

# Terms and Conditions

*(Effective 1st October 2019)*

BY ACCESSING OR USING THE SERVICES YOU REPRESENT THAT YOU HAVE READ AND UNDERSTOOD THESE TERMS AND AGREE TO BE BOUND BY THEM

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## Information about us and our services

*“Welcome to Killik & Co. The value of the close, personal relationships we have with all our clients underpins everything we do. We offer all the knowledge and experience we can muster to deliver a far-reaching service with total conviction.”*

Paul Killik, Senior Partner



### Scope of our services

Killik & Co is an independently-owned investment house, offering a range of financial services to clients seeking savings, financial planning, investment advice and execution across the whole market. As an independently-owned business, with dedicated in-house experts, we are not tied to any particular product providers and therefore free to select the best option on a client by client basis. Our Investment Managers offer independent advice on shares, bonds and funds. Where we identify that there is value in further specialist Wealth Planning, our Wealth Planners can consider the whole market when giving their advice or, if you prefer, just Killik & Co's services depending on your preference. Our planning advice is always referred to as 'Restricted Advice.'

### What does this mean for you?

Through a combination of our Investment Managers and Wealth Planners you receive a truly integrated approach to managing your wealth and meeting your requirements.

### What will you pay for our services?

Our fees vary by service and are set out in our Rate Card. Wealth Planning advice fees are agreed in advance.

### Who regulates us?

Killik & Co is a trading name of Killik & Co LLP, a limited liability partnership authorised and regulated by the Financial Conduct Authority ("FCA") and a member of the London Stock Exchange. Registered in England and Wales No. OC325132. Registered office: 46 Grosvenor Street, London W1K 3HN. A list of Partners is available on request.

### The Financial Conduct Authority

The FCA is the independent watchdog that regulates financial services. The FCA requires us to provide this information to consumers considering buying certain financial products. The FCA's address is: 25 The North Colonnade, London E14 5HS.

### What to do if you have a complaint

If for any reason you are unhappy with our services, please raise your concerns with your Investment Manager or Partner Responsible. If you remain dissatisfied, please write to the Compliance Officer, Killik & Co, Crown House, Ipswich, Suffolk IP1 3HS or email [compliance@killik.com](mailto:compliance@killik.com). If you cannot settle your complaint with us, you may have the right to refer it to the Financial Ombudsman Service for their independent consideration.

### Keeping your cash and investments safe

We have an arrangement with Platform Securities LLP to act as custodian for your cash and investments. Your cash and investments are kept separate from our own or Platform Securities' cash and investments in line with rules set by the FCA. We make sure that at all times we know how much cash and which investments belong to which client and Platform Securities make regular reports to the FCA that this is the case.

### Are we covered by the Financial Services

#### Compensation Scheme?

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum of £50,000. Further information about the compensation scheme is available from the FSCS. You can contact the FSCS by post at 7th floor Lloyds Chambers, Portsoken Street, London, E1 8BN, by telephone on [020 7892 7300](tel:02078927300) or email at [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk). Their website address is [fscs.org.uk](http://fscs.org.uk).

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## Our agreement

These Terms and Conditions (hereafter “Terms”), together with your Application Form(s) or Online Agreement and our separate Rate Card, constitute the legal agreement, or contract, between you and us. These Terms contain details of the duties we owe to you, and also the responsibilities you owe to us as our client. They are also in respect of the Agreement we have entered into with Platform Securities LLP on your behalf. Further details about the Platform Securities Customer Agreement can be found in section 9.

In addition to the Terms set out here, you acknowledge and confirm your continuing agreement to our Privacy Policy, Acceptable Use Policy and Best Execution Policy, which are available through our website at [killik.com/legal-and-regulatory](http://killik.com/legal-and-regulatory). If there are any inconsistencies or conflicts between the Privacy Policy, Acceptable Use Policy, Best Execution Policy and these Terms, then these Terms shall prevail.

## Definitions and parties

*FCA* means the Financial Conduct Authority, the regulator for the conduct of investment business in the United Kingdom.

*HMRC* means Her Majesty’s Revenue & Customs. Our Tax services and investment wrappers will be provided in accordance with HMRC rules.

*Investment Manager* means your Killik & Co adviser or the person at Killik & Co managing your investments on your behalf.

*Killik & Co LLP* (“Killik”, “We”, “Us”, “the Firm”) a limited liability partnership authorised and regulated by the Financial Conduct Authority and a member of the London Stock Exchange. Registered in England and Wales No. OC325132. Registered office: 46 Grosvenor Street, London W1K 3HN. We are the provider of the investment and financial planning services described in this agreement.

*Killik & Co Trustees Limited* is a company incorporated under the UK Companies Act (registered number 03929253) and having its registered address at 46 Grosvenor Street, London W1K 3HN. Killik & Co Trustees Limited are the trustees of the Killik & Co SIPP and provider of tax and trustee services.

*Partner Responsible* Each client has a “Partner Responsible”. Even when their Investment Manager is a Partner a more senior Partner is appointed; giving you a direct point of contact should there be any matters that you would like to discuss with someone more senior. You should feel free at any time to raise concerns that you have with your Investment Manager or with the Partner Responsible.

*Platform Securities LLP* (“Platform Securities”), a limited liability partnership authorised and regulated by the Financial Conduct Authority (FCA registered no. 214206). Member of the London Stock Exchange. Registered office: Level 39, 25 Canada Square, London E14 5LQ. Platform Securities provides investment dealing services (including custody, nominee and associated services) for our clients.

*You* (and Your, Yours, Yourself, Client), any person or legal entity that uses the services detailed within this Agreement.

## 1 Introduction

Please make sure you read and understand these Terms. If you have any questions, please contact your Investment Manager without delay.

### 1.1 Assumptions

When providing our services we operate under a number of assumptions relating to how we communicate with each other, about your understanding of risk (including our risk definitions), and certain aspects of the operation of our accounts, as follows:

*Language* - All communications between you and us will be in English.

*Internet Access* - We operate on the assumption that all clients have internet access and certain materials, including these Terms and any updates, are provided to you as a result of our placing them on our website or secure Killik & Co Client Area. If you require materials in a particular format, e.g. large print, please inform your Investment Manager and we will endeavour to send you all such materials in printed hard copy form or alternative medium instead.

*Communication* - We may communicate with you by telephone, post, email, or via the Killik & Co Client Area. You must tell us if any of your contact details change, so that we

are able to continue to send you information about your account(s).

*Long term savings* – Unless you tell us otherwise, we will view the capital that you hold with us as your long term savings with no foreseeable call on capital. If you do expect to have to call upon this capital at some point in the future, you should provide us with details of the amount required and date.

*Stock market risk* – Our investment services invest in stock market investments. We will assume that you understand that: you may not get back the original amount invested, the value of your investments may fall as well as rise, and the past performance of investments is not a guide to future performance. (See also Section 1.2).

*Cash* – You will tell us if you require an amount of cash or cash equivalents to be retained in your portfolio for unexpected eventualities. We call this ‘Rainy Day’ money.

*Your information* – It is our duty to ensure that all advice in respect of Advised accounts and all transactions in Managed accounts are suitable for you. We accept this responsibility only on the understanding that you will provide us with any information that might be reasonably deemed to be relevant to your investments both when your account is opened and when there are any subsequent changes to this information. You should note that a failure to disclose any relevant information may adversely affect the quality of advice or investment management that we offer to you.

*Single Manager* – There can only be one manager of your investments and if you choose our Advised Services, you (or someone you have appointed to do this for you, such as your spouse) will be the manager and in control of all investment decisions. If you choose our Managed Investment Services, we will be the manager and will take discretionary investment decisions on your behalf.

*Wealth Planner access* – If you avail of any of our Managed Investment Services, you will automatically have access to one of our Wealth Planners who can help you to review your investment requirements and the ongoing suitability of our services. All clients can also use our Wealth Planning services (see Section 5).

## 1.2 Understanding risk

Please remember that:

- Every investment carries risk, even cash carries counterparty and inflation risk
- All equity investment carries the risk that you could lose some or all of your investment, particularly over short time horizons
- Holding a limited number of equities that do not provide adequate diversification can result in this risk being exacerbated. Investors in individual equities should be particularly aware of the risks inherent in such an investment strategy (i.e. the Specific Risks of those securities)
- Assessing the relative risk of any investment or investment strategy is subjective and may change over time. It is not therefore possible to provide precise definitions for the measurement of risk or the potential impact on your investments. As a guideline: the greater the investor’s propensity to accept volatility in the portfolio in pursuit of the Investment Approach, the higher the investor’s risk tolerance
- Equities and equity-related instruments may form an important part of a portfolio designed to meet the Investment Approaches described in section 1.4
- On a security specific level, we believe that equity investment should be considered higher risk, but within the context of a portfolio it can be mitigated to some extent through diversification
- Although risk can be mitigated to some extent, for example through diversification, it cannot be eliminated and as such there is always a risk of capital invested depreciating in value
- Securities that are not denominated in sterling can lead to fluctuations in the portfolio value due to exchange rate movements.

To help you understand risk, we have produced a series of educational videos and materials which are available on our website. You are asked to view certain of these materials and confirm you have done so when signing your Application.

If you wish to change the level of portfolio risk to which your portfolio may be exposed, or the level of specific risk to which your individual investments may be exposed, you should contact your Investment Manager.

### 1.3 Stock specific risk descriptions

Stock specific risk descriptions apply only to the Stockbroking service, where advice is given on a stock specific basis only. We assign a Risk Rating (RR) to individual stocks using a scale of one to nine, with RR1 being the lowest risk and RR9 the highest. We also display these risk ratings on our research notes:

*Restricted Lower Risk (RR1)* - the advice we will give to you will normally be restricted to lower risk investments including cash, cash equivalent and short dated gilts, and to the collective investment vehicles that invest in those instruments. You must accept, therefore, that this may mean that the opportunity to seek enhanced returns can be reduced. You must also accept that the category of Restricted Lower Risk does not mean 'No Risk'.

*Restricted Medium Risk (RR2-3)* - the advice we will give to you will normally be restricted to medium and lower risk investments including medium and long-dated gilts, investment grade bonds and certain collective investment vehicles investing predominantly in these securities. This category is only appropriate if you accept that there may be fluctuations in the capital value of your investments over both the shorter and medium terms in order to allow you the opportunity to seek higher returns.

*Unrestricted (RR4-9)* - the range of securities on which we can advise you will be unrestricted and drawn from across the United Kingdom and international markets. These may include investments regarded as lower, medium or higher risk, including direct equity investment and collective investment vehicles which predominantly hold securities other than investment grade bonds and money market instruments. This category is only appropriate if you accept that there may be significant fluctuations in the capital value of your investments over both the shorter and medium terms in order to allow you the opportunity to seek higher returns.

### 1.4 Investment approaches

The outcome of the registration process and our discussions with you about your lifetime goals will be to agree one of four Investment Approaches. These categories help us to determine what services and investments are suitable for you:

#### **Cautious**

Investors using this approach are willing to accept some fluctuations in portfolio value, but prefer a cautious approach that tries to avoid too much of this. While your portfolio may have some exposure to equities, this will be limited, with investments likely to be predominantly non-equity, including bonds, or funds that invest in bonds. Therefore there will be limited opportunity for capital appreciation in your portfolio, and you should be prepared that any growth in value may be less than inflation. Though fixed income securities such as bonds generally hold less risk than equity investments, your portfolio could still experience some fluctuation in value.

#### **Balanced**

Investors using this approach would like to improve the possibility of achieving returns above inflation through a combination of capital growth and income from the portfolio. You are willing to accept that the value of your portfolio is likely to fluctuate and therefore there could be declines in value, particularly over shorter timescales. With the balanced approach, you will be investing in a selection of securities, which may include bonds, equities, funds that invest in these assets, and alternative investment funds. Your portfolio may include exposure to UK and international companies. Though investing in equities improves the possibility of your portfolio achieving returns above inflation, it can increase the likelihood of fluctuation in value.

#### **Steady growth**

Investors using this approach are seeking to achieve capital appreciation from their portfolio and as a result are comfortable in the knowledge that the value of the portfolio will fluctuate. By investing in pursuit of higher returns, you accept that there could be declines in value, and in some years these declines in value could be significant. With the steady growth approach, investments will be predominantly, but not entirely, in equities, or funds that invest in equities, and may well include exposure to UK and international companies. You will be less exposed to other asset classes, such as bonds, funds that invest in bonds, and alternative investment funds. Though investing in equities improves the possibility of your portfolio achieving higher returns, it can increase the likelihood of fluctuation in value.

#### **Equity growth**

Investors using this approach are seeking to achieve capital appreciation from their portfolio and therefore are comfortable in the knowledge that the value will fluctuate

significantly at times. By investing in pursuit of superior returns, you accept that as a result, declines in value could also be substantial. With the equity growth approach, your portfolio may be invested entirely in equities, or funds that invest in equities, and may include exposure to UK and international companies. Although other asset classes, such as fixed income investments and alternative investment funds, may be included in your portfolio, your overall exposure to these investments will be limited. The focus of this approach is to achieve superior returns through capital growth and the reinvestment of any income.

You will select one or more of our Investment Services to meet your Investment Approach.

## 2 Our investment services

The investment service you choose will depend upon the level of involvement you wish to have in managing your investments, the complexity of your requirements, your approach to investing and the value of investments that you wish to make.

If we provide you with Advised and/or Managed investment services, we may do so within our range of investment wrappers, and with various services and risk attitudes applying to each service. For instance, you may have the Advised Investment Service within your ISA or General Investment Account, whilst opting at the same time for an income objective within your investment-managed SIPP. Various provisions of these Terms will therefore apply at the same time.

We will only carry out a full review of your financial circumstances if you choose our Wealth Planning services. See Section 5.

### 2.1 Advised services

These services are for clients who wish to be actively involved in every investment decision. You must activate your secure online login to the Killik & Co Client Area to use our Advised Services.

