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# Customer Agreement

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## 1. Introduction

- 1.1 The name of the company is First Equity Limited. Our registered address is Salisbury House, London Wall, London, EC2M 5QQ, United Kingdom. We are a member of the London Stock Exchange. We are authorised and regulated in the conduct of our business by the Financial Conduct Authority ("FCA") of 12 Endeavour Square, London, E20 1JN and are on the Financial Services Register. You can check the Financial Services Register by visiting the FCA's website at [www.fca.org.uk](http://www.fca.org.uk) or by contacting the FCA on 0800 111 6768. Our firm reference number is 124394.
- 1.2 You can contact us by phone on 020 7374 2212 or email us at [enquiries@firstequitylimited.com](mailto:enquiries@firstequitylimited.com).
- 1.3 This "Customer Agreement" or "Agreement" gives details of the terms of business relevant to the services First Equity Limited ("First Equity" "we" "our" or "us") shall provide to "you", the client.
- 1.4 The entire terms which govern the relationship between First Equity and you consist of:
- This Customer Agreement.
  - Risk warning notice.
  - The relevant fees and charges notice.
  - The Application Form.
  - Order execution policy.
- 1.5 These documents contain important information about the way in which we will provide our services to you, as well as your and our rights and obligations. You should read these documents carefully. If there is anything that you do not understand or agree to, please discuss this with your Account Manager.
- 1.6 All types of investment carry some form of risk. Please read the information on the characteristics of different types of investments and their risks which has been provided to you separately.
- 1.7 Any capitalised terms not defined in this Agreement are as defined in the FCA Handbook Glossary, a copy of which can be found on the FCA's website at [www.fca.org.uk](http://www.fca.org.uk).
- 1.8 "FCA Rules" means the FCA Handbook of Rules and Guidance, as modified or replaced from time to time.

## 2. Our services

- 2.1 We must classify our clients as retail clients, professional clients, or eligible counterparties. Different levels of regulatory protection apply to each. Unless we advise you otherwise, we have classified you as a retail client and you will be afforded the highest level of protection. In the event of an unresolved dispute you will have a right of referral to the Financial Ombudsman Service ("FOS") and may be entitled to benefit from the maximum protection available under the Financial Services Compensation Scheme ("FSCS").

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- 2.2 Under the rules outlined in the FCA Conduct of Business Sourcebook you may request to be re-classified as a professional client. However, if you do, and we agree to this re-classification, you will be entitled to a lower level of regulatory protection than you would receive as a retail client.
- 2.3 We will provide you with a discretionary, advisory or execution-only service, as directed by you, in shares in United Kingdom or overseas companies and in any other investments in which we may agree to deal for you.
- 2.4 Where we provide you with a discretionary management service, we have full authority to manage your account and to enter into transactions as agent on your behalf at our discretion and without reference to you. We will agree with you your investment objectives, the types of investments that may be held in your account and the types of transaction that may be carried out including any limits.
- 2.5 We are a restricted adviser which means we primarily limit our advice to investing in instruments such as equities, ETFs and other securities traded on exchanges.
- 2.6 We will not advise you about the merits of a particular transaction if we reasonably believe that when you give the order for the transaction, you are not expecting advice and are dealing on an execution-only basis. If this happens and you normally receive an advisory service, we will advise you at the time of dealing that we are executing that particular order on an execution-only basis.
- 2.7 Where you wish to provide us with orders on an execution-only basis in instruments other than those considered non-complex, we will be obligated under FCA Rules to assess whether the investment is appropriate for you. We will provide you with a warning in the event that we consider the investment to be inappropriate for you. You may still request us to execute the order, but we may decline to do so depending upon the circumstances.
- 2.8 Where we provide you with a service which entails us as acting as an introducing broker to another financial institution, you will become a client of that other financial institution and be subject to their terms of business. Any commissions or fees earned by us in connection with these services will be disclosed to you.
- 2.9 When we provide you with a service, we will take into account the written information provided by you on our Application Form, or other information supplied to us applicable to the level of service that we will provide. This may include information with regard to your investment objectives, acceptable level of risk, capacity for loss and any restrictions you wish to place generally or specifically on the extent of our advice, dealing or exercise of discretion. If this information is incorrect or if you wish to discuss it or amend it, you must notify us as soon as possible. We will confirm, in writing, any amendments made to the information held in our records. We are entitled to rely upon any information which you provide to us, unless we are aware or ought to be aware that the information is manifestly out of date, inaccurate or incomplete.
- 2.10 Please tell us about any investments or types of investments which you do not wish us to recommend to you or purchase for you. If you do not, we may recommend to you, or purchase for you, any investments which we believe on reasonable grounds are suitable for you.
- 2.11 All dealings with or for you are subject to the rules, provisions and usages of the markets, exchanges and associations being used for the trading of your account.
- 2.12 When we accept a current order from you, we will seek to execute it as soon as reasonably practicable in the circumstances in accordance with FCA Rules. We may postpone execution of an order where we believe on reasonable grounds that it is in your best interests to do so.
- 2.13 When executing orders, will take steps to obtain the best possible result for you, in accordance with the FCA Rules.

