prevailing legal, economic, environmental or political circumstances.

- (b) Real property is inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty and are a matter of an independent valuer's opinion.
- (c) Investors in property development funds face additional risks, including:
 - (i) risks relating to the availability and timely receipt of planning and other regulatory approvals; and
 - (ii) the cost and timely completion of construction (including risks beyond the developer's control, such as the weather, labour conditions or materials shortages).

These risks could result in substantial, unanticipated delays or expenses and in certain circumstances, could prevent completion of the development and have an adverse impact on the financial condition of the property fund.

- (d) Returns available from property funds may be affected by leverage where debt finance is used to finance either the construction or purchase and the property fund may be adversely affected by a lack of debt financing available on favourable terms.
- (e) Property funds can be subject to redemption demands at times when performance is comparatively weak. At such times, performance may be adversely affected by the sale of properties to meet redemption demands. Under certain circumstances, the property fund may have the ability to suspend the issue, cancellation, or sale and redemption of interests in the property fund.

2.4.4 Private equity and private equity funds

- (a) Private equity funds commonly invest in any form of equity or company that is not openly traded via a public investment exchange. The companies concerned will therefore raise finance privately and will not be subject to stringent listing rules or filing requirements as a result. This factor means that private equity funds may invest in a wide range of unlisted companies. They may be small start-up companies with little or no proven track record, and range up to firms which are of a significant size with a long and established trading history.
- (b) A number of attributes of private equity investment give rise to unique risk factors such as:
 - (i) non-transferable investments or a long lock-up period during which the investment cannot be sold. Even if a buyer is found, it may not be possible to sell and any sale which is permitted may not occur at a price which reflects fair value;
 - (ii) the committed capital may be drawn down during a capital commitment period. Before investing you must ensure that you are capable of making payments as and when due to satisfy the capital calls made throughout the commitment period;
 - (iii) a focused portfolio of investments, which could lead to exposure to an undiversified economic exposure to the underlying assets;
 - (iv) possible use of significant leverage or borrowing, which amplifies possible risks;
 - (v) a possible lack of scrutiny or accountability of management to shareholders for decisions they make; and
 - (vi) distributions are generally made in cash, however if a fund is unable to sell its interest in a private company, it may distribute minority interests in these companies to investors.

2.4.5 Commodities

- (a) Commodity based investments, whether made by investing directly in physical commodities, for example gold, or by investing in companies whose business is substantially concerned with commodities or through commodity linked products, may be impacted by a variety of political, economic, environmental and seasonal factors. These relate to real world issues that impact either on demand or on the available

supply of the commodity in question. Their value can fall as well as rise, and in some cases may be mean reverting in nature.

- (b) Investment into commodities is often achieved either via a structured product over a commodities index or basket of different commodities, or by using a commodity derivative. Please refer to the risk disclosures for each of these products set out in paragraphs 2.7 and 2.9 of this Appendix for further information.

2.4.6

Venture Capital Trusts (VCT)

- (a) A VCT is a company, listed on a Regulated Market, which invests in other companies that are not quoted on a stock exchange but which may be listed on the Alternative Investment Market (AIM).
- (b) There are tax advantages offered to UK investors in new VCTs but these may be lost if you sell your investment early so an investment in a VCT should be considered as a long-term investment.
- (c) VCTs are complex products and it is important that you understand the risks before investing in them, which include the following:
 - (i) there may be a limited secondary market for shares which may make them hard to sell. To address this issue in part, some VCT managers offer a buy back facility, normally at a discount to the net asset value;
 - (ii) if certain criteria are not met, for example, if the investment is not held for five years or if the VCT does not meet the strict limits laid down by HMRC on what it can invest in, the initial tax advantages can be withdrawn and you may have to repay any tax rebates;
 - (iii) typically, VCTs invest their 30% non-qualifying investment quota in less risky assets such as money market securities, UK government bonds or cash deposits. Some, however, invest part of this in more risky investments which may raise the overall risk profile of the VCT still further; and
 - (iv) the level of charges for VCTs may be greater than for other investments, and you may also be charged performance fees.