Where we approach you with an investment idea, our recommendations will usually be supported by our in-house Research. However, there may be occasions where you approach us with an investment idea of your own, or where a market conversation takes place that leads to a request for

a suggested investment that meets a particular need, sector or theme that cannot be met from our Researched universe. Ours will be a professional response, utilising the databases to which we have access, however we are unlikely to have as much in-depth knowledge of the investment merits, as we do for our own researched investments. We will ensure that our advice remains suitable for your individual circumstances. We refer to such instances as “Client Led Advice” (CLA). Only investments supported by our in-house Research are monitored on an ongoing basis and, for this reason, we may guide you towards these, where suitable to do so.

#### 2.1.1 Stockbroking Service/Advised Dealing

This service is intended for experienced investors who understand how to construct and manage a portfolio themselves. We will decline applications to this service if you do not have the required level of investment knowledge and experience. We will provide you with advice on individual transactions, but will not give advice on the overall construction or diversification of your investments. We will provide advice that is suitable for you at the time that the advice is given, but we will not undertake to ensure that any advice we have given remains suitable for you after that time. See Section 1.3 for definitions of Stock Specific Risk for this service. The range of investments we can recommend for your chosen objective may be restricted by your Stock Specific Risk selection.

#### 2.1.2 Advised Investment Service/Advised Portfolio

We will provide advice on individual transactions in the context of your existing Advised Portfolio/Advised Investment Service holdings. We will provide advice that is suitable for you at the time that the advice is given, but, as you (or your Designated Manager - see 7.2.2(a)) are the manager of your investments and not us, we will not undertake to ensure that any advice we have given remains suitable after that time. We will carry out periodic reviews to reconfirm your investment approach and to identify any rebalancing of your investments that may be required to continue to meet it.

Our recommendations are likely to include equity exposure, so investors in this service must be willing to accept stock market risk.

You will agree with us an investment objective that is compatible with your Approach to Investing: Income, Balanced, Growth, Growth with Income or Aggressive Growth. The types of investment that we will recommend within each objective and the risks involved are the same as for

our Managed Portfolio Service (see 2.2.2(j)), except that you will be the manager of your investments and always decide whether to accept our advice or not.

### 2.1.3 Derivative and Currency Services

These services are intended for experienced investors only due to the risks involved. We will decline applications for Derivative services if you do not have the required level of investment knowledge and experience. We will provide Professional Clients with advice on Contracts for Difference (CFDs), Spread Betting, Futures, Options, and FX Forwards, for the purposes of speculation, hedging, or converting currency. This advice will be Restricted Advice, as defined by the FCA, which means we will use selected third party providers only and will not consider the full range of providers available for dealing these instruments. We may also receive payments from those providers for introducing you to their services. For Retail Clients, we will provide execution only services and may, if required, offer guidance (not advice) on these instruments. In all cases, we will introduce you to our preferred third party providers for the execution of trades in these instruments. You will become a client of the third party for the purposes of execution and settlement and subject to their separate Terms and Conditions. Accordingly, Section 9 of these Terms (the Platform Securities Customer Agreement) does not apply to Derivative and Currency Services. We may pass information that we have collected about you to our third party providers in order that they may categorise you correctly for the purposes of FCA Client Categorisation rules. You will be a client of Killik & Co for the purposes of receiving advice, guidance or execution only services on derivatives and currency transactions.

These services can be high risk depending on the nature of the transaction. CFDs and Spread Betting are leveraged products which means that losses can exceed your initial deposit. You are responsible for any and all losses and performance of transactions, including for the avoidance of doubt commission, fees, margin or losses.

**AUTHORITY:** You grant Killik & Co discretion to settle margin payments with the third party provider by transferring funds from any of your Killik & Co accounts and/or to determine whether to close out positions where funds are not available to meet a margin call. We will always attempt to contact you in advance and will use our discretion only where we are unable to contact you in the time available.

## 2.2 Managed Investment services

We are the manager of your investments and shall have your full authority to make all of the decisions on which investments to choose and on how much to invest in each one. This discretion includes asset allocation to any or a combination of the Managed Investment Services in this section. Whilst, individually, certain services may not conform to your Investment Approach, we use them collectively to create an overall portfolio that does meet your Investment Approach.

We do not undertake that you will be fully invested at all times. As new funds are received these may be invested immediately or over a period of time at our discretion. Both the investment selection and the timing of such investments will be determined by us as the manager of the portfolio.

We may make applications on your behalf for new issues, placings and initial public offerings (IPOs) as part of your portfolio, and we may use instruments or strategies that are perceived as higher risk in a manner that either (a) acts to reduce risk, either in your overall portfolio or in respect of individual positions, or (b) acts to achieve enhanced growth with the intention of balancing such holdings with lower risk holdings.

We have your authority to use our discretion to act or refrain from acting in relation to instructing Platform Securities about corporate events, such as: taking up any rights issues; exercise of conversion or subscription rights; dealing with takeovers or other offers or capital changes; and exercising voting rights. We will endeavour to exercise these rights in your best interests. All corporate events incur a charge as shown in our Rate Card.

Each client portfolio is constructed individually, therefore no two client portfolios will be exactly alike. Consequently, the performance of client portfolios will vary according to factors such as the date of joining, individual stock selections and portfolio size.

Unless you tell us otherwise, the default for income withdrawals from Managed accounts will be “smoothed income.” This means that we will calculate a fixed monthly amount based on predicted income for the year. In any month where the income generated by your portfolio is less than the fixed monthly amount, this will be topped up by selling a sufficient amount of stock. Normal commission will apply. If you do not want smoothed income, you must tell your Investment Manager.

#### 2.2.1(a) Fixed Income Service

*Nature of service:* The aim is to generate income wholly through Fixed Income investment, typically in individual bonds. No particular level of income is guaranteed. Portfolios may include: Sovereign bonds, corporate bonds (non-financial and financial) and bonds with conversion features (e.g. convertibles, contingent convertibles); Investment Grade, Sub-Investment Grade or unrated bonds; secured, unsecured, senior or subordinated debt instruments, including preference shares, core capital deferred shares (CCDS), hybrids, covered bonds and debentures. Fixed Income funds may be included for exposure to certain markets such as Emerging Markets. Investments may include both new issues and issues on the secondary market.

*Risks:* Fixed Income Investments are generally less risky than equities, however, you could lose some or all of your investment should the issuer of any of the fixed income investments selected default. In certain circumstances it may be necessary to increase the risk in portfolios in order to obtain a reasonable level of income. Bond prices and yields can fluctuate from issue until redemption. Some bonds can be very illiquid and there may be occasions, especially when markets are volatile, where it is not possible to immediately sell to protect against falling prices or to raise cash. Other factors which may affect the price of bonds include, but are not limited to, the level of inflation, length of time until maturity, issuer's financial position, demand for the bonds, and interest rates. In certain circumstances, fixed income portfolios or their individual constituents may not be able to be transferred out and may have to be sold and transferred as cash.

#### 2.2.1(b) Large Cap Global Equity Growth

*Nature of service:* The aim is to provide exposure to global equity markets, through investing predominantly in large-cap global equities (defined as companies with a market capitalisation of at least \$6bn or the market cap of the 100th stock in the FTSE100, whichever is the lower, listed on major developed markets).

*Risk:* as with all equity investments, you could get back less than you invest, particularly over shorter time periods.

#### 2.2.1(c) Mid Cap Equity Service

*Nature of service:* The service invests predominantly in mid cap company shares that are constituents of the FTSE 250 Index. However, on occasion, shares listed on the Main Market of the London Stock Exchange, but which are not currently

constituents of the FTSE 250 Index, may be held. Shares are selected to give the portfolio both long-term capital growth and income potential. The service is intended to be used as a small part of a larger, diversified portfolio. **RISK:** The service is higher risk and should represent a higher risk element within your total, diversified portfolio. Mid cap investments carry a higher degree of risk than investing in more liquid shares of larger companies; are generally more volatile in price than shares in more regularly traded, larger companies, so the value of your portfolio is likely to fluctuate; can be very illiquid and there may be occasions, especially when markets are volatile, where it is not possible to immediately sell to protect against falling prices or to raise cash. Portfolios may be concentrated in a relatively small number of stocks and sectors.

#### 2.2.1(d) Smaller Companies Growth

*Nature of service:* The service invests in UK-listed smaller companies, typically members of the Alternative Investment Market or the FTSE Smaller Companies/Fledgling indices. Companies will be selected on the basis of their potential for growth over the longer-term. It is intended to be used as a small part of a larger, diversified portfolio.

*Risk:* The service is high risk and should therefore represent a distinct, high-risk element within your total portfolio. Small company investments: carry a higher degree of risk than investing in more liquid shares of larger companies; are generally more volatile in price than shares in more regularly traded, larger companies; can be very illiquid and there may be occasions, especially when markets are volatile, where it is not possible to immediately sell to protect against falling prices or to raise cash. Portfolios may be concentrated in a relatively small number of stocks and sectors.

#### 2.2.1(e) Alternative Allocation Service

*Nature of service:* The aim is to provide modest medium to long-term growth via a portfolio of alternative investment funds, with lower volatility than equity markets. It is intended to be used to diversify an equity portfolio into other asset classes to lower the overall level of risk of the portfolio. Investment will be in a range of funds that access alternative investments and investment strategies, such as: real estate, infrastructure, speciality lending, long/short equity, long/short credit, global macro trading, and asset backed securities. It is likely to include closed end funds (e.g. investment trusts) and Real Estate Investment Trusts (REITs) as well as conventional open end funds (e.g. unit trusts).

*Risk:* This service aims to achieve its objective via investments

and investment strategies that are likely to display low levels of correlation to equity market movements. However, your capital remains at risk.

#### 2.2.1(f) Alternative Income Service

*Nature of service:* The aim is to provide an attractive dividend yield in addition to modest medium to long-term dividend and capital growth via a portfolio of alternative investment funds. Income is not guaranteed. It is intended to diversify an equity income portfolio into other income-producing asset classes. Investment will be in a range of funds that access alternative investments and investment strategies, such as: real estate, infrastructure, specialty lending, hedge funds, multi-strategy and global macro trading, and asset backed securities. It is likely to include closed end funds (e.g. investment trusts) and Real Estate Investment Trusts (REITs) as well as conventional open end funds (e.g. unit trusts).

*Risk:* This service aims to achieve its objective via investments and investment strategies that are likely to display lower volatility and low levels of correlation to equity market movements. However, your capital remains at risk.

#### 2.2.1(g) Technological Innovation Service

*Nature of service:* The aim is to achieve the structural growth potential stemming from productive innovation. Investments are made to strategies targeting specific technology sub-sectors within areas such as health care/biotechnology; robotics and automation and cybersecurity. These investments will typically be combined with broader technology-focused mandates, strategies focused on intellectual property emanating from academic institutions and other emerging and disruptive technology themes. The service is likely to include closed end funds (e.g. investment trusts); Exchange Traded Funds (ETFs) as well as conventional open end funds (e.g. unit trusts).

*Risk:* The portfolio underlying the selected funds will typically include businesses at various stages of development and include both quoted and unquoted equity securities. These factors increase the overall risk of the service.

#### 2.2.1(h) Emerging Markets Service

*Nature of service:* The aim is to provide access to markets that are exposed to faster growing regions of the world, which would be difficult to achieve, with adequate diversification, via individual companies. The strategy accesses these markets via collective investment funds, both open end funds (e.g. Unit Trusts) and closed end funds (e.g. Investment Trusts).

The bulk of the investment is likely to be in actively managed funds, but may also use passive index tracking funds if deemed appropriate.

*Risk/Approach:* The main exposures are to Asia-Pacific; Emerging; and Frontier markets. Given the focus on less developed regions and higher growth economies, this service should represent a higher risk element of a diversified portfolio. All of these investment regions have historically tended to exhibit higher long-term volatility than the average of the broader market (represented largely by the US and Europe). The majority of underlying investments within this service will be to equity securities that are not denominated in sterling, leading to fluctuations in the portfolio value due to exchange rate movements.

#### 2.2.1(i) Global Smaller Companies Service

*Nature of service:* The aim of this service is to provide access to the long-term growth opportunity in small-cap markets from around the world. It invests primarily in strategies focused on the shares of smaller companies, with a focus outside of the UK, which would be difficult to achieve, with adequate diversification, via individual companies. The strategy accesses these markets via collective investment funds, both open end funds (e.g. Unit Trusts) and closed end funds (e.g. Investment Trusts). Investment is made via both actively managed funds as well as passive index tracking funds if deemed appropriate.

*Risk/Approach:* The main exposures are to small and mid-sized companies from a variety of geographic regions outside of the UK. The shares of smaller companies carry a higher degree of risk than investing in more liquid shares of larger companies as they are generally more volatile in price than shares in more regularly traded, larger companies. The majority of underlying investments within this service will be to equity securities that are not denominated in sterling, leading to fluctuations in the portfolio value due to exchange rate movements.

#### 2.2.1(j) Portfolio Management Service

*Nature of service:* The service constructs a diversified portfolio of funds. It invests predominantly in funds (i.e. Unit Trusts, OEICs, Exchange Traded Funds, Investment Trusts, Closed End Investment Companies and other collective investment schemes) and in securities (e.g. bonds, preference shares, subscription shares) issued by funds or their subsidiaries.

To a lesser extent, the service may also invest directly in companies which, although they may not fall into the above list of fund categories, are diversified across multiple underlying

assets and display characteristics of funds (e.g. REITs, venture capital companies) and in securities (e.g. bonds, preference shares, warrants) issued by these entities.

The service may also invest directly in fixed interest securities issued by the UK government together with cash deposits and money market instruments.

The number of funds in your portfolio will depend upon its value. The underlying funds charge an annual management fee which is reflected in the price of the fund. There may be a higher weighting towards index funds in order to keep the average fund charges lower. Your portfolio will be matched to your Investment Approach as defined in section 1.4. . Asset allocation is a function of both our desire to reduce portfolio volatility and our conviction in the underlying markets and managers. There is an emphasis on allocating capital to strategies that have a demonstrable track record in providing above average returns. Where we invest in an actively managed fund we typically look for managers with a strong reliance on reliable investment factors, who we feel have good alignment of interest with their investor base and operate in areas of the capital markets where we believe the prospects are attractive. Of equal importance to the investment process is maintaining the right combination of underlying managers, management styles and risk exposure. All portfolios aim to produce attractive returns over time horizons of five years or more.