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- 2.14 You confirm that you consent to our order execution policy, a copy of which has been provided. In particular, you agree that we may trade outside of a regulated trading venue.
- 2.15 You acknowledge that specific instructions in relation to the execution of orders may prevent us from following our order execution policy.
- 2.16 In accepting your order, we do not warrant or represent that it will be possible to execute your order at all or that execution will be possible within the terms of your instructions.
- 2.17 You instruct us not to make public client limit orders in respect of shares admitted to trading on a regulated market or traded on a regulated trading venue which are not immediately executed under prevailing market conditions. A client limit order is an order to buy or sell a financial instrument at its specified price limit or better and for a specified size.
- 2.18 We may at any time refuse to accept an order from you or, having accepted an order, refuse to act on it. We do not have to give you the reasons for this. Orders accepted for immediate execution cannot be changed or cancelled by you.
- 2.19 We may combine your order with our own orders and orders of other customers where it is unlikely that the aggregation will operate to the disadvantage of any of the customers whose orders have been aggregated. However, on occasion the effect of aggregation may result in you obtaining a less favourable price or other disadvantage. We have an order allocation policy, providing for the fair allocation of aggregated orders and transactions.
- 2.20 We will not lend your investments or borrow investments on your behalf.
- 2.21 Where you wish to hold your investments in an ISA or a SIPP, you will be asked to sign up to separate terms of business by the ISA or SIPP provider, as appropriate.
- 2.22 We may from time to time telephone you without your express invitation to discuss your investments (for example where there have been movements in the share price), and you agree that we may do so. We may also email you about your investments.
- 3. Settlement and custody services**
- 3.1 You agree that we will, acting as your agent and with your authority, put in place services for settlement, safe custody, nominee and associated services on your behalf with third parties. We have appointed Jarvis Investment Management Limited ("Jarvis") who is authorised and regulated by the FCA (firm reference number 116413) to undertake those services on your behalf.
- 3.2 Where you open an account with us, we will open for you an account for settlement and custody services with Jarvis.
- 3.3 We may transmit your instructions to Jarvis. Your identification documents may be passed to Jarvis on their request. You will become a client of Jarvis for settlement and custody purposes only and you agree to be bound by our and your obligations to Jarvis.
- 3.4 Schedule 1 sets out the further terms to this Agreement in respect of settlement, custody and client money.
- 3.5 You acknowledge that Jarvis or a sub-custodian may take a lien (which is a form of security right) over investments held by them. We and Jarvis may be entitled to other security rights over your investments or money, including rights of set-off, retention or sale in respect of or affecting your investments or money. Further detail is set out in Schedule 1. Under the FCA Rules the scope of any such rights and the circumstances in which they may arise are restricted.
- 3.6 Unless otherwise specifically agreed with you, settlement of all transactions with or for you must be made in accordance

with the usual terms for settlement of the appropriate exchange, market or clearing house where applicable and/or market convention.

3.7 You agree to reimburse us for any money we have to pay Jarvis if you fail to deliver funds or assets to settle a transaction.

