



Investment Management Agreement

Discretionary management
terms of business

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Investment Management Agreement

Discretionary Management Terms

Important Information

Our agreement with you

These **discretionary management terms** set out how we will provide **our services** to **our clients** and apply as follows:

When **you** invest in a **general investment account** (either through a financial adviser or directly) **you** will be **our client**.

When **you** invest in a **product** through a **product provider**, the **product provider** will be the legal and beneficial owner of the **assets** within the **product**. Consequently, the **product provider** will be **our client** and **you** will be a **client** of the **product provider**, not **us**. We will manage any **assets** held within a **product** subject to **your product provider's** terms and conditions and any investment **restrictions** that we have agreed with the **product provider**.

The **product provider** has authorised us to communicate with **you** on certain matters relating to the **product assets**, and these **discretionary management terms** explain how we will conduct **our** relationship with **you**.

Where we refer to "**you**" in these **discretionary management terms**, we are referring to **our client** (including any **client** which is a company, trust or other form of legal entity) or the underlying **client** of a **product provider** unless we tell **you** otherwise. If **you** invest both directly and through a **product provider**, we will treat **you** as **our client** only in relation to **general investment accounts**.

Even if **you** are the **client** of the **product provider** and not **our direct client**, these **discretionary management terms** will still apply to **our** relationship with (and give certain rights and obligations to) **you** if **you** invest in a **product**. We will specify how these **discretionary management terms** apply to **you** in these circumstances. We will also put in place a separate **agreement** governing **our** relationship with the **product provider**.

These **discretionary management terms** form part of the investment management **agreement**, which is made up of:

- (1) these **discretionary management terms**; and
- (2) **your** application form (which includes **your tariff of charges**, and **your investment objectives** and **restrictions** schedule).

If **you** invest through an Individual Savings Account (ISA) the **agreement** must be read with the specific ISA terms which form part of the **agreement** between **you** and Standard Life Savings Limited (the ISA manager), which we will give **you** before Standard Life Savings Limited provides ISA services.

IMPORTANT INFORMATION REGARDING THE PERFORMANCE OF YOUR PORTFOLIO:

We will manage **your portfolio** on a discretionary basis, as agreed with **you** and as set out in the **agreement**. We do not warrant the performance or profitability of the **portfolio** or any part of it or that any **investment objectives** will be successfully achieved. If **you** have any queries regarding the performance of **your portfolio**, please speak to **your client portfolio** manager.

Bold terms in the document are words which have a particular meaning (defined words) when we use them in these **discretionary management terms** and in the documentation **you** receive from us regarding **your** account. The meaning of these terms can be found in the Definitions section which begins at page 2.

How we charge for our services

The fees and charges that **you** will have to pay when **you** instruct us to manage **your portfolio** are set out in the **tariff of charges** which is set out in the application form that **you** sign when **you** open **your portfolio**. We may vary these fees and charges from time to time and if we do so, we will give **you** not less than thirty **business days'** notice as set out in section 8 (Fees and charges (and how we may vary these)). If **you** ask us to provide a **service** that will incur an unexpected fee that we have not listed in **our tariff of charges**, we will give **you** at least fourteen days' notice before we charge the fee. We will provide **you** with a further copy of **your tariff of charges** on request.

Our legal agreement with you

The **agreement** governs the relationship that we, Aberdeen Standard Capital Limited, a company authorised and regulated by the FCA (part of the **Standard Life Aberdeen group**) has with **you**. It forms the basis of **our** contractual relationship with **you**.

When **you** sign and return the application form to us, **you** are accepting the **agreement**. Please take time to read the **agreement** carefully as it will form a legally binding **agreement** between **you** and us once **your** application has been received and accepted by us.

Once we have accepted **your** application we will also be bound by the **agreement**. We may refuse to accept any application at **our** discretion.

You agree to comply with the **agreement** at all times as applicable to **you** when **you** invest in a **general investment account** or a **product**.

1. Definitions

- (a) Unless the context requires otherwise, the following terms shall bear the following meanings:

agreement means the **agreement**, consisting of the **discretionary management terms**, and the application form that **you** sign (which includes the **tariff of charges**, and the **investment objectives and restrictions**);

appendix means the relevant **appendix** or appendices to the **agreement** which shall form part of and be construed in accordance with the **agreement**;

asset(s) means the different types of investments that **we** manage for **you**, held directly or in **products**, and money held in **your portfolio**, but does not include any **non-managed assets**;

authorised person(s) means the individual(s) from time to time who are authorised by **you** to give instructions to **us** on **your** behalf for the purposes of the **agreement** in accordance with **our** verification process;

business day means 9am-5pm Monday to Friday (London time) on any day on which banks are generally open for business in London and Edinburgh;

client means a natural or legal person to whom **we** are providing **services** and whom **we** have identified in the **agreement** as **our client** and in relation to joint accounts, means all joint account holders;

collective investment schemes means arrangements for **assets** to be held and managed on a pooled basis on behalf of any number of investors, for example a unit trust or an open-ended investment company;

conflicts of interest policy means **our** policy dealing with identification and management of conflicts of interest in accordance with the **FCA Rules**;

contingent liability investment means a **derivatives** transaction where a **client** may be liable to make further payments;

contract for differences means a contract relating to fluctuations in an index, price or other criterion;

contract note means a written confirmation of the purchase or sale of an investment;

custodian agreement has the meaning set out in **appendix 1**;

derivatives means investment contracts that derive their value from underlying **assets** (see **appendix 2** for further information);

discretionary management terms means these terms as published and amended by **us** from time to time;

effective date means the date on which the **agreement** takes effect as set out in section 6;

FCA means the Financial Conduct Authority, the organisation which regulates the financial **services** industry in the United Kingdom, or any successor organisation;

FCA Rules means the rules made by the **FCA** under the **FSMA**;

FSMA means the Financial **Services** and Markets Act 2000;

futures means rights under a contract for the sale of a commodity or any other property under which delivery is to be made at a future date at a price agreed upon when the contract is made;

general investment account means the part of **your portfolio** which is comprised of **assets** which are held directly by **you** and not in a **product**;

in-house funds means **collective investment schemes** or investment trusts of which **we** or another **Standard Life Aberdeen group** company is/are the manager;

investment objectives means **your investment objectives** as agreed between **you** and **us** from time to time;

limit order means an order to buy or sell an investment at a specified price (the limit) or better and for a specified size. A **limit order** is valid for a maximum of ninety calendar days;

multilateral trading facility means, as defined in the **FCA Rules**, a multilateral system operated by an investment firm or a market operator which brings together multiple buying and selling interests in financial instruments in a way that results in a contract;

non-managed assets means those investments which are owned by **you** and held within **your portfolio** but which are not actively managed by **us**;

option means an **option** to acquire or dispose of investments, currencies or commodities;

order execution policy means a policy relating to the execution of orders and decisions to deal on behalf of **clients**, as required by the **FCA Rules**;

Panel on Takeovers and Mergers means the watchdog which oversees the conduct of takeovers which involve companies listed on the London Stock Exchange;

party means **you** or **us** (as the context requires) (and references to **parties** shall mean **you** and **us**);

Pension Fund Disclosure Code means the code published from time to time by the Investment Management Association and endorsed by the National Association of Pension Funds;

Platform Securities means Platform Securities LLP, a limited liability partnership incorporated in England and Wales (with registered number OC301316) and having its registered office at Level 39, 25 Canada Square, London, E14 5LQ and which is authorised and regulated by the FCA and entered on the Financial Services Register (number 214206);

portfolio means a portfolio of assets entrusted to our discretionary management by you from time to time and also any non-managed assets;

product means the investment product (for example a self invested personal pension or offshore bond) which you hold through the product provider, the assets under which we have been appointed to manage;

product provider means the appropriately authorised firm whose product you have invested in and which has appointed us as investment manager of the assets in your product;

PTM levies means any levies imposed by the Panel on Takeovers and Mergers;

quarterly calculation has the meaning set out in section 8(f);

regulated market is defined in the FCA Rules and in summary, is a multilateral system which brings together or facilitates the bringing together of multiple buying and selling interests in financial instruments admitted to or trading under its rules and/or systems and which is authorised and functions regularly in accordance with applicable regulations;

restrictions means the investment restrictions as agreed between you and us from time to time;

services means the discretionary investment services which we provide to our clients in accordance with the agreement;

Standard Life Aberdeen group means Standard Life Aberdeen plc and each of its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time, details of which can be found at <https://www.aberdeenstandardcapital.com/legal-information.html>;

tariff of charges means the tariff or tariffs of fees and charges as they apply to you and relating to the provision of the services; set out in the application form that you sign, and amended by us from time to time;

unforeseen event means an event that is outside our reasonable control and could not be predicted or if predicted its consequences are too drastic to plan for in a contract. In the agreement it means any:

- (a) act of God, fire, earthquake, storm or flood;
- (b) explosion, nuclear accident or collision;

- (c) sabotage, riot, civil disturbance, insurrection, epidemic, national emergency (whether in fact or law) or act of war (whether declared or not) or terrorism;
- (d) requirement or restriction of or failure to act by any government, semi-governmental or judicial entity;
- (e) unavoidable accident;
- (f) loss of supply of essential services including but not limited to electrical power, telecommunications and essential third party services;
- (g) any 'denial of service' or other targeted network attack; and
- (h) any other cause beyond our reasonable control, as a consequence of which we can no longer provide the services for a given period.

we means Aberdeen Standard Capital Limited, a company incorporated in Scotland and having its registered office at 1 George Street, Edinburgh EH2 2LL (and references to us, our and ourselves have the same meaning). We are authorised and regulated by the FCA and are entered on the Financial Services Register (number 466684). Our main business is to provide discretionary investment management services. References to we, us and our include our successors and assignees; and

you means the natural or legal person(s) to whom we are providing the services in relation to a general investment account as our client, or with whom we are engaging as a client of a product provider (as applicable) (and references to your and yourselves have the same meaning). Where our client is the product provider "you" will also mean the product provider, as applicable;

- (b) If there is any inconsistency between any provisions in any other documentation and any provisions of the agreement, the terms of the agreement will prevail unless we have agreed with you otherwise (for example by way of a side letter or supplementary agreement). In these circumstances the alternative terms that we have agreed will take precedence and apply. If you invest in a product you agree that we will be managing these assets subject to the terms and conditions of the product provider.
- (c) If there is any inconsistency between any appendix to the agreement and the discretionary management terms, the latter will prevail.
- (d) Section headings are purely for ease of reference and do not form part of or affect the interpretation of the agreement.

- (e) Any reference to a “person” is a reference to any natural person, partnership, joint venture, corporation, limited liability company or partnership, trust, firm, association or governmental agency or department or any two or more of the same.
- (f) Any reference to any statute, statutory provision or **FCA Rule** is (unless **we** specify otherwise) a reference to that statute, statutory provision or **FCA Rule** (and all instruments, orders or regulations made under that statute, statutory provision or **FCA Rule**) as in force as at the **effective date** and as subsequently amended, re-enacted or consolidated and applicable at the relevant time.

2. How we treat your personal information

- (a) When **you** open an account with **us** (whether **you** invest directly or through a **product**), **you** give **us** personal information, such as **your** name, age and address, corporate or trust contact details, certain financial information and, where applicable, details relating to persons who may be **your** dependants, beneficiaries, employees and advisers. **We** will use this information and the information that **we** hold about **your assets** and **non-managed assets** and the way **you** operate **your** account in order to provide the **services** to **you** and manage **our** business.
- (b) Except as provided for under section 2(d) below, **we** will keep any personal information that **we** hold confidential.
- (c) If **you** choose to provide **us** with sensitive information relating to, for example, medical conditions, religious beliefs or political opinions (which is classified as “sensitive data”) **we** may use it to allow **us** to perform the **services**. **We** will require the individual’s explicit consent for this, and **you** should not provide **us** sensitive data unless (i) the information relates solely to **you** and **you** have provided explicit consent; or (ii) the data relates to another individual and **you** have obtained their explicit consent.
- (d) **You** agree that **we** may disclose **your** personal information (including any sensitive data) to: **your** professional advisers, other members of the **Standard Life Aberdeen group** or, if necessary, to **our** or their sub-contractors or third **party** service providers (including **Platform Securities**) for the purposes of this section. **We** may also share **your** information with **our** regulators and HM Revenue & Customs, where necessary and lawful to do so.
- (e) Under the Markets in Financial Instruments Directive **we** are required to record certain telephone conversations or electronic communications (including mails, faxes, emails or documentation of **client** orders made at meetings) when **we** receive and transmit orders; execute orders on behalf of **clients**; and deal on **our** own account. **We** may deliver copies or transcripts of such recordings to any court or competent regulatory authority and a copy of these communications must be made available on request for a period of five years (or seven years if requested by the competent regulatory authority) from when the communication was recorded.

