

Terms & Conditions

Introduction

These Terms and Conditions (which incorporate Hubwise Securities Limited's Terms and Conditions) (the "Terms and Conditions" or "Agreement") set out the terms on which SCM Direct ("SCM" or "we", or "us") and Hubwise Securities Limited ("Hubwise") shall provide services to you.

These Terms and Conditions impose obligations and liabilities on you. You should read them carefully and you should contact SCM if you want any further information. Please keep these Terms and Conditions in a safe place in case you need to refer to them in the future. It is important that you understand the contents of these documents, and that you retain them for future reference.

These are our standard terms of business upon which we intend to rely. These Terms and Conditions will become legally binding and we will start providing the Services to you once we have received confirmation of your completed Account and satisfactory anti-money laundering verification information.

SCM is a trading name of SCM Private LLP.

SCM Private LLP is authorised and regulated by the Financial Conduct Authority ("FCA"), 25 The North Colonnade, Canary Wharf, London E14 5HS. Our FCA Register number is 497525.

Our permitted business includes managing investments.

You can check our regulatory status on the FCA's Register by visiting the FCA's website **www.fca.gov.uk/register** or by contacting the FCA on **0845 606 1234**.

Our Services

We shall provide the following services to you:

- discretionary portfolio management services;
- arranging for the acquisition or disposal of investments;
- arranging for valuation and safe custody facilities associated to the services outlined within this agreement; and
- such other services as we may agree with you in writing from time to time.

In order to assist us in the provision of services to you, we have entered into an agreement with Hubwise to provide you with custody services; and to enable us to execute transactions and provide other services to you (together, the "Services").

Hubwise is authorised and regulated by the Financial Conduct Authority with Registered Number 502619.

You agree to us entering into the terms of the Customer Custody Services Agreement with Hubwise on your behalf. You should read these Terms and Conditions in conjunction with the Custody Terms and Conditions as provided by Hubwise in Schedule 3.

Please note that these Terms and Conditions give us discretion to manage investments covered by this agreement on a discretionary basis i.e. to effect transactions without your prior approval. For your own benefit and protection you should read these Terms and Conditions carefully. If you do not understand any point, please ask for further information.

SCM provides information to assist in making informed investment decisions but does not make personal recommendations. If prospective investors have any doubts as to whether our portfolios are suitable they should seek independent financial advice.

We have chosen to limit our services for you to investment in Exchange Traded Funds ("ETFs") except where mutually agreed between us.

SCM manages, on a discretionary basis, the following portfolios of ETFs:

Bond Reserve Portfolio: This is an actively managed, well-diversified portfolio made up entirely of cash, credit and fixed interest ETFs. The Bond Reserve ETF portfolio will be denominated in £, \$ or € according to your decision.

Absolute Return Portfolio: This is an actively managed well-diversified portfolio of ETFs. It may consist of a mixture or be all equity ETFs, all fixed interest/other ETFs or all cash. The Absolute Return ETF portfolios will be denominated in £, \$ or € according to your decision.

Long-Term Return Portfolio: This is an actively managed well-diversified portfolio of ETFs with a long-term bias to real assets i.e. equity ETFs. The Long-Term Return ETF portfolios will be denominated in £, \$ or € according to your decision.

There are also 50/50 mixes of the three Portfolios above, which are also available in £, \$ or €. Please note that there may be a risk to capital for all three portfolios.

The portfolios will invest in a wide number of asset categories and geographical locations. Emphasis will be placed on investing in the more liquid asset categories and markets.

Portfolios are managed using model portfolio strategies. Portfolios are regularly monitored to ensure they closely follow the models which, due principally to timing and individual cash flows in or out of a portfolio, may deviate over time.

The relevant risk warnings for ETFs are detailed in Schedule 1 – Investment Risks to this agreement. You should only agree to this agreement when you are satisfied that we have explained to your satisfaction the risks involved. If you are in any doubt about any terms within this agreement you should consult your solicitor, accountant or other professional adviser.