#### **4. Representations**

4.1 You represent, warrant and undertake to us that, both at the date of this Agreement and at the time of any transaction we may enter into with or for you:

- (a) you have full power and authority to enter into this Agreement and to instruct us to execute any transaction in investments and to perform all your obligations in this Agreement. You have adequate resources to enter into and perform any such transaction which you decide to undertake;
- (b) you will ensure that all relevant investments or any documents of title and/or transfer forms and/or any relevant payments are delivered, paid or transferred to the person we may direct (which will usually be our settlement agent and custodian, Jarvis) in sufficient time on or before the contractual settlement date to enable the transaction to be settled in accordance with market requirements;
- (c) you will always contract as principal only and no person other than you has or will have any interest in any transaction or in any account that we hold on your behalf;
- (d) all cash, securities or other assets transferred to Jarvis pursuant to the terms of this Agreement are your sole and beneficial property and will be transferred to or held by Jarvis free and clear of any lien, charge or other security interest and that you will not charge, assign or otherwise dispose of or create any security interest;
- (e) you are entitled to sell all investments that you instruct us to sell;
- (f) all information you have given to us is true and complete as of the date of this Agreement and at the time of any transaction and any changes to the information given to us will be promptly notified to us;
- (g) you confirm that you are not a US person and that you are not acting for, or on behalf of, a US person.

4.2 You agree to inform us of any changes to the personal information you have given us on the Application Form including your address and contact details.

#### **5. Dealing instructions**

5.1 You may communicate your dealing instructions to us by email or phone, or by letter. We will only act on instructions during business hours. Instructions must be sent with sufficient time for us to act upon them. You agree that acceptance of an instruction to withdraw or amend an existing order is always subject to our receiving the instruction in time for the appropriate action to be taken. You agree that we may in our absolute discretion, refuse to accept an order or any other instruction for your account.

5.2 We shall be entitled to rely on any instructions which we reasonably believe to be from you or from your agent (whether received by email, telephone or letter).

5.3 You will notify us of persons who can give instructions on your behalf. We are entitled to act on instructions from those persons until you notify us otherwise.

5.4 You agree to us recording telephone conversations and other communications which we may have with you. We are

required to do this by FCA Rules. Such recordings may be used in evidence in the event of a dispute. A copy of the recording of our conversations and communications will be available on request for a period of five years and, where requested by the FCA, for a period of up to seven years.

## **6. Communication and reporting to you**

6.1 We will communicate with you by phone, email or post.

6.2 You acknowledge that we may communicate with you and provide you with relevant information in an electronic format (including by use of websites or by email sent to any email address provided by you), including where we are required to provide you with information by way of a durable medium, to the extent permitted by FCA Rules. You consent to us providing information in an electronic format. Any communication between us using electronic signatures will be binding as if it were in writing as permitted by FCA Rules and any other applicable regulation.

6.3 Reports and trade confirmations will be sent to you by email unless you ask us to post them to you.

6.4 Where we provide an execution-only dealing service or where we provide you with advice and then carry out your order you will receive a trade confirmation after each transaction.

6.5 Where we provide you with a discretionary management service, we will report to you quarterly with information on the investments held in your account. We will agree with you the method and frequency of valuation of your investments. We will agree with you a specific benchmark against which we will measure the performance of your account. The reports we send you will include a comparison of your account's performance against the relevant benchmark.

6.6 Unless otherwise agreed, where we provide you with a discretionary management service, we will not provide information about executed transactions on a transaction-by-transaction basis.

6.7 Where we arrange custody services or the holding of client money for you, we will provide you with a half-yearly statement showing the investments and/or money held at the end of the period covered in the statement.

6.8 You will notify us immediately upon receipt if you are not in agreement with any trade confirmation or other notification from us or our agent. You will be deemed to have received such notification or confirmation at the time of the conversation in respect of verbal notification and in the case of a written notification or confirmation, not more than three (or, in the case of overseas clients, seven) Business Days from the date of despatch.

## **7. Our charges and interest**

7.1 Our charges are set out in our published fees and charges sheet; a copy of which is provided with this Agreement. These are also available on our website. We will provide you with the total price you will pay, to include all related fees, charges and expenses, and all taxes to be paid through us. Where we cannot provide an exact price, we will provide you with the basis of the calculation so that you may verify it. We will provide you with an annual summary of actual charges incurred on your account.

7.2 Our fees and charges sheet also sets out any interest you will earn on money held with Jarvis and any interest you may be charged.

7.3 We will notify you if we, or Jarvis, change the fees and charges applicable to your account.

7.4 There may be other applicable duties, taxes and other charges levied by tax authorities in the UK or elsewhere, or by the London Stock Exchange and you will be responsible for payment of these.

7.5 We may, if permitted by FCA Rules, share our charges with or receive remuneration from those who introduce business to us, associated companies or other third parties and will provide details to you on request.

