

Investment Management Agreement

Discretionary management terms
for clients of Aberdeen Standard
Capital International

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Investment Management Agreement

Discretionary management terms

Important Information

Our agreement with the investor

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

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

When the **investor** invests 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 the **investor** will be a **client** of the **product provider**, not us. We will manage any **assets** held within a **product** subject to the terms and conditions of the **investor's product provider** and any investment **restrictions** that we have agreed with the **product provider**. The **product provider** has authorised us to communicate with its **client** on certain matters relating to the **product assets**, and these **discretionary management terms** explain how we will conduct our relationship with its **client** in this regard.

Where we refer to the "investor" 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 state otherwise. If the **investor** invests both directly and through a **product provider**, we will treat the **investor** as our **client** only in relation to **general investment accounts**.

Even if the **investor** is 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) the **investor** if the **investor** invests in a **product**. We will specify how these **discretionary management terms** apply to the **investor** 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) the **investor's** application form (which includes the **investor's tariff of charges**, and **investment objectives** and **restrictions** schedule).

IMPORTANT INFORMATION REGARDING THE PERFORMANCE OF THE INVESTOR'S PORTFOLIO:

We will manage the **investor's portfolio** on a discretionary basis, as agreed with the **investor** 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 the **investor** has any queries regarding the performance of the **portfolio**, the **investor** should please speak to their **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 the **investor** receives from us regarding their account. The meaning of these terms can be found in the Definitions section which begins at page 4.

How we charge for our services

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

Our legal agreement with the investor

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

When the **investor** signs and returns the application form to us, the **investor** is accepting the **agreement**. The **investor** should please take the time to read the **agreement** carefully as it will form a legally binding **agreement** between the **investor** and us once the **investor's** application has been received and accepted by us.

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

The **investor** agrees to comply with the **agreement** at all times as applicable to the **investor** when investing 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 investment management agreement, consisting of the **discretionary management terms**, and the application form that the **investor** signs (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 the **investor**, held directly or in **products**, and money held in the **portfolio**;

authorised person(s) means the individual(s) from time to time who are authorised by the **investor** to give instructions to **us** on the **investor's** 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 (i) St Helier, (ii) London and (iii) Edinburgh;

best execution means effecting a transaction whereby **we** take reasonable care to ascertain the price which is best available for the **investor** in the relevant market at the time of the kind and size and, unless the circumstances require **us** to do so otherwise in the **investor's** interest, **we** will deal at a price (excluding our disclosed charges) which is no less advantageous to the **investor**;

BNPP means BNP Paribas Securities Services S.C.A., Jersey Branch whose principal place of business is at P.O. Box 451, Liberte House, 19-23 La Motte Street, St Helier, JE4 5RL and whose registered office is at 3 Rue d'Antin, 75002, Paris, France, which is regulated by the **JFSC**;

CIFO means the Channel Islands Financial Ombudsman;

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;

Codes means the Code of Practice for Investment Business issued by the **JFSC** from time to time under the **Law**;

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 **Codes**;

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;

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 the **investor's portfolio** which is comprised of **assets** which are held directly by the **investor** 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 the **investor's investment objectives** as agreed between the **investor** and **us** from time to time;

investor 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). Where **our client** is the **product provider**, the "**investor**" will also mean the **product provider**, as applicable;

Jersey AML legislation means the anti-money laundering legislation and regulation in Jersey including the Handbook for the Prevention and Detection of Money Laundering and the Financing of Terrorism (“**anti-money laundering handbook**”) issued by the JFSC as updated from time to time;

JFSC means the Jersey Financial **Services** Commission;

Law means the Financial **Services** (Jersey) **Law** 1998;

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 90 days;

multilateral trading facility means 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;

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 **Codes**;

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

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 Financial Conduct Authority and entered on the Financial **Services** Register (number 214206);

portfolio means a **portfolio** of **assets** entrusted to **our** discretionary management by the **investor** from time to time;

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

product provider means the appropriately authorised firm whose **product** the **investor** has invested in and which has appointed **us** as investment manager of the **assets** in the **investor's 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, 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 the **investor** and **us** from time to time;

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

ASC means Aberdeen Standard Capital Limited, a company incorporated in Scotland (with registered number SC317950) and having its registered office at 1 George Street, Edinburgh, EH2 2LL. **ASC** is authorised and regulated by the Financial Conduct Authority (entered on the Financial **Services** Register with number 466684) and is part of the **Standard Life Aberdeen group**;

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 the **investor** and relating to the provision of the **services**, which is set out in the application form that the **investor** signs, 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; and

we means Aberdeen Standard Capital International Limited, a company incorporated in Jersey and having its registered office at 1st Floor, Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey, JE2 3QB (and references to **us**, **our** and **ourselves** have the same meaning). **We** are a registered person under Article 9 of the **Law** and are authorised to carry on investment business under Class B of the **Law**. **Our** main business is to provide discretionary investment management **services**. References to **we**, **us** and **our** include **our** successors and assignees.

- (a) 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 the **investor** 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 the **investor** invests in a **product**, the **investor** agrees that **we** will be managing these **assets** subject to the terms and conditions of the **product provider**.
- (b) If there is any inconsistency between any **appendix** to the **agreement** and the **discretionary management terms**, the latter will prevail.
- (c) Section headings are purely for ease of reference and do not form part of or affect the interpretation of the **agreement**.
- (d) 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.
- (e) Any reference to any statute, statutory provision or **Law** is (unless **we** specify otherwise) a reference to that statute, statutory provision or **Law** (and all instruments, orders or regulations made under that statute, statutory provision or **Law**) 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 personal information

- (a) For the purposes of the Data Protection (Jersey) **Law** 2018, as amended (the **Data Protection Law**), **we** shall be the data controller in respect of any personal

information provided in respect of the **investor** and the **investor's** respective representatives, directors, officers, agents or beneficial owners in respect of whom personal data is provided.

- (b) When the **investor** opens an account with **us** (whether investing directly or through a **product**), the **investor** (or underlying **investors/beneficiaries**) gives **us** personal information, such as the **investor's** name, age and address, corporate or trust contact details, certain financial information and, where applicable, details relating to persons who may be the **investor's** dependants, beneficiaries, employees and advisors.
- (c) Except as provided for under section 2(e) below, **we** will keep any personal information that **we** hold confidential.
- (d) If the **investor** chooses 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 the **investor** should not provide us sensitive data unless (i) the information relates solely to the **investor** and the **investor** has provided explicit consent; or (ii) the data relates to another individual and the **investor** has obtained their explicit consent.
- (e) The **investor** agrees that **we** may disclose the **investor's** personal information (including any sensitive data) to: the **investor's** 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 **BNPP** and **Platform Securities**) for the purposes of this section. **We** may also share the **investor's** information with **our** regulators and HM Revenue & Customs, where necessary and lawful to do so.
- (f) **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 ten years from when the communication was recorded.
- (g) The majority of the **investor's** information is processed in the UK and European Economic Area (EEA). However, some of the **investor's** 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 the **investor's** information is being processed outside of the EEA, **we** take additional steps to ensure that the

investor's 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.