2.4.7	Enterprise Investment Schemes (EIS)	2.5.4	Some schemes are regulated which means that there are rules about (and limits on) the types of underlying investments in which the scheme can invest and the frequency and price at which investments in the scheme can be redeemed. In particular, the rules applicable to regulated schemes limit the extent to which they can invest in derivatives or leverage their portfolios. Regulated schemes include authorised unit trusts and open-ended investment companies, often referred to as OEICs.
(a)	An EIS is a tax-efficient way of investing in the new shares of small businesses. Investors will benefit from tax relief on their investment as well as exemptions from capital gains and inheritance tax.		
(b)	The underlying investments in an EIS are in unquoted companies which by their nature involve a higher degree of risk than investing in quoted companies.	2.5.5	Other schemes, such as non-mainstream pooled investments (NMPs), are unregulated which means that there are very few or no rules about the types of investments in which they can invest or the frequency at which they can be redeemed. Furthermore, all or most of the protections under the UK regulatory system do not apply to unregulated schemes and compensation under the FSCS will not be available if an NMP defaults. There are also strict rules about the types of investors that can be approached to invest in such funds. Examples of unregulated schemes include hedge funds, property funds, private equity funds, VCTs and EISs. These are more fully described in paragraph 2.4 of this Appendix.
(c)	An EIS is unlisted so there is no secondary market for EISs and you may not be able to sell your investment easily.		
(d)	The investment must be held for a minimum period to qualify for tax relief, currently three years, so should be viewed as a longer term investment.		
(e)	There is a risk that the EIS may fail to qualify as an EIS and so result in it losing the tax reliefs previously obtained and a requirement on the investor to repay any tax rebates on their investment.		
(f)	Dependent on the investments in the EIS, your money could be tied up for a considerable length of time before you start to see a return, especially if the EIS invests in start-up businesses and your capital may only be returned when the underlying investment is sold.	2.6	Exchange Traded Funds (ETFs) and Exchange Traded Products (ETPs)
(g)	The levels of charges for EISs may be greater than for other investments and you may also be charged performance fees.	2.6.1	ETFs and ETPs are investment funds that are traded like shares and which invest in a diversified pool of assets such as shares, bonds or commodities. In general they track the performance of a benchmark or financial index and the value of your investment will fluctuate accordingly. They can track a wide variety of sector specific, country specific or broad market indices and can therefore be used to provide an inexpensive way of diversifying a Portfolio.
2.5	Units in collective investment schemes		
2.5.1	A collective investment scheme is a scheme under which assets are held on a pooled basis on behalf of a number of investors. It may be structured in a number of ways, for example, in the form of a company, partnership or trust.	2.6.2	Some ETFs and ETPs employ complex techniques or hold riskier assets to achieve their objectives, for example they may invest in derivatives (see paragraph 2.9 for further details) which carry, amongst other risks, counterparty risk.
2.5.2	As an investor, you buy shares, partnership interests or units in the scheme in the hope that the value rises over time as the prices of the underlying investments increase. The price of your investment depends on how the underlying investments perform and after any fees and charges have been deducted.	2.6.3	ETFs can be complex instruments that carry significant risks with many having compounding, daily reset and leverage features that may increase the inherent risks of ETFs, particularly during periods of high market volatility. As such, ETFs are intended to be medium to long term investments.
2.5.3	The level of risk of investing in a scheme will depend on the underlying investments in which the scheme is invested and how well diversified it is. For example, a scheme which invests only in one industrial sector, such as energy, will invariably be more risky than schemes that invest across the whole range of companies in a market.	2.7	Structured products
		2.7.1	Structured products is the generic phrase for products which provide economic exposure to a wide range of underlying asset classes. The level of income and/ or capital growth derived from a structured product is usually linked to the performance of the

relevant underlying assets. However, the potential return from a structured product may be different to that which may be achieved by the underlying assets. Some structured products provide capital protection so that an investor's exposure to the performance of the underlying assets will not fall below a certain level. Other structured products may expose the investor's capital to risk.

2.7.2 Structured products are issued or provided by financial institutions and the structured product is additionally exposed to the credit risk of the issuer. If the issuer is unable to repay sums due under the terms of the product this may affect the returns under the structured product. Some products include a guarantee to support the credit risk of the issuer but you should be aware that the return of capital at the end of the investment is not guaranteed and you may not get back the full capital sum you invested, when the product matures.

2.7.3 Before you make a decision to invest in a structured product you should review all of the product's documentation to make sure that you understand both the nature of the underlying assets and the level of your economic exposure to these.

2.7.4 Some structured products may offer high income or a high level of capital growth. Such products do not generally offer capital protection and any that is offered may be dependent on a financial index, basket of indices or reference asset meeting certain conditions over the lifetime of the structured product, for example a minimum value. These structured products typically include leverage or gearing to enhance the potential investment returns and as a result their value can be volatile and subject to sudden large falls. In particular, if the returns from a structured product incorporate conditional protection, if the protection barrier is breached the capital invested will be exposed to the full risk of the underlying assets. You should only be prepared to invest in structured products which have conditional or no capital protection if you are prepared to lose all of the money you have invested plus any commission or other transaction charges.

2.7.5 There are commonly two types of capital protection barrier, the point beyond which your capital becomes at risk, referred to as the European-style or American-style. A European-style barrier measures the level of the index or reference asset associated with the product at the start and end of the product's term whereas with an American-style barrier the level of the relevant index or reference asset is observed every day, sometimes continuously. For European-style structured products an investor will

suffer a loss if the index or reference asset linked to it has fallen below the barrier at maturity. With American-style structured products the investor will suffer a loss if the index or reference asset has fallen below the barrier at any time. The implication for both styles is that there is a risk of losing your capital even if the counterparty does not default but with American-style products there is an enhanced risk of capital loss as a detrimental fluctuation in the index or reference asset value at any point, not just at maturity, will affect the return.

2.7.6 You should also be aware that the terms of a structured product apply from inception of a structured product until the end of the lifetime of the product. This means that investors who purchase the structured product in the secondary market or exit the investment prior to its maturity may suffer a capital loss, even where the product terms protect the return of the nominal amount on the maturity of the investment.

2.7.7 An issuer may provide information to us about the intended tax treatment of a structured product in relation to a UK resident investor, but this tax treatment is not guaranteed by the issuer and should not be considered tax advice. There is a risk that a structured product may be treated differently by HMRC (or other tax authority) which results in adverse tax consequences for an investor.

2.8 Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. The prices of warrants can be volatile. A relatively small movement in the price of the underlying security may result in a significantly greater movement, unfavourable or favourable, in the price of the warrant.

It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe to shares conferred by a warrant is usually limited in time, with the consequence that if the investor fails to exercise this right within the predetermined time-scale the investment becomes worthless (and any money invested in the warrant will be lost). You should not invest in warrants unless you are prepared to sustain a total loss of your investment.

Some warrants, which are sometimes called securitised or covered warrants, are linked to the performance of a basket of securities or a market index. These are issued by someone other than the issuer of the underlying securities, such as an investment bank. These may be used for the purpose

of hedging investment risk, for example where the warrant's value increases as the underlying security or value of an index falls below a pre-defined level within a set period of time. The main risks associated with the use of these types of warrant are:

- the financial standing of the issuer of the relevant instrument, which is typically an investment bank. Whilst we perform credit analysis on the financial strength of the issuer of each instrument, there is of course no guarantee that they will not default on the arrangement; and
- if the relevant underlying index/security does not fall by a particular amount within the term of the instrument, the cost of the warrant is lost without any pay out.