All portfolios can be adjusted to enable income to be paid and this can be adjusted to your requirements.

All portfolios can also be adjusted to allow investors to take a Responsible Investment approach. With this approach we select funds that either take account of environmental, social and governance issues and/or which aim to have a positive impact in other ways.

*Risk:* The level of risk will depend upon your overall Investment Approach. The funds selected are readily tradable, and can usually be liquidated in whole or in part at any time. However, certain funds may require notice of a month or more before they can be liquidated. In extreme situations, funds can be closed to redemptions for longer periods. The portion of a portfolio invested in such funds is likely to be very small. Generally, the higher the level of income required the higher the level of risk that needs to be taken. The approach adopted by funds that are selected in a Responsible Investment approach may not be consistent with all investor's views of what constitutes Responsible Investment. If in doubt, discuss with your

Investment Manager.

#### 2.2.1(k) Multi-Manager Service

The Terms for this service are the same as the Portfolio Management Service (see 2.2.1(j)), but with a different charging structure and a more defensive approach to fund selection.

#### 2.2.1(l) Miscellaneous

Holdings that are retained in your portfolio for sentimental reasons or to manage a Capital Gains Tax (CGT) liability, but which otherwise would not fit into our portfolio model, are allocated to the Miscellaneous category for administration purposes. They may be ignored for the purposes of asset allocation and portfolio rebalancing, but will continue to be monitored by your Investment Manager.

### 2.2.2 Specialist Managed services

#### 2.2.2(a) Multi-Asset Portfolio

*Nature of service:* Invests across a number of asset classes for long-term growth. Investments may include direct equities, sovereign and corporate bonds, exchange traded funds for exposure to investments such as commodities, and achieve hedge fund, property and non-European equity exposure via open and closed ended managed funds. Fact Sheets describing the investment objectives for this service are available upon enquiry.

*Risk:* Multi-Asset portfolios may include exposure to higher risk, more volatile investments and securities which are geared. The overall level of portfolio risk will be managed according to your stated preferences.

#### 2.2.2(b) Inheritance Portfolio

*Nature of service:* The service is designed to deliver Inheritance Tax (IHT) mitigation through investment in shares that qualify for Business Property Relief (BPR), whilst offering the potential for growth in the overall value of your portfolio. Investments will be acquired on the reasonable understanding that they are BPR qualifying investments at the time of purchase but there can be no guarantee that HMRC will grant BPR on each investment made in the portfolio. Tax relief is subject to change. Portfolios may not necessarily be fully invested at all times and this may reduce the extent of IHT mitigation. Investing in BPR qualifying investments is not the only method of mitigating IHT and you should take financial advice to assess whether there may be other strategies that are more suitable for you.

*Risk:* Due to the smaller nature of companies that are BPR qualifying, investment in this service must be considered high risk. Smaller company investments: carry a higher degree of risk than investing in more liquid shares of larger companies; are generally more volatile in price than shares in more regularly traded, larger companies, so the value of your portfolio is likely to fluctuate; can be very illiquid and there may be occasions, especially when markets are volatile, where it is not possible to immediately sell to protect against falling prices or to raise cash. The value of your investments may decline, and there is a risk that this may outweigh any IHT saving. Any relief from IHT that may be available by investing in BPR qualifying securities is subject to a minimum two year holding period. If you die before the portfolio has been invested for two years there will be no tax benefit.

#### 2.2.2(c) EIS Portfolio Service

*Nature of service:* The service is designed to deliver Enterprise Investment Scheme (EIS) tax benefits. In order to do this, we will acquire investments for your portfolio which we reasonably believe at the time of acquisition to be EIS qualifying investments. These investment opportunities will be sourced either by us or by selected venture capital partners. As part of this service, amounts may also be placed with selected venture capital partners or Fund Managers who will invest on a discretionary basis on the terms of the relevant discretionary management agreement or fund into investments they believe to be EIS qualifying. This is a discretionary portfolio service and is not an unregulated collective investment fund or fund. There is no limit to the amount which may be invested in any single investee company or fund, or on the proportion of your portfolio in any such single investee company or fund.

*Risk:* EIS qualifying investments will typically be in small unlisted companies. These investments carry a higher degree of risk than investing in the shares of larger companies. Investments in unlisted companies are likely to have little or no liquidity, and due to this they are likely to be impossible to sell at a time of your own choosing. Investment in the EIS Portfolio Service must always be considered high risk. The value of your investments may decline, and there is a risk that this may outweigh any income tax saving. Any relief from income tax that may be available by investing in qualifying EIS investments is subject to a minimum three year holding period. Governments can and do change the tax rules. Although this services may help mitigate Income Tax it is not suitable for everyone and there may be other tax-planning methods available that are more suitable for you. If you are unsure you should always seek independent financial

planning and tax advice. Tax treatment depends on individual circumstances and may be subject to change in the future.

#### 2.2.2(d) Special Situations Portfolio

*Nature of service:* The service invests primarily in small to medium sized UK company shares. It is intended to be used as a distinct, high risk element within your total portfolio. There may be an element of exposure to the bonds of such companies, as well as to collective investment vehicles such as unit trusts, open ended investment companies (OEICs), investment trusts, exchange traded funds (ETFs) and other funds. The portfolio aims for above average capital growth and all income that is generated by the portfolio will be reinvested. Performance fees are charged at the end of February and August subject to a high watermark and net of fees. If a cash withdrawal is requested in the interim, any fees due to that point will be debited. Performance fees will be payable only if the value of capital is greater than any previous high, net of fees.

*Risk:* Smaller company investments: carry a higher degree of risk than investing in more liquid shares of larger companies; are generally more volatile in price than shares in more regularly traded, larger companies; can be very illiquid and there may be occasions, especially when markets are volatile, where it is not possible to immediately sell to protect against falling prices or to raise cash. Portfolios may be concentrated in a relatively small number of stocks and sectors.

#### 2.2.3 Services closed to new business

##### 2.2.3(a) Managed Portfolio

*Nature of service:* The strategy will be built using a combination of “top down” asset allocation and “bottom up” selection of individual investments in relevant asset classes. We will take account of your selected investment objective and any expected calls on capital when constructing and managing your portfolio. We may choose to allocate portions of your Managed Portfolio to our specialist Investment Managers and services, where appropriate and will tell you when this is the case. Your prior consent will be sought where the fees for a specialist service are higher than the Managed Portfolio. Whilst, individually, the specialist services may not conform to your chosen mandate, we use them collectively to create an overall portfolio that does meet your chosen mandate.

*Risk/Objectives:* you will have selected an investment objective from the list below. In order to best achieve these investment objectives, portfolios will be exposed to a degree of risk and investors should understand that the value of their investments may fluctuate. It is important for you to establish

at the outset the degree of risk that is acceptable to you and to determine whether this is compatible with your investment objective.

#### Income

A portfolio with an income objective is likely to be invested in a combination of fixed income investments and a broad spread of equities and funds. The portfolio may include exposure to overseas markets. The equity portion may include larger companies selected for their income distribution characteristics. The prospects for real capital growth, once inflation is taken into account, may be limited by the fixed income investments. There are also a number of factors that may affect the fixed income component of the portfolio including changes in inflation and interest rate expectations and in the default risk of the issuers included within the portfolio. However, the fixed income portion of the portfolio is likely to be less volatile than the equity component. The inclusion of equities improves the prospects for capital growth but increases the possibility of loss of capital value in the short term; in order to achieve income, future growth may be surrendered. Whilst this mandate may offer some protection against inflation risk, even if the income is spent, there will be some volatility in the portfolio; whilst the impact of stock-specific risk will be reduced through diversification, the portfolio is still exposed to market risk. Income may fluctuate and cannot be guaranteed.

#### Balanced

The primary objective of a balanced portfolio is long-term capital growth with a secondary objective of producing an acceptable level of income. The bulk of the portfolio is likely to be invested in a broad spread of directly held equities and/or equity funds. However, a selection of fixed income investments may be included with the aim of increasing the overall level of income in the portfolio. The portfolio may include exposure to non-UK and global companies and overseas markets and some smaller and mid cap companies. Various other asset classes with the potential for capital growth may also be included (e.g. exposure to various commodities through exchange traded funds). It is important to understand that there are a number of risks to choosing the balanced objective: investors could experience volatility that could lead to a loss of capital value in any one year and in some years this could be significant; the portfolio may include smaller and mid cap companies, which can be more volatile than the shares of more regularly traded, larger companies.

The fixed income component of the portfolio may be impacted by changes in inflation and interest rate expectations and in

the default risk of the issuers included within the portfolio. However, the fixed income portion of the portfolio is likely to be less volatile than the equity component. Over the longer term, this mandate may provide protection against inflation risk for both income and capital. However, there will be some volatility in the portfolio although this should be less than that of a portfolio exposed only to equities; whilst the impact of stock-specific risk will be reduced through diversification, the portfolio will still be exposed to market risk.

#### Growth

A growth orientated portfolio is designed with the objective of producing long term capital growth; income generation is not a consideration. The bulk of the portfolio is likely to be invested in a broad spread of directly held equities and/or equity funds. This may include a higher degree of bias towards smaller companies and exposure to special situations and high growth sectors of the market. Additionally, more active management may be used in order to capitalise on short term opportunities as and when they arise. The portfolio is also likely to include exposure to non-UK and global companies and overseas markets and may have a small exposure to fixed interest investments. Various other asset classes with the potential for capital growth may also be included (e.g. exposure to various commodities through exchange traded funds). The risks of choosing the growth objective are that: whilst we aim to mitigate risk through diversification, investors should be aware that the growth strategy could result in them experiencing volatility that could lead to a loss of capital value in any one year and in some years this could be significant; small company investments carry a higher degree of risk than investing in more liquid shares of larger companies and are generally more volatile in price than shares in more regularly traded, larger companies. Small-cap company shares can be very illiquid and there may be occasions, especially when markets are volatile, where it is not possible to immediately sell to protect against falling prices or to raise cash. Whilst the impact of stock-specific risk is reduced through diversification, the portfolio will still be exposed to market risk. This is why a Growth mandate should only be selected where you are not reliant on the portfolio to support day-to-day outgoings and you will advise us of any foreseeable calls on capital or “rainy day” money required so that an appropriate amount can be allocated to non-equity-correlated investments.

#### Growth with income

A Growth with Income portfolio is designed with the objective of producing long-term capital growth, whilst also generating

some income. The bulk of the portfolio will be invested in a broad spread of directly held large cap yielding equities. The portfolio may also include some rated or unrated fixed income investments and cash. The portfolio is also likely to include exposure to overseas markets. The risks of choosing a growth with income objective are that whilst we aim to mitigate risk through diversification, investors should be aware that a growth with income strategy could result in them experiencing volatility that could lead to a loss of capital in any one year and in some years this could be significant. Whilst this mandate should offer some protection to both income and capital against inflation risk, it is likely to be more volatile than the Income and Balanced mandates. Whilst the impact of stock-specific risk is reduced through diversification, the portfolio will still be exposed to market risk.

#### Aggressive growth

An aggressive growth portfolio seeks to achieve superior growth over the longer term. The portfolio is likely to be invested wholly in equities and/or equity funds with the majority in medium and smaller companies. There may also be exposure to special situations, high growth sectors of the market and overseas investments. The portfolio will be actively managed in order to capitalise on short term opportunities as and when they arise. The portfolio may be heavily weighted towards particular sectors deemed to offer the greatest growth potential. The 'Aggressive Growth' objective carries the greatest risk of all our Managed Portfolio investment options in return for the potential for superior returns. Investors should be aware that the portfolio is likely to experience volatility that could lead to a loss of capital value in any one year and in some years this could be significant. Small company investments carry a higher degree of risk than investing in more liquid shares of larger companies. Small-cap investments are generally more volatile in price than shares in more regularly traded, larger companies. Small-cap company shares can be very illiquid and there may be occasions, especially when markets are volatile, where it is not possible to immediately sell to protect against falling prices or to raise cash. This makes it even more important that this objective is only selected where you are not reliant on the portfolio to support day-to-day outgoings and you will advise us of any foreseeable calls on capital or "rainy day" money required so that an appropriate amount can be allocated to non-equity-correlated investments.

#### 2.2.3(b) Monthly savings plan

*Nature of service:* The aim is to build a portfolio over the long term by way of regular monthly contributions by direct debit. The minimum investment amount is £200 per month, there is no maximum. At any time you can:

- Amend the amount (subject to the £200 minimum) or stop your direct debit;
- Make ad-hoc lump sum investments; and
- Take money out of the service, subject to the ability to sell fund holdings and raise cash.

Portfolios will hold a minimum of one fund up to a maximum of three funds, depending on the amount invested. Fund selections will be made with reference to your investment objective. Your savings amounts will be invested on 10th of each month or the next working day where the 10th falls on a weekend or bank holiday ("Investment Date"). All income is reinvested at the next Investment Date. Failed direct debits may incur a charge.

*Risk/Objectives:* The objectives available within this service are Cautious, Balanced or Growth. These are defined in the Monthly Savings Plan Brochure, which you should make sure you have read and understood before investing in this service. In order to best achieve these investment objectives, portfolios will be exposed to a degree of risk. The Monthly Savings Plan is not like a bank savings account and investors should understand that the value of their investments may fluctuate. It is important for you to establish at the outset the degree of risk that is acceptable to you and to determine whether this is compatible with your investment objective.

### 3 Investment instruments

Unless you instruct us, in writing, to the contrary, you accept that we may advise you on, or execute transactions on your behalf, in a wide range of investment types as listed below. Some investments have characteristics that make them more risky than others, which we explain further in this section.