- (h) For more information on how **we** treat personal information and what the **investor's** 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 the **investor** does not have access to the internet and would like more information on how **we** handle data, please contact the **investor's** Client Portfolio Manager.

3. Regulation

- (a) **We** are a registered person under Article 9 of the Law and are authorised to carry on investment business under Class B of the Law. **We** are regulated by the JFSC.
- (b) The JFSC is responsible for the regulation, supervision and development of the financial services industry in Jersey. The JFSC's address is PO Box 267, 14-18 Castle Street, St Helier, Jersey, JE4 8TP, Channel Islands.
- (c) **We** will notify the **investor** immediately if **we** cease to be so regulated.

4. Our client

- (a) Where the **investor** invests directly, the **investor** will be our **client**.
- (b) If the **investor** invests 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 the **investor's** recommendation) to manage the investments within the **investor's** **product**;
- (ii) the **product provider** has authorised **us** to communicate with the **investor** on certain matters relating to the **product assets**, and these **discretionary management terms** explain how **we** will conduct **our** relationship with the **investor**; and
- (iii) although **we** shall conduct business with the **investor** on this basis, **we** have agreed with the **product provider** that the **investor** will be afforded certain regulatory protections. However the **investor** may not be eligible for CIFO compensation unless the applicable eligibility criteria determined by the CIFO are met.

5. Anti-money laundering and tax obligations

- (a) To comply with anti-money laundering and tax regulations (including the Jersey AML legislation), **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 **portfolio(s)** 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 or obtaining documents from the **investor**) to confirm the **investor's** name and home address, or evidence of the **investor's** 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 the **investor's** identity, or the identity of any related persons as described in 5(a) above, against public records and it will also check whether the **investor**, 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 the Jersey AML Legislation and other anti-money laundering regulations. If **we** are unable to verify the **investor's** identity as required under these policies and procedures, **we** may terminate the **agreement** in accordance with section 23(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) In relation to the **investor's** regulatory obligations, **we** may, in appropriate cases, make returns and reports about the **investor's** circumstances to various relevant authorities and may need to make certain enquiries and obtain certain information from the **investor** for that

purpose. The **investor** confirms that all information supplied by the **investor** 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.

- (g) **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 Jersey to verify the identity of customers and in appropriate cases to make returns and reports about the **investor's** circumstances to various relevant authorities and may need to make certain enquiries and obtain certain information from the **investor** for that purpose. The **investor** confirms that all information supplied by the **investor** 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** may need to ask for information from time to time in order to re-verify the **investor's** identity, or the identity of any related persons (as required), in the event of a change in the **investor's** circumstances or a change in applicable **law** or regulation.
- (i) Neither **we** nor any associate of ours is obliged to disclose to the **investor** or take into consideration information which may cause **us** to breach our obligations under the **Jersey AML legislation**.

6. Effective date

- (a) The **agreement** will come into force on the date **we** receive a copy of the application form signed by the **investor** or on such other date as may be agreed between **us** and the **investor** and supersedes any other **agreement** between **us** and the **investor** in relation to the investment management of the **investor's portfolio**. It shall continue until terminated by either **party** in accordance with the provisions of section 23.
- (b) By signing the **agreement** the **investor** appoints **us** as discretionary investment manager of the **assets** and delegates to **us** all of the **investor's** powers and discretions in relation to the management of the **investor's assets** subject to the terms and conditions of the **agreement**.

7. Joint accounts

- (a) Only individuals may hold accounts in joint names. Companies, trusts or other entities 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 the **investor** opens a joint account with **us**, the **investor** confirms that all **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, on the death of any joint account holder (and subject to any written notice as provided in section 26(h) (Death where the **investor** is a natural person joint account holders)) **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 **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 the **investor's assets** but will not accept any new instructions and will not make any payments out of the **investor's 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 the **investor** 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 **their** obligations under the **agreement** and **we** may ask all or only the **investor** to pay in full any amount owed to **us**, not just a proportion.

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 the **investor** signs. **We** will provide the **investor** with a further copy of the **tariff of charges** on request.

- (b) **We** may review and/or change fees in the future. **We** will notify the **investor** 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 the **investor** authorises **us** in writing (as part of the **tariff of charges**) to pay the **investor's** adviser a fee (known as an "adviser charge"), **we** will continue to deduct this fee from the **investor's portfolio** until the **investor** or the **investor's** adviser instructs **us** to stop paying that fee. Any adviser fees or charges will be paid out of **assets** held on the **investor's** behalf by **BNPP**.
- (d) The **investor** 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 **we** will be entitled to take this from the **investor's portfolio**.
- (e) **We** may also agree with the **investor** from time to time that the **investor** 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**, **BNPP**, **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 the **investor's portfolio**.
- (f) **We** will calculate the fees that the **investor** must pay quarterly in arrears based on the actual value of the **assets** in the **investor's 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 the **investor**.
- (h) Fees and other charges which are payable by the **investor** under the **agreement** will be deducted from the **investor's assets** held by **BNPP** following the **quarterly calculation**. If the **investor** does not have enough money in the **portfolio**, **we** will instruct **BNPP** to sell any securities held by it on the **investor's** behalf to meet these fees and charges.
- (i) In certain circumstances **we** may agree with the **investor** that **we** will send the **investor** an invoice for fees and other charges due, instead of deducting these from the **portfolio** as described in section 8(h). The **investor** must pay any invoice that **we** send to the **investor** within thirty calendar days of the date of the invoice.

- (j) **We** will notify the **investor** 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 the **investor** of this not less than fourteen **business days** before **we** charge the fee.

9. Adviser charges

- (a) If the **investor** invests in a **portfolio** through an adviser, the **investor** can pay for the **services** of that adviser in two ways. Firstly, the **investor** can agree to pay a fee directly to the adviser or secondly, the **investor** 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 the **investor** invests in a **product** **we** can only facilitate payment of adviser charges through the **product** where this is permitted by the **product provider's** terms and conditions and applicable regulations.
- (c) An adviser charge must be agreed between the **investor** and the **investor's** adviser. **We** are not responsible for setting the amount of the adviser charge and this is a private matter between the **investor** and **their** adviser. **We** do not get involved in any dispute between the **investor** and **their** adviser. If there is a dispute as to what the **investor** has actually agreed to pay the adviser, the **investor** and the adviser must resolve that dispute between themselves.
- (d) The **investor** agrees that **we** may deduct an adviser charge from the **portfolio** in accordance with instructions **we** receive from the **investor**. Where the **investor's** adviser forwards the **investor's** instructions to **us**, **we** will always write to the **investor** directly to confirm that **we** have taken this instruction.
- (e) As soon as **we** move money from the **investor's portfolio** in accordance with the instruction to pay charges to the **investor's** adviser, this is no longer the **investor's** money and becomes due and payable by **us** to the **investor's** 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 the **investor** a confirmation letter showing the adviser charges the **investor's** adviser has instructed **us** to deduct from the **investor's portfolio**. It is very important that the **investor** notifies **us** if **their** address has changed before asking **us** to pay an adviser charge.