SCM is not permitted to handle your money and we cannot accept a cheque made out to us (unless it is in respect of an item for which we have sent you an invoice – such as a fee) or handle cash. Any cheque received which is made payable to us for investment will be returned and no responsibility will be accepted for any delay which this may cause relating to the investment of funds. Account opening cheques or additional funding cheques must be made out to Hubwise Securities Limited.

Your Client Categorisation

For the purposes of providing you with Services, we have categorised you as a retail client. This means that you are afforded the highest level of protection under the regulatory system. You have the right to request re-categorisation as a professional client in which case you must give us notice in writing, and you will lose certain protections under the regulatory regime. SCM will consider any request for re-categorisation but is not obliged to grant such a request.

Your Portfolio

Where your investments are held overseas, there may be different settlement, legal and regulatory requirements from those applying in the United Kingdom, together with different practices for the separate identification of your investments. We will not borrow on your behalf, nor will we commit you to a contract that may need borrowing in order to achieve performance. We will not commit your monies to an obligation as an underwriter of any issue or offer for sale of securities.

Our responsibilities to you in respect of your investments will be limited to the management of your portfolio as covered by this agreement, except where mutually agreed between us. We will not offer any broader financial planning and/or tax planning services e.g. capital gains tax and inheritance tax considerations and accept no responsibility for your broader financial / tax planning arrangements or requirements. It is recommended that you speak to your normal financial adviser in relation to these areas.

We will review the portfolio on an ongoing basis and if any changes are needed to ensure that the objectives of the model portfolio (as detailed in this agreement) are met then these changes will be made.

Amendments to Investment Mandate

SCM will keep the investment objectives, approach and benchmarks of each model portfolio as stated in the Terms and Conditions under review and may from time to time, make amendments without your prior approval.

These will be notified to you, via the SCM website at least ten Business Days in advance of any change.

ISAs

Opening an ISA

This section contains additional terms applicable to the Stocks and Shares Individual Savings Account ("ISA") (also known as a New Individual Savings Account ("NISA")). To open an ISA we must be in receipt of funds up to the subscription allowance and a correctly completed application. An applicant may only subscribe to one ISA subscription each tax year. Your ISA application covers the current Year and each subsequent Year. Where we receive no contributions into your ISA during any Tax Year, a new ISA application will be required.

A direct debit instruction authorises us to collect regular contributions from your Nominated Bank Account until you notify us to the contrary. In the event your contributions exceed the permitted HM Treasury limit in any Tax Year, the excess will be transferred to a Client Account held by Hubwise in your name. If you are applying for an ISA for the next tax year, Hubwise shall hold your money in a Client Account until the 6th April or the next Business Day thereafter.

Your Stocks and Shares ISA will be invested on a discretionary basis in accordance with these Terms and Conditions. We will not reclaim tax on foreign dividends paid in ISAs.

Your ISA must be, and must remain in, the beneficial ownership of you, the investor and must not be used as security for a loan. You may not subscribe to your ISA Account while not resident in the UK for tax purposes unless you qualify as a Crown employee (a person holding public office or employment under the Crown and paid out of the public revenue of the UK and Northern Ireland), their spouse or civil partner.

You must inform us immediately if you stop being resident in the UK for tax purposes, or if as a non-resident you stop being a Crown employee, their spouse or civil partner.

Transfer of ISAs

If you wish to transfer all or part of your ISA to another approved manager willing to accept the transfer, we will aim to complete the transfer within 30 days of receiving your written instructions. Please see Schedule 2 (Remuneration and Charges) for charges on transfers to other plan managers and ISA closures detailed below. We require that the transfer is made either In Specie or cash after deducting all charges due to us. If we subsequently receive any income arising from investments transferred out, we will forward it to your new plan manager. These Terms and Conditions continue to apply to the part of your ISA being transferred until the transfer is complete, all outstanding transactions have been settled and all liabilities met. We generally make no charge when receiving plans from other managers, but reserve the right to do so.