#### 3.1 Types of investment

Unless you instruct us, in writing, to the contrary, you accept that we may advise you on, or execute transactions on your behalf, in the following types of investments:

- Shares in British or foreign quoted companies, (the latter will incur additional risk in the form of exchange rate risk which we will discuss with you at your request)
- Debenture stock, loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments, including government, public agency, municipal and corporate issues
- Unit trusts, mutual funds and similar schemes in the United Kingdom or elsewhere
- Warrants to subscribe for, or depository receipts or other types of instruments relating to the investments above
- Derivatives, including but not limited to, futures, options and contracts for differences. Please note we will not accept transactions for 'uncovered' options
- Spread Betting contracts
- Unquoted investments
- Unregulated collective investment schemes (UCIS) including hedge funds. We will not offer advice on UCIS or other types of Non- Mainstream Pooled Investments (as defined by FCA)
- Penny Shares
- Investments traded on either unregulated markets or markets that operate to differing standards
- Structured Products, but only via Killik Wealth Planning.

### 3.2 Non-traditional assets

Non-traditional assets include, but are not limited to, investments such as property, commodities, hedge funds, gold and private equity. Such investments can offer diversification when used within a portfolio of equity and fixed income investment. However, you should be aware that they can have unique risk/return profiles, and may offer significantly less liquidity than other investments.

### 3.3 Derivative and spread betting transactions

In the case of written 'Call' options, positions must be covered in full by stock held in a Killik & Co account. When writing 'Put' options, positions must be covered in full by cash held in a Killik & Co account. In the event that an uncovered option position arises, we will be entitled to close it in order to manage the risk exposure. We accept no liability for any losses or tax consequences that may arise from such action. Options that are 'in the money' on the expiry date will be automatically

exercised on your behalf unless you instruct us otherwise.

### 3.4 Illiquid investments and non-readily realisable investments

Unless you instruct us in writing to the contrary, we may provide advice on, or undertake on your behalf, an investment that we believe is suitable for you although it is, or may later become illiquid, or not readily realisable.

This means that it may be difficult to sell the investment at a reasonable price and, in some circumstances, it may be difficult to sell it at any price. It may also be difficult to obtain reliable information about its value. We will always use reasonable care to execute such a transaction on terms that are fair and reasonable to you, including the price.

More information about the risks of investments is available through our series of educational videos and materials on our website.

### 3.5 Shareowner services

We will arrange, if you so elect, for you to 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 in your accounts with us in nominee. Ask your Investment Manager about our Shareowner Services.

## 4 Tax & Trustee Services

### 4.1 General tax matters

The primary focus of Killik & Co is advising on or managing your investments. We will not provide you with specific advice on taxation matters, unless you ask for it, although we will endeavour to take your tax position into account where we are aware of it. Financial planning services (which may include some tax considerations) are available via Killik & Co Wealth Planning (see Section 5). We also offer the Tax Services set out in this section. We accept no liability for any tax consequences which may result from investment matters unless it has arisen from our failing to perform a service adequately where the main focus is taxation.

## 4.2 Personal Taxation Service

Through our personal taxation service we will prepare your personal Income Tax Return form and supporting schedules and calculate and agree your position with you and HMRC.

Tax returns can also be completed for trusts and estates under this service.

- We will advise you as to the amount of tax to be paid and the dates by which you should make the payments and, if appropriate, we will initiate a repayment of tax when you appear to have made an overpayment
- We will correspond with HMRC on your behalf and deal with any correspondence passed to us by them
- We will deal with HMRC regarding any amendments required to your tax return and prepare any amended returns, which may be required
- We will check and deal with all communications relating to your tax return addressed to us, however, if HMRC select your tax return for enquiry this work will be subject to a separate assignment as we will seek further instructions and additional charges shall apply
- We will check Pay As You Earn (PAYE) Notices of Coding where such notices are passed to us.

Your spouse's tax affairs should be dealt with independently of you, although we would be pleased to assist. We will provide our professional services outlined in these Terms with care and skill, however, we will not be responsible for any penalties, surcharges, interest or additional tax liabilities arising from incorrect or incomplete information we receive from you, or on your failure to act on our advice or communication from the tax authorities or ourselves. Under the self-assessment regime there are a number of key payment dates that must be met - failure to meet the deadlines may result in penalties, surcharges and/or interest and you are legally responsible for making correct returns.

To enable us to carry out our work you agree:

- That you will make a full disclosure to us of all sources of income, allowances and capital transactions and to provide full information necessary for dealing with your tax affairs
- That we will rely on the information and documents being true, correct and complete
- To respond promptly to all correspondence from us
- To provide us with information in sufficient time for your tax return to be submitted to HMRC by 29th December for

HMRC to collect the tax due (below £2,000) through a later year's PAYE Notice of Coding or by the 31 January deadline if you wish us to calculate your liability for the year, unless there is a reason why we will not be able to submit the Return electronically.

- To promptly forward to us all statements of account, notices of coding, letters and other communications to enable us to deal with them as they may be governed by a statutory time limit.

Our charges are based on a set fee basis, however, additional charges may arise if more complex work is required outside the scope of these Terms. We will issue an invoice or can draw the fee from your Account once HMRC has agreed your tax liability for the year - the fee will be subject to Value Added Tax at the prevailing rate.

We reserve the right to amend our charges for dealing with your tax affairs and will issue you with a revised schedule of charges, 28 days prior to any changes coming into force. Details of commissions, fees and other charges are set out in our Rate Card.

## 4.3 Probate Valuation Service

Our Probate Valuation Service provides a 'quarter up' value of all UK quoted securities and many foreign listed securities as well as accrued interest/dividend information. The probate valuation will highlight any AIM listed assets as these might qualify for Business Relief (previously known as Business Property Relief or BPR).

This service can be provided for assets outside the Killik & Co account. Where external assets are valued, we cannot verify the holding with the registrar/Fund Manager.

Where AIM assets have been identified, you will need to check whether or not the asset is a qualifying asset for the purposes of Business Relief.

The fee for this service is as shown on our rate card and is subject to VAT at the prevailing rate.

This service is provided by Interactive Data; a third party. No information is provided to this third party that could identify the individual who owns the asset(s).

#### 4.4 Will Writing Service

Killik & Co Trustees Limited complies with the Society of Trust and Estate Practitioners' ("STEP") Code for Will Preparation in England & Wales (The STEP Code) in all respects. A copy of the STEP Code is available upon request. Where there is conflict between these Terms and the STEP Code, the latter shall take precedence.

The wills are prepared according to the law in England and Wales.

The Will Writing service will either be undertaken or supervised by a member of STEP.

We will provide our professional services outlined in these terms with care and skill. However, we will not be responsible for any liabilities or taxes arising from incorrect information we receive from you, or on your failure to act on our advice or communication which you receive from us.

We shall not be liable for any financial loss suffered by you unless this results from the negligence, fraud or wilful default of Killik & Co Trustees Limited or from a breach by the Company of applicable laws and regulations.

Our service standard is to provide a draft will (or codicil) within 21 days of us receiving complete instructions.

The company accepts no liability and is not liable to you or any beneficiary should the will (or codicil) not be properly executed.

We cannot provide the Service to you if you would like your will to be governed by the law of another country or religious customs or if you wish to leave specific instructions relating to the continuation of a business. We will only draft your will in relation to assets situated within the United Kingdom, unless we notify you otherwise. If you have any assets situated outside the United Kingdom, you will require advice from a specialist within the relevant jurisdiction.

Once written, your will should be reviewed regularly and we do not accept any liability for any loss arising as a result of any future change in your personal circumstances, or the circumstances of anyone named in your will, or any change in the law (including taxation legislation), which may affect the provisions of your will. We will carry out a regular review of your will but you are responsible for informing us of any changes between reviews.

After we receive your instructions, we will prepare your will in accordance with your instructions. A draft will be sent to you for approval along with a full explanation. Once this has been agreed by you, a final will and any supporting documentation will be sent to you for due execution along with instructions to ensure the document is executed correctly.

Where instructions are taken jointly from more than one client in a meeting regarding more than one will (or codicil) you must accept the following:

- That we have been asked to act for both or all of you; and
- That no information received in connection with the matter from one can be treated as confidential so far as any of the others are concerned.

If a conflict develops which cannot be resolved, we cannot continue to act for both or all of you and we may have to withdraw completely (and this will include subsequent changes to either will or codicil of which the other or others of you would not be aware).

The signed wills will be stored in our safe custody and copies will be provided to you.

#### 4.5 Lasting Power of Attorney (LPA) Service

We will take your instructions to complete either the Health & Welfare LPA form or the Property and Financial affairs LPA form or both. We can act as certificate provider where required; (Please note that where Killik & Co Trustees Ltd are being appointed as attorney for a property and financial affairs LPA, we cannot act as a certificate provider).

A draft will be sent to you for approval along with a full explanation. Once this has been agreed by you, a bound LPA will be sent to you for due execution along with instructions to ensure the document is executed correctly.

Registration of the LPAs with the Office of the Public Guardian (OPG) is optional. If you wish to proceed with registration, we will prepare the necessary notices. The application will be prepared and we will obtain your signature before submitting this to the OPG.

Certified copies of the LPA documents can be arranged but there may be a charge for this service.

## 4.6 Trust, Executor and Attorney Services

Terms and Conditions upon which Killik & Co Trustees Limited (the Company) accepts appointment as Executor and/or Trustee.

- The Company shall be entitled to retain and be paid remuneration for its services (free of all taxes and duties and as a first charge upon the trust estate) in accordance with the scale of fees in force at the date of its appointment, or where it is appointed by Will or Codicil, in accordance with its scale in force at the date of death of the testator, and in all cases the Company shall have the right and power to retain and be paid remuneration in accordance with such later published scale of fees as may from time to time be in force. The Company's fees are exclusive of all costs and expenses properly incurred and paid, which shall be repaid out of the trust estate
- (a) In any case in which the Company shall act as Executor or Trustee jointly with another or others all money securities and documents and all documents of title relating to land subject to the trusts shall be under the exclusive custody and control of the Company but so that the other trustee or trustees shall have all reasonable facilities for periodically inspecting the same as well as any accounts reports and documents relating thereto
- (b) Registered stock, shares, securities and bank accounts shall be in the sole name of the Company or its appointed nominee
- Every appointment of a new or additional trustee or trustees under the statutory power or under any special power shall be subject to the consent in writing of the Company
- The Company may act by its proper offices
- The Company may, subject to any express provisions in the trust instrument, decide on the incidence of its remuneration as between capital and income and as between beneficiaries.

## 5 Killik & Co Wealth Planning

### 5.1 Scope and range

Killik & Co Wealth Planning is the specialist financial Wealth

Planning Team of Killik & Co. The Killik Wealth Planning Team is not tied to any particular product provider. This means we can act on your behalf as your agent in advising you on the most suitable product and service providers across the "whole market" to meet your needs. Alternatively, if you so choose, we can advise you just on the suitability for your needs of Killik & Co services and investment wrappers.

Advice can cover anything from a general life plan to reach your investment goals to pension and inheritance tax planning.

We will advise and make recommendations for you after we have assessed your needs and current financial position. We will then assist you with implementing the agreed recommendations as appropriate.

We will agree the scope of our work and our fees in advance. Our advice will be based on the information that you provide to us. We do not accept responsibility for unsuitable or inappropriate advice resulting from us being provided with incorrect information.

### 5.2 Our fees

Wealth planning advice fees will be calculated on a case by case basis and this will always be agreed prior to us commencing work through a Terms of Engagement document and, if applicable, our Client Agreement for ongoing wealth planning governance. Fees are incurred once the agreed work is commenced. If you instruct us to begin work and change your mind before completion, we reserve the right to charge you a fee based on our time spent up to that point.

## 6 Killik Complete

Killik Complete is a combination of our services, wrappers and expertise:

- To assist families plan their wealth across multiple generations; and
- To provide time savings by offering the convenience of integrating services that would traditionally be accessed through different providers.

Included in the cost of this service are:

- Our Full Wealth Planning Service (see section 5)
- Our Managed Investment Service and/or our Portfolio

Management Service (see section 2); and

- Certain services provided by our Tax and Trustee Services Team (see section 4).

Please refer to our separate rate card and one pager for further details on: the scope of the services provided, minimum investment amounts and costs and charges.

## 7 Our investment wrappers

We offer our own Self Invested Personal Pension (SIPP), Stocks and Shares Individual Savings Account (ISA), Lifetime ISA (LISA), Junior ISA (JISA), and Child Trust Fund (CTF) (collectively “our Wrappers”). These are operated according to HMRC rules, including the types of investments that are eligible to be held.

Unless you are receiving ‘whole of market’ advice from our Wealth Planners, we will advise you on our own Wrappers only, not all SIPPs, ISAs, LISAs, Junior ISAs and CTFs in the market.

### 7.1 SIPP

#### 7.1.1 Provisions

Killik & Co Trustees Limited (the Trustee) is appointed as the first and sole Trustee. The Bank of Scotland is the Provider of the SIPP Scheme (“the Scheme”). Killik & Co is the SIPP administrator. We agree, on behalf of the Provider, to administer the Scheme as required by the Scheme Rules.

The terms in this clause six commence from the date that we receive and accept your correctly completed SIPP application.

#### 7.1.2 Appointments

In respect of your SIPP, you agree and direct that the Trustee appoints us, and then that we appoint Platform Securities, to carry out the respective services described in these Terms. The appointments are made under these Terms, save that the words “Killik & Co Trustees Limited” shall replace the word “you” where it is appropriate, given the nature of the SIPP and the duties of the Trustees thereof. Specifically, but without prejudice to the foregoing, you confirm that:

- We have your authority to engage Platform Securities to provide settlement, safe custody, nominee and associated services to the Trustee in respect of your SIPP
- We have your authority to give instructions to Platform

Securities on behalf of your SIPP

- You agree to the Trustee, in respect of your SIPP, being bound by the obligations to Platform Securities as set out in these Terms.