- (h) It is also important that the **investor** checks whether the confirmation letter is correct and if not, that the **investor** informs **us** immediately.
- (i) If the adviser charges shown in the confirmation letter are not what the **investor** has agreed with **their** adviser, the **investor** should contact the adviser as soon as possible. The **investor** should note that the confirmation letter may not show all remuneration **they** are paying the adviser (for example, any fees the **investor** has previously agreed with the adviser). In addition, if the **investor** has agreed to pay the adviser multiple adviser charges, the **investor** may receive more than one confirmation letter (for example, if the adviser charges are payable on different dates as money becomes available).
- (j) The **investor** should contact **their** adviser with any questions about how the **investor** is paying for adviser services.
- (k) If the adviser charges shown in the confirmation letter are not what the **investor** has agreed with **their** adviser and the **investor** would like **us** to help, the **investor** must contact **us** (see section 10(j), How to contact us) within thirty calendar days of the date of the confirmation letter.
- (l) If the **investor** asks **us** not to pay an adviser charge, **we** will notify **their** adviser of the instruction. The **investor** may still be liable to pay an adviser charge to the adviser if **we** have stopped paying an adviser charge in accordance with the **investor's** instructions.
- (iv) The security of the **investor's portfolio** is very important to **us**. Therefore, when the **investor** communicates with **us**, or when **we** contact the **investor** to confirm instructions or discuss the **investor's** account, **we** will ask certain security questions to confirm **the investor's** identity before discussing the **investor's** instructions or account.
- (v) The **investor** must tell **us** without delay of any change in **their** contact details. If the **investor** does not do so **we** will not be liable to the **investor** for any losses the **investor** suffers because **our** communications have not been received.

(b) **Instructions – investment in a general investment account**

- (i) The **investor** has agreed that **we** will manage the **investor's** account on a discretionary basis. Consequently **we** will not accept investment instructions from the **investor** except as set out in section 12(k) - (l), but may accept general instructions to vary the way in which **we** operate the **investor's general investment account** or any information that the **investor** has given **us** or to pay in or remove specified amounts of money or other assets from the **investor's** account.
- (ii) Unless **we** receive clear instructions from the **investor**, **we** will not accept any liability for losses arising from mistakes or misunderstandings of **investor** 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 the **investor** without further enquiry.
- (iii) Where instructions from the **investor** are ambiguous or unclear or where **we** otherwise consider it necessary, **we** will try to contact the **investor** to clarify or verify those instructions.
- (iv) **We** will refuse the **investor's** instructions if **we** believe that such 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 the **investor** for any delay or for any losses the **investor** incurs in these circumstances.
- (v) If **we** refuse an instruction **we** will notify the **investor** of the reasons for doing so.

10. Communications

(a) **General**

- (i) **We** will communicate with the **investor** 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) or by post, email, fax or (where appropriate) by another form of secure messaging, as **we** agree with the **investor** in the circumstances. In some circumstances, the **investor** must provide a signature before **we** can process **their** instructions.
- (ii) If **we** accept the **investor's** verbal instructions in a meeting, telephone or video call **we** will confirm these to the **investor** in writing (including via fax, email or secure message) either before or after acting upon the instruction, depending on the scenario.
- (iii) If the **investor** instructs **us** by email, post, fax or secure message, **we** may contact the **investor** by telephone in order to verify that the **investor's** instructions are genuine and/or to ask for further information.

(c) **Instructions – investment in a product**

- (i) We will accept instructions with regard to the **investor's product assets** from the **product provider** which administers or manages the **investor's product**. We have agreed with the **product provider** how we will communicate with them.
- (ii) If we receive an instruction from the **investor** regarding the **product assets**, we shall seek authorisation from the **product provider** before acting on it. If we refuse an instruction from the **investor**, we will notify the **investor** of the reasons for doing so.
- (iii) We may accept instructions with regard to the **investor's investment objectives and restrictions** from the **investor**. If there is any discrepancy between the **investor's** 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) **Investor's withdrawal from the portfolio**

- (i) If the **investor** wishes to withdraw or transfer **assets** from the **portfolio** we will only do so where:
 - (A) it is possible to transfer or sell the **investor's portfolio** investments in accordance with the **investor's** or the **investor's product provider's** instructions; and
 - (B) all outstanding liabilities on the **investor's** account have been settled and **BNPP** (or other custodian, where applicable) has received the cleared proceeds of any pending sale of the **investor's** investments.
- (ii) Where the **investor** has invested in a **general investment account**, we will only pay withdrawals directly to the **investor**. In certain circumstances we may, at our sole discretion, agree to pay out to a third party at the **investor's** request.
- (iii) Where the **investor's assets** are invested in a **product**, we will only pay withdrawals directly to the **investor's product provider**. In certain circumstances, we may agree to pay out to a third party if instructed to do so by the **investor's product provider**.
- (iv) Further information on withdrawals from the **investor's portfolio** is set out in section 12(k) - (l).

(e) **Third parties who can operate the investor's portfolio**

- (i) **Authorised persons**
The **investor** and, where applicable the **investor's 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 the **investor** is authorising to provide instructions. We will act upon any instruction given to us on the **investor's** behalf by the **authorised person** in accordance with the **investor's** prior written authorisation until the **investor** tells us that the person is no longer authorised to act on the **investor's** 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**

The **investor** may ask us to accept a power of attorney whether the **investor** invests directly or through a **product**. On accounts where a power of attorney is required by the **investor**, we will ask the **investor** 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 the **investor** has granted, and we will act accordingly.

(f) **Language**

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

(g) **Meetings**

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

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

- (i) We will send the **investor** a periodic statement every three months or at such other intervals as required by the **Codes**. In some circumstances we may be required to notify the **investor** where the value of the **investor's portfolio** and/or the **investor's portfolio's** holdings in certain funds falls by 10% or more.
- (ii) We shall not send **contract notes** to the **investor** on a transaction by transaction basis unless we agree with the **investor** otherwise.
- (iii) We shall value the **investor's portfolio** on the basis set out in the statement provided to the **investor** in accordance with 10(h)(i) above unless we agree with the **investor** otherwise. Such statements will

also include a measurement of performance. If the **investor** requests, **we** may agree to provide additional performance measurement on such terms as **we** may agree.