2.9 Derivatives

2.9.1 The markets for derivatives can be highly volatile and such investments carry a high risk of loss. In the case of futures, contracts for differences and the grant of options, a relatively small adverse market movement may result not only in the loss of the original investment but also in further loss exceeding the initial margin deposited.

2.9.2 You should not invest in derivatives unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges. You may lose more than you initially invested.

2.10 Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The gearing or leverage often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements. Paragraph 3.3 of this Appendix provides an explanation of gearing.

2.11 Options

2.11.1 Buying options

Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any

commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the future. This will expose you to the risks described more fully in paragraph 2.10 of this Appendix.

2.11.2 Writing options

If you grant or write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset which you have contracted to sell, a covered call option, the risk is reduced. If you do not own the underlying asset, an uncovered call option, the risk can be unlimited. Only experienced persons should contemplate writing options, and then only after securing full details of the applicable conditions and potential risk exposure.

2.12 Contracts for difference

Futures and options contracts can also be referred to as contracts for difference. These can be options and futures on, for example, the FTSE 100 Index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for difference carries the same risks as investing in a future or an option and you should be aware of these risks, as set out in paragraphs 2.10 and 2.11 of this Appendix. Transactions in contracts for difference may also have a contingent liability.

3. Risks relevant to certain types of transactions and arrangements

3.1 Collateral

If you deposit collateral as security or margin with us or we place it as agent on your behalf, the way in which it will be treated will vary according to the type of transaction and whether it is traded on or off exchange. Deposited collateral may lose its identity as your property and you may not get back the same assets which you deposited and you may have to accept payment in cash. You should ascertain from us how your collateral will be dealt with. In extreme circumstances your collateral may not be returned to you and you may suffer a loss.

3.2 Commissions

Before you trade, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms. For example, in the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

3.3 Gearing or leverage

3.3.1 Gearing or leverage is a strategy, with a view to enhancing the return from, or the value of, an investment involving one or more of the following:

- (a) borrowing money;
- (b) investing in one or more instruments, such as warrants or derivatives, for which a relatively small movement in the value or price of the underlying rights or assets results in a larger movement in the value or price of the instrument;
- (c) structuring the rights of holders of an investment so that a relatively small movement in the price or value of the underlying rights or assets, results in a larger movement in the price or value of the investment; and
- (d) you may lose more than you had initially invested.

3.3.2 You should be aware that the strategy used or proposed for the gearing may result in:

- (a) movements in the price of the investment being more volatile than the movements in the price of underlying rights or assets;
- (b) the investment being subject to sudden and large falls in value; and
- (c) you getting back nothing at all if there is a sufficiently large fall in value in the investment.

4.

International markets

International markets will involve different risks from the UK markets. In some markets the risks will be greater and where investments are made in emerging markets, investment may carry additional risks, for example:

(a) Political risk

A government's involvement in the economy may affect the value of investments and the risk of political instability may be high.

(b) Exchange rate risk

The currencies of emerging market countries may be subject to major, unpredictable swings in value. Furthermore some countries limit the export of their currency or can impose short-term restrictions. The potential for profit or loss from transactions on international markets or in contracts denominated in a currency other than your base currency (as agreed in the Investment Mandate) will be affected by fluctuations in currency exchange rates.

(c) Market risk

High volatility and large price differences are characteristic of emerging markets. These factors, combined with different requirements for monitoring financial markets can result in poor levels of market transparency, liquidity and efficiency.

(d) Legal risk

Companies in emerging markets may not be subject to rigorous accounting, auditing and financial reporting standards or may not be subject to the same level of government supervision and regulation as those in more developed markets. The development of a legal infrastructure may not be as developed as market activities and recognition of private ownership may not be as strongly upheld in comparison to developed countries. There may be a risk of failed or delayed settlement or registration of securities. As a consequence, your legal rights, including those of ownership, might be difficult or impossible to enforce.

Appendix 2 – Summary of Execution Policy

1. Purpose

We have put in place an Execution Policy to ensure that, as required by the FCA Rules, we take all sufficient steps to obtain the best possible result on behalf of our Clients when executing orders in relation to financial instruments. We are also required to provide appropriate information to Clients about our order Execution Policy.

This summary is intended to provide Clients with information on our Execution Policy in order that they can give their informed consent to such policy. Please refer to our website for our full policy and regulatory information (including data) relating to our execution venues.

2. Scope

Our Execution Policy applies where we execute orders on your behalf as agent or as principal. We will execute orders on your behalf where you legitimately rely on us to protect your interests in relation to the pricing or other aspects of a transaction that may be affected by how we execute the order. When we are not executing your orders ourselves, but are merely transmitting them to an approved third party for execution, we will act at all times in your best interests and take all sufficient steps to obtain the best possible result for you.

3. Order execution

Subject to any specific instruction that may be given by you (see 'Specific Client instructions' below), when executing orders on your behalf in relation to financial instruments, we will take all sufficient steps to achieve what is called best execution of your orders. Please note for purposes of best execution financial instruments do not include spot transactions or loans and certain exclusions apply to commodities. This means that we will have in place a policy and procedures which are designed to obtain, on a consistent basis, the best possible execution result, subject to and taking into account the execution factors (see paragraph 4).

We may either execute orders directly or use other Schroder Group entities to act as our agent to execute orders on our behalf. However, we remain accountable to Clients for ensuring best execution of their orders.

4.

Execution factors

We will take into consideration a range of different execution factors which include not just price, but which may also include such other factors as the cost of the transaction, the need for speed in the execution, the liquidity of the market (which may make it difficult to even execute an order), the likelihood of execution and settlement, the size and nature of the order and the nature of the financial transaction including whether it is executed on a Trading Venue or over-the-counter (OTC).

5.

Execution criteria

We will also take into account, in assessing the relative importance of the above execution factors, the following execution criteria:

Your client categorisation

The client categorisation we give to you (for example, "retail client") may have an impact on how we execute orders. When we execute orders on behalf of our Retail Clients, we determine the best possible result in terms of the total consideration, representing the price of the financial instrument and the costs related to execution including expenses incurred by the Client which are directly related to the execution of the order, commission, execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. However, in certain circumstances, for some orders, financial instruments or execution venues, or for Professional Clients, we may decide that other execution factors listed above may be more important than price and costs in determining the best possible result.