#### 7.1.3 The scheme

The Scheme is a Personal Pension Scheme, provided by the Bank of Scotland. It is a registered pension scheme under Chapter 2 Part 4 of the Finance Act 2004 under the reference 00605696RV.

#### 7.1.4 Contributions

(a) You and/or your Employer may make Contributions in a particular Tax Year providing you remain eligible to do so. Regular contributions may be payable by Direct Debit Mandate. Lump sum contributions may be paid by cheque, made payable to “Killik & Co Trustees Limited SIPP re. (insert your name)” or BACS/CHAPS. You make contributions as if the payment had been taxed at the basic rate and not the full amount of the contribution. We will arrange to recover the difference from the HMRC on your behalf and apply it to your SIPP. Typically, you should allow seven to eleven weeks for the monies to be reclaimed. Members of the Scheme who pay tax at a higher rate can claim the balance of the relief from your tax office. This rule does not apply to your employer who must make contributions at the gross amount. We will not advise on the amount of tax relief that may or may not be claimed from HMRC - this remains the responsibility of the member.

#### (b) Contribution limits

The maximum annual amount which can be contributed to your Pension is set by the government each year. Please ask us for details of the current contribution limits.

Please note that only an amount equivalent to your relevant UK taxable earnings will attract UK tax relief at the basic rate. If you do not have relevant UK earnings and are a UK resident you can contribute up to £3,600 (gross) in any one tax year.

#### (c) Contributions in specie

We do not currently permit in specie contributions.

#### (d) Contributions in excess of annual earnings

If you have made contributions in excess of the amount on which you are entitled to tax relief, we may agree to repayment of the excess contributions to you, provided that sufficient funds are available in your SIPP and any amounts due to be repaid to HMRC have been repaid. If you have taken benefits or transferred out you agree to indemnify and keep

us indemnified in respect of any tax due to HMRC as a result of the above.

#### 7.1.5 Benefits

##### (a) Administrative costs and expenses

Any Contributions and their proceeds under the Scheme must be used to provide benefits in accordance with the Scheme Rules. Administrative expenses of the Scheme and commission costs may be paid from the Contributions and their proceeds.

##### (b) The pension date

The Pension Date must not normally be before you reach the age of 55. The Pension Date may, in exceptional circumstances, be before you reach the age of 55. Benefits will only be paid before you reach 55 if this is permitted by the Scheme Rules. Current legislation no longer obliges you to take out an annuity at age 75. You may elect to take Drawdown from the age of 55.

##### (c) Phased pension fund withdrawal

Members requesting drawdown or phased pension fund withdrawal from the SIPP must take appropriate financial advice or be validly regarded by Killik & Co as capable of understanding the implications of the actions before instructions can be implemented.

##### (d) Annuity

You have the right to choose any insurer to provide your annuity but you must notify us, in writing, of your choice.

#### 7.1.6 Investment of contributions

You may direct how contributions or any other monies in your SIPP are invested. In no circumstances shall the Trustee be obliged to monitor your SIPP or account for the investment performance of your SIPP.

HMRC reserve the right to levy tax charges if they feel that any investment in the SIPP has breached its eligibility or taxable property rules. The Trustee is expected to act with prudence when accepting investments into the SIPP. For these reasons, we may decline to accept certain investment types or impose limits on the amount that can be invested in certain investments (for example, but not limited to, unlisted investments) at our discretion.

If you choose to invest in commercial property, we may outsource the property administration to a third party that we will notify to you at that time. Outsourced property administration will typically cover general property

management issues, including but not limited to invoicing the tenant for rent, chasing any rent arrears, insuring the property, invoicing the tenant for the insurance premium, making loan repayments and dealing with tenants' requests concerning matters such as assignments, underletting and alterations. We will usually instruct the solicitor and valuer of your choice, giving you the opportunity to negotiate rates with them. Their fees, which are not shown on our SIPP rate card, together with all disbursements relating to the acquisition, sale or management of any property, are payable from your SIPP.

#### 7.1.7 Transfers in

You may arrange for a transfer of benefits from other registered pension schemes into your SIPP. These may include amongst others transfers from other personal pension schemes including stakeholder pension schemes, occupational pension schemes and retirement annuity contracts.

The administrator or trustee of the other scheme must transfer the funds directly to your SIPP account or the transfer should be executed through a financial intermediary who is acceptable to both Killik & Co and you.

Transfer values may be in the form of either cash or assets, providing those assets are permitted and that the transferring scheme is able and willing to transfer in specie.

Instructions to transfer funds into the scheme from another scheme must be received in writing. You accept that the timescales for completing transfers into the SIPP are commonly outside our control.

The scheme cannot be used for contracting out of the State Second Pension (S2P) but we can accept the transfer of Protected Rights Pensions. Please note that if accumulated Protected Rights pensions are transferred to the scheme then you are automatically contracted back into the S2P.

For some types of pension transfer, we may insist that you receive transfer advice from a qualified financial adviser before we will accept the transfer. If this is done by someone other than a Killik & Co Wealth Planner, we may ask for evidence of that advice. The Trustees reserve the right to refuse to decline transfer requests into the Killik SIPP at their discretion.

#### 7.1.8 Transfers out

You have the right to leave the Killik SIPP and transfer to another scheme. Instructions to pay transfer values out of the Killik SIPP to another scheme must be received in writing.

### 7.1.9 Tax relief

The tax reliefs referred to in these Terms are those available based on our interpretation of current legislation and may vary with future legislative changes.

### 7.1.10 SIPP liability and indemnity

In accepting these Terms you agree to indemnify Killik & Co Trustees Limited, its employees and agents, Bank of Scotland, Killik & Co and Platform Securities against all costs, claims, expenses, demands and losses whatsoever that they may suffer or incur in exercising their lawful duties and responsibilities in relation to your SIPP. This indemnity will remain in force notwithstanding that you transfer your benefits out of the SIPP or retirement/death benefits are paid in respect of you under the Scheme.

### 7.1.11 Notice

Any notice given under the Agreement must be in writing. Any notice provided by us to you will be delivered by registered post to the address which we have on our records for you. It is your responsibility to notify us of any change to your address. Any notices which you send to us must be sent to Killik & Co LLP, Crown House, Crown Street, Ipswich IP1 3HS. Unless it is returned to the sender undelivered, a notice sent by registered post is treated as having been served on the third working day after posting whether it is received or not.

### 7.1.12 Cancellation rights

You have a right to cancel your SIPP within the first 30 days. You will receive a 'Right to Cancel Notice' shortly after your SIPP has been set up. If you cancel your SIPP, we will return your funds to you. The amount you receive will be the full value as at the date of cancellation less any transaction charges and fall in the value of the underlying investments due to market fluctuations. Cancelling the SIPP will have the effect of automatically cancelling any underlying investment purchases already made within the SIPP.

In addition, each time that you apply to transfer an existing pension scheme you have the right to cancel the transfer. You can cancel each transfer separately up to 30 days after you receive our reminder. If you elect to cancel a transfer, we will try to return the full value of the transfer payment at the cancellation date to the original pension provider, less any fall in the value of the underlying investments due to market fluctuation. This is because cancelling the transfer payment will have the effect of automatically cancelling any underlying investment purchases already made within the SIPP using the

transfer money. The transferring scheme may not be willing to accept the transfer back. In this situation you may request a transfer to another pension provider.

### 7.1.13 Other matters

The SIPP is not an insurance policy and hence is not subject to the Policyholders Protection Act. Any investments you make within the SIPP will be subject to the protection afforded under the rules of the Financial Services Compensation Scheme (FSCS). The Trustee may delegate some or all of its duties to a third party and if so the third party will be entitled to such indemnities as provided for by you to the Trustee as if the Trustee were carrying out those duties directly.

Further information can be obtained from the Scheme Rules. A copy of the Scheme Rules and any amending Deeds as may be executed from time to time is available to you following your written request. Charges will be deducted from the SIPP account unless otherwise agreed.

## 7.2 Stocks and Shares ISA, Lifetime ISA and Junior ISA

### 7.2.1 Registration

Your ISA or Lifetime ISA (LISA) must always be in your personal ownership and in the case of a Junior ISA (JISA), must always be in the personal ownership of the child. ISAs, LISAs and JISAs must not be used as security for a loan.

ISA, LISA or JISA investments will be registered in the nominee company of Platform Securities or as Killik & Co may direct.

A person aged 16 years or older may apply to be a registered contact for a JISA. In instances where the registered contact for a JISA is less than 18 years old, we will only permit the JISA to operate under one of our Managed Services.

The Lifetime ISA is available to open between the ages of 18 and 39 only.

### 7.2.2 Delegation of functions

If we delegate any of our functions or responsibilities under these terms we will ensure that the designated person is competent to carry out those functions and responsibilities.

### 7.2.3 Opening an ISA, LISA or JISA

To open an ISA, LISA or JISA account, we must be in receipt of a completed ISA, LISA or JISA application, together with

your payment to “Platform Securities” for any amount up to the subscription allowance. Incomplete applications will not be accepted.

The amount that can be invested in an ISA, LISA or JISA each year is set by HMRC. You are responsible for ensuring that you do not exceed the annual limits. You must not subscribe to a Killik ISA, LISA or JISA if you have already subscribed to another in the same tax year or if you have used up your annual allowance in a cash ISA in the current tax year.

Subscriptions to an ISA or LISA must be from your own funds.

#### **7.2.4 Flexible ISA**

You may withdraw money from your ISA and replace the money within the same tax year without it counting towards your current ISA subscription. Money withdrawn to pay Killik & Co fees will not be able to be replaced. Flexible ISA is available for ISAs only, not LISAs or JISAs.

#### **7.2.5 ISA, LISA and JISA transfers**

Transfers in of ISAs and JISAs are accepted in cash or in specie. LISA transfers in can only be made in cash. Where a transfer in is received by us in cash, our normal dealing commissions will apply when that cash is invested.

Transfers out of ISAs can be made in cash or in specie. LISA and JISA transfers out can be made in cash only. We aim to complete transfers out to a new plan manager within 30 days of receiving your written instructions. Transfer our charges are shown in our Rate Card.

#### **7.2.6 ISA, LISA and JISA management**

We will make claims, conduct appeals and reach agreement on your behalf for tax reliefs in your ISA, LISA or JISA. This will mean passing information about your investments to HMRC. If an investment in your ISA, LISA or JISA ceases to be allowed by HM Revenue and Customs (HMRC) rules, we will propose selling the investment and buying a replacement that is allowed.

We will notify you if for any reason or failure to satisfy the provisions set out by HMRC, your ISA, LISA or JISA has, or will, become void.

We will not reclaim any overseas tax deducted on non-United Kingdom qualifying investments that may be held in an ISA, LISA or JISA from time to time.

#### **7.2.7 ISA, LISA and JISA withdrawals**

You may request some or all of your ISA or to be paid to you

at any time. If the money is paid to your bank account it will no longer be inside an ISA and you will lose the tax benefits.

Withdrawals from a LISA may be subject to a tax charge, unless it is an ‘approved event’. An ‘approved event’ is either the purchase of a first home, where the value of the property is under £450,000, or the Lifetime ISA holder reaching age 60. We will require evidence of the ‘approved event’ in order to process any withdrawal instruction without applying a tax charge. If a withdrawal is made for any reason other than an ‘approved event’ then this will be subject to a tax charge of the equivalent of 25% of the gross value of the withdrawal.

For a JISA only the child will have access to the money and this will be ‘locked in’ until the child reaches 18. At age 18, the JISA will mature and will automatically convert into an ISA account, and the child will be entitled to the benefits – he or she will be able to take the money out or, if available, we will offer them the chance to reinvest the proceeds in a suitable investment.

The registered contact may be allowed early access to the JISA if the child becomes terminally ill. In this instance you may make a claim to HMRC to be allowed access to the funds within the child’s JISA. You will be able to make withdrawals of cash from the JISA for the benefit of the child if you have received a letter from HMRC authorising that such withdrawals may be made.

When selling investments before withdrawing the cash proceeds, our normal commission rates apply.

#### **7.2.8 Death of ISA, LISA or JISA investor**

Where an investor dies on or after 6 April 2018, any ISA (including a LISA) held will be designated a “continuing account of a deceased investor” and will remain so until the earlier of: the completion of the administration of the deceased’s estate, the closure of the account OR the third anniversary of the death of the account holder.

No subscriptions, including replacement flexible subscriptions, can be made into a “continuing account of a deceased investor”.

Assets held within a continuing account of a deceased investor continue to benefit from ISA tax advantages. Any interest, dividends or gains in respect of investments in a continuing account of a deceased investor are exempt from tax.

If, after a period of three years, the administration of the account is ongoing and the account has not been closed, the

account will cease to be a continuing account of a deceased investor. In these circumstances, on the next working day following the third anniversary of the account holder's death, we will transfer the ISA assets into a main dealing account. All subsequent income or gains will then become taxable in the hands of the estate.

For JISAs and for deaths that arose on or before 5 April 2018, the JISA or ISA automatically comes to an end. We stop reclaiming tax on any income distributions received after the date of death and will repay to HMRC any tax refunds already received in respect of income paid after the date of death.

### 7.2.9 Right to withdraw

You accept that you only have a right to cancel a subscription if you invest in a packaged product then change your mind and withdraw within the cancellation period.

### 7.2.10 ISA, LISA or JISA termination

If we decide to stop acting as an ISA, LISA or JISA manager, we will give you at least 28 calendar days' notice in writing.

## 7.3 Child Trust Fund (CTF)

Our CTF is a Non Stakeholder Account.

### 7.3.1 Establishing a CTF account

You can no longer apply for a CTF account as the government's scheme has closed. You can apply for a Junior ISA instead. These terms relate to existing CTF accounts.

### 7.3.2 Charges

The Registered Contact acknowledges receipt of a Rate Card which may be varied by us upon notification in writing.