- (iv) **We** may rely on the **investor** or an external data provider to supply prices of securities. Where such prices are unobtainable or **we** reasonably believe that any prices supplied are unreliable, **we** may use **our** own price estimates. Such estimates will be made in good faith and on reasonable grounds. **We** will not be liable to the **investor** for any loss or damage suffered or costs and expenses incurred as a consequence of the external data provider or the **investor** supplying inaccurate prices.
 - (v) **We** will discuss with the **investor** and provide such information and documentation as the **investor** may require in a timely manner.
- (i) **Notices**
- (i) The notices that either **we** or the **investor** 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, the **investor** 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, the **investor** 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 the **investor** arising from breach of confidentiality or otherwise if any person sees any communication which is deemed to have been/has been delivered to the **investor's** 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 the **investor** incurs if it appears that the communication was sent by the **investor**. Where the **investor** emails us, **we** may reply by email or by telephone unless the **investor**

instructs otherwise. **We** shall not be liable for any loss the **investor** incurs as a result of the **investor's** failure to receive for whatever reason any communication sent by email by **us** to the last email address that the **investor** has 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 the **investor** employs 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 the **investor** has any questions or would like to make changes to the **portfolio**, **they** should initially speak to **their client portfolio** manager. The **investor** can also contact **our** Head Office. **Our** telephone number is 0345 279 8880. The **investor** should have **portfolio** details ready when calling.
 - (ii) Calls may be monitored and/or recorded to protect both the **investor** and **us** and to help with **our** training. Call charges will vary.
 - (iii) **Our** main contact address is Aberdeen Standard Capital International, 30 St Mary Axe, London EC3A 8BF. Email is not a secure method of transferring personal information, but if the **investor** is happy to send details this way, **they** should email **their client portfolio** manager at the email address **they** have been provided with. **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. The **investor** may prefer to contact **us** by telephone or in writing.

11. The investor's responsibilities

The responsibilities that **we** set out in this section apply to the **investor** whether the **investor** invests in a **general investment account** or in a **product**, and also to the **investor's product provider** (where applicable), as follows:

- (a) If the **investor** invests in a **general investment account**, the **investor** must ensure (and if the **investor** invests in a **product**, the **investor's product provider** must ensure

in relation to **product assets**) that before appointing **us**, the **portfolio** is free from all security rights and charges, and that no security rights or charges will arise from the **investor's** (or the **investor's product provider's**) acts or omissions in respect of the **portfolio**.

- (b) The **investor** agrees that all **assets** in the **general investment account** will at all times remain beneficially owned by the **investor**. The ownership of **assets** in a **product** will be determined by the terms and conditions of the **product**.
- (c) The **investor** must ensure that any information the **investor provides** to **us** in relation to status, residence and domicile for taxation purposes is complete and correct, and the **investor** agrees to provide any further information properly required by any court or regulatory authority that has the power to ask the **investor** to do so. The investor acknowledges that where a Legal Entity Identifier (LEI) or National Identifier (NI) is required but is not made available to **us**, **we** will be unable to make certain trades in relation to the **investor's portfolio**.
- (d) The **investor** must notify **us** promptly if there is any material change in any information 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 the **investor** does not provide any information that **we** ask for, it may adversely affect the quality of the **services** that **we** provide.
- (e) The **investor** agrees to ratify any action that **we** lawfully take in the proper performance of **our** duties under the **agreement**.
- (f) Unless arising from **our** negligence, wilful default or fraud or that of **our** employees or **our** delegates under section 14, or their employees, the **investor** promises 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** which form part of the **portfolio** at, or any time after, the time when **we** first assume management of the **assets**; and/or
 - (ii) because the **investor** has breached the **agreement**; and/or
 - (iii) arising out of any action that **we** properly take in accordance with the **agreement**; and/or
 - (iv) because the **investor** fails to fully perform **investor** obligations and/or meet **investor** liabilities howsoever arising to **BNPP** and/or its sub-custodians under the **custodian agreement**.

12. Investment discretion

- (a) **We** will manage the **investor's 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 the **investor's assets**.
- (b) **We** shall not refer to the **investor** before making any investment decisions unless **we** agree otherwise with the **investor** in advance. **We** shall carry out **our** duties under the **agreement** to ensure best execution.
- (c) Before **we** can manage the **investor's assets**, **we** must understand the **investor's** attitude to risk and the suitability for the **investor** of the investments that **we** may make for the **investor**. The way that **we** will do this depends on the way in which the **investor** invests with **us**:
 - (i) If the **investor** has an appointed adviser, they will usually take responsibility for investment suitability. If they do so, they will assess the **investor's** attitude to risk and investment suitability, before investing with **us**, and **we** are entitled to rely on their assessment without further enquiry;
 - (ii) Where the **investor's** adviser does not accept responsibility for assessing investment suitability, or where the **investor** does 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 the **investor** has provided regarding the **investor's investment objectives**. This includes, but may not be limited to, the **investor's** knowledge and experience in relation to investments, preference regarding risk taking, risk profile, the purpose of investment and financial situation.
- (d) **We** manage the **investor's assets** on a discretionary basis (as described in section 12(a)) in accordance with the **investor's** attitude to risk. **Our** discretion and the **services** **we** provide relate only to the **assets** which the **investor** wants **us** to manage. **We** do not provide a full financial planning service and will not carry out suitability checks with regard to the **investor's** wider financial circumstances. **We** do not provide tax planning or tax specific advice.

- (e) The **investor** 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 the **investor's** behalf when managing the **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 the **investor's 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 the **investor** or, if the **investor** invests in a **product**, the **investor's 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 the **investor** or the **investor's 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 the **investor's** 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 the **investor's** behalf and may assume, until notified to the contrary by the **investor**, that the **investor** is willing and able to give all the representations and warranties which might typically be expected in the relevant market.
- (i) **We** shall at the **investor's** request provide 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 the **investor's portfolio** any sums required to pay or supplement any deposit in support of any such transaction. The **investor** will not be required to pay any deposit beyond the amount of money available in the **portfolio**.
- (k) Whilst **we** may wish to discuss the **investor's portfolio** and possible investments with the **investor** from time to time, **we** will not take any specific buy or sell instructions from the **investor** (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 the **investor** asks **us** to take if the result of any such action will cause **us** to be in breach of any **law** or regulation.
- (l) Where the **investor** has asked **us** to take specific action in relation to the **assets** **we** may need to assess whether such action is appropriate for the **investor**. This may mean that **we** will have to ask for certain information from the **investor**, including information relating to the **investor's** 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 the **investor**, **we** will warn the **investor** of this. If the **investor** still wishes **us** to proceed **we** will do so only at **our** absolute discretion and only once **we** have received written confirmation of the **investor's** instructions. Where **we** carry out the **investors** execution only instructions, **we** will confirm in writing by the following **business day**.

13. Our role as the investor's agent

- (a) **We** have, on the **investor's** behalf and as the **investor's** agent, entered into the **custodian agreement** with **BNPP**. Under the **custodian agreement**, **BNPP** will provide safe custody of the **assets** that **we** manage for the **investor**. From time to time **we** may provide information about the **investor** to **BNPP**.
- (b) **We** may, at any time and at **our** sole discretion, on the **investor's** behalf and as the **investor's** agent, terminate the **custodian agreement** and appoint an alternative custodian for the **investor's portfolio**. **We** do not need the **investor's** consent to do this, but will only do so if **we** receive undertakings from any proposed custodian that the **investor** will be no less favourably treated than before the transfer was effected.