Your order

The way in which we receive an order does vary. For example, the order may be the result of our discretionary or advisory investment management services or it may result from our execution-only business. Where an order (or a number of aggregated orders) is significant relative to normal market size for the financial instrument in question, greater importance is likely to be given to the potential market impact and other implicit transaction costs in delivering the best possible result.

The characteristics of the financial instrument

The different circumstances associated with the execution of orders related to particular types of financial instruments will be taken into account.

Execution venues to which the order can be directed

See paragraph 6.

6. Execution venues

We or other Schroder Group companies may access execution venues as described below (except for Clients who have appointed an External Custodian) or may execute from our own account or we may access other execution venues. Examples of instruments traded on venues are provided below. Please note the venues may trade other instruments.

Regulated Market

A multi-lateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of MiFID II. Equities may be traded on this venue.

Multilateral Trading Facilities (MTF)

A multi-lateral system operated by an investment firm or a market operator, that brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with the provisions of MiFID II. Bonds may be traded on these venues.

Organised Trading Facilities (OTF)

A multi-lateral system that is not a Regulated Market or a MTF and in which multiple third-party buying and selling interests in financial instruments are able to interact in the system in a way that results in a contract in accordance with the provisions of MiFID II. Bonds may be traded on these venues.

Systemic Internalisers

Any firm that, on an organised, frequent, systematic and substantial basis, deals on its own account by executing client orders outside a Regulated Market, MTF or an OTF without operating a multilateral system. Structured Products may be traded on these venues.

Market Makers

Any firm that holds itself out on the financial markets on a continuous basis as being willing to deal on its own account by buying and selling financial instruments against its proprietary capital at prices defined by such firm. Equities traded on the Alternative Investment Market (AIM) may be traded on these venues.

Liquidity Providers

Any firm that holds itself out as being willing to deal on its own account by buying and selling financial instruments against its proprietary capital at prices defined by such firm.

Intermediaries

We or other Schroder Group companies may transmit orders to an approved third party for execution. We will act at all times in the client's best interest and remain accountable for ensuring best execution of their orders although we or Schroder Group companies may be treated as a professional client.

Schroder Group companies may execute client orders through a leading broker or investment bank where we believe it achieves the best possible execution results for clients on a consistent basis. We consolidate our equity dealing for a geographic region with a single broker, subject to the on-going monitoring of execution quality and periodic review of alternative execution venues.

7.

Selecting an execution venue

We carefully select the leading brokers with whom to execute transactions. Brokers are selected according to the quality of trade execution. It is our policy that third party brokerage costs incurred on behalf of Clients will relate solely to the execution of trades and will not include costs for the provision of investment research or other services.

In some cases because of the nature of the order, the best execution obligation has limited scope. These are as follows.

Single venue transactions

Where the nature of the transaction results in there only being one execution venue and therefore the only pricing consideration is in the time of execution.

Highly structured and bespoke transactions

When dealing in highly structured off exchange transactions, it may not be possible to provide any comparisons with other transactions or instruments. Different considerations will apply where the transaction involves a customised OTC financial instrument tailored to your circumstances.

Off exchange trading

Where we reasonably believe that such course of action is in your best interest and is in accordance with our Execution Policy, we may (subject to having obtained your prior express consent) deal with or for you in circumstances in which the relevant transaction is executed outside a Regulated Market, OTF or MTF, or is otherwise not regulated by the rules of any stock exchange or investment exchange. When we deal with leading brokers that act as principal in a transaction, off exchange trading may occur. Some bond products may be executed OTC.

Specific Client instructions

Where you give us a specific instruction as to the execution of an order, we will execute the order in accordance with those specific instructions, subject to the FCA Rules. Where your instructions relate to only part of the order, we will continue to apply our Execution Policy to those aspects of the order not covered by your specific instructions. **You should be aware that providing specific instructions to us about the manner of execution may prevent us taking the steps we have designed and implemented in our Execution Policy to obtain the best possible execution result** in respect of the elements covered by your instructions.

In the absence of express instructions from you, we will exercise our own commercial judgement and experience in the light of market information available, using the above criteria, to determine the factors that we need to take into account for the purpose of providing you with best execution and the relative importance of those factors.

8.

Consent to non-publication of limit orders

Client instructed limit orders (in respect of shares admitted to trading on a Regulated Market) which are not immediately executed under prevailing market conditions must be published to other market participants unless the Client elects otherwise. We believe that your interests are best served if we are able to use our discretion in determining whether to make public such limit orders. Rather than seeking this consent for individual transactions, it seems more appropriate for us to seek this consent in the form of a general agreement up front.

In signing the Client Information and Appointment Form (or other account-opening documentation) we acknowledge your consent to our exercising our discretion in this regard. In relation to individual limit orders, it will always remain open to you to instruct us to make them public, even having provided this general consent.

9.

Other information about our order Execution Policy

Structured products (some offering capital protection) and OTC derivatives are often complex and are not readily tradable. However, where we execute structured products or OTC derivative orders on behalf of Clients, the best execution obligations may have limited scope. We will however, consider the fairness of the price offered. Structured products are constructed using a number of financial instruments which are financed out of the initial investment and the interest foregone by the investor on his cash investment. For such orders we may use a range of counterparty investment banks or other third parties.

In doing so, we will typically place in competition a panel of leading investment banks in order to deliver the best possible result in terms of total consideration. In order to find liquidity when redeeming a position in whole or part, the likelihood of execution may be an important factor in selecting the counterparty which will frequently be the original counterparty for the transaction. We may execute structured products and derivatives for clients as principal.