### 7.3.3 Subscription limit

The total amount that can be invested in the CTF Account in any one birthday year cannot exceed the investment limit for that birthday year as defined in the Treasury Regulations. Where a subscription would breach the investment limit for a birthday year we will refund the excess to the individual who has made the payment. Refunds may be subject to satisfactory completion of money laundering prevention checks. You, family, friends and the child may pay money into the CTF.

### 7.3.4 Title

The CTF investments must always be in the personal ownership of the child. The CTF cannot be transferred to

another person(s).

### 7.3.5 Access

Only the child will have access to the money and this will be 'locked in' until they reach 18. At age 18, the CTF will mature and will automatically convert into an ISA account, and the child will be entitled to the benefits - he or she will be able to take the money out or, if available, we will offer them the chance to reinvest the proceeds in a suitable investment.

The registered contact may be allowed early access to the CTF if the child becomes terminally ill. In this instance, you may make a claim to HMRC to be allowed access to the funds within the child's CTF. You will be able to make withdrawals of cash from the CTF Account for the benefit of the child if you have received a letter from HMRC authorising that such withdrawals may be made.

When selling CTF investments before withdrawing the cash proceeds, our normal commission rates apply.

### 7.3.6 Void CTF accounts

We will notify you if for any reason or failure to satisfy the provisions of the HMRC CTF Regulations, the CTF has, or will, become void. You should tell us immediately if for any reason you believe a breach of the CTF Regulations has occurred.

Where an account is in breach of the CTF Regulations, the account may relinquish the right to any tax credits.

### 7.3.7 CTF transfer out/closure

At your written request, we will transfer the CTF to another CTF or Junior ISA provider, without the loss of tax status in line with the current CTF rules. Transfers out will be made in cash, which means all investments will be sold and dealing commission charged at our normal rates.

### 7.3.8 CTF termination

A CTF automatically ends in the event of the child's death. The account will close and no further tax benefits shall accrue. The proceeds of the CTF Account will be payable to or at the direction of the Child's legal personal representatives once they have established their title to payment.

If we decide to cease to act as a CTF Account Provider, we shall give you at least 30 days' notice in writing. During this notice period you will need to transfer to another CTF or Junior ISA Provider.

### 7.3.11 Amendments

Whilst the CTF is active, if there is any change in law, regulatory requirements or taxation affecting us or the CTF, or if there is any change in circumstances which in our opinion makes it impossible or impractical to carry out one or more of these Terms, then we may make reasonable amendments to these Terms as we reasonably consider appropriate, subject to giving at least one month's written notice to you.

## 7.4 Designated Accounts (Bare Trusts)

Designated Accounts (also known as Bare Trusts) can be established as a method of saving for children. The parent/grandparent will retain control of the account until the child reaches the age of 18 years. The parent/grandparent can make withdrawals for relevant needs of the child at any time. When the child reaches the age of 18 years, the assets must be transferred to the child. This can be done by the child applying to open an account with Killik & Co in their own right. The assets from the Designated Account will then be transferred to the child's own account and the Designated Account closed.

You should seek professional advice on the tax treatment of these accounts prior to investing. Please ask to speak to our Tax Department if you do not have a tax adviser of your own.

## 7.5 Children's accounts and suitability

In respect of Junior ISAs, Child Trust Funds and Designated Accounts (bare trusts) for children our assessment of suitability will be based upon the knowledge and experience of, and risk and Investment Approach given by, the adult controlling the account (typically the child's parent or grandparent).

## 8 Dealing, execution and administration of your account

### 8.1 Payments

You can make payments into your account by cheque made payable to Platform Securities, or by BACS, Faster Payment, CHAPs and Debit Card. We cannot accept cash or bankers drafts. We will only accept payments by Debit Card up to our daily limits as amended from time to time. Payments

must be made from an account in your own name and money paid to us from an account not in your name, or where the account name is unclear, will be rejected. Any money owed to us, Platform Securities, or agents used by us, as stated in the relevant contract advice note, or any other applicable charges, may be deducted from money held in your account by Platform Securities. For this reason, please note that Platform Securities reserve the right to retain your funds. The exception is ISA and SIPP dealing charges which must be met from funds available within the account.

### 8.2 Giving instructions

We will accept instructions relating to your account by various methods (e.g. telephone, email etc) and from you or anyone you have notified to us in writing as authorised to do so on your behalf. Certain instructions must be given in writing.

#### 8.2.1 Methods

Dealing instructions, including corporate action instructions, should be made in writing or by telephone. If you wish to use facsimile, email, text, or instant messaging, we may accept such instructions, when we believe, in our absolute discretion, that these instructions originated from you. You accept that responses will not always be instant and we shall not be liable to you for any delay in responding to instructions given via these forms of media. You agree to indemnify us for any losses we incur as a result of reliance on such instructions.

We point out to you that email messages may not be secure and may be intercepted by third parties. Documents sent to you by email (whether or not containing confidential information), generally will not be encrypted. It is your responsibility to protect your system from viruses and other harmful code or device, though we do try to eliminate them from emails and attachments. We may monitor or access any or all emails sent to us.

#### 8.2.2 Authority on your behalf

We will accept dealing instructions from any person that you have notified to us, in writing, may give instructions on your account. Key roles and permissions are as follows:

(a) Designated manager (Advised accounts only) – For advised accounts where Killik & Co is not the manager of your investments, the Designated Manager will be either you or a person you have nominated to make decisions on your behalf, e.g. spouse. If the Designated Manager is not you, they will

have your authority to:

- Give dealing instructions
- View your account online via the Killik & Co Client Area, including contract notes, statements, valuations, suitability reports and any other reporting documents
- Receive email notifications when there is a new document available to view in the Killik & Co Client Area
- Request payments be made to your bank account.

They cannot request a change of service, risk or Investment Approach or change your personal data or bank details.

(b) Persons with authority to deal – By giving someone Authority to Deal on your account you are giving them authority to give dealing instructions only

(c) Power of Attorney – Where a Power of Attorney is in place to allow someone to make decisions for you or act on your behalf, we will be able to accept any instructions from them relating to your account as if we were receiving the instructions directly from you.

Where you appoint a Designated Manager or someone to act for you under a Power of Attorney, or grant someone Authority to Deal on your behalf, we will ensure that any recommendations we make to them are consistent with your stated attitude to risk and/or Investment Approach. We will take account of their knowledge and experience when giving such recommendations and this may be greater than your own knowledge and experience. By appointing a Designated Manager or Power of Attorney, or giving authority to someone to deal you are allowing them to take investment decisions, including consideration of the merits and risk of investments, on your behalf, which may be different to what your own assessment of the merits and risks would have been. If you change or revoke Designated Manager or dealing authority or a Power of Attorney it is your responsibility to notify us immediately, and we cannot be held accountable for any loss resulting from your failing to do so.

We reserve the right, in our sole discretion, not to carry out any instruction received from you or a third party acting on your behalf for any reason, (whether legal, regulatory, reputational, appropriateness or otherwise) and we are under no obligation to disclose that reason to you. For the avoidance of doubt nothing in this clause will create any liability to you when we do carry out your instructions.

(d) Joint dealing accounts, trust and corporate accounts  
You accept that where an account is held in joint names, each account holder is jointly and severally liable. We may assume

dealing instructions received from one holder of a joint account, one trustee in a trust account, or one authorised signatory on a corporate account will be given on behalf of and with the knowledge of all holders or trustees or directors of the account. Any action we take regarding such instructions will be binding on all of you. Any reference to 'you' shall be deemed to be any one or all such persons as the context shall require.

All Trust and Corporate accounts require a Legal Entity Identifier (LEI) code before they can commence buying or selling exchange traded investments. We offer a service to obtain these on your behalf. If, however, you choose to obtain the LEI code yourself, it is your responsibility to obtain it in time and renew it annually if necessary. We will have to cease transacting on your account if you do not have a LEI code. Further information about LEI codes is available at [gleif.org](http://gleif.org).

### 8.2.3 Instructions required in writing

The following types of instructions must be made in writing, signed by the account holder(s):

- Change of name
- Change of address
- Change of bank details
- Account closure.

For joint accounts, both account holders must sign. For corporates at least two directors must sign. For Trusts, all trustees must sign. We will not accept these instructions from third parties unless a valid power of attorney is in place.

## 8.3 Trade execution

This section sets out the circumstances where we will accept execution only instructions, as well as other execution-related matters such as corporate events and share registrations. Additional information about how we will execute orders in your best interests, including the handling of Limit Orders is set out in our Best Execution policy. Details of how we ensure the fair aggregation and allocation of client orders is set out in our Conflicts policy. Both policies are available on our website.

### 8.3.1 Execution only instructions

On occasion, we will accept instructions from you on an execution only basis; that is without considering if they are suitable for your circumstances. If we reasonably believe that

you are not expecting advice or do not want our advice then we may not proffer advice. Where we believe that a particular instruction for a transaction does not meet your specific risk or Investment Approach, then we will tell you at that time and subsequently that we will execute your order on an execution-only basis, which means that we do not make any assurances about suitability. If we do not believe that the transaction is appropriate for you or in your best interests, then we may refuse to execute the transaction. We may ask you to confirm your instruction to proceed on an execution only basis in writing or by email.

Execution only transactions will not be accepted within Managed accounts.

Execution only accounts may be set up in limited circumstances only, typically to facilitate sale of stock only, and are subject to the same charges as Stockbroking Service accounts. Your Investment Manager may offer information to assist you in determining the timing of the sales, but for the avoidance of doubt, will never be advising you to sell.

### **8.3.2 Stop loss orders**

We will not accept instructions for stop loss orders except in relation to CFD or Spread Betting transactions conducted via our Derivative & Currency Services (see 2.1.3).

### **8.3.3 Foreign dividends**

We will not automatically reclaim tax on Foreign Dividends received on investments held in nominee.

### **8.3.4 Corporate events**

Platform Securities will be responsible for dealing with corporate events – see Section 9.15. For Advised or Execution only clients, notification of corporate events will be made by email. If you fail to provide instructions to us by the stated time once notification has been given, the consequences are entirely your own responsibility. All corporate events incur a charge as shown in our Rate Card.

### **8.3.5 Responsibilities of a client to report**

Clients may be required to make disclosures to the market or to regulatory authorities in circumstances such as the sale or purchase of shares during a takeover, a significant holding in a company, dealings in a listed company as a Director, or holding significant short positions in a company undertaking a rights issue. You accept that it is impossible for us to know the cumulative total of your positions, whether in paper form, in other nominee accounts with other providers or through

derivative positions, either long or short. For this reason we cannot accept the responsibility for making such reports for you, and you accept that this is your responsibility. However, should you require help with your reporting responsibilities, please ask your Investment Manager and we will endeavour to assist.

### **8.3.6 Class actions**

If we are notified of a proposed class action or group litigation order concerning investments that our nominee is holding or has held on your behalf, we will be under no obligation to notify you or to otherwise act upon that notification to the extent permitted by the laws applicable to us. If you become aware of any such class action relating to your investments and you ask us to assist you, we will provide you with such certification or documentation as you may request concerning the investments held for you. We expect you to pay our reasonable costs for doing so.

### **8.3.7 Third party share registrations and payments**

Third party registrations and third party payments are not permitted and will be refused. If we decide, at our discretion, to allow an exception, we will require satisfactory identification materials from the proposed recipient. The consequences of a third party registration carried out in accordance with your instructions, are entirely your risk. The legitimacy of such registrations also remains your responsibility.

It is our policy not to make third party payments. All payments that you request from your account should be made to a nominated bank account in your own name, which we will expect to be in your country of residence. We may decline requests to pay to accounts that you hold in other countries.

### **8.3.8 Bearer investments**

We do not accept bearer investments.

### **8.3.9 Certificated holdings**

Certificated holdings need to be transferred into a nominee account prior to sale in order to meet settlement deadlines. This may result in a delay in effecting the sale. We will not be liable for any loss suffered by you as a result of such a delay.

## **8.4 Default provisions**

If you do not pay any amounts owed by you to us, we will be entitled to ask Platform Securities to retain any cash or investments held on your account to cover the amount

due. You agree that we may instruct Platform Securities, without notice, to set off, transfer or apply any cash or other obligations owed by us to you in order to satisfy in whole or in part any debt or obligation owed from you to us. This applies even if the obligations are in different currencies. These default provisions will apply until you have paid all cash or investments due to us even if we or Platform Securities cease to provide services to you.

In such circumstances, without notice, we may instruct Platform Securities to:

(a) Sell any investments held on your account and use the proceeds (after deduction of any costs incurred) or use any cash to eliminate or reduce any amount that you owe to us. Should the remaining balance of investments be very small, we are entitled to gift these to charity and close the account in order to prevent further charges and debt accruing. Where shares have been gifted, you will not be able to claim a tax loss or make a negligible value claim to HMRC. If the available cash or proceeds of selling investments is insufficient to cover your obligations to us you will still owe the balance;

(b) Close-out or reverse or cancel a transaction previously entered into;

(c) Take or refrain from taking action that would or could eliminate or reduce any liability under a transaction previously entered into.

Where we exercise our rights to use your cash or dispose of your investments under these default provisions we will have no further obligation to you or any third party in respect of that cash or those investments.

In exercising our rights under these default provisions, we may instruct Platform Securities to convert currencies and carry out foreign exchange transactions at such rates and in such a manner as we may reasonably decide. In those circumstances we will be acting on our own behalf and, providing we have acted reasonably, we shall not be liable to you for the result obtained or the choice of investments sold.

See also the default provisions within the Platform Securities Customer Agreement (section 9).