14. Our right to delegate

- (a) **We** have delegated the exercise of **our** discretionary investment management powers to **ASC** and many of our administration and dealing functions to **ASC**, who have in turn sub-delegated such administration and dealing functions to **Platform Securities**. **We** may also from time to time (in accordance with the **Codes** and the **JFSC's** outsourcing policy, if applicable):
 - (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 the **investor** and the **portfolio** to any such person to whom such activities have been delegated. **We** shall ensure that any such delegation shall not undermine the **investor's** ability or that of the **JFSC** to properly monitor compliance with regulatory requirements. **Our** liability to the **investor** for all delegated matters shall not be affected by **us** delegating any of **our** functions; and

- (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.
- (iii) **We** will give the **investor** prior written notice of any further delegation of a function which involves the exercise of **our** discretionary investment management powers and will not, without the **investor's** written consent, delegate the whole or substantially the whole of such powers. **We** will only delegate such powers where **we** have reasonable grounds to do so.

15. Custody

- (a) A summary of the provisions of the **custodian agreement** is set out in **appendix 1**. The **investor** should read **appendix 1** carefully and contact **us** with any questions (please see 10(j), How to contact us).

16. Dealing and execution policy

- (a) Details of **our order execution policy** are set out in **appendix 3**. The **investor** should read **appendix 3** carefully and contact **us** with any questions (please see 10(j), How to contact us).
- (b) In effecting transactions for the **investor's portfolio**, subject to paragraph (c) below, **we** will at all times comply with **our order execution policy** and in particular will act in the **investor's** best interests and comply with any applicable obligations regarding best execution.
- (c) Where **we** accept specific instructions from the **investor** 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) The **investor** confirms prior express consent to orders being executed outside of a **regulated market** or **multilateral trading facility**.
- (f) **We** may place **limit orders** when managing the **investor's assets**, and if **we** do so, the **investor** agrees 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 the **investor** in writing and take all reasonable steps on the **investor's** behalf to rectify such failure or obtain compensation in lieu thereof. The **investor** must reimburse **us** for all resulting reasonable costs and expenses properly incurred by **us** in the discharge of **our** obligations.
- (h) Transactions for the **investor** 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.

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 **Codes** and when in the overall best interests of the **investor** and **our** customers. Any aggregated orders will be allocated back to the **investor** within 24 hours. The effect of aggregation may work to the **investor's** advantage or disadvantage.

17. Shareholder actions

- (a) In managing the **investor's 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 the **investor's portfolio**. **We** will ultimately have complete discretion in the exercise of any voting rights attaching to the **assets** of the **investor's 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 the **investor**, **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) **BNPP** or **ASC** may appoint a professional third party investor **services** company to cast votes on behalf of the **investor**.

18. Borrowing

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

19. Our right to retain or sell investor assets

- (a) If the **investor** does not pay any fees, charges, costs, losses or claims incurred by **us** and due to **us** under the **agreement**, the **investor** will be in breach of the **agreement** and **we** may instruct **BNPP** to retain some or all of the **assets** that it holds for **us** and on **our** behalf as security against payment of the debt owed by the **investor**. **We** may apply these **assets** to the repayment of the debt due to the extent that it remains unpaid.
- (b) **We** may instruct **BNPP** 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 the **investor** or by **us** on the **investor's** behalf in relation to the **agreement**.
- (c) **We** may exercise these rights where in **our** reasonable opinion, **we** believe that the **investor** will not settle the amount due if, for example, **we** are unable to contact the **investor** after making reasonable efforts to do so, or if the **investor** refuses to make a payment after a further demand for payment has been made.

20. Taxation and legal advice

- (a) The **investor** and any professional tax adviser appointed by the **investor** shall be responsible for the management of the **investor's** affairs for tax purposes. **We** do not take account of the tax treatment of investments when investing the **investor's** assets. **We** will invest in a variety of investment vehicles which have differing tax treatments.
- (b) **We** will supply the **investor** with sufficient information to enable completion of any self-assessment return.

- (c) **We** will not provide the **investor** with legal or tax advice and recommend that the **investor** obtains independent advice.
- (d) If the **investor** incurs any tax liability and **we** pay this on the **investor's** behalf, **we** will recover these costs from the **investor**.
- (e) The **investor** will be liable for all taxes that are personal to the **investor** in respect of the portfolio, and transactions. Tax liability depends on the **investor's** personal circumstances and may be subject to change in the future.

21. 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 the **investor's** agent. The **investor** 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 the **investor**.
- (c) Where **we** believe a conflict of interest may arise that is not set out in **our** conflicts of interest policy, **we** will notify the **investor** prior to dealing.

22. 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 the **investor's** portfolio:
 - (i) if the legal or regulatory requirements applying to the portfolio or any product change; or
 - (ii) if decisions of the **JFSC**, the **CIFO** or any other applicable authority 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 held in the **investor's** 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) Changes to the **agreement** that are outside **our** control (e.g. a change in legislation) or changes to the positive interest rate for money held in the **investor's portfolio** will take effect immediately. All other changes, including application of negative interest rates as a charge under section 8, will take effect thirty **business days** from the date that **we** give notice to the **investor** of the change.
- our other clients**, where the anti-money laundering requirements detailed in section 5 have not been met, or where the **JFSC** (or any other regulator) requires **us** to do so.
- (c) **Consequences of termination (including our right to retain or sell the investor's assets)**
- (i) Unless the **investor** has instructed **us** to transfer the **portfolio** (under section 23(a)), **we** will sell the **portfolio** as soon as is reasonably practical after receipt of the **investor's** signed instruction to terminate the **agreement**. The **investor** will be liable for any additional dealing charges incurred when selling 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** will complete and price any pending purchase transaction before instructing the sale of the **assets**.
 - (iii) If **we** terminate the **agreement** under section 23(b)(i) **we** will contact the **investor** to ask where the **portfolio** should be transferred to or whether the investments should be sold. If **we** terminate the **agreement** in these circumstances, the **investor** 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 the **investor's assets** after **we** give the **investor** notice of termination.
 - (iv) There are certain share classes which are only available to the **investor** by virtue of **our** relationship with the **investor**, and on termination **we** may move the **investor's assets** from these share classes into different share classes, sub-funds or funds at **our** discretion.
 - (v) If **we** terminate the **agreement** under section 23(b)(ii) or (iii) **we** will sell all the **portfolio** investments and will pay the proceeds to the **investor**, less any dealing charges incurred in making the sales and any other sums that the **investor** owes **us** under the **agreement**, to an account nominated by the **investor**, unless **we** are instructed otherwise or **we** are prevented by **law** from doing so.
 - (vi) Except as provided for in section 23(b)(iii) the **portfolio** will only be closed and the **agreement** will only be terminated once all **assets** have been sold or transferred and the **investor** has paid all debts and charges payable in relation to the **investor's** account.