For FX Transactions in major currencies, we will act as principal and buy or sell the currency requirement from or to our Clients at the prevailing market rate (subject to a bid/offer spread) and apply a tiered margin rate to such trades. For FX Transactions involving currencies that we do not execute as principal or which are executed by a third party broker in connection with a security transaction, the currency is bought or sold by our global sub-custodian (which may be an Associate), or the broker, at prevailing market rates with a margin or bid/ offer spread applied.

When we execute orders for retail clients, this will be subject to the FCA Rules regarding best execution, prioritisation and fair allocation. All transactions in FX or other investments are subject to applicable local market regulations and the principle of fair treatment of clients.

We will monitor compliance with our order Execution Policy, including the quality of execution and assess its effectiveness on an on-going basis. Monitoring is overseen by both senior management and compliance.

Appendix 3 – Summary of our Conflicts of Interest Policy

1. Introduction

Our conflicts policy identifies the general circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more Clients and specifies procedures to be followed and measures to be adopted in order to manage such conflicts which are appropriate to the size and organisation of our firm and the nature, scale and complexity of our business. The policy also takes into account any circumstances which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the Schroder Group.

As the Schroder Group is focussed predominantly on asset management, the range of potential conflicts is more limited than is likely to arise in an investment banking group. Neither we nor other members of the Schroder Group provide corporate finance services, including underwriting or selling in an offering of securities and advising on mergers and acquisitions. In addition, we do not publish investment research, as defined in the Regulatory Rules. To the extent that we engage in proprietary trading with Clients, we do so only as riskless principal and do not operate a trading book seeking to generate profit from holding proprietary positions. We do provide investment advice and discretionary investment management services, and recognise that conflicts may potentially arise in the context of those services, in particular in relation to

the selection of investment funds and the execution of transactions as principal.

2.

How we manage conflicts of interest

The key procedures and measures that we have in place to manage potential conflicts of interest are, in summary, as follows:

- (a) we have a strong culture of integrity and ethical principles and acting in our Clients' best interests, which include integrity and excellence and are championed by senior management across the Schroder Group;
- (b) we follow Schroder Group policy in relation to personal account dealing by staff, which includes pre- approval by compliance for material transactions;
- (c) gifts or other inducements received/given from/ to third parties by individual staff members must be declared, and in appropriate instances pre-approved;
- (d) our staff remuneration policies are not based on product sales commission;
- (e) our fund selection and asset allocation model process is managed by our investment committee, which focuses on Clients' best interests taking into account any product charges and any relevant discount on such charges and we do not accept any fees or commissions from third parties in connection with any discretionary investment decision or advisory investment recommendation for retail clients in the UK, except where permitted by law and regulation and this has been expressly agreed and disclosed;
- (f) we have policies for ensuring that all Clients' orders are executed in due order and that any allocation of securities in the event of partially-filled orders is fair;
- (g) when executing orders in shares or bonds we do not "cross" one Client's order with another Client's (unless it is in the best interests of both Clients), nor with a member of the Schroder Group;
- (h) we do not vote on resolutions relating to In-House Collective Investment Schemes or Connected Investment Trusts where conflicts may arise without Clients' specific instructions or agreement;
- (i) a member of the compliance team is involved in any decision about compensating a Client in relation to an error or complaint; and

- (j) independent internal audit and Schroder Group compliance functions periodically monitor compliance with our conflicts policy.

Where we do not believe that the arrangements under our conflicts policy are sufficient to manage a particular conflict, we have either disclosed them in the Terms or will inform you of the nature of the conflict at the time so that you can decide how to proceed.

We hold ourselves out as being impartial in the selection of funds as between the Schroders Group and third parties. We always seek to act in the best interests of our Clients.

Appendix 4 – Foreign Exchange (FX) Transaction terms

1. Definitions and interpretation

- 1.1 In this Appendix, unless otherwise specified, capitalised words will have the following meanings in relation to FX Transactions:

Affected Currency the currency determined in accordance with paragraph 4.3 of this Appendix.

Attachment to the 2013 Protocol the attachment to the ISDA 2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol published by ISDA on 19 July 2013 and available on the ISDA website (www.isda.org).

Business Day any business day on which the banks in the main trading location for the currencies involved in an FX Transaction (including effecting deliveries of these currencies and the taking of deposits denominated in foreign currencies) are open for business for the whole day.

Disruption Event an event specified in paragraph 4.3 of this Appendix.

FX Foreign Exchange.

FX Call Option the right but not the obligation of the buyer to buy one currency against the payment of the exercise price in another currency.

FX Forward Transaction an FX Transaction in which the parties agree to effect the deliveries of the currencies on a determined future FX Value Date.

FX Non-Deliverable Forward Transaction an FX Transaction in which the parties agree to pay in one currency the difference between the exercise price and the prevailing price on the FX Value Date of another currency.

FX Put Option an option pursuant to which the buyer of the option has the right but not the obligation to receive the exercise price in one currency against delivery of the underlying currency.

FX Spot Transaction an FX Transaction with an FX Value Date being up to two Business Days after the transaction is entered into between the parties.

FX Swap Transaction an FX Transaction in which the parties enter simultaneously into either an FX Spot Transaction and an FX Forward Transaction or two FX Forward Transactions which have different FX Value Dates.

FX Transaction a transaction that is an over-the-counter FX Call Option or FX Put Option, FX Spot Transaction, FX Forward Transaction, FX Non-Deliverable Forward Transaction and/or an FX Swap Transaction.

FX Value Date the date agreed between the parties to deliver the respective currencies to each other provided in each case that where the agreed value date is not a Business Day, the value date shall be the next following Business Day.

- 1.2 Any capitalised term used in the confirmation or this Appendix and not defined in this Appendix or the confirmation will have the meaning given to it in the 1998 FX and Currency Option Definitions published by the International Swaps and Derivatives Association Inc., The Emerging Markets Traders Association and The Foreign Exchange Committee (as amended or supplemented from time to time).