## 8.5 Forced sales

From time to time we have to sell securities without a client's consent, including but not limited to situations where you

### Regulatory reports shall be provided as follows:

| Report type and description   | Frequency   | Services                         |
|---|---|----------------------------------|
| <b>Contract notes</b><br>These are trade confirmations showing date, time, price, costs and what has been bought or sold.   | After every trade before the end of the next business day | Advised & XO services            |
| <b>Platform custody statement</b><br>Contains details of each investment held in custody with Platform Securities and its value.  | Quarterly in January, April, July and October             | All Services                     |
| <b>Composite periodic report</b><br>Contains details of opening and closing balances, performance, costs, transactions, dividends and each investment held and its value. | Quarterly in March, June, September and December          | Managed Investment Services only |
| <b>Account statement</b><br>Contains details of transactions, dividends, costs and each investment held and its value.  | Quarterly in March, June, September and December          | Advised and XO services only     |
| <b>Suitability reports</b><br>Provides the rationale for our advice and why we believe it to be suitable for your circumstances.  | With every advice event                                   | Advised services only            |
| <b>Performance reports</b><br>If your portfolio declines by 10% or more within a quarter, we must notify you  | With every 10% decline in portfolio value                 | Managed Investment Services only |

are not deemed eligible to hold a particular investment. We will endeavour to contact you but we may be forced to correct such situations at short notice and use our judgement prior to notifying you. We shall not be liable for any costs or losses incurred by you as a result.

## 8.6 Cancellation, account closure or death

You may stop using the Services, close your Account, and cancel these Terms at any time by notifying us in writing. If you change your mind you may cancel an agreement for any of our Services within 14 days of signing up. If we have already invested your money, you could get back less than you put in, due to price movements. If there are any transactions in progress when we receive your cancellation or closure request, we will close your account promptly after these transactions are completed. You will still be required to deliver any certificates, stock or payment due to complete the transaction. You should be aware that any reasonable out of pocket expenses, e.g. relating to the transfer of securities, will not be refunded.

We may end this Agreement or suspend your use of the Services at short notice if required by law or if we suspect the Services are being used for unlawful, immoral or unethical reasons or otherwise in violation of these Terms. If we wish to end or suspend our Agreement with you for any other reason, we will give you 28 calendar days' notice. All applicable fees and charges, including transfer charges, will remain payable unless agreed otherwise with you in writing. When ending or suspending this Agreement for any reason, we will not have any obligations to you for any consequences or inconvenience it may cause. We are not obliged to tell you the reason for closing or suspending your account and there may be certain circumstances where we are prevented by law from doing so.

We will close accounts as quickly as possible, however dividends or tax credits can potentially continue to accrue for a time, resulting in additional small payments to either yourself or your new provider. All custody and management charges applied to your account during the closure period will be refunded to you and these will be visible on your final account statement at the end of the period. Should any further activity take place on your account, we will supply you with additional statements.

If you die whilst a client, your account will be frozen until your personal representatives (e.g. your executors) have contacted us and proved who they are. We may close any open position,

which carries a future contingent liability, or any holding within the Fixed Income Service that could only be transferred as cash. Our fees will continue to be charged to your account. We are not responsible for losses in your account during the period between your death and the receipt by us of formal notice of it, or for losses between your death and the receipt by us of certified copy of the grant of probate or letters of administration (as the case may be). In the event of the death of one party of a joint account or a trustee or director please inform us immediately. Unless you notify us to the contrary, all property will be held for joint account holders as Joint Tenants. Joint Tenants own, jointly, the whole of the assets without any distinction between them regarding share of ownership. On the death of one of the tenants, the holdings in the account pass to the remaining tenant(s), who become automatically the owner(s) of the assets.

## 8.7 Transfer of business

In the event that we decide to change custodian or otherwise transfer all or part of our business to a third party, you accept that we may transfer any cash on your account to the new custodian or third party without seeking your further consent. Cash would be transferred in accordance with the FCA rules and would continue to be treated as Client Money at all times.

# 9 Regulatory and legal matters

## 9.1 Regulatory protection

We will treat you as a 'Retail Client' which means you get the highest level of protection under the FCA's rules. You may request a different categorisation if you wish and we will consider if you meet the criteria.

We try to avoid business activities that could create a conflict of interest with our clients. Details of where and how conflicts may arise and how we try to manage them are set out in our Conflicts Policy which is available on the website.

### 9.1.1 Client identification

UK Regulations require all financial institutions to verify the identity of their clients. You agree to us sending information supplied during the registration/application process, such as your name, address and date of birth to third party data sources to verify this information. We may also require

documentation to confirm your identity. Depending on your country of residence, the results of our electronic checks, or other risk factors, further information may be required, which could include documentary evidence of the source of your wealth. Specific additional requirements apply to Corporate and Trust clients. From time to time it may be necessary for us to re-verify your identity using electronic methods and without further reference to you or we may need to request further identification information from you or update existing information in order to fulfil our obligations under the Money Laundering Regulations. Failure to provide the requested information may mean that we cannot continue to provide our services, or proceed with opening a new account or service for you.

We are required to verify the identity of certain Company or Trust beneficiaries. Should you be acting as a Director of a Company or Trustee of a Trust, you will be responsible for notifying us of any changes to beneficiaries. In addition, you agree to notify us of any changes in control over the Company or Trust, for example the appointment of new directors or trustees.

We are also obliged to monitor all transactions of our clients and hence may request additional information on transactional activity.

## 9.2 Marketing, uninvited calls and call recording

We will send you details of our services and investment wrappers, which we believe, may be of interest to you. If you do not wish to receive marketing information or, if your details change, please notify us in writing or update your preferences via your secure login to the Killik & Co Client Area. You accept that the nature of the relationship described in these Terms will envisage our calling you from time to time, and that you accept that we consider between 8am and 9pm to be appropriate times of day to contact you. If you disagree with this, please instruct us in writing. We may contact you on any telephone number you have provided to us, including unlisted numbers.

All telephone calls are recorded and you accept that we may rely on these recordings in the event of a dispute.

## 9.3 Statements, valuations, contract notes and suitability reports

The reports that we will provide to you depend on the services you have selected, and include custody statements, periodic reports, contract notes, suitability reports, annual costs disclosures and performance reports (regulatory reports), as well as account statements and valuations. To be on an Advised Service you must activate your secure online access to the Killik & Co Client Area. All Advised reports are provided electronically only for ease of both the receiving and storing of documents we send you. Suitability Reports will be provided after we have carried out any investment instructions, unless you request to receive the report in advance. If you would like the Suitability Report in advance, this will mean we delay executing the transaction until after we have sent it to you.

Managed clients are encouraged to sign-up for electronic reports, but may request (for an additional charge) to receive them by post.

If you are receiving reports online, we will always send you an email to let you know when a new report is available to view.

In addition, Advised Investment Service and Managed clients will receive a half yearly (July and December) valuation by post, which includes commentary on each investment held. Clients on other services may request valuations for an additional charge.

It is a regulatory requirement that the Platform Custody Statements and our Composite Periodic Reports are provided no less than quarterly. You may request to receive them monthly if you wish, for which we reserve the right to make an additional charge.

We will despatch a contract note by the close of the business day after we have executed a transaction on your behalf. You must notify us within five business days, from the date of the transaction, of any query in respect of contract notes, including failure to receive a contract note. If we do not hear from you then we shall assume that you are in agreement with the contents of the contract note. We do not accept liability for missed or erroneous transactions if more than three months have passed since the date of the instruction or execution of the transaction.

## 9.4 Confidentiality, the General Data Protection Regulation, and record retention

Your personal information may be shared with any entity within the Killik Group, which comprises Killik & Co, Killik Financial Planning, Killik & Co Trustees Limited and Killik Intelligent Savings Limited (Killik Group).

Killik Group or Platform Securities may use, share, store or otherwise process the personal information you have provided to us, including to third party professionals, for the purposes of providing the services, administering your account or for ancillary purposes.

In addition, in relation to the Killik & Co SIPP, personal information you have provided may be disclosed to Bank of Scotland (as provider of the SIPP) to assist with administering your membership of the SIPP. We look after your information to try to prevent anyone other than you and us being able to see it. We only use and store your information for the purposes of providing you with our Services. We will never give your information to anyone else, unless we are required to by law or regulation, or unless it is necessary to providing the Services. Where we use a third party (Data Processor) for some of the processing, you grant us all necessary consents to transfer such data and to permit processing of your personal data for the purposes of providing the Services. In addition, if you use the Shareowner service, you agree to the Data Processor disclosing and transferring your personal data to the Companies in which you hold voting rights and/or their agents. Killik Group and Platform Securities will retain your records for a period of time following the termination of any relationship between us, as required by law or regulation or where we have a legitimate interest. Therefore, we cannot always assent to a request to destroy or delete any record about you. However, after a certain period of time we will store information in a restricted location to limit our ability to access and process it. For more information about how we use, store, share and retain your data, please refer to our Privacy Policy, which forms part of these Terms.

## 9.5 Contacting family members and third party professional advisers

Notwithstanding any other provision of these Terms, in the event that we reasonably suspect or have reasonable cause for

concern or are notified that you might be a victim of a financial scam or are about to be so, we are hereby authorised by you to contact any person we consider appropriate (including without limitation, members of your family or professional advisers to relay our concerns to them). You confirm that by our so doing we shall in no way be liable to you, in any way, for any breach of these Terms and/or of any other legal statutory or common law duty or obligation to you, including but not limited to a duty of care or confidentiality owing by us to you.

## 9.6 Liability and limitation of liability

We do not exclude or limit in any way our liability to you where it would be unlawful to do so. This includes liability for death or personal injury caused by our negligence or the negligence of our employees, agents or subcontractors and for fraud or fraudulent misrepresentation.

We are responsible, if you suffer losses as a result of our negligence, fraud or intentional failure, or from breach by us of applicable laws and Regulations. But we are not responsible for losses caused in any other circumstances. We are not responsible for investment losses caused by market conditions. Nor are we responsible for any loss of profit, loss of business, business interruption, or loss of business opportunity or any indirect or consequential loss arising under or in connection with the Services.

None of Killik & Co, Killik & Co Trustees Limited or Bank of Scotland (as provider of our SIPP) (together the "Providers" or individually as the context requires) shall be liable for any losses caused by the acts or omissions of any person beyond the control of any of them including but not limited to industrial disputes, the act or Regulations of any Governmental or other body, breakdown, failure or malfunction of any telecommunications or computer equipment or service.

Nothing in these Terms shall limit or exclude any Provider's liability for:

- (a) Death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors;
- (b) Fraud or fraudulent misrepresentation;
- (c) Breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession); or
- (d) Any matter in respect of which liability cannot be limited or excluded by rules or regulations set out by any of our

governing bodies including (without limitation) the FCA suitability rules.

Subject to the provisions set out in the above paragraph:

(a) The Providers shall not under any circumstances whatever be liable to you, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, or any indirect or consequential loss arising under or in connection with its services; and

(b) The Providers' total liability to you (individually and/or in aggregate as the case may be), in respect of all other losses arising under or in connection with any agreement entered into with you for the supply of services, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed two times the fees or charges payable in respect of the provision of the services under which the liability arises.

The terms implied by three to five of the Supply of Goods and Services Act 1982 are, to the fullest extent permitted by law, excluded from any agreement with you for the supply of services.

This clause 8.6 shall survive termination of any contract in place for the supply of services by any of the Providers with you.

## 9.7 Variation

You accept that we and Platform Securities may change or add to any of the Terms. If we wish to make a change that is not detrimental to you, we can make the change immediately. We will tell you within 30 days about the change. For other changes, we will always give you reasonable notice, which wherever possible will be at least ten business days, before the date from which the change or addition shall be effective. If you continue using the Services after we have told you about a change to the Terms we will take this as your agreement to the changes.

## 9.8 Assignment

Your acceptance of these Terms is personal to you and your personal representatives and your rights and obligations may not be transferred or assigned to any other person without our prior written agreement. We may assign our rights

and obligations to any person connected with us or to any successor company as long as we tell you first.

## 9.9 Illegality

If any provision or part of these Terms becomes or is declared illegal, invalid, or unenforceable for any reason, it shall be deemed to be deleted from these Terms. The rest of the Terms shall remain in force.

## 9.10 Waiver

If we, or Platform Securities, do not take action in relation to any breach by you of these Terms straightaway, this shall not prevent us from taking action at a later date and shall not be deemed to be a waiver of any subsequent breach.

## 9.11 Governing law and jurisdiction

Our services are subject to legislation and regulation in the United Kingdom and our services are intended for customers in the United Kingdom. Therefore, these Terms are governed by and shall be construed in accordance with English law and you hereby submit to the non-exclusive jurisdiction of the English courts.

## 10 The Platform Securities customer terms and conditions

### 10.1 Our relationship with Platform Securities LLP

We have entered into an agreement on behalf of ourselves and each of our customers with Platform Securities LLP ("Platform Securities") in which Platform Securities has agreed to provide settlement, custody and associated services (the "Platform Securities Agreement"). The current Customer Terms and Conditions of Platform Securities (the "Customer Terms and Conditions") and the principal terms of the Platform Securities Agreement are set out below. By acceptance of these Customer Terms and Conditions you agree that:

- We are authorised to enter into the Platform Securities Agreement on your behalf as your agent on the terms summarised below
- Acceptance of these Customer Terms and Conditions will constitute the formation of a contract between you and us and also between you and Platform Securities
- We are authorised to give instructions to Platform Securities and to agree any subsequent amendments to the Platform Securities Agreement on your behalf
- Platform Securities is authorised to transfer cash or investments from your account to meet your settlement or other obligations to Platform Securities and the fees and charges that you have agreed to pay to us
- The warranties and indemnities you give in these Customer Terms and Conditions are given to both us and Platform Securities.

Under the Platform Securities Agreement you will remain a customer of ours but will also become a customer of Platform Securities for settlement and safe custody purposes only. We retain responsibility for compliance with the regulatory requirements regarding our operations and the supervision of your account. In particular, we remain responsible for approving the opening of accounts, anti-money laundering compliance, accepting and executing securities orders, assessing the suitability of transactions when we have a duty to do so, providing any investment advice to you and for our ongoing relationship with you. Platform Securities neither provides investment advice nor gives advice or offers any opinion regarding the suitability of any transaction or order.

You should direct all enquiries regarding your account to us and not to Platform Securities. Platform Securities will not accept instructions from you directly, but may correspond with you in respect of any queries or complaints about their service. Platform Securities reserves the right to refuse to hold any securities on your behalf in its custody and nominee service.