23. Termination of the agreement

(a) When the investor may terminate the agreement

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

(b) When we may terminate the agreement

- (i) Where the **investor** invests directly **we** may terminate the **agreement** on three months' prior written notice to the **investor** 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 the **investor's portfolio** if:
 - (A) the **investor** fails to comply with the **agreement** and fails to remedy this within thirty **business days** of being asked by **us** to do so; or
 - (B) the **investor** fails to make any payments due to **us** after **we** notified the **investor** of the amount the **investor** owes **us** and have given the **investor** a further thirty **business days** to make the required payments.
- (iii) **We** may terminate the **agreement** by immediate written notice to the **investor** if **we** reasonably believe that **our** on-going relationship with the **investor** could cause reputational risk to **us** or

- (vii) Before **we** pay the proceeds of sale to the **investor** or transfer the **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 the **investor's 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 the **investor's portfolio** prior to the account being closed.
- (viii) If the **assets** in the **investor's portfolio** are not sufficient to cover the sums payable under the **agreement**, the **investor** must still pay **us** any balance that remains outstanding. In these circumstances **we** may close the **investor's** account and take all reasonable steps to recover from the **investor** any sums that remain due.
- (ix) **We** will have no further liability to the **investor** once the **portfolio** has been transferred to the **investor** (or elsewhere upon the **investor's** instruction, for example to another investment manager).
- (x) Termination of the **agreement** will not affect any legal rights or obligations that have already arisen.
- (e) **We** will not be liable for any losses incurred by the **investor** due to any advice or instructions given to the **investor** by a financial adviser or where the **investor** has instructed **us** to act in a particular way.
- (f) Whilst **we** will use reasonable efforts to ensure that all information provided by **us** is accurate, current and complies with the **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.
- (g) **We** do accept liability or responsibility for completeness or accuracy of the information which 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 for the **investor's** convenience.
- (h) 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.
- (i) **We** do not accept liability for any loss suffered by the **investor** which is caused by an act or omission of **BNPP** or its nominee companies or agents. In the event that the **investor** suffers any loss due to an act or omission of **BNPP** or of any of its nominee companies or agents, **we** will use reasonable endeavours as the **investor's** agent to enforce the **investor's** rights under the liability provisions of the **custodian agreement**. Any compensation received by **us** from **BNPP** in respect of any such loss (less any reasonable costs and expenses incurred by **us** in recovering the same) will be paid to the **investor**.

24. Risks and limits of liability

- (a) Subject to any of **our** duties or liabilities under the **Law**, the **Codes** 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**, **ASC** or **Platform Securities** or that of their employees.
- (b) If the **investor** invests in a **product**, the **investor's** right of recourse is against the **product provider** and not against **us**.
- (c) Under the **custodian agreement**, the **investor's** legal contract is directly with **BNPP** and any right of recourse that the **investor** has is against **BNPP**, not **us**. Subject to section 24(a), **we** will not be liable to the **investor** for any loss that the **investor** suffers in relation to the **custodian agreement**.
- (d) **We** will not be liable to the **investor** for any loss that the **investor** suffers if **BNPP** becomes insolvent.
- (j) 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**.
- (k) To the extent permitted by **law**, **we** and the **investor** agree that no statutory terms (which shall include warranties, conditions or other contractual provisions and/or rights, duties or liabilities imposed under the Supply of Goods and **Services (Jersey) Law 2009** shall apply to **us** or the **investor** in relation to the **agreement**.

25. Unforeseen events

- (a) 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.

26. Death when the investor is a natural person

- (a) If the **investor** dies, the **investor's** personal representatives must notify **us** promptly and provide **us** with any documents that **we** reasonably request to evidence their authority to deal with the **investor's** affairs before **we** will accept instructions from them in relation to the **investor's portfolio**. If they do not do so, there may be a delay in processing the closure of the **investor's** account. **We** will not be liable for any losses, costs or expenses incurred which result from the failure of the **investor's** personal representatives to provide suitable evidence of their authority to deal in the **investor's** affairs, or from any delay in **us** being notified.
- (b) The **agreement** will continue to bind the **investor's** personal representatives until the **investor's portfolio** is closed.
- (c) If **we** are informed of the **investor's** death **we** will stop any regular withdrawals from the **investor's 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) the **investor's portfolio** in accordance with the **investment objectives** and **restrictions** until the **investor's** 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) The **investor's portfolio** will be closed as set out in section 23(c).
- (f) **Power of attorney**
If **we** are informed of the **investor's** death, **we** will no longer accept instructions from any attorney appointed by the **investor**.
- (g) **Authorised Persons**
If **we** are informed of the **investor's** 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 26), including the **investor's** adviser, and will cease to make any adviser

charge payments that the **investor** has instructed **us** to make. Where the **investor** is 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) The **investor's** 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 the **investor's** accounts as required in line with our processes.
- (iii) **We** will treat the survivor(s) as the only person(s) entitled to the **investor's 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 the **investor** has 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.

27. Transferring the investor's rights and obligations

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

28. Transferring our rights and obligations

We may at any time, without the **investor's** 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 the **investor's** prior written consent.

29. 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.

30. 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.

31. Governing law

This **agreement** will be governed by and construed in accordance with the **law** of Jersey and the courts of Jersey will have 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 BNPP as principal and as agent for certain of our customers, including the investor (or the product provider where the investor holds a product), in terms of which BNPP will provide, or will appoint sub-custodians to provide, custodial services (the custodian agreement).

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

BNPP is regulated by the JFSC. We have satisfied ourselves that the arrangements ensure adequate protection for the investor's assets and we shall use reasonable care and ongoing due diligence in the selection of the custodian. BNPP has confirmed to us that it will use reasonable care and diligence in carrying out its custodial services and will at all times act in good faith.

We do not accept liability for any loss suffered by the investor which is caused by an act or omission of BNPP or its nominee companies or agents. In the event that the investor suffers any loss due to an act or omission of BNPP or of any of its nominee companies or agents, we will use reasonable endeavours as the investor's agent to enforce the investor's rights under the liability provisions of the custodian agreement. Any compensation received by us from BNPP in respect of any such loss (less any reasonable costs and expenses incurred by us in recovering the same) will be paid to the investor.

Investments

Investments which are registered may be registered in the name of BNPP or its sub-custodians. The investor (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 the investor by BNPP.

BNPP may pool investments with investments of one or more other clients of ours but BNPP will at all times segregate the investor's or the product provider's investments from those belonging to BNPP. Investments may be purchased outside Jersey or the United Kingdom and where this is the case, different settlement, legal and regulatory requirements and different practices relating to the segregation of the assets may apply.

BNPP shall act upon our instructions in relation to the assets entrusted to BNPP from time to time. By the investor's acceptance of the agreement the investor grants any mandates necessary to give effect to this.