## **8. Corporate actions**

8.1 Jarvis will assume responsibility for claiming and receiving dividends, interest payments and other rights in respect of securities held in nominee by Jarvis. We will pass your instructions to Jarvis regarding the exercise of conversion, subscription and voting rights, and in respect of takeovers, capital reorganisations and other offers. We shall not be responsible to you for failing to act in circumstances where we do not receive your instructions by the stated time once notification has been given. Neither we, nor Jarvis, shall be responsible for corporate actions in connection with any securities held by you in paper form.

## **9. Conflicts of interest**

9.1 We or an associated company may effect transactions in which we, an associated company or another client of ours or of an associated company has, directly or indirectly, a material interest or a relationship of any description with another party, which involves or may involve a potential conflict with our duty to you. We will ensure that such transactions are effected on terms which are not materially less favourable to you than if the conflict or potential conflict had not existed. Any conflicts which we are not able to prevent or manage effectively shall be promptly disclosed by us to you. Except as required by the FCA Rules, neither us nor an associated company shall be liable to account to you for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions or to disclose the same or the identity of any other client or counterparty involved in such transactions, nor will our fees, unless otherwise provided, be abated.

9.2 Our conflicts of interest policy sets out the types of actual or potential conflicts of interest which affect our business and provides details of how these are identified, prevented or managed. A summary of our conflicts of interest policy has been separately notified to you. Further details of our conflicts of interest policy are available to you on request.

## **10. Joint accounts and trustees**

10.1 Where this Agreement is entered into by more than one person as customer, any instruction, notice, acknowledgement or request to be given by you under this Agreement may be given by or to any one of you. We are not required to check that any such person has authority from the other joint account holder. Your liabilities under or in connection with this Agreement are joint and several.

10.2 Where this Agreement is addressed to trustees, you will notify us of any changes in the trustee(s) of the relevant trust and confirm that, on the basis of competent legal advice, you are satisfied that each of you has all the necessary powers to enter into this Agreement. Further, any instruction, notice, demand, acknowledgement or request to be given by or to you under this Agreement may be given by or to any one of you, unless otherwise instructed. We are not required to verify that any such person has any requisite authority from any other trustee.

## **11. Delegation**

We may delegate the performance of any function under this Agreement to any person without the requirement to obtain your consent.

## **12. Confidentiality**

Whilst we attach great importance to confidentiality, please be aware that we may disclose to the FCA, any relevant exchange, or any other regulatory body or authority in the United Kingdom or elsewhere and to any of our associated companies and agents any such information relating to services provided to you pursuant to this Agreement as may be

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necessary for the performance of our services under this Agreement, our business needs, or we may otherwise be required by law or regulation to disclose.

### **13. Liability**

- 13.1 Where we provide services to you on an execution-only basis, we are not responsible for the suitability or appropriateness of the transaction.
- 13.2 We shall not be liable for any reduction in the value of your account as a result of market movements. We shall not be liable for the taxation consequences of any transaction nor shall we be liable for taxation charges arising for any reason.
- 13.3 Any investment guidelines we agree with you will not be breached as a result of any events or circumstances outside our reasonable control including, but not limited to, changes in the price or value of the assets in the account brought about solely through movements in the market or the reduction in and/or lack of availability of assets which were envisaged to be in the account.
- 13.4 We will act as your agent and you will therefore be bound by our actions taken on your behalf in accordance with the terms of this Agreement.
- 13.5 Nothing in this Agreement, none of the services to be provided under it, nor any other matter shall oblige us or any associated company to accept responsibilities more extensive than those set out in this Agreement.
- 13.6 Neither we nor any person connected with us nor any of our agents will be liable for any loss or damage sustained by you as a result of or in connection with the services to which this Agreement applies and the provisions of this Agreement except where such loss or damage is caused by negligence or wilful default or any failure to comply with FCA Rules. We do not accept liability for losses, costs or expenses suffered by you which were not reasonably foreseeable to both you and us at the time when we entered into our Agreement.
- 13.7 You are responsible for paying us the full amount of any claims, liabilities, costs or expenses of any kind which may be incurred by us or our agents (including Jarvis) as a result of us or them acting under this Agreement. This is known as an indemnity. However, this indemnity shall not apply to any loss or liability to the extent it arises or results from our negligence or wilful default or any contravention by us of the FCA Rules.
- 13.8 In accordance with FCA Rules we will exercise due skill, care and diligence in the selection, appointment and periodic review of third parties with whom we deposit your investments or hold your money. In the event that the third party defaults in its obligations or it becomes insolvent, we will not be responsible to you for any loss suffered by you.
- 13.9 You may also have rights against us under the regulatory system (including the FCA Rules). These rights, or any other statutory rights you may have, are not affected in any way by this Agreement.
- 13.10 Nothing in our Agreement shall be read as excluding or restricting any liability we may have for fraud, fraudulent misrepresentation or for death or personal injury caused by negligence.
- 13.11 References in this paragraph to "we", "us" or "our" include references to Jarvis and any director or employee of us or Jarvis.