If you request investments to be transferred from your General Investment Account we will sell them and apply the proceeds as a cash payment into your Cash Reserve Account for reinvestment; any interest received on cash balances within this account is tax free.

Normal dealing related charges will apply to both the sale and reinvestment. In order to ensure that this transaction is processed in the current Tax Year, your application must be received no less than five business days before the end of the Tax Year.

ISA management

We will make claims on your behalf for tax reliefs. We will also inform you if an ISA becomes void through any failure to meet the HMRC regulations. If your ISA is voided, we will sell the investments

and after deducting any cash available to cover any tax we have to pay or repay, pay you the proceeds together with any remaining cash balance held in your ISA. If a previously qualifying investment should no longer qualify, we will sell the investment and reinvest the proceeds as per our mandate.

ISA closure

You may close your ISA as a whole or take out part at any time (provided any outstanding fees are paid). There is no charge for partial withdrawals of cash. Partial cash withdrawals shall be treated as capital (i.e. not interest) under HMRC regulations. When liquidating an ISA before transferring the cash proceeds, normal commission rates apply.

ISA termination

An ISA automatically terminates when the plan holder dies, it will cease to be tax exempt and will be closed. Any tax claimed back from a dividend received after that date must be repaid. The ISA will be valued for probate as at the date of death, and dealt with as instructed by the executors upon whom the Terms and Conditions become binding. Subject to HMRC regulations, the surviving spouse or civil partner, if over 18, of a deceased ISA holder who died on or after 3rd December 2014, can pay in additional subscriptions in cash on top of the annual subscription limit up to the value of the deceased's ISA at the date of their death, provided they have not transferred these rights to another ISA manager.

We may terminate a plan at our discretion if, in our opinion, new statutes or regulations make its continuation impracticable, in such circumstances we shall give you at least 30 days' notice in writing and the account will need to be transferred to another ISA manager. We shall not be responsible for any loss that results.

ISA cancellation

You have the right to cancel your cash subscription to an ISA contract within 14 calendar days of receipt by you of the notice of the right to cancel. Investors who cancel their subscription within the cancellation period are exempt from UK income and capital gains tax or any income or gains arising from the subscription in the period. Where the subscription is cancelled within the set period, investors will be treated as though they have not subscribed to an ISA.

HMRC regulation

The management of your ISA shall be subject to the rules and regulations of HMRC. In the event of a dispute between these Terms and Conditions, and HMRC regulations, the HMRC regulations shall prevail. You authorise us to disclose to HMRC all such information as required by law.

Taxation

We do not take account of your personal tax position in making our investment decisions. Specifically, SCM manages portfolios, including making buy and sell decisions, without regard to the potential impact of tax allowances, individual tax losses or differing rates of tax for income and capital. SCM will not make different investment decisions for different clients within the same portfolio based on their individual tax situation. We are not responsible for the management of your affairs for tax purposes.

Best Execution

In executing or transmitting instructions on your behalf to third parties, SCM will take all reasonable steps to ensure that we obtain the best possible result for you. This is referred to as Best Execution. SCM's Best Execution policy is set out in Schedule 4.

Aggregation

Regulations permit us to trade together ("Bulk trade"). transactions in respect of your portfolio with those of others without asking you first. We may aggregate your order providing it is unlikely that the aggregation will operate to your disadvantage. However, you should note that the effect of aggregation may work to your disadvantage in relation to a particular order. We will always endeavour to allocate such transactions on a fair and reasonable basis and in line with our allocation policy.

Trading Venue

You agree that your orders may be executed on a market outside a trading venue which includes a regulated market, Multilateral Trading Facility or an Organised Trading Facility.

Cancellation Rights

You have the right to cancel these Terms and Conditions within 14 calendar days of the date of entering into these Terms and Conditions. If you would like to cancel this agreement, please send us a secure mail or write to us at the address provided. If you do not exercise the right to cancel within the cancellation period, the agreement will remain in full force and effect. On cancellation we will promptly complete transactions already initiated. Cancellation will not affect accrued rights, existing commitments or any contractual provision intended to survive termination of the agreement.