- (f) The majority of **your** information is processed in the UK and European Economic Area (EEA). However, some of **your** information may be processed by **us** or the third parties **we** work with outside of the EEA, including countries such as the United States. Where **your** information is being processed outside of the EEA, **we** take additional steps to ensure that **your** information is protected to at least an equivalent level as would be applied by UK/EEA data privacy laws e.g. **we** will put in place legal **agreements** with **our** third **party** suppliers and do regular checks to ensure they meet these obligations.
- (g) For more information on how **we** treat personal information and what **your** rights are, please read **our** Privacy Policy at <https://www.aberdeenstandardcapital.com/asc-privacy-policy.html> or write to the Data Protection Officer c/o Aberdeen Standard Capital, c/o Standard Life Aberdeen PLC, 1 George Street, Edinburgh. EH2 2LL. If **you** do not have access to the internet and would like more information on how **we** handle **your** data, please contact **your Client Portfolio Manager**.

3. Regulation

- (a) **We** are authorised and regulated by the **FCA** in the conduct of **our** business (Financial **Services** Register Number 466684).
- (b) The **FCA** is an independent body that regulates the financial **services** industry in the UK. The **FCA**’s address is 25 The North Colonnade, Canary Wharf, London E14 5HS and its website is found at www.the-FCA.org.uk.
- (c) **We** will notify **you** immediately if **we** cease to be so regulated. Nothing in the **agreement** shall exclude any liability of **ours** to **you** arising under the **FSMA**, or the **FCA Rules**.

4. Client categorisation

- (a) Where **you** invest with **us** directly, **we** will categorise **you** and treat **you** as a retail **client**. Subject to section 4(c), **you** will benefit from those regulatory protections afforded to that category of **client** under the **FCA Rules**.
- (b) If **you** invest in a **product** through a **product provider**, the **product provider** will be **our client**. Please note:
 - (i) **we** understand that the **product provider** has appointed **us** to act as discretionary investment manager (on **your** recommendation) to manage the investments within **your product**;

- (ii) the **product provider** has authorised **us** to communicate with **you** on certain matters relating to the **product assets**, and these **discretionary management terms** explain how **we** will conduct **our** relationship with **you**; and
- (iii) although **we** shall conduct business with **you** on this basis, **we** have agreed with the **product provider** that **you** will be afforded the regulatory protections of a retail **client** under the **FCA Rules**.
- (c) Although **we** may treat **you** as a retail **client**, if **you** are deemed to be a professional **client** for the purposes of the **FCA Rules**, **you** may not be eligible to use the Financial **Services** Compensation Scheme or the Financial Ombudsman Service unless **you** meet their separate eligibility criteria.

5. Anti-money laundering and tax obligations

- (a) To comply with anti-money laundering and tax regulations, **we** must verify the identity of **our clients**, of anyone who has control over **our clients** and of anyone who invests in a **product** or who has a beneficial interest in the **portfolios** that **we** will manage when an account is opened. This will include the directors and owners of any companies, and the trustees and beneficiaries of any trusts, which are **our clients**.
- (b) **We** use a range of checks (for example, online checks with external bodies, such as credit reference agencies), for obtaining documents from **you** confirming **your** name and home address, or evidence of **your** status as a company, trust or other form of legal entity (as applicable). **We** may from time to time change **our** processes or use other methods on a case-by-case basis to improve **our** system, to prevent financial crime, or where standard information is not available. Where an online check is carried out, the agency will verify **your** identity, or the identity of any related persons as described in 5(a) above, against public records and it will also check whether **you**, or any related persons as described in 5(a) above, have a credit history (but it will not disclose any information about the subject's actual borrowings). The agency will add a note to show that an identity check was made to the subject's credit file, but this information will not be available to any third parties.
- (c) **We** maintain policies and procedures which **we** follow in order to verify **our clients** based on **client** type and geographical location. These policies and procedures are compliant with UK and other anti-money laundering regulations. If **we** are unable to verify **your** identity as required under these policies and procedures, **we** may terminate the **agreement** in accordance with section 24(b)(ii) or (iii) (as appropriate).

- (d) **We** will also verify the identity of all **authorised persons** including any attorneys appointed under a power of attorney before **we** accept instructions to communicate with them.
- (e) **We** may also make enquiries when **we** receive an application or at any time whilst **we** manage a **portfolio** in order to satisfy **ourselves** as to the source of any money invested.
- (f) **We** may need to ask for information from time to time in order to re-verify **your** identity, or the identity of any related persons (as required), in the event of a change in **your** circumstances or a change in applicable law or regulation.
- (g) In relation to **your** regulatory obligations, **we** may, in appropriate cases, make returns and reports about **your** circumstances to various relevant authorities and may need to make certain enquiries and obtain certain information from **you** for that purpose. **You** confirm that all information **you** supply will be accurate and that **we** may pass on such information as **we** consider necessary to comply with any legal or regulatory obligations to which **we** are subject.
- (h) **We** have certain responsibilities under various anti-money laundering legislation and rules, know your customer requirements and tax regulations, inter-governmental **agreements** and treaties in and outside the UK to verify the identity of customers and in appropriate cases to make returns and reports about **your** circumstances to various relevant authorities and may need to make certain enquiries and obtain certain information from **you** for that purpose. **You** confirm that all information **you** supply will be accurate and that **we** may pass on such information, as **we** consider necessary to comply with any legal or regulatory obligations to which **we** are subject.

6. Effective date

- (a) The **agreement** will come into force on the date **we** receive a copy of the application form signed by **you** or on such other date as may be agreed between **us** and **you** and shall continue until terminated by either **party** in accordance with the provisions of section 24.
- (b) By signing the **agreement** **you** appoint **us** as discretionary investment manager of the **assets** and delegate to **us** all of **your** powers and discretions in relation to the management of **your assets** subject to the terms and conditions of the **agreement**.

7. Joint accounts

- (a) Only individuals may hold accounts in joint names. Companies and trusts will be treated as sole account holders.

- (b) A **portfolio** may be held in joint names of two or more people and **we** will be entitled to accept instructions from any one person. In certain circumstances **we** will require instructions to be given in writing by all joint account holders (for example, instructions to change account or address details; or where **we** reasonably believe the instruction may prejudice the interests of non-instructing joint account holders).
- (c) Unless **we** are instructed otherwise and while any joint account holders survive, **we** will treat each surviving joint account holder as having the right to all of the **assets** in the **portfolio**.
- (d) When **you** open a joint account with **us**, **you** confirm that all **assets** and **non-managed assets** comprising the **portfolio** from time to time belong to all joint account holders and to the survivor(s) of them. The **portfolio** will be held for and in the name of all joint account holders and the survivor(s) of them. Accordingly, and subject to any written notice, as provided in section 27(h) (Death – joint account holders), on the death of any joint account holder, **we** may on the instructions of the survivor(s) pay or transfer the **portfolio** to the survivor(s) whose receipt therefore shall be a full and sufficient discharge to **us** in respect of such **assets** and **non-managed assets**, and **we** will not be obliged to make any further enquiry into such distribution.
- (e) If a dispute between joint account holders arises, **we** will continue to manage **your assets** but will not accept any new instructions and will not make any payments out of **your portfolio** (except regular payments such as standing orders which have already been set up prior to the dispute arising), until **we** receive further clear written instructions from all joint account-holders.
- (f) If **you** or one of the other joint account holders no longer wishes to continue with the operation of a joint account, **we** will close the joint account and transfer the **portfolio** into a new account in the name of the remaining account holder(s), unless otherwise jointly instructed.
- (g) Each joint account holder is liable both jointly with their surviving joint account holders, and individually, to meet all of **your** obligations under the **agreement** and **we** may ask all or any one of **you** to pay in full any amount **you** owe **us**, not just a proportion.
- (b) **We** may review and/or change fees in the future. **We** will notify **you** in writing of any new fees or charges to be applied or any changes to existing fees or charges not less than thirty **business days** before such a change takes place.
- (c) If, on or before 30 December 2012, **you** authorised **us** in writing to pay **your** adviser a fee (for advice received on or before 30 December 2012), **we** will continue to deduct this fee from **your portfolio** until **you** or **your** adviser instructs **us** to stop paying that fee or if **we** are required by applicable regulations to stop paying that fee. If a fee is already being paid as a percentage of **your** investments' value, that percentage cannot be increased. If a fee is already being paid as a set monetary amount, that amount cannot be increased. **We** will stop paying such fees if **you** ask **us** to pay an ongoing adviser charge as explained in the adviser charges section of the **tariff of charges**, or if this is necessary to comply with the requirements of the **FCA** or the **FCA Rules**. Any fees or charges will be paid out of **assets** and if applicable, **non-managed assets** held on **your** behalf by **Platform Securities**.
- (d) **You** will reimburse **us** for any applicable taxes or stock exchange duties (such as, for example, VAT, stamp duties and **PTM levies**) in respect of the **assets** and **non-managed assets**, and **we** will be entitled to take this from **your portfolio**.
- (e) **We** may also agree with **you** from time to time that **you** shall be responsible for payment of the following:
 - (i) any other tax liabilities or government charges;
 - (ii) brokerage and dealing costs, administration fees, commission, transfer fees, registration fees; and
 - (iii) any other costs and expenses that **we**, **Platform Securities**, **our** agents or any nominee or any **Standard Life Aberdeen group** company properly incurs in the discharge of **our** obligations under the **agreement** or the administration of **your portfolio**.
- (f) **We** will calculate the fees that **you** must pay quarterly in arrears based on the actual value of the **assets** in **your portfolio** as at 31 March, 30 June, 30 September and 31 December each year (the "**quarterly calculation**").
- (g) Fees for the first quarter will be calculated proportionately from the date on which **we** receive **assets** from **you**.
- (h) Fees and other charges which are payable by **you** under the **agreement** will be deducted from **your assets** and any **non-managed assets** held by **Platform Securities** following the **quarterly calculation**. If **you** do not have enough money in **your portfolio**, **we** will instruct **Platform Securities** to sell any securities held by it on **your** behalf to meet these fees and charges.

8. Fees and charges (and how we may vary these)

- (a) **Our** fees and charges are detailed in the **tariff of charges** which is set out in the application form that **you** sign. **We** will provide **you** with a further copy of **your tariff of charges** on request.

- (i) In certain circumstances **we** may agree with **you** that **we** will send **you** an invoice for fees and other charges due, instead of deducting these from **your portfolio** as described in section 8(h). **You** must pay any invoice that **we** send to **you** within thirty calendar days of the date of the invoice.
- (j) **We** will notify **you** in writing of any new fees or charges that **we** intend to apply or any changes that **we** intend to make to existing fees or charges not less than thirty **business days** before such a change takes place.
- (k) If **we** need to charge an unexpected or one-off fee that is not set out in **our tariff of charges**, **we** will notify **you** of this not less than fourteen **business days** before **we** charge the fee.

9. Adviser charges

- (a) If **you** invest in a **portfolio** through an adviser **you** can pay for the **services** of **your** adviser in two ways. Firstly, **you** can agree to pay a fee directly to **your** adviser or secondly, **you** can ask **us** to facilitate payment of adviser charges as set out in this section and the adviser charges section of the **tariff of charges**.
- (b) If **you** invest in a **product** **we** can only facilitate payment of adviser charges through the **product** where this is permitted by the **product** terms and conditions and applicable regulations.
- (c) An adviser charge must be agreed between **you** and **your** adviser. **We** are not responsible for setting the amount of the adviser charge and this is a private matter between **you** and **your** adviser. **We** do not get involved in any dispute between **you** and **your** adviser. So if there is a dispute as to what **you** have actually agreed to pay **your** adviser, **you** and **your** adviser must resolve that dispute between **yourselves**.
- (d) **You** agree that **we** may deduct an adviser charge from **your portfolio** in accordance with instructions **we** receive from **you**. Where **your** adviser forwards **your** instructions to **us**, **we** will always write to **you** directly to confirm that **we** have taken this instruction.
- (e) As soon as **we** move money from **your portfolio** in accordance with **your** instruction to pay charges to **your** adviser, this is no longer **your** money and becomes due and payable by **us** to **your** adviser.
- (f) **We** do not have to agree to facilitate the payment of adviser charges and **we** may refuse to do so, for any reason.
- (g) If **we** agree to facilitate the payment of adviser charges, **we** will send **you** a confirmation letter showing the adviser charges **your** adviser has instructed **us** to deduct from **your portfolio**. It is very important that **you** notify **us** if **your** address has changed before **you** ask **us** to pay an adviser charge.

- (h) It is also important that **you** check that **your** confirmation letter is correct and if not, that **you** inform **us** immediately.
- (i) If the adviser charges shown in the confirmation letter are not what **you** have agreed with **your** adviser **you** should contact **your** adviser as soon as possible. **You** should note that the confirmation letter may not show all remuneration **you** are paying **your** adviser (for example, any fees **you** previously agreed with **your** adviser). In addition, if **you** have agreed to pay **your** adviser multiple adviser charges, **you** may receive more than one confirmation letter (for example, if the adviser charges are payable on different dates as money becomes available).
- (j) **You** should contact **your** adviser if **you** have any questions about how **you** are paying for their **services**.
- (k) If the adviser charges shown in the confirmation letter are not what **you** have agreed with **your** adviser and **you** would like **us** to help **you**, **you** must contact **us** (see section 10(j) (How to contact **us**)) within thirty calendar days of the date of the confirmation letter.
- (l) If **you** ask **us** not to pay an adviser charge, **we** will notify **your** adviser of **your** instruction. **You** may still be liable to pay an adviser charge to **your** adviser if **we** have stopped paying an adviser charge in accordance with **your** instructions.
- (m) It is the sole responsibility of **your** adviser to account for any VAT due (in line with current HMRC requirements) in relation to any adviser charges.