### **14. Illegality**

If any provision or term of this Agreement or any part of it is or is declared illegal, invalid or unenforceable for any reason, such term or provision shall be divisible from this Agreement and shall be deemed to be deleted from this Agreement. If any such deletion substantially affects or alters the commercial basis of this Agreement, we may amend

the provisions and terms of this Agreement. You may terminate this Agreement if you do not agree with the changes we make.

**15. Variation**

We may make changes to this Agreement if we consider this necessary or desirable to comply with any applicable law or the requirements of any governmental or other regulatory body or to comply with the rules of an exchange or clearing house. We will give you 7 Business Days' notice where possible.

**16. Assignment**

You may not assign any of your rights or obligations under this Agreement to any other person. We may, without your prior written approval, assign our rights or obligations to any of our associated companies or to any person or entity who acquires the whole or any part of our business or assets, or subject to obtaining your prior written approval (such approval not to be unreasonably withheld) to any other person.

**17. Cancellation and termination**

You may cancel or terminate this Agreement at any time by written notice to us at the postal or email address in this Agreement. On cancellation or termination you agree to immediately pay any outstanding fees or other obligation to us. We may terminate this Agreement at any time by written notice to you. Termination shall not affect your obligation to settle transactions effected prior to the date of termination and shall not prejudice any right or obligation that may already have arisen.

**18. Notices**

18.1 All notices between us shall be in writing and may be served personally or by email, or by first class post. We will send notices to the email address or postal address that you want us to use to contact you. Notices you send must be to us at [enquiries@firstequitylimited.com](mailto:enquiries@firstequitylimited.com) or First Equity, Salisbury House, London Wall, London, EC2M 5QQ.

18.2 With the exception of dealing instructions to us (which must be communicated in accordance with paragraph 5.1) notices shall be deemed to have been served three (or, in the case of overseas clients, seven) Business Days after having been posted.

**19. Payment**

All amounts (including with limitation all fees and charges) payable by you shall be due on demand without set-off, counterclaim or deduction.

**20. Events beyond our reasonable control**

20.1 We shall not be in breach of our obligations under this Agreement if we fail to perform our obligations as a result of any act of God, fire, act of government or state, war, civil commotion, insurrection, embargo, inability to communicate with market makers for whatever reason, failure of any computer dealing or settlement system, prevention from or difficulty in obtaining any energy or other supplies, labour disputes or late or mistaken delivery or payment by any bank or counterparty or any other reason beyond our control.

20.2 If an event of this kind occurs, we will take such steps as are reasonable and practicable in the circumstances with a view to minimising the effect of the event on our clients.



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## **21. Complaints handling procedure**

- 21.1 If you have a complaint, please contact the Compliance Officer by writing to us at the address on the first page or calling 020 7374 2212.
- 21.2 In accordance with FCA Rules we have developed a complaints handling procedure. A copy of the procedures is available on request. If you make a complaint, we will provide you with a copy.
- 21.3 If a complaint is not resolved to your satisfaction, you may have the right to refer it to the Financial Ombudsman Service. The FOS can be contacted at Exchange Tower, London E14 9SR. The FOS website can be found at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## **22. Financial Services Compensation Scheme**

We are covered by the FSCS. Depending on the circumstances and the type of claim, you may be entitled to receive compensation from the scheme if we cannot meet our obligations. Most types of investment business are covered for 100% of a monetary amount specified by the FSCS, and compensation is only available for financial loss. Additional information is available from us on request. Further information about compensation scheme arrangements is available from the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk) or by calling the FSCS on 0800 678 1100.