BNPP has confirmed to us that it will accept responsibility for direct losses caused by it breaching the custodian agreement and the negligence, wilful default or fraud of certain specified sub-custodians. BNPP will use reasonable endeavours at our or the investor's cost to seek compensation for the losses arising from the negligence, wilful default or fraud of the sub-custodians which it procures services from and which are not specified in the custodian agreement. BNPP will not, however, be responsible for any losses arising from an insolvency of any sub-custodian which is not a member of BNPP's group.

The investor's investments outside the UK and Jersey will be registered by BNPP or to the order of BNPP by sub-custodians chosen by it, in accordance with the law or market practice of the jurisdiction in which the securities are traded or otherwise held or registered. Such investments shall be registered as described below. Different settlement, legal and regulatory requirements, and different practices relating to the separate identification and segregation of those investments, may apply.

Investments forming part of the portfolio may be pooled with those of other clients of ours. Such investments may not be identifiable by separate certificates or other physical documents of title and, should BNPP, a third party bank, settlement agent or other custodian default, any shortfall may be shared proportionately among all clients whose investments are registered in the same name. BNPP will keep records which identify our clients' investments separately.

BNPP shall arrange for the portfolio's registrable UK and Jersey securities (other than any bearer securities for which BNPP shall arrange safekeeping) to be registered in the name of a nominee company as bare trustee for the investor. The investor's registrable investments held outside the UK and Jersey will be registered in accordance with the law or market practice of the jurisdiction concerned, in the investor's name or the name of a nominee, BNPP or any sub-custodian. A nominee used for these purposes may be a company which is connected to us, in which event we will be responsible for the acts and omissions of that nominee.

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

Money

The **investor's** money will be held by **BNPP** in accordance with Jersey law. This requires **BNPP** to hold the **investor's** money in a **client** bank account or accounts, established with statutory trust status. The **investor's** money will therefore be segregated from **BNPP's** own money. The **investor's** money may be held with other **clients'** money in a pooled account or accounts. This means that the **investor's** money is held as part of a common pool of money, so the **investor** does not have a claim against a specific sum in a specific account; the **investor's** claim is against the **client** money pool in general.

Consequently, we will not be responsible for any loss suffered by the **investor** if **BNPP** or any bank holding the **investor's** money fails, whether they are backed by a government guarantee or not and should a government guarantee fail and that government is unable to meet its guarantee, we will still not be responsible for any loss suffered by the **investor**.

We may instruct a transaction for the **investor** that involves the **investor's** money being passed by **BNPP** 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**) counterparty located either in Jersey, or in another jurisdiction. In the event of the **investor's** money being passed to a third party, including (but not exclusively) an intermediate broker, settlement agent or **OTC** counterparty, outside of Jersey, the legal and regulatory regime applying to the intermediate broker, settlement agent, or **OTC** counterparty may be different to that of Jersey. In the event of a default of that entity, the **investor's** money may be treated differently to the way it would be treated if it were held in Jersey.

Where the **investor's** money is held in a credit institution or bank outside Jersey or the **investor's** money or investments are passed to such a third party, the legal and regulatory regime applying to such party may be different to that of Jersey and the **investor's** rights in relation to it may therefore differ, particularly in the event of a default of such party.

The **investor's** money shall be held in pooled **client** bank accounts with **BNPP** and other banking institutions as determined by **us** from time to time. The **investor's** money shall be held in a pooled **client** capital bank account in the relevant currency and interest and dividends arising from the **portfolio** shall be credited to a pooled **client** income bank account. Detailed individual **client** records will be maintained and reconciled, and interest apportioned, by **us** in accordance with the appropriate rules and regulations governing **client** money.

Interest

Interest will accrue daily and will be paid on a quarterly basis. We will pay the **investor** interest at a rate at least equal to the minimum deposit rate offered by the bank at which we have placed the **investor's** money. We may obtain a reasonable rate of interest for the size and type of deposit concerned in excess of the above minimum rate and retain a small percentage of this excess, details of which are available to the **investor** on request.

In times of low inflation or even deflation in the economy, interest rates applied to certain currency cash deposits may be negative, which may result in a charge being applied to the **investor's** uninvested monies. If negative interest is to be charged the **investor** will be informed as detailed in section 8(b) above.

Interest rates and income accruals are disclosed in our periodic statements to the **investor**.

Any interest arising as a result of differences in the way that interest is accrued and applied between **us** and **BNPP** may be retained by **us**.

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 the **investor** with a copy of the **custodian agreement** on request.

1. The **investor** authorises **us** to enter into the **custodian agreement** on the **investor's** behalf and to enter into and execute all other documents and to do all acts and things on the **investor's** behalf as fully and effectually as the **investor** 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. The **investor** acknowledges that the **custodian agreement** takes effect as a separate **agreement** and creates direct contractual rights and obligations between **BNPP**, **us** and the **investor**. References in the **custodian agreement** to "client" include the **investor** and accordingly the **investor** is bound by obligations expressed to be on the part of the **client** including those obligations which we discharge on the **investor's** behalf.
3. **BNPP** may from time to time advance monies to facilitate settlement and/or in order to meet settlement obligations **BNPP** may charge interest at the rate charged by it for similar overdrafts in respect of the amount so advanced. Where monies are advanced, the **investor** acknowledges that the **investor** 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.

4. **BNPP** is not permitted to hold a lien or security interest over the **investor's** investments. **BNPP** may procure members of its group to provide the **services** under the **custodian agreement**. **BNPP** may use agents to perform any administrative, custodial or ancillary **services** to assist **BNPP** to perform its obligations under the **custodian agreement**. In doing so, **BNPP** will act in good faith and with due diligence in the selection, use and monitoring of agents (including sub-custodians).
5. To the extent it relates to **us** acting as the **investor's** agent, 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 the **investor's** behalf as part of the discretionary investment management **services** being carried out by **us**. This statement is provided to the **investor** in compliance with the **Codes**. This statement cannot disclose all the risks and other significant aspects of designated investments. The **investor** should be aware of the nature of these investments and the extent of the **investor's** exposure to risk. The **investor** should be aware that **they** might sustain loss of the money **they** 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 the **investor** 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 the investor does not wish the portfolio to invest in QMMFs, the investor must notify us of this and we will discuss appropriate alternatives with the investor.

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 for an **investor** to buy a warrant unless they are prepared to sustain a total loss of the money 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 the **investor's** 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 the **investor** is not protected or guaranteed and may not be returned to the **investor** at the end of the **product** term.

SCARPs have the following features:

- (a) the **investor's** 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, the **investor** 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 the **investor** 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 the **investor**;
- (c) if a SCARP is sold prior to maturity, the **investor** 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) the **investor** 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 the **investor's** 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 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.