10. Communications

- (a) **General**
 - (i) **We** will communicate with **you** in a number of ways, either by telephone, video call (which are treated in the same way as face-to-face meetings or telephone calls), post, email, fax or (where appropriate) by another form of secure messaging, as **we** agree with **you** in the circumstances. In some circumstances, **you** must give us **your** before **we** can process **your** instructions.
 - (ii) If **we** accept **your** verbal instructions in a meeting, telephone or video call **we** will confirm these to **you** in writing (including via fax, email or secure message) either before or after acting upon the instruction, depending on the scenario.
 - (iii) If **you** instruct **us** by email, post, fax or secure message, **we** may contact **you** by telephone in order to verify that **your** instructions are genuine and/or to ask for further information.

- (iv) The security of **your portfolio** is very important to **us**. Therefore, when **you** communicate with **us**, or when **we** contact **you** to confirm **your** instructions or discuss **your** account, **we** may ask **you** certain security questions to confirm **your** identity before **we** discuss **your** instructions or **your** account with **you**.
 - (v) **You** must tell **us** without delay of any change in **your** contact details. If **you** do not do so **we** will not be liable to **you** for any losses **you** suffer because **you** have not received **our** communications.
- (b) **Instructions – investment in a general investment account**
- (i) **You** have agreed that **we** will manage **your** account on a discretionary basis. Consequently **we** will not accept investment instructions from **you** except as set out in section 12(k) - (m), but may accept general instructions to vary the way in which **we** operate **your general investment account** or any information that **you** have given **us** or to pay in or remove specified amounts of money or other **assets** or **non-managed assets** from **your** account.
 - (ii) Unless **we** receive clear instructions from **you**, **we** will not accept any liability for losses arising from mistakes or misunderstandings of **your** instructions. **We** may rely and act on any instruction or communication which purports to have been given (and which is reasonably accepted by **us** as having been given) by **you** without further enquiry.
 - (iii) Where instructions from **you** are ambiguous or unclear or where **we** otherwise consider it necessary, **we** will try to contact **you** to clarify or verify those instructions.
 - (iv) **We** will refuse **your** instructions if **we** believe that **your** instructions are unclear, may not be possible to carry out (for example where an instruction to withdraw money is received after the custodian's payment cut off time or a liquidation request is received when markets are closed), or might involve any **party** in a breach of any law, rule or regulation. **We** will not be liable to **you** for any delay or for any losses **you** incur in these circumstances.
 - (v) If **we** refuse an instruction **we** will notify **you** of the reasons for doing so.
- (c) **Instructions – investment in a product**
- (i) **We** will accept instructions with regard to **your product assets** from the **product provider** which administers or manages **your product**. **We** have agreed with the **product provider** how **we** will communicate with them.
 - (ii) If **we** receive an instruction regarding **your product assets** from **you**, **we** shall seek authorisation from the **product provider** before acting on it. If **we** refuse an instruction from **you**, **we** will notify **you** of the reasons for doing so.
 - (iii) **We** will accept instructions with regard to **your investment objectives** and **restrictions** from **you**. If there is any discrepancy between **your** instructions on the **restrictions** and the **product provider's** instructions and terms and conditions on the **restrictions**, the **product provider's** instructions and terms and conditions will take precedence.
- (d) **Withdrawing from your portfolio**
- (i) If **you** wish to withdraw or transfer **assets** or **non-managed assets** from **your portfolio** **we** will only do so where:
 - (A) it is possible to transfer or sell **your portfolio** investments in accordance with **your** or **your product provider's** instructions; and
 - (B) all outstanding liabilities on **your** account have been settled and the custodian has received the cleared proceeds of any pending sale of **your** investments.
 - (ii) Where **you** have invested in a **general investment account**, **we** will only pay withdrawals directly to **you**. In certain circumstances **we** may, at **our** sole discretion, agree to pay out to a third **party** at **your** request.
 - (iii) Where **your assets** are invested in a **product**, **we** will only pay withdrawals directly to **your product provider**. In certain circumstances, **we** may agree to pay out to a third **party** if instructed to do so by **your product provider**.
 - (iv) Further information on withdrawals from **your portfolio** is set out in section 12 (k) - (m).
- (e) **Third parties who can operate your portfolio**
- (i) **Authorised persons**
You and, where applicable, **your product provider**, may instruct **us** from time to time to accept instructions from **authorised persons**. **We** require prior written authorisation, confirming the name and address of the person **you** are authorising to provide instructions. **We** will act upon any instruction given to **us** on **your** behalf by the **authorised person** in accordance with **your** prior written authorisation until **you** tell **us** that the person is no longer authorised to act on **your** behalf. **We** will not be liable for loss, claims, damages or expenses that might arise as a result of **us** acting in accordance with the **authorised person's** instructions.

(ii) **Power of attorney**

You may ask **us** to accept a power of attorney whether **you** invest directly or through a **product**. On accounts where a power of attorney is required by **you**, **we** will ask **you** to provide a certified copy of the power of attorney document. Once **we** have received and accepted this, **we** will only be able to accept written instructions from the attorneys if such instructions are signed by all of the attorneys. The type of instructions that **we** are able to accept under a power of attorney will depend on the type of power of attorney that **you** have granted, and **we** will act accordingly.

(f) **Language**

Unless stated or agreed otherwise, any documents **we** provide to **you** will be in English. Where **we** have to communicate to **you** **we** shall do so in English and **you** will also communicate with **us** in English.

(g) **Meetings**

We will arrange to meet with **you** at such intervals as **we** agree with **you** to discuss matters relating to the management of **your assets**.

(h) **Valuations, confirmations and reports**

- (i) **We** may include the valuation of **your non-managed assets** in any valuations **we** provide to **you** to enable **you** to see **your portfolio** in totality. The **non-managed assets** may be held by **Platform Securities** under the **custodian agreement** in which case they will be shown on **your** periodic statements.
- (ii) **We** will send **you** a periodic statement every three months or at such other intervals as required by the **FCA Rules**. In some circumstances **we** may be required to notify **you** where the value of your **portfolio** and/or **your portfolio's** holdings in certain funds falls by 10% or more (which **we** will do on the same **business day** as the fall occurs).
- (iii) **We** shall not send **contract notes** to **you** on a transaction by transaction basis unless **we** agree with **you** otherwise.
- (iv) Where **we** have agreed a predetermined threshold with **you** **we** will report any losses exceeding that threshold to **you** in accordance with the **FCA Rules**.

(i) **Notices**

- (i) The notices that either **we** or **you** are required to serve on each other under the **agreement** must be in writing and can be served, at the discretion of the person serving the notice, either (i) by first or second class post (as appropriate) to the last notified address of the recipient or (ii) by email to the last notified address of the recipient.

- (ii) If a notice is served by first or second class post, **you** and **we** agree that it will be considered to be delivered two **business days** after being posted by first class, or three **business days** after being posted by second class, and proof that the envelope was properly addressed, stamped and posted will be sufficient proof of service.

- (iii) If a notice is served by email or where appropriate, secure message, **you** and **we** agree that it will be considered to be delivered on the day it was sent provided no non-delivery message is received by the sender.

- (iv) Please note that there is no guarantee that any email or electronic message sent will be received, or that the contents of any such message will remain private or unaltered during transmission. **We** will have no liability to **you** arising from breach of confidentiality or otherwise if any person sees any communication which is deemed to have been/has been delivered to **your** email address. If **we** act upon instructions given to **us** by email or any other electronic means **we** shall not accept any liability for any loss **you** incur if it appears that the communication was sent by **you**. Where **you** email **us**, **we** may reply by email or by telephone unless **you** instruct otherwise. **We** shall not be liable for any loss **you** incur as a result of **your** failure to receive for whatever reason any communication sent by email by **us** to the last email address that **you** have provided **us** with.

- (v) While **we** virus scan all emails **we** will not be responsible for any damage caused by a virus or alteration by a third **party** after it is sent. **We** recommend that **you** employ reasonable virus detection and protection measures when accessing emails from **us**.

- (vi) **We** may monitor the use and content of emails which are sent from and received by **us** for the purposes of ensuring compliance with **our** own email policy and identifying and taking action against unlawful or improper use of **our** systems, including but not limited to, spoofing, the transmission of computer viruses and a denial of service attack.

(j) **How to contact us**

- (i) If **you** have any questions or would like to make any changes to **your portfolio**, **you** should initially speak to **your client portfolio** manager. **You** can also contact **our** Head Office. **Our** telephone number is 0345 279 8880. Please have **your portfolio** details ready when calling.

- (ii) Calls may be monitored and/or recorded to protect both **you** and **us** and to help with **our** training. Call charges will vary.
- (iii) **Our** main contact address is Aberdeen Standard Capital, 1 George Street, Edinburgh, EH2 2LL. Email is not a secure method of transferring personal information, but if **you** are happy to send **your** details this way, please email **your client portfolio** manager at the email address which they have provided to **you**. **We** may also agree to use another form of secure messaging, where appropriate. **Our** website can be found at www.aberdeenstandardcapital.com. There is no guarantee that any email sent will be received or will not have been tampered with or intercepted during transmission. **You** may prefer to contact **us** by telephone or in writing.

11. Your responsibilities

The responsibilities that **we** set out in this section apply to **you** whether **you** invest in a **general investment account** or in a **product**, and also to **your product provider**, as set out below.

- (a) If **you** invest in a **general investment account**, **you** must ensure (and if **you** invest in a **product**, **your product provider** must ensure in relation to **product assets**) that before appointing **us**, **your portfolio** is free from all security rights and charges, and that no security rights or charges will arise from **your** (or **your product provider's**) acts or omissions in respect of **your portfolio**.
- (b) **You** agree that all **assets** and **non-managed assets** in **your general investment account** will at all times remain beneficially owned by **you**. The ownership of **assets** in a **product** will be determined by the terms and conditions of the **product**.
- (c) **You** agree not to deal, except through **us**, with any of the **assets** in **your general investment account**, or with any of **your non-managed assets**, without **our** prior written **agreement**.
- (d) **You** must ensure that any information **you** have provided to **us** in relation to **your** status, residence and domicile for taxation purposes is complete and correct, and **you** agree to provide any further information properly required by any court or regulatory authority that has the power to ask **you** to do so. **You** acknowledge that where a Legal Entity Identifier (LEI) or National Identifier (NI) are required but are not made available to **us**, **we** will be unable to make certain trades in relation to **your portfolio**.
- (e) **You** must notify **us** promptly if there is any material change in any information **you** have provided to **us**, and must provide such other relevant information as **we** may from time to time reasonably request in order to fulfil

our regulatory and contractual obligations. If **you** do not provide any information that **we** ask for, it may adversely affect the quality of the **services** that **we** provide.

- (f) **You** agree to ratify any action that **we** lawfully take in the proper performance of **our** duties under the **agreement**.
- (g) Unless arising from **our** negligence, wilful default or fraud or that of **our** employees or **our** delegates under section 14, or their employees, **you** promise to reimburse **us** against all costs, losses, claims and expenses that **we** reasonably incur:
 - (i) as a result of any **party** claiming to be entitled to **assets** or **non-managed assets** which form part of the **portfolio** at, or any time after, the time when **we** first assume management of the **assets** or arrange custody for **your non-managed assets**; and/or
 - (ii) because **you** have breached the **agreement**; and/or
 - (iii) arising out of any action that **we** properly take in accordance with the **agreement**; and/or
 - (iv) because **you** fail to fully perform **your** obligations and/or meet **your** liabilities howsoever arising to **Platform Securities** and/or its sub-custodians under the **custodian agreement**.
- (h) **Companies and Trustees**
Where **you** are a company or are acting as a trustee:
 - (i) **You** must ensure that none of the obligations contained in the **agreement** violate **your** constitutional documents, the trust deed or any law, rule, regulation, order or judgement binding on or affecting **you**. **You** agree that **we** have no responsibility for any breach of such requirements whenever occurring, including, without limitation, any fault in the investment of the **assets** before the **effective date**.
 - (ii) **You** must inform **us** promptly of any change to **your** constitution or trust deed which affects in any way **your** or **our** powers, obligations and/or duties under the **agreement** or investment principles.
 - (iii) When **you** inform **us** of a change to **your** statement of investment principles, **your** intimation of the change will be deemed to be a request by **you** to amend the **agreement** and shall be treated accordingly.
 - (iv) Where **you** are the trustee of a pension scheme:
 - (A) in discharging **our** obligations under the **agreement** **we** will have regard to the requirements specified in the **Pension Fund Disclosure Code**; and

- (B) **you** must act in accordance with the statement of investment principles for the trust prepared in accordance with section 35 of the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005.