## **23. Data protection**

- 23.1 We will be a data controller of personal data that we process about you. We will collect and process personal data in order to provide and administer your account. Your personal data will also be used for business purposes such as internal planning and financial management
- 23.2 We will share your personal data with Jarvis and may share, and obtain personal data from other third parties. For more information about how we process and share your personal data, please see our privacy policy at <https://www.firstequitylimited.com/privacy-policy>.

## **24. Exclusive jurisdiction**

You agree that the courts of England and Wales are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement. Nothing contained in this clause shall limit our right to take proceedings against you in any other court of competent jurisdiction.

## **25. Governing law and language**

- 25.1 The provisions of this Agreement shall be governed by English law.
- 25.2 Communication between us and you (including all agreements, instructions, and supplementary documentation) will be in English.

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## SCHEDULE 1

### Client money, custody and our rights over your assets

Your money and investments will be held with Jarvis or third parties as set out below.

#### **Your money**

Your money will be held as client money by Jarvis in accordance with the FCA Rules which, among other things, require your money to be held in a client bank account, segregating your funds from our own or Jarvis's at a credit institution approved by the FCA. The approved credit institution may hold such money with other clients' money in a pooled account. Jarvis will hold your monies in a designated client bank account at National Westminster Bank or with any other authorised deposit taking institution that they may from time to time nominate.

If a credit institution or other organisation with which client money is held becomes insolvent or defaults on its obligations then we may not be able to claim the full amount of the balance owing to you. The exact position will depend on the regulatory rules applied but you may share proportionately in any shortfall with our other clients and other clients of Jarvis.

In relation to overseas transactions, Jarvis may hold your money with a bank or other entity located in a jurisdiction outside the UK, where the legal and regulatory regime will be different from that of the UK and your rights in relation to the money may not be the same as when held with a UK bank. In particular, if the overseas entity becomes insolvent your money may be treated differently from the position which would apply if the money were held in a client bank account in the UK and it may therefore be less secure. Compensation would not be available from the FSCS.

#### **Custody of investments**

Investments held in your account will be held by Jarvis or their custodians in accordance with FCA Rules.

Your investments will usually be held in an omnibus account. This means your investments may be pooled with those of other clients of ours and other clients of Jarvis or a sub-custodian.

Acceptance of these terms provides authority for us or our agents to transfer securities from your account to meet sales effected for your account, acceptance of offers or other matters covered by this Agreement.

The insolvency of Jarvis or any sub-custodian may result in delays in settling or transferring investments or money held.

Neither we nor Jarvis will hold bearer investments on your behalf.

#### *UK securities*

Your UK registered securities will be held either by physical possession or in uncertificated form in CREST and in either case will be registered in the name of Jarvis's nominee company, JIM Nominees Limited, in accordance with the FCA Rules.

Jarvis is responsible for the acts of its nominee to the same extent as for its own acts. Jarvis is responsible for losses arising from its, or its nominees, fraud, wilful default or negligence.

#### *Overseas securities*

Overseas investments may be registered or recorded in the name of Jarvis, its sub-custodian or their nominee in one

or more jurisdictions outside the United Kingdom where, due to legal requirements or the nature of market practice in the jurisdictions concerned, it is in your best interests or it is not feasible to do otherwise. As a consequence of this your investments may not be segregated from investments belonging to us, Jarvis or a custodian or sub-custodian. Your protection may be less should a default occur on the part of the person in whose name the investments are registered or recorded. Investments belonging to you which are held overseas may be subject to different settlement, legal and regulatory requirements than those which apply within the United Kingdom.

If an overseas custodian becomes insolvent, the consequences for you will depend on the law of the country where your investments are held.

### *Pooling*

Investments registered or recorded in the name of a nominee will be held in an omnibus account and pooled with those of one or more of our other clients and other clients of Jarvis. Accordingly, your individual entitlements may not be identifiable by separate certificates, physical documents of title or equivalent documents of title. If the nominee defaults and, for example, is not holding enough investments to satisfy its obligations to all its underlying customers, the investments will be shared out among them approximately in proportion to their holdings.

### *Collateral*

Collateral provided by you will not be registered in your own name but will be registered in the name of Jarvis's nominee in accordance with FCA Rules.