Joint account holders will be jointly and severally liable to Platform Securities and Platform Securities may discharge its obligations to make any payment or account to all such holders by making such payment or account to any one or more of them.

## 10.2 Classification

For the purposes of the FCA rules, Platform Securities will adopt the same client classification in relation to you as

determined by us and rely on information provided to them by us as to that classification.

## 10.3 Liability and indemnity

In accepting these Customer Terms and Conditions you agree to reimburse Platform Securities for any costs, losses, or expenses incurred by Platform Securities as a result of any breach by you of the provisions of these Customer Terms and Conditions or any failure to make delivery or payment when due. Platform Securities shall have no liability for any circumstance or failure resulting from any event or state of affairs beyond the reasonable control of Platform Securities including, without limitation, any failure of communication or computer systems or equipment or the suspension of trading by an exchange or clearing house. Platform Securities shall not be liable for loss arising other than as a result of its' breach of these Customer Terms and Conditions, its own negligence or wilful default or contravention of the FCA rules and, in any event, will not be liable for any indirect or consequential loss (including loss of profit). Platform Securities shall have no liability for any market or trading losses you may incur.

## 10.4 Governing law and jurisdiction

These arrangements are governed by and shall be construed in accordance with English law and you hereby submit to the non-exclusive jurisdiction of the English courts.

## 10.5 Amendment

You accept that Platform Securities may change or add to any of the Customer Terms and Conditions by giving you reasonable notice which will usually be at least one calendar month. In the event of any variation or amendment of the agreement we will send you a written notice of the change or addition which shall include the date from which the change or addition shall be effective.

## 10.6 Termination

These Customer Terms and Conditions may be terminated at any time by any party giving 28 days' written notice to the other party. Such termination will be without prejudice to the

completion of transactions already initiated.

## 10.7 Investor compensation

Platform Securities participate in the Financial Services Compensation Scheme ('FSCS'), which, subject to certain exceptions, provides limited compensation in the event of Platform Securities being unable to meet its liabilities to you. This scheme currently covers eligible investors (as defined by the FCA) to a maximum of 100% of £50,000.

Further information can be obtained from the FCA or the Financial Services Compensation Scheme.

## 10.8 Complaints

All complaints should be directed in the first instance to our Compliance Officer. If however your complaint concerns an aspect of the service provided by Platform Securities, you may send a copy of your complaint directly to:

The Compliance Officer, Platform Securities LLP,

Canterbury House,  
85 Newhall Street,  
Birmingham,  
B3 1LH.

Both we and Platform Securities will endeavour to resolve your complaint as quickly as possible.

## 10.9 Conflicts of interest

Platform Securities provides a wide range of services to both retail customers and companies engaged in a variety of activities on behalf of individuals and institutional customers, including the management of client assets, transacting of deals and the custody of assets. At times they may have interests which conflict with those of their customers. Conflicts may arise between their interests, their associates and employees and their customers and also between customers.

Platform Securities have in place a Conflicts of Interest Policy and procedures specifically designed to identify and manage such conflicts. These include organisational and administrative arrangements that are intended to restrict the flow of information and access to client data so as to protect the interests of customers and to ensure that the

activities of employees are visible to senior management and are monitored. Further information on Platform Securities' Conflicts of Interest Policy is available on request.

Platform Securities may place money held for your account with a bank or other financial institution (in accordance with the FCA rules) and earn interest and retain some of that interest from that bank or financial institution.

## 10.10 Settlement

All transactions will be due for settlement in accordance with market requirements (as shown on the relevant contract note or advice). You undertake to ensure that Platform Securities will receive all cash and securities when due with respect to any transaction which it is to settle on your behalf and warrant that all cash or investments held by, or transferred to Platform Securities will be and remain free of any lien, charge or encumbrance. All payments due to Platform Securities will be made without set off, counterclaim or deduction. All cash and investments held or transferred to Platform Securities (or its nominees) will be subject to a first fixed charge by way of security for your obligations to Platform Securities. It is your responsibility to ensure that all money due to us and all documents are received by us or Platform Securities by the due date to enable settlement of a transaction we execute on your behalf.

If you fail to pay an amount due to Platform Securities interest will be payable by you at the higher of 15% over Barclays Bank PLC Base Rate or 20% from the due settlement date. This interest rate will be applicable to all debits arising on your account.

You acknowledge that in settling transactions on your behalf, Platform Securities is acting as agent on your behalf and that Platform Securities will not be responsible for any default or failure on the part of any counterparty to a transaction.

All currency exchange risk in respect of any transaction in overseas investments shall be borne by you. The default currency for accounts is Sterling (GBP) and transactions will be settled in GBP unless you give us a specific instruction otherwise. Platform Securities and any other parties involved in providing the currency exchange transaction to you may earn revenue. This revenue is based on the difference between the applicable bid and offer rates for the currency and the rate at which the rate is offset either internally, with a related third party, or in the market.

## 10.11 Payment of charges

Any money owed to us, Platform Securities, or agents used by us, as stated in the relevant contract advice note, or any other applicable charges, may be deducted from money held in your account by Platform Securities. For this reason, please note that Platform Securities reserve the right to retain your funds.

## 10.12 Default provisions

If you do not pay cash or deliver investments when due to meet any settlement obligations or if you fail to meet any other of your obligations to Platform Securities then please be aware that Platform Securities may exercise the rights set out in the remainder of these Default Provisions.

Platform Securities will be entitled to retain any cash or investments held on your account and will have no obligation to pay such cash or deliver any investments to you or any third party until you have paid any cash owing or delivered any investments due.

Platform Securities may, without notice:

- (a) Sell any investments held on your account and use the proceeds (after deduction of any costs incurred) or use any cash to eliminate or reduce any amount that you owe to Platform Securities. If the available cash or proceeds of selling investments is insufficient to cover your obligations to Platform Securities you will still owe the balance;
- (b) Close-out or reverse or cancel a transaction previously entered into;
- (c) Take or refrain from taking action that would or could eliminate or reduce any liability under a transaction previously entered into.

Where Platform Securities exercises its' rights to use your cash or dispose of your investments under these default provisions it will have no further obligation to you or any third party in respect of that cash or those investments.

You agree that Platform Securities may, without notice, set off transfer or apply any cash or other obligations owed by Platform Securities to you in order to satisfy in whole or in part any debt or obligation owed from you to Platform Securities. This applies even if the obligations are in different currencies.

In exercising its rights under these Customer Terms and

Conditions Platform Securities may convert currencies and carry out foreign exchange transactions at such rates and in such a manner as Platform Securities may reasonably decide. In those circumstances Platform Securities will be acting on its' own behalf and, providing it has acted reasonably, it shall not be liable to you for the result obtained or the choice of investments sold.

These default provisions will apply until you have paid all cash or investments due to Platform Securities even if we or Platform Securities cease to provide services to you.

## 10.13 Client money

Your money will be held by Platform Securities as "client money", in instant access, notice or term deposit accounts in accordance with the FCA Rules. This requires Platform Securities to hold your money in a client bank account or accounts, established with statutory trust status. Your money will therefore be segregated from Platform Securities' own money at an "approved bank" (as defined by the FCA Rules). The approved bank(s) may hold such money with other clients' money in a pooled account or pooled accounts. This means that client money is held as part of a common pool of money, so you do not have a claim against a specific sum in a specific account; your claim is against the client money pool in general. Consequently, if an approved bank fails, and there is a shortfall, you will share in that shortfall.

Client money may be placed in accounts with notice periods of, or on deposit for fixed terms of, up to 95 days. Platform Securities may place Client Money in notice or term deposit accounts in order to better spread the risk of default by the institutions they are held with, obtain better rates of interest or avoid charges for depositing client money which may otherwise be passed on to you. Placing client money in notice or term deposit accounts does not in itself affect your ability to deal with or withdraw funds from your Accounts. However, such amounts may not be immediately available for distribution to you in the event of default by Platform Securities or by one of the banks with whom your money is held.

Platform Securities will exercise due skill, care and diligence when selecting and periodically reviewing a bank to hold client money. However Platform Securities is not responsible for any acts, omissions or default of a bank chosen by it.

Where your money is held in a credit institution or bank

outside the UK or EEA, the legal and regulatory regime applying to such person may be different to that of the United Kingdom or the EEA and your rights in relation to it may therefore differ, particularly in the event of a default of such person.

Client money may be passed by Platform Securities to a third party in connection with a transaction for you in a jurisdiction outside the United Kingdom. In the event of a default of that third party, your money may be treated differently to the way it would be treated if it were held in the United Kingdom.

Interest will be payable on any uninvested cash balances at a variable rate which may be less than the interest earned. Interest will be calculated on your credit balance on a daily basis and credited to your account every six months at which point it becomes client money. However, where less than £20 has accumulated in a 6 month period, no interest will be distributed. Where payment is made to you by cheque, interest on the sum concerned will only be credited up to the date of the issuance of the cheque, irrespective of when either the cheque is presented or the funds reach the recipient's bank account. The variable rates of interest payable will be determined by us, may change without prior notification, and can be obtained from your Investment Manager.

#### 10.14 Custody

Investments will be registered in the name of a nominee company controlled by Platform Securities or in the name of a third party custodian selected by Platform Securities in accordance with FCA rules. Platform Securities is responsible for the acts of its nominee to the same extent as for its own acts, including, for the avoidance of doubt, for losses arising from fraud, wilful default or negligence. Acceptance of these Customer Terms and Conditions provides authority for Platform Securities to hold your investments in safe custody, to transfer securities from your account when you have sold them, to accept offers, or other matters covered by this agreement.

You consent to the fact that overseas investments may be registered or recorded in the name of an eligible custodian or in the name of Platform Securities in one or more jurisdictions outside of the United Kingdom or EEA. As a consequence of this, your investments may not be segregated from investments of an eligible custodian, and therefore, your protection may be less should a default occur on the part of

the person in whose name the investments belonging to you are so recorded. Investments belonging to you which are held overseas may be subject to different settlement, legal and regulatory requirements than those that apply in the United Kingdom or EEA. Platform Securities will not be held liable in the event of a default by a custodian. However, Platform Securities does not disclaim responsibility for losses arising directly from its own fraud, wilful default or negligence.

Investments registered or recorded in the name of a nominee or custodian (as outlined above) will be pooled with those of one or more of Platform Securities other customers. Accordingly, your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register. In the event of an irreconcilable shortfall following any default of the eligible custodian responsible for pooled investments, you may not receive your full entitlement and may share in that shortfall pro rata. A further effect of pooling can be that following an allocation or share issue that favours the small investor, your allocation may be less than it otherwise would have been, had your investments been registered in your own name.

Platform Securities or any eligible custodian will deduct local withholding or other taxes, when required to do so to comply with legal or regulatory requirements. As a consequence of pooling such deductions may be paid or withheld at rates that are less beneficial than those that might be applicable if the shares were held in your own name. If you are eligible to reclaim any such deductions this will be your responsibility, not that of Platform Securities or the eligible custodian.

Since your investments are held on a pooled basis Platform Securities may receive additional entitlements, for example after some corporate actions, that would not have arisen had such investments been registered in your own name. Consequently, you are not eligible for these additional entitlements. Platform Securities allocates these to an account, which they administer and may use them to offset against debits arising on dividends or other corporate events.

All instructions regarding the administration of investments held by Platform Securities on your behalf should be sent to us, for onward transmission to Platform Securities. We do not accept instructions from, or send instructions to, third parties, unless a valid power of attorney has been established for this purpose.

Platform Securities will inform us of any rights issues, take-over offers, capital reorganisations, conversion or

subscription rights that affect any investments that are held for your account by Platform Securities or any Eligible Custodian as soon as reasonably practicable after receiving notice of those event.

Platform Securities will be responsible for claiming and receiving dividends, interest payments and other entitlements accruing (excluding scrip dividends). We will be responsible for instructing Platform Securities to:

- Exercise of conversion and subscription rights
- Deal with takeovers, new issues or other offers or capital
- Reorganisations exercise of voting rights.

Where we are the discretionary manager of your account, we will give such instructions to Platform Securities using our discretion. We will endeavour to exercise these rights in your best interests, however we shall not be liable for any failure to do so, except where we have been negligent or clause 8.6(d) applies.

Some companies provide benefits to shareholders relating to the nature of their business. These benefits will not necessarily be available to you automatically, as your stock will be registered in the name of a nominee company. Should you wish to receive these additional benefits, you should make the necessary arrangements. We will arrange, if you so elect, for you to receive a copy of the annual report and accounts issued by every company or other concern in respect of shares, securities or units which are held in your accounts with us.

## 10.15 Unclaimed client investments and unclaimed client money

### 10.15.1 Unclaimed investments

In circumstances where Platform Securities have held your investments in custody for at least 12 years and during that period of at least 12 years have not received any instructions relating to those investments and providing they have made reasonable attempts to trace and contact you Platform Securities may either:

(a) Pay away those investments to a registered charity of our choice, or

(b) Liquidate those investments at market value and pay the proceeds to a registered charity of our choice.

If any such transfer to charity is made Platform Securities will keep records indefinitely relating to the transactions and attempts to contact you and unconditionally undertake to pay you the amount equal to the market value of the investments in the event that you or your legal representatives contact us and claim those investments.

### 10.15.2 Unclaimed client money

In the circumstances where Platform Securities have held a client money balance for you for at least six years following the last movement on your account (disregarding any payment or receipt of interest, charges or similar items) and providing that they have taken steps to trace you and return the client money balance to you Platform Securities may pay away that client money balance to a registered charity of our choice.

If the amount of the client money balance is £25 or more Platform Securities will keep records indefinitely relating to the transactions and our attempts to contact you and unconditionally undertake to pay you or your successor or assignee an amount equal to the client money balance so transferred in the event that you or your legal representatives contact us and claim the client money balance.

All transactions and the keeping of records in relation to them for the transfer of unclaimed investments and/or unclaimed client money balances will be carried out in compliance with the FCA Rules.