12. Investment discretion

- (a) **We** will manage **your assets** in accordance with the **investment objectives**, any **restrictions** and, where applicable, as agreed with the **product provider**. In doing so **we** will have complete discretion to buy, sell, retain, exchange, or otherwise deal in investments and other **assets**, make deposits, subscribe to issues and offers for sale and execute transactions in regulated and unregulated **collective investment schemes** (including in each case, for the avoidance of doubt, **in-house funds**), effect transactions on any markets (including **unregulated markets** and **multilateral trading facilities**), negotiate and execute counterparty and account opening documentation, take all routine or day to day decisions and otherwise act as **we** judge appropriate in relation to the management of **your assets**.
- (b) **We** shall not refer to **you** before making any investment decisions unless **we** agree otherwise with **you** in advance. **We** shall carry out **our** duties under the **agreement** in accordance with **our** obligations under the **FCA Rules** regarding suitability and best execution.
- (c) Before **we** can manage **your assets**, **we** must understand **your** attitude to risk and the suitability for **you** of the investments that **we** may make for **you**. The way that **we** will do this depends on the way in which **you** invest with **us**.
- (i) If **you** have an appointed adviser, they will usually take responsibility for investment suitability. If they do so, they will assess **your** attitude to risk and investment suitability before investing with **us**, and **we** are entitled to rely on their assessment without further enquiry;
- (ii) Where **your** adviser does not accept responsibility for assessing investment suitability, or where **you** do not have an appointed adviser, **we** will take on this responsibility.
- (iii) Where **we** take responsibility for assessing investment suitability, that assessment will be performed in accordance with the information **you** have provided regarding **your investment objectives**. This includes, but may not be limited to, **your** knowledge and experience in relation to investments, **your** preference regarding risk taking, **your** risk profile, the purpose of **your** investment and **your** financial situation.
- (d) **We** manage **your assets** on a discretionary basis (described in section 12(a)) in accordance with **your** attitude to risk. **Our** discretion and the **services we** provide relate only to the **assets** which **you** have decided **you** want **us** to manage. **We** do not provide a full financial planning service and will not carry out suitability checks with regard to **your** wider financial circumstances. **We** do not provide tax planning or tax specific advice.
- (e) **You** should carefully read **appendix 2** to these **discretionary management terms** which sets out a general description of the nature of, and risks relating to, the investments that **we** may buy, sell, retain, exchange or otherwise deal in on **your** behalf when managing **your assets**.
- (f) The **investment objectives** and **restrictions** will not be considered to be breached as a result of any events or circumstances outside **our** reasonable control including, but not limited to, changes in the price or value of **assets** in **your portfolio** brought about solely through movements in the market. **We** will keep such **investment objectives** and **restrictions** under review and may from time to time suggest such amendments as in **our** opinion might be made to them.
- (g) Unless otherwise agreed with **you** or, if **you** invest in a **product**, **your product provider**, **we** may effect transactions in **derivatives** including **contingent liability investment** transactions and may settle or close out such transactions without further reference to **you** or **your product provider**.
- (h) **We** may effect such transactions on such terms as **we** consider appropriate and for any purposes including for both hedging and speculative purposes. **We** may negotiate and execute counterparty, collateral and account opening documentation and give representations, warranties and undertakings for and on **your** behalf. **Derivatives** may be documented under the terms of industry standard documentation (such as, for example, ISDA documents (including Master **Agreements**, **Confirmations** and **Credit Support Annexes**)) or such other documents as **we** consider appropriate. Exchange-traded **derivatives** may be cleared by a broker or brokers selected by **us** and on terms agreed by **us**, including any give-up **agreements**, or on such other terms as **we** consider appropriate. **We** may give representations and warranties to counterparties and others on **your** behalf and may assume, until notified to the contrary by **you**, that **you** are willing and able to give all the representations and warranties which might typically be expected in the relevant market.

- (i) **We** shall at **your** request provide **you** with further information as to the substance of any representation and/or warranty which are commonly included and which might typically be expected in the relevant market.
- (j) **We** may deduct from **your portfolio** any sums required to pay or supplement any deposit in support of any such transaction. **You** will not be required to pay any deposit beyond the amount of money available in **your portfolio**.
- (k) Whilst **we** may wish to discuss **your portfolio** and possible investments with **you** from time to time, **we** will not take any specific buy or sell instructions from **you** (other than selling down for cash purposes or specific and clear tax-related reasons) since this conflicts with **our** role in providing a discretionary management service. **We** may refuse to act upon any specific action **you** ask **us** to take if the result of any such action will cause **us** to be in breach of any law or regulation.
- (l) Where **you** have asked **us** to take specific action in relation to **your assets** **we** may need to assess whether such action is appropriate for **you**. This may mean that **we** will have to ask for certain information from **you**, including information relating to **your** experience and knowledge of trading in certain types of investments. If, on the basis of this information **we** consider that dealing in these types of investments is not appropriate for **you**, **we** will warn **you** of this. If **you** still wish **us** to proceed **we** will do so only at **our** absolute discretion and only once **we** have received written confirmation of **your** instructions.
- (m) If **we** do proceed with **your** execution only instructions, **you** should be aware that:
 - (i) the transaction may not be appropriate for **you**;
 - (ii) **you** may be exposing **yourself** to risks that fall outside **your** knowledge and experience and/or which **you** may not have the knowledge and experience properly to assess and/or control to try to mitigate their consequences for **you**;
 - (iii) **we** will have no responsibility for the action so requested, including the outcome; and
- (n) Where **we** agree to carry out these execution only sell **services** for **you**, **you** acknowledge and agree that this can impact our ability to deliver best execution for **you** since the instructions are driven by **you** and not **us**. Where **we** carry out **your** execution only instructions, **we** will confirm in writing by the following **business day**.

13. Our role as your agent

- (a) **We** have, on **your** behalf and as **your** agent, entered into the **custodian agreement** with **Platform Securities**. Under the **custodian agreement**, **Platform Securities** will provide safe custody of the **assets** that **we** manage for **you**. From time to time **we** may provide information about **you** to **Platform Securities**.
- (b) If **you** are a trustee, by entering into the **agreement** and for the purposes of the Trustee Act 2000, **you** accept the appointment of **Platform Securities** or any other custodian that **we** may appoint under section 13(c) as provider of the custody **services** and **you** acknowledge that the **custodian agreement** takes effect as a separate **agreement** and creates direct contractual rights and obligations amongst **you**, **us** and **Platform Securities**. **We** will provide **you** with a copy of the **custodian agreement** on request.
- (c) **We** may, at any time and at **our** sole discretion, on **your** behalf and as **your** agent, terminate the **custodian agreement** and appoint an alternative custodian for **your portfolio**. **We** do not need **your** consent to do this, but will only do so if **we** receive undertakings from any proposed custodian that **you** will be no less favourably treated than before the transfer was effected.

14. Our right to delegate

- (a) **We** have delegated many of **our** administration and dealing functions to **Platform Securities**. **We** may also from time to time:
 - (i) delegate any of **our** functions, including without limitation any of **our** critical or important operational functions or investment **services**, under the **agreement** to third parties (including **Standard Life Aberdeen group** companies) and may provide information about **you** and **your portfolio** to any such person to whom such activities have been delegated. **Our** liability to **you** for all delegated matters shall not be affected by **us** delegating any of **our** functions;
 - (ii) use other agents (including **Standard Life Aberdeen group** companies) to perform any administrative, dealing, broking or ancillary **services** required to enable **us** to perform **our services** under the **agreement**. **We** will act in good faith and with reasonable skill and care in the selection, use and monitoring of agents;
- (b) **We** will give **you** prior written notice of any such delegation of a function which involves the exercise of **our** discretionary investment management powers and will not, without **your** written consent, delegate the whole or substantially the whole of such powers; and

- (c) If **you** are a trustee, **we** will from time to time provide all such reasonable information in relation to the **services** provided by **Platform Securities** as custodian to enable **you** to comply with **your** obligations under the Trustee Act 2000 or the Trusts (Scotland) Act 1921 as applicable.

15. Custody

A summary of the provisions of the **custodian agreement** is set out in **appendix 1**. **You** should read **appendix 1** carefully and contact **us** if **you** have any questions (please see section 10(j) (How to contact **us**)).

16. Dealing and execution policy

- (a) Details of **our order execution policy** are set out in **appendix 3**. **You** should read **appendix 3** carefully and contact **us** if **you** have any questions (please see section 10(j) (How to contact **us**)).
- (b) In effecting transactions for **your portfolio**, subject to paragraph (c) below, **we** will at all times comply with **our order execution policy** and in particular will act in **your** best interests and comply with any applicable obligations regarding best execution under the **FCA Rules**.
- (c) Where **we** accept specific instructions from **you** in relation to execution of any order this may prevent **us** from following **our order execution policy** in relation to such orders. In particular **we** may not be able to achieve best execution.
- (d) **We** and **our** respective agents (including **Platform Securities**) may (subject to any **restrictions** and **our order execution policy**) deal on such markets or exchanges and with such counterparties as **we** think fit. All transactions will be effected in accordance with the rules and regulations of the relevant market or exchange, and **we** and **our** respective agents may take all such steps as may be required or permitted by such rules and regulations and/or by appropriate market practice.
- (e) **You** confirm **your** prior express consent to orders being executed outside of a **regulated market** or **multilateral trading facility**.
- (f) **We** may place **limit orders** when managing **your assets**, and if **we** do so, **you** agree that **we** shall not be obliged to publish that **limit order** if it cannot be immediately executed under prevailing market conditions.
- (g) If any counterparty fails to deliver any necessary documents or to complete any transaction, **we** will inform **you** in writing and take all reasonable steps on **your** behalf to rectify such failure or obtain compensation in lieu thereof. **You** must reimburse **us** for all resulting reasonable costs and expenses properly incurred by **us** in the discharge of **our** obligations.

- (h) Transactions for **you** may (as the case may be) be aggregated:
- (i) with those of other **clients**;
- (ii) with those of **Standard Life Aberdeen group** companies;
- (iii) with other customers of **us** and/or **Platform Securities** and of its employees and associates; and/or
- (iv) (where **we** and/or **Platform Securities** use other agents for the execution of such transactions) with customers and or affiliates of such respective agents, with such agents' own accounts and of their employees and associates.
- (i) To the extent possible, **we** will ensure that any such transactions will be allocated on a timely, fair and reasonable basis in accordance with the requirements of the **FCA Rules**. The effect of aggregation may work to **your** advantage or disadvantage.

17. Custodian's right of retention and set-off

- (a) In accordance with market practice, **Platform Securities** (in its role as custodian), its agents and any other brokers appointed, may from time to time:
- (i) be entitled to exercise a right to retain possession of any **assets** and, if applicable **non-managed assets**, in **your portfolio** as a continuing security for the payment and performance of **your** and/or the **product provider's** obligations and **our** obligations as agent on **your** and/or the **product provider's** behalf; and/or
- (ii) exercise a right of set-off, which means that they may use any liabilities that **you** owe to **Platform Securities**, its agents or other brokers to reduce or repay any liabilities that any such **party** owes to **you**.
- (b) **Platform Securities**, its agents and other brokers will also be entitled to advance monies in order to effect certain transactions or meet certain obligations. Where this happens, **you** acknowledge that **Platform Securities** may exercise its right to retain possession of **your assets** and/or its right of set-off or other similar interest in such of **your assets** as are necessary to secure the advance and that all rights, title and interest in and to any investment acquired on **your** behalf with such advance will be retained by **Platform Securities** until such time as such advance has been repaid.

18. Shareholder actions

- (a) In managing **your assets** we will, unless otherwise stated, have due regard to the **investment objectives** and any **restrictions** in procuring the exercise of any voting rights attaching to the **assets of your portfolio**. **We** will ultimately have complete discretion in the exercise of any voting rights attaching to the **assets of your portfolio**.
- (b) **Our** approach to the UK Stewardship Code is detailed on **our** website at <https://www.aberdeenstandardcapital.com/uk-based/private-client/meeting-your-needs/uk-stewardship-code/index.html>
- (c) Unless otherwise agreed in writing with **you**, **we** will, in procuring the exercise of voting rights, have due regard to **our** policy on voting. A copy of **our** policy is available on request.
- (d) Where voting on **your** behalf would give rise to a material conflict of interest, **we** will abstain from exercising **our** discretion (and in some cases **we** will instead contact **you** to obtain **your** voting instructions in order to ensure that a sufficient volume of votes is received for the purposes of constituting a valid general meeting). **We** will at all times act in accordance with **our conflicts of interest policy** which is summarised at **appendix 4**.

19. Borrowing

We may not, without **your** express written consent, commit **you** to supplement the **assets** comprising **your portfolio** by borrowing on **your** behalf or by committing **you** to a contract which may require **you** or them to supplement such **portfolio**.

20. Our right to retain or sell your assets

- (a) If **you** do not pay any fees, charges, costs, losses or claims incurred by **us** and due to **us** under the **agreement**, **you** will be in breach of the **agreement** and **we** may instruct **Platform Securities** to retain some or all of the **assets** (and if applicable, **non-managed assets**) that it holds, for **us** and on **our** behalf as security against payment of the debt owed by **you**. **We** may apply these **assets** to the repayment of the debt due to the extent that it remains unpaid.
- (b) **We** may instruct **Platform Securities** to sell any securities held by it or to close out any derivative positions under the terms of the **agreement** in order to meet any liability for which securities are held as collateral or to meet any liability incurred by **you** or by **us** on **your** behalf in relation to the **agreement**.
- (c) **We** may exercise these rights where in **our** reasonable opinion, **we** believe that **you** will not settle the amount due if, for example, **we** are unable to contact **you** after making reasonable efforts to do so, or if **you** refuse to make a payment after a further demand for payment has been made.