In order to effect transactions for you, you confirm that Jarvis may without prior notice to you deposit, charge or pledge any collateral you may deliver to Jarvis to any exchange, clearing house, broker or other third party. We must account to you for property of the same nature and description but not necessarily identical to the property originally delivered and subject to our other rights under this Agreement. A third party may enforce that deposit, charge or pledge in satisfaction of any obligations that we may incur to the third party or of any obligations incurred by you or by any other client.

## **Our rights if you owe us money**

References to "we" or "us" in this section include references to Jarvis, its sub-custodians and nominees. You agree that any obligations or liabilities owed by you to Jarvis arising in relation to transactions executed by us under this Agreement shall be enforceable by us on its behalf.

We may deduct sums owed to us by you from any amounts that we owe to you or are holding for you (including the proceeds of any sale) in order to meet any indebtedness, obligations or liabilities which you may have incurred to us or which we may have incurred on your behalf under this Agreement. Examples of this include sums to be paid in settlement of transactions; settlement of our fees, commissions or charges; any interest you owe us.

We may use money in any account held in your sole name to repay or reduce an amount that you owe us. We may also use money held in an account in joint names to repay or reduce an amount that you and/or a joint account holder owes us.

Until you have paid all money you owe us in full, any money standing to the credit of any of your accounts with us will not be due and payable. We may in our absolute discretion make payments to you from such accounts.

If, at any time, we believe that you may be unable or unwilling to meet any liabilities which you have incurred to us or which we may have incurred on your behalf or to comply with any other obligations under this Agreement, we may (and are authorised by you to) take all or any of the following actions without prior notice to you:

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- (a) sell any investments bought on your behalf but for which you have not paid on or before the relevant settlement day;
  - (b) close or cancel open positions on your account or reverse transactions. We may do so, for example, if any cash or investments have not been delivered by you on or before the relevant settlement day;
  - (c) enter into any transaction or do or not do anything (including use the client money held for you) which would or could have the effect of reducing or eliminating liability under any transaction, position or commitment undertaken for you; and
  - (d) take any other steps (whether or not similar to the above) we may consider to be necessary to meet any obligations which you have to comply with under this Agreement or otherwise to protect our position.

You agree to pay any costs incurred by us in taking the action described above.

We shall be entitled to a lien (which is a form of security interest) over any assets of yours held by us in the course of performance of this Agreement.

If you fail to make any payment in full on or before the due date for payment, we may:

- (a) charge you interest (both before and after judgment) on the amount unpaid;
- (b) exercise our lien over any securities held by us (which means we will be able to retain your securities);
- (c) charge you an administrative fee for late payment which shall be payable immediately and debited to your account;
- (d) refuse to accept any further instructions from you in respect of any service to be performed by us to you;
- (e) sell any investment(s) bought and/or held for you and apply the proceeds towards settling the total amount owed by you. Any shortfall between the amount realised in this way and your total debt will still be due from you to us. Any surplus shall be for our benefit;
- (f) charge you for any legal and/or administrative costs that we may incur attempting to recover and/or recovering the money owed to us and such costs shall be a debt due from you to us which must be paid by you on our request.

If you fail to make any payment or charge in full on or before the due date for payment, or if you fail to deliver us the documents we require to settle a transaction (in time or at all), you will be responsible for:

- (a) all losses, charges, costs, fines and penalties you or we may incur as a result of such failure;
- (b) any fines or charges payable by us to CREST;
- (c) the costs of exercise of any security interest, without limitation, the costs of sale and any loss incurred by us on the sale of the security; and
- (d) interest, both before and after judgement, on the amount unpaid.

Where you have insufficient investments in your account at the relevant date to settle a transaction we have the right to purchase replacement investments in connection with the transaction to meet our obligations under the transaction. If such investments

are purchased for a higher value than the amount of monies relating to the sale then the difference between the sale and purchase price shall become a debt due from you to us and shall be payable immediately.

We shall have no liability to you for any loss or liability incurred or suffered by you in consequence of any exercise by us of the rights described above. Any purchase, sale, transaction or other action may be undertaken by us at such price and on such terms as we shall, in our absolute discretion, determine.

#### **Currency conversion**

We or Jarvis shall be entitled, without prior notice to you, to make the currency conversions necessary or desirable for the purposes of fulfilling your trading obligations. Any such conversion shall normally be made at a rate which reflects the size, liquidity and timing of the transaction. Any foreign exchange risk arising from any contract, our compliance with our obligations or any exercise of our rights under this Agreement shall be borne by you.