- 1.3 You agree that the terms set out in the Attachment to the 2013 Protocol shall be incorporated with the necessary changes into this Appendix.

- 1.4 Without prejudice to the generality of the foregoing, in respect of the Attachment to the 2013 Protocol:

- (a) the definition of "Adherence Letter" shall be deemed to be deleted and references to "Adherence Letter" shall be deemed to be to this Appendix (and references to "such party's Adherence Letter" and "its Adherence Letter" shall be read accordingly);
- (b) references to "adheres to the Protocol" shall be deemed to be "enters into the terms in this Appendix";
- (c) references to "Protocol Covered Agreement" shall be deemed to be references to this Appendix (and each "Protocol Covered Agreement" shall be read accordingly); and
- (d) references to "Implementation Date" shall be

	deemed to be references to the effective date of the Agreement (determined in accordance with term 1.4.1 of the Terms).	4.2.1	in the case of an FX Transaction (other than an FX Non-Deliverable Forward Transaction), the payment obligations under such FX Transaction will be replaced by an obligation to pay an amount that would be due as if such FX Transaction were an FX Non-Deliverable Forward Transaction, together with interest on such amount at a rate per annum equal to the cost to the relevant party (as determined by us) of funding that amount for the period from and including the original date that, had the Disruption Event not occurred, would have been the settlement date for the FX Transaction up to, but excluding, the actual date of payment of that amount. The party obliged to pay (after giving effect to such conversion) the settlement amount will instead pay, to an account designated by the other party, an amount of an alternative currency agreed between you and us (or failing that an amount in any of sterling, euros or US dollars as determined by us in our absolute discretion) equal to the quantity of Affected Currency owed on the FX Value Date; and
1.5	For the purposes of this Appendix we will act as Portfolio Data Sending Entity and you will be a Portfolio Data Receiving Entity and the term "Local Business Day" for the purposes of the terms set out in the Attachment to the 2013 Protocol means a Business Day in London.		
1.6	Each FX Transaction will be governed by this Appendix, the Terms and the written confirmation. In the event of an inconsistency between this Appendix, other provisions of the Terms, and any confirmation, this Appendix shall prevail over the other provisions of the Terms and the confirmation shall prevail over the Terms.		
2.	Confirmations		
	Each FX Transaction will be confirmed by a written confirmation which may form part of your Reporting Pack. Each confirmation will be conclusive proof of the terms of the FX Transaction referred to in it.	4.2.2	in the case of an FX Non-Deliverable Forward Transaction, the party obliged to pay the settlement amount will instead pay, to an account designated by the other party, an amount of an alternative currency agreed between you and us (or failing that an amount in any of sterling, euros or US dollars as determined by us in our absolute discretion) equal to the quantity of Affected Currency owed on the FX Value Date. The determination date will be the original date that would have been the FX Value Date for the FX Transaction, if the Disruption Event had not occurred.
3.	Settlement		
3.1	All payments to be made upon the maturity of an FX Transaction will be made on the FX Value Date of that FX Transaction.		
3.2	All payments will be made in the agreed currency of payment by wire transfer of available funds to the bank account designated by the party receiving payment, provided however that with respect to an FX Non-Deliverable Forward Transaction no amounts will be paid in the non-deliverable currency. All amounts payable to you will be paid in the Settlement Currency of the FX Transaction agreed between you and us.	4.3	A Disruption Event is an event that either generally makes it impossible or makes it impossible for a party to the FX Transaction to:
4.	Disruption Event	4.3.1	convert one currency (the Affected Currency) into the other currency in the country of origin of that Affected Currency through customary channels, except where such impossibility is due solely to the failure by that party to comply with any law, rule or regulation (unless such law, rule or regulation is enacted after the trade date of the FX Transaction and it is impossible for such party, due to an event beyond the control of that party, to comply with such law, rule or regulation);
4.1	If we determine that a Disruption Event occurs or has occurred and is continuing in respect of an FX Transaction, the fall-back determination mechanism described in paragraph 4.2 of this Appendix shall apply as an alternative basis for the settlement of that FX Transaction.		
4.2	Fall-back determination mechanism - alternative currency substitute:	4.3.2	deliver: <ul style="list-style-type: none"> (a) the non-Affected Currency from accounts inside the country of origin of the Affected Currency to accounts outside such country; or

- (b) the Affected Currency between accounts inside the country of origin of the Affected Currency or to a party that is a non-resident of such country, in each case, except where such impossibility is due solely to the failure by that party to comply with any law, rule or regulation (unless such law, rule or regulation is enacted after the trade date of the FX Transaction and it is impossible for such party, due to an event beyond the control of that party, to comply with such law, rule or regulation);
-

4.3.3 obtain a sufficient amount of the Affected Currency in the country of origin of the Affected Currency in order for a party to fully perform its obligations under the FX Transaction, as a result of the general interbank exchange market in the country of origin of the Affected Currency becoming illiquid; or

4.3.4 in respect of an FX Non-Deliverable Forward Transaction only, to obtain the Settlement Rate on the Valuation Date (or if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source).

5. Fixing

The applicable exchange rate for determining the amount(s) payable under each FX Transaction shall be agreed with you (either as a specified exchange rate, or an exchange rate published on a standard foreign exchange rate fixing source such as Bloomberg or Reuters, or an exchange rate published by one or more specified banks) or, if no such rate has been agreed, it shall be determined by us in our absolute discretion acting in good faith. If the applicable exchange rate is not published by the agreed fixing source or the specified bank(s) at the relevant time and date, or if the applicable exchange rate published is zero or negative, we will determine the applicable exchange rate in our absolute discretion acting in good faith. If the agreed fixing source is not available, we shall determine the applicable rate in our absolute discretion acting in good faith.

6. Foreign Exchange trading limits

We may apply such trading limits on transactions with you as we may notify to you from time to time or require collateral in respect of transactions in amount(s) as may be agreed between you and us.