21. Taxation and legal advice

- (a) **You** and any professional tax adviser appointed by **you** shall be responsible for the management of **your** affairs for tax purposes. **We** do not take account of the tax treatment of investments when investing **your assets**. **We** will invest in a variety of investment vehicles which have differing tax treatments.
- (b) **We** will supply **you** with sufficient information to enable **you** to complete any self-assessment return.
- (c) **We** will not provide **you** with legal or tax advice and recommend that **you** obtain **your** own independent advice.
- (d) If **you** incur any tax liability and **we** pay this on **your** behalf, **we** will recover these costs from **you**.
- (e) **You** will be liable for all taxes that are personal to **you** in respect of **your portfolio**, and transactions. **Your** tax liability depends on **your** personal circumstances and may be subject to change in the future.

22. Conflicts of interest and disclosures

- (a) **Our conflicts of interest policy** sets out the types of actual or potential conflicts of interest which affect **our** business and provides details of how these are managed. A summary of **our conflicts of interest policy** is set out in **appendix 4**.
- (b) **We** will act as **your** agent. **You** will therefore be bound by **our** actions under the **agreement**. To the extent that any fiduciary or equitable duties arise as a result, such duties shall not prevent or hinder **us**, or any **Standard Life Aberdeen group** company in effecting transactions with or for **you**.
- (c) Where **we** believe a conflict of interest may arise that is not set out in **our conflicts of interest policy**, **we** will notify **you** prior to dealing.

23. Changing or replacing the agreement

- (a) **We** can make reasonable and appropriate changes to the **agreement** (or issue a replacement **agreement** in its place) at any time while **we** are operating **your portfolio**:
 - (i) if the legal or regulatory requirements applying to the **portfolio** or any **product** change; or
 - (ii) if decisions of the Financial Ombudsman Service need to be reflected in the **agreement**; or
 - (iii) if new industry guidance and codes of practice which are there to raise standards of consumer protection need to be reflected in the **agreement**; or
 - (iv) if it becomes impossible or impractical, in **our** reasonable opinion, to carry out any of these terms as a result of a change in the law or regulation or other circumstances beyond **our** control; or

- (v) if the tax treatment of any of the **assets** or **non-managed assets** held in **your portfolio** is changed or is due to change or **we** have to pay a government levy; or
 - (vi) to allow **us** to respond proportionately to changes in the Bank of England base rate, or to changes in other specified market rates or indices or tax rates; or
 - (vii) to proportionately reflect the increase of **our** incurred costs associated with providing the **services**; or
 - (viii) to reflect improvements to the **services** that technical, service or propositional enhancements have allowed **us** to make; or
 - (ix) if **we** are subject to a change of ownership.
- (b) **We** may change our fees and charges as set out in section 8.
- (c) Money held by **Platform Securities** (see **appendix 1**) may earn interest. Where interest is to be paid to **you**, the GBP interest rate payable to **you** will be disclosed on **our** website at <https://www.aberdeenstandardcapital.com/uk-based/private-client/meeting-your-needs/index.html>. Any interest rates payable for non-GBP monies are available from **your client portfolio** manager on request. **Platform Securities** may retain any earned interest above that paid to **you**.
- In times of low inflation or even deflation in the economy, interest rates applied to cash deposits may be negative, which may result in a charge being applied by **Platform Securities** to **your** uninvested monies as more fully explained in **appendix 1**.
- (d) Except in relation to changes to the interest rate for money held in **your portfolio** (which is determined by **Platform Securities**), **we** will give **you** at least thirty **business days**' notice before any change becomes effective and provide **you** with a note of what the changes are by post or by email, unless the amendments made are immaterial, in which case **we** will not notify **you**.
 - (e) Changes to the **agreement** that are outside **our** control (e.g. a change in legislation) will take effect immediately. All other changes will take effect thirty **business days** from the date that **we** give notice to **you** of the change.
- (b) **When we may terminate the agreement**
- (i) Where **you** invest directly **we** may terminate the **agreement** on three months' prior written notice to **you** served at any time. **We** may agree a different notice period in **our agreements** with **product providers**.
 - (ii) **We** may terminate the **agreement** and close **your portfolio** if:
 - (A) **you** fail to comply with the **agreement** and fail to remedy this within thirty **business days** of being asked by **us** to do so; or
 - (B) **you** fail to make any payments due to **us** after **we** notified **you** of the amount **you** owe **us** and have given **you** a further thirty **business days** to make the required payments.
 - (iii) **We** may terminate the **agreement** by immediate written notice to **you** if **we** reasonably believe that **our** on-going relationship with **you** could cause reputational risk to **us** or **our** other **clients**, where the anti-money laundering requirements detailed in section 5 have not been met, or where the **FCA** (or any other regulator) requires **us** to do so.
- (c) **Consequences of termination (including our right to retain or sell your assets)**
- (i) Unless **you** have instructed **us** to transfer **your portfolio** (under section 24(a)), **we** will sell **your portfolio** as soon as is reasonably practical after receipt of **your** signed instruction to terminate the **agreement**. **You** will be liable for any additional dealing charges incurred when selling **your** investments or any costs associated with transferring the investments to another provider.
 - (ii) If **we** have instructions, ad-hoc or regular, to purchase investments for the **portfolio**, when **we** receive an instruction to terminate the **agreement** **we** may need to complete and price any pending purchase transaction before instructing the sale of the **assets**.
 - (iii) If **we** terminate the **agreement** under section 24(b)
 - (i) **we** will contact **you** to ask where the **portfolio** investments should be transferred to or whether investments should be sold. If **we** terminate the **agreement** in these circumstances, **you** will be liable for all accrued management fees and charges up to the date of termination, but not for any trading fees incurred to transfer or sell **your assets** after **we** give **you** notice of termination.

24. Termination of the agreement

(a) When you may terminate the agreement

You may terminate the **agreement** at any time by written notice to **us** (please see section 10(j)) (How to contact **us**). **You** must then instruct **us** promptly either to sell the investments in **your portfolio** or transfer them to another provider.

- (iv) There are certain share classes which are only available to **you** by virtue of **our** relationship with **you**, and on termination **we** may move **your assets** from these share classes into different share classes, sub-funds or funds at **our** discretion.
- (v) If **we** terminate the **agreement** under section 24(b)(ii) or (iii) **we** will sell all the **portfolio** investments and will pay the proceeds to **you**, less any dealing charges incurred in making the sales and any other sums that **you** owe **us** under the **agreement**, to an account nominated by **you**, unless **we** are instructed otherwise or **we** are prevented by law from doing so.
- (vi) Except as provided for in section 24(b)(iii) the **portfolio** will only be closed and the **agreement** will only be terminated once all **assets** and **non-managed assets** have been sold or transferred and **you** have paid all debts and charges payable in relation to **your** account.
- (vii) Before **we** pay the proceeds of sale to **you** or transfer **your portfolio**, **we** will deduct:
 - (A) all reasonable losses or expenses that **we** suffer in connection with properly opening, running or closing the **portfolio** that are outstanding at the time **we** close **your portfolio**, (whenever such losses or expenses were occurred); and
 - (B) all fees and charges payable up to the point that the **agreement** terminates. Fees payable during the quarter that the **portfolio** is sold or transferred to another provider will be charged proportionately and deducted from **your portfolio** prior to the account being closed.
- (viii) If the **assets** and any **non-managed assets** in **your portfolio** are not sufficient to cover the sums payable under the **agreement**, **you** must still pay **us** any balance that remains outstanding. In these circumstances **we** may close **your** account and take all reasonable steps to recover from **you** any sums that remain due.
- (ix) **We** will have no further liability to **you** once **your portfolio** has been transferred to **you** (or elsewhere upon **your** instruction, for example to another investment manager).
- (x) Termination of the **agreement** will not affect any legal rights or obligations that have already arisen.

25. Risks and limits of liability

- (a) Subject to any of **our** duties or liabilities under the **FSMA** and the other provisions of the **agreement**, **we** will only be liable to **our client** for any loss **our client** may suffer as a direct result of any **services** which **we** provide, to the extent that such loss or damage arises as a direct result of fraud, negligence or wilful default by **us**.
- (b) If **you** invest in a **product** **your** right of recourse is against the **product provider** and not against **us**.
- (c) Under the **custodian agreement**, **your** legal contract is directly with **Platform Securities** and any right of recourse that **you** have is against **Platform Securities**, not **us**. Subject to section 25(a), **we** will not be liable to **you** for any loss that **you** suffer in relation to the **custodian agreement**.
- (d) When **non-managed assets** are held by a custodian other than **Platform Securities** or its delegates, any right of recourse that **you** have is against that custodian, not **us**. Subject to section 25(a), **we** will not be liable to **you** for any loss that **you** suffer in relation to any **agreement** **you** may have with such custodian.
- (e) **We** will not be liable to **you** for any loss that **you** suffer if **Platform Securities** becomes insolvent.
- (f) **We** will not be liable for any losses incurred by **you** due to any advice or instructions given to **you** by **your** financial adviser or where **you** have instructed **us** to act in a particular way.
- (g) Whilst **we** will use reasonable efforts to ensure that all information provided by **us** is accurate, current and complies with UK law as at the date of issue, **we** cannot guarantee that this will be the case where **we** are reliant on a third **party** to provide accurate information.
- (h) **We** do accept liability or responsibility for completeness or accuracy of the information when it has been prepared by **us**, but **we** do not accept liability or responsibility for the completeness or accuracy of information that has been prepared by third parties and **we** simply make it available to **you** for **your** convenience.
- (i) No warranty is or shall be given by **us** as to the performance or profitability of the **portfolio** or any part of it or that any **investment objectives** will be successfully achieved.
- (j) In accordance with the **custodian agreement** **you** (and where applicable, in accordance with **our agreement** with any **product provider**, the **product provider**) shall be responsible to **Platform Securities** for all claims and liabilities incurred or assessed against **Platform Securities** or its agents where such claims and/or

liabilities arise directly from **your** fraud, negligence or wilful default or breach by **you** of any of the terms of the **custodian agreement**. In addition, **Platform Securities** may be entitled to exercise the rights described in section 17 (Custodian's right of retention and set-off).

- (k) Nothing in the **agreement** will exclude or limit **our** liability:
 - (i) for death or personal injury caused by negligence;
 - (ii) for fraud;
 - (iii) for misrepresentation as to a fundamental matter; or
 - (iv) for any liability which cannot be excluded or limited by applicable law.
- (l) If **you** are acting as a trustee, **your** liability shall, in the absence of fraud, be limited to the **assets** of the trust from time to time.

26. Unforeseen events

The performance of **our** obligations under the **agreement** may be interrupted and shall be excused by the occurrence of an **unforeseen event** affecting **us** or any of **our** key sub contractors.

27. Death

- (a) If **you** die, **your** personal representatives must notify **us** promptly and provide **us** with any documents that **we** reasonably request to evidence their authority to deal with **your** affairs before **we** will accept instructions from them in relation to **your portfolio**. If they do not do so, there may be a delay in processing the closure of **your** account. **We** will not be liable for any losses, costs or expenses incurred which result from **your** personal representatives' failure to provide suitable evidence of their authority to deal in **your** affairs, or from any delay in **us** being notified.
- (b) The **agreement** will continue to bind **your** personal representatives until **your portfolio** is closed.
- (c) If **we** are informed of **your** death **we** will stop any regular withdrawals from **your portfolio**. If **we** are informed of the death of any beneficiary of a trust, **we** will only stop regular withdrawals that relate to that beneficiary. **We** will continue to manage (and continue to charge associated fees and charges on) **your portfolio** in accordance with the **investment objectives** and **restrictions** until **your** account is closed.
- (d) On receipt of the required documentation establishing the personal representative entitled to collect in and distribute the monies and other **assets** of the deceased, **we** will act as instructed by that person. The value of the investments may rise or fall from day to day.

- (e) **Your portfolio** will be closed as set out in section 24(c).

- (f) **Power of attorney**

If **we** are informed of **your** death, **we** will no longer accept instructions from any attorney appointed by **you**.

- (g) **Authorised Persons**

If **we** are informed of **your** death, **we** will no longer accept any instructions from any **authorised person** (excluding personal representatives as described in paragraphs (a) and (b) of this section 27), including **your** adviser, and will cease to make any adviser charge payments that **you** have instructed **us** to make. Where **you** are a joint account holder **we** will continue to accept instructions and to make payments to any **authorised person** who acts on behalf of a surviving account holder.

- (h) **Joint account holders**

- (i) **Your** account will not terminate on the death of any joint account holder, provided that at least one joint account holder survives, unless **we** are instructed to close the account by a surviving joint account holder or the deceased joint account holder's personal representative, under section 7(f) (Joint accounts).
- (ii) On the death of a joint account holder, **we** will update the structure of **your** accounts as required in line with **our** processes.
- (iii) **We** will treat the survivor(s) as the only person(s) entitled to **your portfolio** and will continue to act on the instructions of the surviving joint account holder(s) in accordance with section 7 (Joint accounts) and to pay income payable in relation to the whole **portfolio** to that/those joint account holder(s) unless **you** have instructed **us** otherwise in writing, (such instruction to be signed by each joint account holder who is living on the date of the instruction being signed), or **we** are required to do otherwise by applicable law, a court or other competent authority.
- (iv) **We** will continue to take instructions from any personal representatives appointed by any deceased joint-account holder and from **authorised persons** acting on behalf of any surviving joint account-holder.