14. OECD Action Plan on Base Erosion and Profit Shifting

The Organisation for Economic Co-operation and Development (OECD) published its Action Plan on Base Erosion and Profit Shifting (BEPS) in 2013 with final reports published on 5 October 2015. Depending on how BEPS is introduced in various jurisdictions, changes to tax **laws** based on recommendations made by the OECD in relation to BEPS may, for example, result in: the restriction or loss of existing access by any in-house fund or collective investment scheme

to tax relief under applicable double taxation agreements; the creation of a permanent establishment of any in-house fund or collective investment scheme or of **investors** in such in-house fund or collective investment scheme within a certain jurisdiction; or **restrictions** on permitted levels of deductibility of expenses (such as interest) for tax purposes. Such effects could lead to additional tax being suffered by any in-house fund or collective investment scheme, which may adversely affect the value of the investments held by **investors**. There could also be additional tax reporting and disclosure obligations for **investors**.

Types of Transaction

15. 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.

16. 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.

17. 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** (where relevant) permits us to invest in **derivatives**.

18. Securitised derivatives

Securitised **derivatives** may give the **investor** a time limited right (i.e. where the **investor** 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 the **investor** 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 the **investor** is 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 the **investor** is 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 the **investor** paid for the **product**) of the money the **investor** has invested plus any commission or other transaction charges.

19. 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 the **investor's** investment, and this can work against the **investor** as well as for the **investor**. **Futures** transactions have a contingent liability, and the **investor** should be aware of the implications of this, in particular the margining requirements, which are set out in paragraph 24.

20. 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:

- (a) **Buying options:** Buying **options** involves less risk than selling **options** because, if the price of the underlying **asset** moves against the **investor**, the **investor** can simply allow the **option** to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the **investor** buys a call **option** on a **futures** contract and later exercises the **option**, the **investor** will acquire the future. This will expose the **investor** to the risks described under '**futures**' (paragraph 19) and '**contingent liability investment transactions**' (paragraph 23).
- (b) **Writing options:** If the **investor** writes an **option**, the risk involved is considerably greater than buying **options**. The **investor** may be liable for margin to maintain the **investor's** position and a loss may be sustained well in excess of the premium received. By writing an **option**, the **investor** accepts a legal obligation to purchase or sell the underlying **asset** if the **option** is exercised against the **investor**, however far the market price has moved away from the exercise price. If the **investor** already owns the underlying **asset** which the **investor** has contracted to sell (when the **options** will be known as '**covered call options**') the risk is reduced. If the **investor** does 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.

21. 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 the **investor** should be aware of these as set out in paragraphs 19 and 20 above respectively. Transactions in **contracts for differences** may also have a contingent liability and the **investor** should be aware of the implications of this as set out 23 below.

22. 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.

23. Contingent liability investment transactions

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

If the **investor** trades in **futures**, **contracts for differences** or sell **options**, the **investor** may sustain a total loss of the margin deposited with its firm to establish or maintain a position. If the market moves against the **investor**, the **investor** may be called upon to pay substantial additional margin at short notice to maintain the position. If the **investor** fails to do so within the time required, the **investor's** position may be liquidated at a loss and the **investor** 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 the **investor** entered the contract. Save as specifically provided by applicable **laws** and regulations, we may only carry out margined or **contingent liability investment** transactions with or for the **investor** 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 the **investor** to substantially greater risks.

24. Margin Payments

Where an investment features margin payments we will provide the **investor** with a written description of such payments and the associated risks.

25. Limited liability transactions

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

The amount the **investor** 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, the **investor** may sustain the loss in a relatively short time. The **investor's** loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

Appendix 3

Order execution policy

We have put in place arrangements to enable us to deliver best execution and provide the investor with information on our order execution policy.

Order execution arrangements

Where **we** decide to deal in investments on the **investor's** 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 the **investor** 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 the **investor** with a copy of this list on request. The **investor** 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.

We will deal with the **investor's** investments on the **investor's** behalf and **our** investments (if any) fairly, in good faith and in due turn.

Monitoring

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

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 the **investor** of any material changes to the above description of **our** execution arrangements and our **order execution policy**.

Appendix 4

Summary of conflicts of interest policy of Aberdeen Standard Capital International

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 **Codes**, **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 the **investor** 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 the **investor** 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 the **investor** 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 the **investor** and to **our** other **clients** will be prevented, **we** will decline to act.

Our conflicts of interest policy also refers to the conflicts of interest policies of service providers, which in the context of the **agreement** should be deemed to include **ASC**, **Platform Securities** and **BNPP**.

The **investor** may request further details of **our conflicts of interest policy** from their **client portfolio** manager at any time.

Appendix 5

Complaints and compensation

Complaints

- (a) **We** have an established complaints procedure which conforms to the **Codes** for the proper handling of complaints. If the **investor** wishes to see a copy of **our** Internal Complaints Handling Procedure please contact us (please see section 10(j), How to contact us).
- (b) If the **investor** has any complaints regarding **our services**, the **investor** should contact **us** using the details set out in section 10(j) (How to contact **us**). Alternatively the investor can contact our customer relations team via email at customer_relations@standardlife.com. **We** will discuss the issue with the **investor** and attempt to resolve it.
- (c) If **we** cannot resolve the **investor's** complaint in this manner **we** will pass it to a dedicated complaint handler for further investigation.
- (d) **We** record details of the **investor's** complaint centrally and make sure the **investor's** complaint is thoroughly investigated by someone who has been trained in complaints handling.
- (e) If **we** are unable to deal with a complaint within five **business days** of the day **we** received it, **we** will issue the **investor** with an acknowledgement letter together with a copy of **our** Internal Complaints Handling Procedure and provide the **investor** with regular updates as to **our** progress with **our** investigation into the **investor's** complaint.
- (f) Within eight weeks of receiving the **investor's** complaint **we** will send the **investor** one of the following two responses:
 - (i) a final written response in which either: **we** offer twvhe **investor** a remedy, whether or not **we** accept the **investor's** complaint; or **we** reject the **investor's** complaint and give the **investor** our reasons for doing so; 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 the **investor** with one.

Compensation

- (a) A compensation scheme applies in respect of the **services** provided by **us** under this **agreement** when a complaint is referred to the **CIFO**. Compensation is subject to a decision being made by the **CIFO** which is accepted by the complainant, up to a maximum limit of £150,000.
- (b) What to do if the **investor** is not happy with the outcome:

We want to resolve complaints to the **investor's** satisfaction whenever possible. If **we** can't reach **agreement** with the **investor**, the **investor** may be able to report the matter to the **CIFO** which may investigate further on the **investor's** behalf. The **investor** must contact the **CIFO** about the complaint within six months of the date of the final letter from **us**, or the **CIFO** may not be able to review the **investor's** complaint. The **investor** must also contact the **CIFO** within six months of the event complained about or (if later) two years of when the **investor** could reasonably have been expected to become aware that **they** had a reason to complain.
- (c) The contact details of the **CIFO** are:

Channel Islands Financial Ombudsman (**CIFO**)
 PO Box 114
 Jersey, Channel Islands
 JE4 9QG

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