Glossary

In the Terms, the following rules of interpretation shall apply, and the terms shall have the meanings set out below.

Account any or all accounts held by us for you (or to your order) to hold your cash.

Agreement the agreement between you and us comprising the Terms and the following (where applicable):

- (a) Client Information and Appointment Form;
- (b) Investment Mandate;
- (c) Services and Costs Disclosure Document; and
- (d) Fee Schedule and Rates Schedule.

Approved External Bank a bank, building society, credit institution or other financial institution which is an approved bank for the purposes of the FCA Rules and in respect of which we have conducted a credit analysis.

Associate an undertaking in the Schroder Group or a person whose relationship with the Schroder Group might reasonably be expected to give rise to a conflict of interest.

Authorised Party a person authorised by you to give us instructions, and otherwise act on your behalf, in respect of your Account and/or Portfolio and, in respect of Online Services, a person authorised by you to access Online Services, in either case as notified to us by you in writing.

Bank a firm authorised in the UK by the PRA to carry out deposit-taking and regulated by the PRA and FCA in carrying out deposit-taking.

Business Customer a person who is not a Consumer, Micro-Enterprise or Small Charity.

Business Day any day, other than a Saturday, Sunday or public holiday in England.

Business Hours the hours between 09:00 to 17:00 on any Business Day.

Clearing Bank HSBC Bank plc or such other bank we select and that notify to you from time to time.

Client a person to whom we provide our services under the Terms.

Client Information and Appointment Form the latest client information and appointment form signed by you which forms part of the Agreement.

Connected Investment Trust an investment trust managed by us or an Associate.

Consumer an individual who is a natural person acting outside his trade, business or profession.

Contingent Liability Transaction a transaction that involves any actual or potential liability for you that may exceed the cost of initially acquiring an investment.

Current Account an instant access account provided by us with the functionality described in the Banking section of these Terms.

Cut-off Times the cut-off times applicable to our banking services as specified in these Terms.

Data Protection Law the Data Protection Act 1998 or, after 25 May 2018, the General Data Protection Regulation.

EEA all EU member states and the three member states of the European Free Trade Association (Iceland, Liechtenstein and Norway).

Event of Default means:

- (a) you or an External Custodian fail to make payment or delivery due under any transaction or fail to make any other payment or delivery due under these Terms or any transaction;
- (b) you are in breach of any other material term or condition, representation or warranty in these Terms or any transaction;
- (c) you are unable to pay your debts as they become due or you undergo or suffer an insolvency process or any analogous process affects you or your property anywhere in the world;
- (d) you die, are declared as lacking mental capacity or we are unable to obtain proper instructions from you having used reasonable efforts to do so; or
- (e) the custody or investment management of all or a material part of the Portfolio is removed from us or our control or from an Associate or its control.

Execution Policy our arrangements for taking all reasonable steps to obtain best execution when buying or selling financial instruments as required by the FCA Rules, and as amended from time to time.

External Custodian the person (if any), not being a party to the Agreement or an Associate, who is or will be providing custody services for you.

FATCA provisions, commonly known as the Foreign Account Tax Compliance Act, as set out in sections 1471 through 1474 of the US Internal Revenue Code.

FCA the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN (website: www.fca.org.uk) or any successor body or bodies.

FCA Rules the FCA Handbook of rules and guidance.

Fee Schedule our fees and charges schedule as amended from time to time.

Fixed Deposit a fixed deposit Account offered by us which provides a fixed rate of interest for a fixed period, with the features described in the Banking section of these Terms.

FSCS the Financial Services Compensation Scheme.

FSMA the Financial Services and Markets Act 2000 (and any secondary legislation made under it).

FX foreign exchange.

FX Forward Transaction an FX Transaction which is specified and described in Appendix 4.

FX Transaction a transaction that is described in Appendix 4.

HMRC the Commissioners of Her Majesty's Revenue & Customs.

In-House Collective Investment Scheme a collective investment scheme of which we or an Associate are the manager and/or adviser.

Instruction Deadline our instruction deadline times in respect of Fixed Deposits and Structured Deposits specified in these Terms.

Inter-governmental Agreement any agreement between the government of the US and the government of a foreign jurisdiction to facilitate the implementation of FATCA.

Investment Deposit Account an Account which is used to hold cash related to a Portfolio opened under these Terms.

Investment Mandate the document which sets out the terms specific to the investment approach agreed between us including any agreed performance benchmark.

Investment Objective your investment objective in respect of a Portfolio as agreed with us in writing.

ISA an Individual Savings Account which is a scheme of investment satisfying the conditions specified in the ISA Regulations, and which is a stocks and shares ISA.

ISA Regulations the Individual Savings Account Regulations 1998.

LEI a Legal Entity Identifier code specific to a Client which is used to report information relating to certain investment transactions.

Leveraged Financial Instrument means a financial instrument that has the potential to magnify your exposure to an underlying risk (e.g. a future or other margined transactions).

Micro-Enterprise a micro-enterprise as defined in the FCA Rules, which in summary is an enterprise which employs fewer than 10 persons and has an annual turnover or an annual balance sheet that does not exceed €2 million.

MTF means a multilateral trading facility as defined in the FCA Rules.

Nominated Account a bank account agreed in writing between you and us (including in the Client Information and Appointment form) as your nominated bank account.

Non-participating FFI an entity described in section 1.1471 – 1(b)(75) of the US Treasury Regulations or that is treated as a Non-participating Foreign Financial Institution under any Inter-governmental Agreement.

Notice Account an account from which funds can only be withdrawn at the end of a specified notice period.

Online Services an online reporting service and messaging system provided by us to Clients as described in the Online Services section as amended or updated from time to time.

OTF means an organised trading facility as defined in the FCA Rules.

Personal Data shall have the meaning given to it in the Data Protection Law, and for the avoidance of doubt, shall include sensitive Personal Data as also defined by the Data Protection Law.