28. Transferring your rights and obligations

You may not assign or otherwise transfer any of **your** rights or obligations under the **agreement** to anyone else unless **we** have given **you** our prior written consent.

29. Transferring our rights and obligations

We may at any time, without **your** prior consent, assign all or any part of the benefit of, or rights and benefits under, the **agreement** to any member from time to time of the **Standard Life Aberdeen group**. Any other assignment or transfer of **our** rights and/or obligations will require **your** prior written consent.

30. Indulgence

If **we**, at **our** discretion, choose not to rely on or enforce any of **our** rights under the **agreement** at any time, this will not prevent **us** relying on and enforcing those rights at any time in the future.

31. Severability

If any provision (or part of a provision) of the **agreement** is or becomes invalid, unenforceable or contrary to any applicable law, it will be given no effect and treated as if it were not included in the **agreement**, but the remaining provisions will remain valid and enforceable.

32. Governing law

- (a) If **you** live in the UK, the **agreement** will be governed by and construed in accordance with the applicable UK law which is determined by where **you** live. Any dispute between **us** will be heard by the courts of the country where **you** live.
- (b) If **you** live outside the UK, the **agreement** will be governed by and construed in accordance with English law and the courts of England will have non-exclusive jurisdiction to settle any disputes or claims which may arise out of or in connection with this **agreement**.

Appendix 1

Custody

We have entered into a custodian agreement with Platform Securities as principal and as agent for certain of our customers, including you (or the product provider where you hold a product), in terms of which Platform Securities will provide, or will appoint sub-custodians to provide, custodial services (the custodian agreement).

This means that the assets and non-managed assets comprising your portfolio will be held on your behalf (or on the product provider's behalf where relevant) by Platform Securities (or its sub-custodians) as Platform Securities deems appropriate from time to time. We will not hold any money belonging to you and/or the product provider nor will we safe-keep any of your and/or the product provider's investments.

Platform Securities is authorised and regulated by the FCA. We have satisfied ourselves that the arrangements ensure adequate protection for your assets.

1. Investments

Investments may be registered in the name of Platform Securities' nominee or its sub-custodians or their nominees. You (or the product provider, where determined by the product terms and conditions, as applicable) will at all times remain beneficially entitled to the investments held for you by Platform Securities.

Platform Securities will buy and sell investments on an aggregated basis, as set out in section 17 of the discretionary management terms.

Platform Securities may pool investments with investments of one or more other clients of Platform Securities but Platform Securities will at all times segregate your or the product provider's investments from those belonging to Platform Securities. Although we and Platform Securities will keep records of your investments where there is a shortfall caused by the default of a third party bank, settlement agent or custodian, you may share proportionately in the shortfall. If Platform Securities or its sub-custodians or their respective nominees fail and there is a shortfall, your claim will be for a share of the investments held together.

Platform Securities shall act upon our instructions in relation to the assets entrusted to Platform Securities from time to time. By your acceptance of the agreement you grant any mandates necessary to give effect to this.

2. 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 short 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 portfolio. 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 money is held.

3. Interest

A variable rate of interest may be applied to uninvested client money, that is, money which is not immediately required to settle a transaction. A portion of this interest may be paid to you. Platform Securities may retain any remainder. The GBP interest rate used to calculate that portion is disclosed on www.aberdeenstandardcapital.com (and non-GBP interest rates are available from your client portfolio manager on request). This interest will be calculated daily and applied to your portfolio monthly at which point it becomes client money. Any interest paid will be shown on your periodic statements.

In times of low inflation or even deflation in the economy, interest rates applied to cash deposits may be negative, which may result in a charge being applied by Platform Securities to your uninvested monies. The GBP interest rate is disclosed on www.aberdeenstandardcapital.com (and non-GBP interest rates are available from your client portfolio manager on request). This interest will be calculated daily and deducted from your portfolio monthly. Any interest charged will be shown on your periodic statements.

4. Scope of liability

The full extent of our liability to you for any loss that you suffer in relation to the agreement is set out in section 25 (Risks and limits of liability) of the discretionary management terms.

Under the custodian agreement, your legal contract is directly with Platform Securities and any right of recourse that you have is against Platform Securities, not us. Except as set out in section 25 (Risks and limits of liability) we will not be liable to you for any loss that you suffer in relation to the custodian agreement or Platform Securities or its agents.

The following information sets out the extent of Platform Securities' liability to you under the custodian agreement.

- (a) Platform Securities is not responsible for the authenticity or validity of title to the investments.
- (b) Platform Securities will not be liable to you for any loss suffered by you because of anything that an approved bank, sub-custodian, settlement agent or other third party does, or fails to do, or because that party becomes insolvent, whether they are backed by a government guarantee or compensation scheme or not, and should a government guarantee or compensation scheme fail and that government is unable to meet its obligations under the scheme, Platform Securities will still not be responsible for any loss suffered by you.
Platform Securities will only be liable to you for any loss or damage you may suffer as a direct consequence of:
 - (i) a breach of the custodian agreement by Platform Securities;
 - (ii) Any failure by Platform Securities to exercise the due care of a professional custodian or to provide its services diligently with a level of skill, care and technical ability normally exercised by a competent and professional custodian; and/or
 - (iii) to the extent that such loss or damage arises as a direct result of fraud, negligence or wilful default by Platform Securities.
- (c) Platform Securities will not be liable to you for any losses incurred by you in connection with:
 - (i) the failure of (i) any issuer of investments; (ii) any counterparty with respect to your assets and investments; or (iii) us or any other agent acting on your behalf;
 - (ii) the completeness or accuracy of information received by third parties and will not be responsible for inaccuracies in such information, provided that Platform Securities has relied upon information provided to them in good faith. Platform Securities are under no obligation to verify, reconcile or validate such information as part of its services under the custodian agreement;
 - (iii) the negligence, default fraud or other failure by any clearing house or securities depository; and/or
 - (iv) Platform Securities relying and acting on what it believes in good faith to be properly given instructions or notices or other documents given or signed by the appropriate parties in accordance with the terms of the custodian agreement.
- (d) In accordance with the custodian agreement (and in accordance with our separate agreement with the product provider) you shall be responsible to Platform Securities for all claims and liabilities incurred or assessed against Platform Securities or its agents where such claims and/or liabilities arise directly from your fraud, negligence or wilful default or breach by you of any of the terms of the custodian agreement. In addition, Platform Securities may be entitled to exercise the rights described in section 17 (Custodian's right of retention and set-off).
- (e) Nothing in the custodian agreement excludes or limits Platform Securities' liability for death or personal injury caused by negligence; fraud; misrepresentation as to a fundamental matter; or any liability which cannot be excluded or limited by applicable law.
- (f) Platform Securities are liable to you for any direct loss caused by or resulting from:
 - (i) the acts or omissions of any of Platform Securities' affiliated sub-custodians but only to the extent that Platform Securities would be liable under the custodian agreement if the acts and omissions were in fact the acts or omissions of Platform Securities; and
 - (ii) the insolvency of any Platform Securities' affiliated sub-custodians.

5. The Financial Services Compensation Scheme

Platform Securities participates in the Financial Services Compensation Scheme ("FSCS"). The FSCS was set up mainly to assist private individuals although some smaller businesses and smaller charities are also covered. Subject to certain exceptions, the FSCS would provide limited compensation in the event of Platform Securities being unable to meet its liabilities to a client. This scheme currently covers eligible investors to a maximum of £50,000 in respect of investments. In relation to client money, where an approved bank fails, you may also be protected. The current limit is £75,000 for each deposit taker.

These limits may change from time to time. Please note that compensation limits usually apply to your total holdings with any one organisation in relation to each category of claim and therefore each limit includes all the investments or all the cash that you hold across all of your accounts with one organisation.

Please note that the FSCS does not protect against market volatility. In addition, compensation arrangements in overseas jurisdictions may differ to those in the United Kingdom.

A copy of the FSCS brochure is available on the Standard Life website at <https://www.standardlife.co.uk/c1/investor-protection.page>.

Further information can be obtained from the FSCS.

6. Overseas transactions and custody arrangements

In order to carry out its role as custodian, **Platform Securities** may from time to time;

- (a) arrange for investments to be held by a sub-custodian outside the United Kingdom;
- (b) instruct a transaction for **you** that involves **your** money being passed to a third **party** in connection with that transaction, including (but not exclusively) an exchange, clearing house, intermediate broker, settlement agent or over the counter (“**OTC**”) counter**party** located in a jurisdiction outside the United Kingdom; and/or
- (c) permit **your** money (in whatever currency) to be held in an approved credit institution or bank outside the United Kingdom or the European Economic Area.

If **your** investments or money are passed to a third **party**, including (but not exclusively) an intermediate broker, settlement agent or **OTC** counter**party**, or credit institution or bank outside of the United Kingdom, the practices, and settlement, legal and regulatory regimes applying to these third parties may be different to that of the United Kingdom. If such an entity defaults, **your** investments or money may be treated differently to the way it would be treated if it were held in the United Kingdom and the compensation schemes available in the United Kingdom may not apply. This may increase **your** risk.

As a result of the pooled nominee structure, any fractional entitlements from a corporate event will be issued to **Platform Securities** on the cumulative total pool in share form. It is **Platform Securities**' practice to sell fractional shares at the prevailing market rate and distribute amongst the relevant **clients** in proportion to their holdings, on a pro rata basis. In the event that the fractional shares received are uneconomical to sell and cash to be distributed is £5 GBP or less **we** will round up relevant **client** holdings proportionally. Any remaining small balance will become the property of **Platform Securities**.

7. Unclaimed investments and client money

In certain circumstances, **Platform Securities** may hold **assets** and **non-managed assets** for **you**, which have been allocated to **you** but have not been claimed by **you**.

Platform Securities will consider **assets** unclaimed if there have been no transactions on **your portfolio** and (where applicable) **your ISA** (other than payment of dividends, interest and charges) for a period of:

- (a) twelve years (where **you** hold investments in **your portfolio** and (where applicable) **your ISA**); or
- (b) six years (if **you** only have money in **your portfolio**)

We will use reasonable efforts to trace **you**. If **we** are unable to contact **you** **Platform Securities** will cease to treat **your assets** and **non-managed assets** as safe custody **assets** and **your** money as **client** money. **Platform Securities** may then sell the **assets** and **non-managed assets** it holds for **you** and transfer the sale proceeds or any money that it holds (after deduction of any charges due for **your portfolio**) to a registered charity of its choice.

If the amount of the **client** money balance is £25 or more **Platform Securities** will keep records indefinitely relating to the transactions and their 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.

Platform Securities will make good any valid claim against balances that were released from being treated as safe custody **assets** or **client** money, upon the provision by **you** of information to evidence the validity of **your** claim.

8. Client classification

For the purposes of the **FCA Rules**, **Platform Securities** will adopt the same classification in relation to **you** as determined by **us** and rely on information provided to them by **us** as to that classification.

9. Reporting

Platform Securities will provide **you** with a custody statement detailing the **assets** and **non-managed assets** that **Platform Securities** hold on **your** behalf every three months.

Please also note the following important points which form part of the custodian agreement.

Terms and expressions used in the **custodian agreement** have the same meaning in this **appendix**. We will provide you with a copy of the **custodian agreement** on request.

1. **You** authorise **us** to enter into the **custodian agreement** on **your** behalf and to enter into and execute all other documents and to do all acts and things on **your** behalf as fully and effectually as **you** could do (whether expressly mentioned in this **appendix** or not) and which **we** shall deem necessary or desirable for the purposes of giving effect to the transactions contemplated by the **agreement** and the **custodian agreement**.
2. **You** acknowledge that the **custodian agreement** takes effect as a separate **agreement** and creates direct contractual rights and obligations between **Platform Securities**, **us** and **you**. References in the **custodian agreement** to "customer" include **you** and accordingly **you** are bound by obligations expressed to be on the part of a customer including those obligations which **we** discharge on **your** behalf.
3. **You** hereby ratify and confirm (and agree to ratify and confirm) whatsoever **we** shall do or purport to do in furtherance of or in relation to the authorisations contained in this **appendix**.
4. **Platform Securities** may from time to time advance monies to facilitate settlement and/or in order to meet settlement obligations. Where monies are advanced, **you** acknowledge that **you** shall have no right, title or interest in or to any investments purchased with such advance or proceeds of such investments other than a right to receive such investments or proceeds on repayment of the advance and any associated costs.
5. **You** confirm that **you** grant to **Platform Securities** a continuing general right to retain possession of all investments until the satisfaction of **your** liabilities to **Platform Securities** arising under the **custodian agreement** in respect of (where relevant) any advances, charges, fees and all other expenses and liabilities incurred by **Platform Securities** in the performance of their **services** under the **custodian agreement**. **You** also acknowledge that **Platform Securities** can at any time, and without prior notice, assign any liabilities due to a sub-custodian together with any right to retain possession as security exercisable by that sub-custodian.
6. **You** also acknowledge and agree that **Platform Securities** and any other sub-custodian shall at all times have the right to withhold investments (to the extent only of any outstanding liabilities to it) until **you** have paid the outstanding liabilities due. Where payment is not received in full, **Platform Securities** and any other sub-custodian has the right to be able to sell such part of the investments as is necessary to satisfy all outstanding liabilities due.
7. To the extent permitted by applicable law and in addition to any other remedies available to **Platform Securities** under applicable law, **Platform Securities** may, without prior notice to **us** or **you**, set off any payment obligation owed to it by **you** in connection with all liabilities arising under the **custodian agreement** against any payment obligation owed by **Platform Securities** to **you** under the **custodian agreement** regardless of the place of payment or currency of either obligation (and for such purpose may make any currency conversion necessary). For the avoidance of doubt, **Platform Securities** shall not set off a payment obligation owed to it by one customer against an obligation owed by it to any other customer.
8. **You** shall be responsible to **Platform Securities** and its partners, employees, officers and directors for all claims and liabilities and reasonable costs properly incurred or assessed against them in connection with the performance of the **custodian agreement** and any instruction given by **us** on **your** behalf unless such claim arises out of (i) the fraud, negligence, wilful default of **Platform Securities** or any sub-custodian which is in the same group as **Platform Securities** or (ii) any material breach by **Platform Securities** of the **custodian agreement**. If **we** agree any claim is payable, **we** shall authorise **Platform Securities** to either withdraw the relevant amount from cash held on **your** behalf or (where insufficient cash is held) to sell investments held on **your** behalf to meet the relevant claim.
9. The **custodian agreement** will terminate on termination of the **agreement** with **us**.