Portfolio a portfolio of assets (including cash) entrusted from time to time by you to us or in respect of which we have agreed to provide our management or other services (including assets held in any ISA).

PRA the Prudential Regulation Authority of 20 Moorgate, London, EC2R 6DA (www.bankofengland.co.uk) or any successor body or bodies.

PRA Rules the PRA Handbook of rules and guidance.

professional client a client classified by us as a professional client under the FCA Rules.

Qualifying Money Market Fund means a collective investment undertaking authorised under the UCITS Directive, or which is subject to supervision and, if applicable, authorised, by an authority under the national law of the authorising Member State, and which satisfies the following conditions:

- (a) (i) its primary investment objective must be to maintain the net asset value of the undertaking either constant at par (net of earnings), or at the value of the investors' initial capital plus earnings; (ii) it must, with a view to achieving that primary investment objective, invest exclusively in high quality money market instruments with a maturity or residual maturity of no more than 397 days, or regular yield adjustments consistent with such a maturity, and with a weighted average maturity of no more than 60 days. It may also achieve this objective by investing on an ancillary basis in deposits with credit institutions; (iii) it must provide liquidity through same day or next day settlement.
- (b) For the purposes of (a)(ii), a money market instrument may be considered to be of high quality if the management/investment company performs its own documented assessment of the credit quality of money market instruments that allows it to consider a money market instrument as high quality subject to the following conditions: (i) where one or more credit rating agencies registered and supervised by ESMA have provided a rating of the instrument, the management/investment company's internal assessment must have regard to, inter alia, those credit ratings; and (ii) while there can be no mechanistic reliance on such external ratings, a downgrade below the two highest short-term credit ratings by any agency registered and supervised by ESMA that has rated the instrument will lead the manager to undertake a new assessment of the credit quality of the money market instrument to ensure it continues to be of high quality.

Rates Schedule our information sheet regarding the Accounts we offer, including information about interest rates, as amended or updated from time to time.

Recalcitrant Account Holder a person or entity described in section 1471(d)(6) of the US Internal Revenue Code and 1.1471 – (5)(g)(2) of the US Treasury Regulations.

Regulated Market a market for securities or derivatives that is regulated by the FCA or another European regulator, as more particularly defined in the Regulatory Rules.

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

Relevant Currency sterling (GBP), euros (EUR) or any other currency of an EEA state.

Reporting Pack a consolidated reporting pack provided by us in relation to each Portfolio including transaction statements and Accounts information, and if relevant performance and comparison against any agreed performance benchmark.

retail client a Client categorised by us as a retail client under the FCA Rules.

Risk Profile your agreed risk profile which describes your tolerance for risk and ability to absorb losses in respect of a Portfolio, as set out in the Investment Mandate) or otherwise agreed between you and us in writing.

Schroder Group us, Schroders plc (our ultimate holding company) and any of our or its subsidiaries (as defined in sections 1159 and 1160 of the Companies Act 2006).

Security Details your Account password or any other personalised set of procedures agreed between you and us in order to initiate a payment order or to access Online Services.

Services and Costs Disclosure Document a document issued by us providing information about the breadth of advice or scope of basic advice and the nature and costs of the wealth planning services we provide.

Small Charity a charity established in England, Wales, Scotland or Northern Ireland which has an annual income of less than £1 million.

Structured Deposit is a deposit for a fixed term offered by us where the interest paid on the deposit is linked to the performance of a defined underlying. While we are likely to use derivatives to generate the interest paid on the deposit, you will have no direct exposure to derivatives.

Terms these terms of business, including the Appendices and Glossary, as amended from time to time.

Trading Venue means a Regulated Market, an MTF or an OTF.

UK the United Kingdom of Great Britain and Northern Ireland.

US the United States of America.

US Person a person who is either:

- included in the definition of US person under Rule 902 of Regulation S under the US Securities Act of 1933; or
- excluded from the definition of a Non-United States person as used in the US Commodity Futures Trading Commission Rule 4.7.

US Taxpayer a person who is:

- a “United States person” as defined in section 7701(a)(30) of the US Internal Revenue Code;
- a “Specified US person” as defined in Section 1.1473-1(c) of the US Treasury Regulations or as defined in any Inter-governmental Agreement;
- a “US-owned foreign entity” as defined in Section 1.1471-5(c) of the US Treasury Regulations;
- a “Non-US entity with one or more Controlling Persons that is a Specified US Person” as defined in any of the Inter-governmental Agreements;
- any person who is subject to US federal and/or state taxation on their worldwide income and capital gains and/or obliged to report such income and capital gains to the Internal Revenue Service and/or US state revenue authorities; or
- any citizen or permanent resident of the US who formally expatriated for US federal tax purposes within the past ten calendar years, but before 18 June 2008.

User you or a Client or Authorised Party who accesses Online Services.

VAT value added tax.

Website www.cazenovecapital.com as amended from time to time.

we/us/our Schroder & Co. Limited, trading as Cazenove Capital, Schroders Wealth Management, Schroders Private Banking, Schroders Private Bank and Schroders Charities or such other trading name or names as we may use from time to time as notified to you in accordance with these Terms, and, where the context requires, any Schroder Group company providing services to you.

you/your/yourself the person(s) to whom we provide services pursuant to the Agreement.

In these Terms unless the context otherwise requires:

- a reference to one gender shall include all genders;
- the singular shall include the plural and vice versa;
- references to persons shall include bodies corporate, unincorporated associations and partnerships;
- references to any statute, or statutory provision or rule shall be construed as a reference to the same as it may from time to time be amended, modified or re-enacted;
- any phrase introduced by the term “including”, “include”, “in particular” or any similar expression is to be construed as illustrative only and does not limit the sense of the words following those terms;
- the phrase “hold your money as a Bank” means holding your money as Bank and not as trustee; and
- a time of day shall be construed as a reference to UK time.

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