Appendix 2

Nature and risks of designated investments

Summarised below is a general description of the nature of and some of the risks associated with specific types of investment which may be entered into on **your** behalf as part of the discretionary investment management **services** being carried out by **us**. This statement is provided to **you** in compliance with the **FCA Rules**. This statement cannot disclose all the risks and other significant aspects of designated investments. **You** should be aware of the nature of these investments and the extent of **your** exposure to risk. **You** should be aware that **you** might sustain loss of the money **you** have invested. Past performance is not necessarily a guide to the future and the value of investments, as well as any income derived from them, which can fall as well as rise. Some of these investments may be unsuitable for certain investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments **you** should be aware of the following points.

Specific Investments

1. Shares

A share is a certificate representing a shareholder's rights in a company. Shares may be issued in bearer or registered form. One share represents a fraction of a company's share capital. Dividend payments and an increase or decrease in the value of the security are both possible. The shareholder has financial and ownership rights which are determined by law and the issuing company's articles of association.

Dealing in shares may involve the following specific risks:

- (a) **Company risk:** a share purchaser does not lend funds to the company, but makes a capital contribution and, as such, becomes a co-owner of the company. He or she thus participates in its development as well as in chances for profits and losses, which makes it difficult to forecast the precise yield on such an investment. An extreme case would be if the company became insolvent, thereby wiping out the total sums invested.
- (b) **Price risk:** share prices may undergo unforeseeable price fluctuations causing risks of loss. Price increases and decreases in the short-medium and long term alternate without it being possible to determine the duration of those cycles. General market risk must be distinguished from the specific risk attached to the company itself. Both risks, jointly or in aggregate, influence the evolution of share prices.

- (c) **Dividend risk:** the dividend per share mainly depends on the issuing company's earnings and on its dividend policy. In case of low profits or even losses, dividend payment may be reduced or not made at all.
- (d) **Smaller and Unquoted Companies:** investment in the securities of smaller and unquoted companies can involve greater risk than is customarily associated with investment in larger, more established companies. In particular, smaller companies often have limited **product** lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. Proper information for determining their value or the risks to which they are exposed may not be available.

2. Fixed Interest Securities

A fixed interest bond or gilt is a financial instrument which carries an agreed rate of interest, normally payable for a set period. Issuers of such investments can be governments, local authorities, supranational institutions and companies. Bonds normally have set redemption dates on which the nominal value is repaid. Bonds and gilts can be bought and sold daily. Bonds can be bought on issue and held until redemption, or they can be traded prior to maturity. Thus the purchase and sale prices can vary in unpredictable ways. They carry price risk, driven by the evolution of interest rate markets, the terms of the bond and factors relating specifically to the issuing institution (such as a profit warning by a company that has issued a bond). All bonds also carry credit risk. This is the risk that an issuer may default on payments. Developed market government bonds typically have an implied credit risk that is low, relative to other risk **assets**, due to tax raising powers, and lack of default historically. Emerging market government bonds, corporate bonds and funding instruments issued by special purpose vehicles typically carry a greater credit risk than those issued by developed market governments. This can affect prices even if default does not occur, merely that the chance of default has changed. Companies can have a very broad range of credit risk, for example some may issue investment grade bonds which carry less implied credit risk than that ascribed to a government. Conversely, a company may have very high implied credit risk. The level of implied credit risk is subject to many factors which are not fully described in this document.

3. Collective Investment Schemes (Funds)

A fund is an investment vehicle into which investors can make an investment by purchasing a unit, share or interest in the fund. There are many different types of fund available including investment trusts, unit trusts, open-ended investment companies with variable capital (OEICs or ICVCs), Societe d'Investissement a Capital Variable (SICAV), Societes d'Investissement en Capital a Risque (SICARs), limited liability partnerships, exchange-traded funds (ETFs), real estate investment trusts (REITs), venture capital trusts (VCTs), property funds, hedge funds and private equity funds. They may be onshore or off-shore, qualifying money market funds (QMMFs), regulated or unregulated. Depending on the legal structure of the fund, shares or units in the fund may be listed on a stock exchange and the fund may be either open ended (being, generally, a fund that confers on investors a right to redeem their interests in the fund with the value of the fund being determined by the value of underlying **assets**) or closed ended. Some fund structures are more exposed to risk than others due to, amongst other things, the markets they invest in, the nature of their **assets** and the extent of their leverage.

In each case the fund may be managed by a third **party** which invests the fund's cash and **assets**. The shares or units represent the investor's interest in the fund and the value of the shares or units purchased is often determined by the value of the underlying investments made by the fund (although where the shares or units in the fund are listed or traded on a market, they may trade or be sold at a discount or premium to net **asset** value).

Some funds charge an annual management fee. Usually this will be taken from the income generated. If insufficient income is generated by the fund to cover the management fee, the balance will be deducted from the fund's capital and to that extent will constrain capital growth. In some cases this may be deducted directly from the capital of the fund which will reduce capital growth.

As mentioned earlier in this section, **we** may invest in QMMFs from time to time. If **you** do not wish **your portfolio** to invest in QMMFs, **you** must notify **us** of this and **we** will discuss appropriate alternatives with **you**.

Dealing in any type of fund may involve the following risks:

- (a) Transferability and withdrawal: shares or units in funds may not be readily redeemable or transferable or there may not be a market for such shares or units. In such cases, an investor may have to hold his interest until such time as the fund is wound up or a secondary market develops for those shares or units – this may involve the investor holding his interest for a substantial period of time. If the fund is an open ended fund, **restrictions** may apply to the redemption of the shares or units that may result in an investor being unable to liquidate his investment in the fund at the time of his choosing. There may also be fees payable on redemption of shares or units. The shares or units in some funds may be listed on a stock market. As a result, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net **asset** value of the shares or units. **Investment in a fund will at all times be subject to the terms of the fund's governing documents, including terms relating to underlying investments which may include, for example, restricted conditions surrounding the liquidity of investments and the rights of directors to suspend redemptions in certain circumstances.**
- (b) Regulation: some funds may not be regulated in the jurisdiction of their establishment, or elsewhere, meaning that certain investor protections or **restrictions** on activity applicable, in a given jurisdiction, to a regulated fund may not apply to such funds.
- (c) Leverage: some funds may borrow funds under credit facilities in order to satisfy redemption requests, pay certain organisational expenses and finance the acquisition of investments. As such, leverage exposes the fund to capital risk and interest costs that may reduce the value of an investor's investment in the fund.
- (d) Rights of participation: investors in funds, generally, have very limited rights of participation in respect of their shares or units and the power to make all decisions, with the consent of investors, is usually delegated to the investment manager of the fund.
- (e) Strategy: some funds specialise in particular **asset** classes, geographical areas or market sectors, meaning risk may be concentrated in the relevant **asset** classes or geographical areas or market. Some funds choose strategies which the market would regard as high risk. The investment strategy of a fund may be such that the fund faces strong competition for the purchase of **assets** from other investors, thereby reducing the investment opportunities available to the fund.
- (f) Valuations: it may be difficult to determine the net **asset** value of a fund which has invested in illiquid underlying **assets**, and therefore it may be difficult to value the underlying shares or units of the fund.
- (g) Underlying **assets**: the underlying **assets** of a fund can be diverse and cover both long and short positions and a full range of **assets**, which may be held via derivative contracts. A fund may be exposed to market risks and risks associated with particular trading activities – for example, off-exchange trading, short selling, leveraged trading, frequent **portfolio** turnover and speculative position limits – which may result in losses for the fund or periods of fund underperformance. The risks associated with a direct investment by an investor in the

underlying **asset** are also relevant in determining the risks associated with an investment by the fund in the underlying **asset**.

- (h) Management of the fund: the operation and performance of a fund will be dependent upon the performance of the fund's investment manager. Generally a fund will rely upon the investment manager to make investment decisions consistent with the fund's **investment objectives** and the investment manager, in turn, will be dependent upon its key personnel carrying out their roles with due care and skill. The investment manager and its affiliates (if any) may be in a position to provide **services** to other **clients** which conflict directly or indirectly with the activities of the fund and could prejudice investment opportunities available to, and investment returns achievable by, the fund. If the **agreement** between the fund and the investment manager is terminated, the fund may not be able to find a suitable replacement for the investment manager, potentially leading to losses for the fund and periods of fund underperformance.

4. Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time scale then the investment becomes worthless. It would not be prudent to buy a warrant unless **you** are prepared to sustain a total loss of the money **you** have invested plus any commission or other transaction charges. Some other instruments are also called warrants but are actually **options** (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant).

5. Off-exchange warrant transactions

Off-exchange warrant transactions are investments in which the deal is not regulated by the rules of an exchange. Transactions in off-exchange warrants may therefore involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate **your** position, or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

6. Structured Products

Structured **products** are investment vehicles with a finite life where **derivatives** are used to create a particular investment strategy. For example, in some instances, they are designed for investors who wish to combine market growth with a guarantee that they will get their original investment back or will pay out a fixed coupon if certain conditions are met. Structured **products** have different risk profiles depending upon a number of factors, for example, the investment strategy, the structure used, credit risk of underlying financial instruments, counterparty risk of the issuer and liquidity risk. Not all structured **products** are tradeable investments with some structured **products** requiring the investor to hold the **product** to maturity.

7. Structured Capital at Risk Products (SCARPs)

SCARPs are **products**, other than **derivatives**, which provide an agreed level of income or growth over a specified investment period. It is important to note that the capital initially invested by **you** is not protected or guaranteed and may not be returned to **you** at the end of the **product** term.

SCARPs have the following features:

- (a) **your** original investment is exposed to a range of outcomes;
- (b) the return of the original investment at the end of the investment period is linked by a pre-set formula to the performance of an index, a combination of indices, a 'basket' of selected stocks (typically from an index or indices), or other factor or combination of factors; and
- (c) if the performance in (b) is within specified limits, repayment of initial capital invested occurs but if not, **you** could lose some or all of their original investment.

Buying or dealing in SCARPs may involve the following specific risks:

- (a) the return of the original investment at the end of the investment period is not guaranteed and **you** may lose some or all of the money initially invested;
- (b) the amount of initial capital invested may be geared, which means that a small percentage fall in the related index may result in a larger reduction in the amount repaid out to **you**;
- (c) if a SCARP is sold prior to maturity, **you** may lose capital and may not receive the maximum benefit;
- (d) the initial capital invested may be placed into high risk investments, such as non-investment grade bonds;
- (e) the rate of income or growth may depend on specified conditions being met (for example, the rate of growth might depend on the performance of the Nikkei 225 index as follows: for every 100p invested, 100p is returned at the end of the life of the SCARP (6 years) if

the Nikkei 225 index falls by less than 50%. If the index falls by more than 50%, the 100p is reduced by the percentage fall in the index. If the index rises, the 100p increases by 5 times the percentage rise in the index to a maximum of 200p at the end of the life of the SCARP); and

- (f) **you** may not get back all the money that is invested in the SCARP.

8. Commodities

The primary commodities that are traded are oil, gold and agricultural **products**. Since no one really wants to transport all those heavy materials, what is actually traded are **futures** contracts or **options**. These are **agreements** to buy or sell at an agreed upon price on a specific date and are considered to be high risk.

9. Debentures

Debentures are loans that are usually secured and have either fixed or floating charges with them. Debenture holders have the right to receive their interest payments before any dividend is payable to shareholders and, most importantly, even if a company makes a loss, it still has to pay its interest charges. If the business fails, the debenture holders will be preferential creditors and will be entitled to the repayment of some or all of their money before the shareholders receive anything. The level of risk for debentures will vary based on factors specific to the issuing institution and macro-economic factors.

Other General Risks of Investing

10. Foreign markets

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

11. Emerging markets

Emerging markets are less developed countries which may have less stable economic and/or political conditions than larger mature western economies. Emerging market investing is generally characterised by higher levels of risk than investing in fully developed markets. Accounting, corporate governance and financial reporting standards that prevail in certain countries are often not equivalent to those in countries with more developed markets. Tax and legal regimes may be subject to uncertainty and to significant and unpredictable changes and repatriation of investments and profits may be restricted by exchange controls. There may

also be less well-developed regulation of markets, issuers and intermediaries. Markets may lack liquidity of those in developed countries, leading to difficulty in valuing **assets**. Instability in such markets has previously led to and may continue to lead to investor losses. Settlement of transactions carried out on such markets may be lengthier and less secure than in developed markets. In some international markets and particularly in developing and emerging markets the marketability of quoted shares may be limited due to foreign investment **restrictions**, wide dealing spreads, exchange controls, foreign ownership **restrictions**, the restricted opening of stock exchanges and a narrow range of investors. Trading volume is lower than on more developed stock markets, and equities are less liquid. Volatility of prices can also be greater than in more developed stock markets. The infrastructure for clearing, settlement and registration on the primary and secondary markets of many emerging markets may be undeveloped. Many developing and emerging markets, and the companies quoted on their stock exchanges, are exposed to the risks of political, social and religious instability, expropriation of **assets** or nationalisation, rapid rates of inflation, high interest rates, currency depreciation and fluctuations and changes in taxation.

12. Suspensions of Trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

13. Stabilisation

From time to time **we** may carry out transactions in securities on **your** behalf where the price may have been influenced by measures taken to stabilise it. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The **FCA** allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation. The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

Types of Transaction

14. Short selling

Short selling is a strategy in which a speculator sells a commodity or security that he or she does not own in order to profit from a falling market. The speculator will borrow the commodity or security from a third party and then immediately sell on to the buyer. At a later date, the speculator must make good on the loan by buying back the commodity or security from the market to close the position. If the value of the commodity or security has fallen during this period the speculator's profit will be the difference between his original sale price and the buyback price (minus interest charges and fees). However, if the market moves against the speculator there is the potential for limitless losses.

15. Arbitrage

Arbitrage is the simultaneous purchase of a security on one stock exchange and the sale of the same security on another exchange to take advantage of a price discrepancy.

16. Foreign Exchange

Foreign exchange is the exchange of one country's currency for another. All foreign exchange is determined by a rate of exchange, or a ratio valuing one currency against another. On the foreign exchange market, foreign currency is bought and sold for immediate (spot) or forward delivery.

The following risk warnings relating to derivatives shall only be relevant if the agreement with a product provider permits us to invest in derivatives.

17. Securitised derivatives

Securitised derivatives may give you a time limited right (i.e. where you must give some form of notice to exercise that right) or an absolute right (where no such notice of exercise is needed) to acquire or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment. Alternatively, they may give you rights under a contract for differences which allow for speculation on fluctuations in the value of the property of any description or an index, such as the FTSE 100 index. In both cases, the investment or property may be referred to as the "underlying instrument".

These instruments often involve a high degree of gearing or leverage, so that a relatively small movement in the price of the underlying investment results in a much larger movement, unfavourable or favourable, in the price of the instrument. The price of these instruments can therefore be volatile.

These instruments have a limited life, and may (unless there is some form of guaranteed return to the amount you are investing in the product) expire worthless if the underlying instrument does not perform as expected.

It is prudent only to enter into this investment if you are prepared to sustain a total loss (where the terms of the securities derivative provide that return is totally dependent on the performance of the underlying instrument(s) to which the product is linked), a substantial loss (where terms of the securitised derivative provide for some form of return irrespective of the performance of the underlying instrument(s) to which the product is linked but where that return is low) or loss (where terms of the securitised derivative provide for some form of return irrespective of the performance of the underlying instrument(s) to which the product is linked but where that return is high but less than 100% of the amount you paid for the product) of the money you have invested plus any commission or other transaction charges.

18. Futures

Transactions in futures involve the obligation (not an option) to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. Futures can only be closed (disposed of) by cancelling out its effect. They carry a high degree of risk. The 'gearing' or 'leverage' often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements, which are set out in paragraph 22.

19. Options

An option is the right (but not the obligation) to buy (call) or sell (put) an investment at a predetermined price at a particular date in the future. The option price represents the costs of the right to purchase or sell an underlying security. An option does not carry rights to dividends and is a synthetic investment which can be traded at any time.

There are many different types of options with different characteristics subject to the following conditions:

Buying options: Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the future. This will expose you to the risks described under 'futures' (paragraph 18) and 'contingent liability investment transactions' (paragraph 22).

Writing options: If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing

an **option**, **you** accept a legal obligation to purchase or sell the underlying **asset** if the **option** is exercised against **you**, however far the market price has moved away from the exercise price. If **you** already own the underlying **asset** which **you** have contracted to sell (when the **options** will be known as 'covered call **options**') the risk is reduced. If **you** do not own the underlying **asset** ('uncovered call **options**') the risk can be unlimited. Only experienced persons should contemplate writing uncovered **options**, and then only after securing full details of the applicable conditions and potential risk exposure.

20. Contracts for differences

Futures and **options** contracts can also be referred to as **contracts for differences**. These can be **options** and **futures** on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other **futures** and **options**, these contracts can only be settled in cash. Investing in a **contract for differences** carries the same risks as investing in a future or an **option** and **you** should be aware of these as set out in paragraphs 18 and 19 above respectively. Transactions in **contracts for differences** may also have a contingent liability and **you** should be aware of the implications of this as set out 22 below.

21. Off-exchange transactions in derivatives

While some off-exchange markets are highly liquid, transactions in off-exchange or 'non-transferable' **derivatives** may involve greater risk than investing in on-exchange **derivatives** because there is no exchange market on which to close out an open position. Risk will be dependent on the nature of the counterparty with whom the transaction is being entered into. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

22. Contingent liability investment transactions

Contingent liability investment transactions, which are margined, require **you** to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If **you** trade in **futures**, **contracts for differences** or sell **options**, **you** may sustain a total loss of the margin **you** deposit with **your** firm to establish or maintain a position. If the market moves against **you**, **you** may be called upon to pay substantial additional margin at short notice to maintain the position. If **you** fail to do so within the time required, **your** position may be liquidated at a loss and **you** will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when **you** entered the contract. Save as specifically provided by the FCA, **we** may only carry out margined or **contingent liability investment** transactions with or for **you** if they are traded on or under the rules of a recognised or designated investment exchange. **Contingent liability investment** transactions which are not so traded may expose **you** to substantially greater risks.

23. Limited liability transactions

Before entering into a limited liability transaction, **you** should obtain from **us** or the firm with whom **you** are dealing a formal written statement confirming that the extent of **your** loss liability on each transaction will be limited to an amount agreed by **you** before **you** enter into the transaction.

The amount **you** can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, **you** may sustain the loss in a relatively short time. **Your** loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

Appendix 3

Order execution policy

In terms of the FCA Rules we need to put in place arrangements to enable us to deliver best execution and provide you with information on our order execution policy.

Order execution arrangements

Where we decide to deal in investments on your behalf, we will normally transmit or place orders with Platform Securities for execution in accordance with the processes we have agreed with Platform Securities. We may use and pass orders to other dealers or venues from time to time as we deem appropriate to provide arranging and executing services.

Regardless of the arrangements which we may put into place from time to time to arrange for the execution of deals, we are under an obligation to take all reasonable steps to obtain the best possible results on a consistent basis for you taking into account the execution factors.

We will maintain a list of those dealers and/or venues on which we place significant reliance. We will provide you with a copy of this list on request. You will not automatically be notified each time we make a change to that list.

Execution factors

The execution factors are: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

The relative importance of these factors is determined by reference to the requirement to determine the best possible result in terms of the total consideration.

Monitoring

We have satisfied ourselves that the arrangements we have put in place enable us to comply with our obligations to you.

We will monitor:

- (i) the effectiveness of our execution arrangements and the standards of execution received; and
- (ii) our order execution policy on an ongoing basis. We will regularly review whether the arrangements which we have put into place provide the best possible result for our clients on a consistent basis and whether we need to make changes to our execution arrangements.

We will notify you of any material changes to the above description of our execution arrangements and our order execution policy.

Specific instructions

Where you give us a specific instruction as to the execution of an order, the relevant part of that order will be executed in line with those instructions in those circumstances where we agree to act for you. In acting on a specific instruction our ability to take the steps we have designed to ensure we obtain the best possible result may be impaired.

Appendix 4

Summary of conflicts of interest policies of Aberdeen Standard Capital and Platform Securities

Aberdeen Standard Capital

A conflict of interest is defined as any situation where the interests of the firm, including its managers and employees, conflict with those of a **client**, or where there is a conflict between one **client** of the firm and another. The duties of individual employees when conflicts of interest arise are set out within each individual's contract of employment.

In accordance with the **FCA Rules**, **we** have established a **conflicts of interest policy** which identifies actual and potential conflict of interest situations, taking into account whether **we** or a person connected with **us** is likely to make a financial gain, or avoid a financial loss at the expense of the **client**, whether **we** or a person connected with **us** has an interest in transactions or **services** provided to **clients**, whether there are any incentives, financial or otherwise, to favour one **client** or group of **clients** over another, whether **we** or a person connected with **us** carry out the same business as the **client**, whether **we** have received any inducements from a person other than a **client** in relation to **services** provided to the **client**, other than standard commissions or fees.

We will take all reasonable steps to ensure that transactions are effected on terms which are not materially less favourable to **you** than if a conflict or potential conflict had not existed.

Whilst complying with **our conflicts of interest policy** and all other laws and regulations, **we** are not required to account to **you** for any indirect profit **we** may make from a transaction contemplated by this **appendix**.

Any conflicts which cannot be effectively managed, and which pose a material risk of damage to the interests of **clients**, will be disclosed to **clients** before undertaking business with them. Such disclosure will include the nature and the type of conflict and will also include sufficient detail to allow **you** to make an informed decision on whether or not to do business with us. Where **we** consider that **our** arrangements are not sufficient to ensure that the risk of damage to **you** and to **our** other **clients** will be prevented, **we** will decline to act.

You may request further details of our conflicts of interest policy from your client portfolio manager at any time.

Platform Securities

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

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 **clients** and to ensure that the activities of employees are visible to senior management and are monitored. Further information on the **Platform Securities Conflicts of interest policy** is available on request from **your client portfolio manager**.

Appendix 5

Complaints and compensation

Complaints

- (a) **We** have an established complaints procedure which conforms to the **FCA Rules** for the proper handling of complaints. If **you** wish to see a copy of **our** Internal Complaints Handling Procedure please contact us (**our** contact details are at section 10(j) (How to contact **us**)).
- (b) If **you** have any complaints regarding **our services**, **you** should contact **us** (**our** contact details are at section 10(j) (How to contact **us**)). Alternatively **you** can contact **our** customer relations team via email at customer_relations@standardlife.com. **We** will discuss **your** issue with **you** and attempt to resolve it.
- (c) If **we** cannot resolve **your** complaint in this manner **we** will pass it to a dedicated complaint handler for further investigation.
- (d) **We** record details of **your** complaint centrally and make sure **your** complaint is thoroughly investigated by someone who has been trained in complaints handling.
- (e) If **we** are unable to resolve a complaint within three **business days** of the day **we** received it, **we** will issue **you** with a written acknowledgment together with a copy of **our** Internal Complaints Handling Procedure and provide **you** with regular updates as to **our** progress with **our** investigation into **your** complaint.
- (f) Within eight weeks of receiving **your** complaint **we** will send **you** one of the following two responses:
 - (i) a final written response in which either: **we** offer **you** a remedy, whether or not **we** accept **your** complaint; or **we** reject **your** complaint and give **you** our reasons for doing so. This letter will include a copy of the Financial Ombudsman Service's standard explanatory leaflet and inform **you** that if **you** remain dissatisfied with **our** response, **you** may be able to refer **your** complaint to the Financial Ombudsman within six months; or
 - (ii) an interim written response which will explain why **we** are not in a position to make a final response, and indicate when **we** expect to be able to provide **you** with one. This letter will also inform **you** that **you** may be able to refer **your** complaint to the Financial Ombudsman Service and will include a copy of the Financial Ombudsman Service's standard explanatory leaflet.
- (g) The Financial Ombudsman Service is an independent service with powers under Financial **Services Act** 2012 to resolve disputes between customers and business providing financial **services**. This service is free to consumer. Further information about the Financial Ombudsman Service may be found at www.financial-ombudsman.org.uk.
- (h) Complaining to the Financial Ombudsman Service will not affect **your** rights. In general, **you** have six months from the date of **our** final response to refer **your** complaint to the Financial Ombudsman Service.

Financial Services Compensation Scheme

The Financial **Services Compensation Scheme (FSCS)** has been set up to deal with compensation if firms are unable, or likely to be unable, to meet claims against them. For further information:

- (i) Call them on **0800 678 1100**;
- (ii) See the FSCS brochure on the Standard Life website at <https://www.standardlife.co.uk/c1/investor-protection.page>; or
- (iii) Visit www.fscs.org.uk

Please note call charges may vary.

The amount of compensation available from the **FSCS** depends on the type of business and the circumstances of the claim.