Conflict of Interests

We will endeavour always to act in your best interests. However, circumstances can arise where we may have some form of interest in business being transacted for you. If this happens or we become aware that our interests conflict with your interests, we will write to you and obtain your consent before we carry out your instructions, and detail the steps we will take to ensure fair treatment. SCM has a Conflicts of Interests policy, which is available on request and in a durable medium. From time to time, alongside other firms, we may attend training events funded and/or delivered by product providers, fund managers and platforms. These events are designed to enhance our knowledge and in accordance with FCA's inducements rules we will ensure these only occur when they enhance the quality of service we provide to you.

Anti-Money Laundering checks (AML)

The Money Laundering Regulations require all financial institutions to verify the identity of their clients and SCM has obligations under these regulations. In consequence, we are required to verify your identity, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is up-to-date. For this purpose, we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just at the beginning.

Disclosure of Charges/Fees

All charges/fees will be fully disclosed to you.

You will pay us fees for our services under this agreement. The current charges are detailed in Schedule 2 – Our Remuneration and Charges of this Agreement. These charges are separate to the ongoing and other charges made within the various ETFs held within the portfolios or the ‘spread’ related element of dealing costs associated with the ETF bid/offer prices. These costs will change according to the precise ETFs selected and the level of turnover within the relevant portfolios.

If a third party imposes any additional charge or cost as a result of your default in complying with your obligations under this Agreement or with any reasonable request by us pursuant to this Agreement, then any such charge or costs shall be borne by you.

Withdrawal requests

Further to your instructions, SCM shall endeavour to realise your assets which are managed and return your monies as soon as practicable, in accordance with our normal dealing timetable that takes place on the first Business Day of each week, but which may take place on other dates should conditions warrant. Normal dealing charges apply.

The minimum monetary requirements for partial withdrawals, where applicable, are detailed within the SCM General FAQ document on the SCM website.

The minimum daily withdrawal is £5,000 (or the equivalent in US\$ or EUR€) although no partial withdrawal is permissible where this would take your portfolio account below the minimum investment set out below.

Minimum Investment

The minimum initial investment required to invest in any of the GBP portfolios is £10,000 for those individuals based in the UK, with a UK bank account.

For all other customers, the minimum investment in a GBP portfolio is £100,000.

The minimum initial investment required to invest in any of the USD portfolios is \$100,000.

The minimum initial investment required to invest in any of the EUR portfolios is €100,000.

The minimum monetary monthly investments, where applicable, are detailed within the SCM FAQ document.

Accepting Instructions from You

Individual:

We shall honour and act on any instruction, confirmation, or authorisation via a secure mail or in writing signed or sent or purported to be signed or sent by you believed by us to be genuine and so that we shall not be liable for acting in good faith upon any such instruction, confirmation or authority notwithstanding that it shall subsequently be shown that the same was not given or signed or sent by you.

Trustee Accounts:

- a) We are authorised to honour and act on any instruction, confirmation or authority (including amendments to the terms of this Agreement) via secure mail or in writing signed or sent or purported to be signed or sent by one or more (as specified) of the persons named below and believed by us to be genuine. We shall not be liable for so acting in good faith upon any such instruction, confirmation or authority notwithstanding that it shall subsequently be shown that the same was not given or signed or sent by any such persons;
- (b) Your liability hereunder shall be joint and several; and
- (c) In case of death, we are authorised to hold to the order of the survivors, or the legal personal representatives of your survivor, all monies and investments held by us for your account.

Joint Accounts:

- (a) If your account is held in joint names, all joint holders are jointly and severally responsible and liable for the account. Unless all joint holders provide consent to accept instructions from a single joint holder, all joint holders must authorise any withdrawal from or change to the account. We are authorised to honour and act on any instruction, confirmation or authority (including amendments to the terms of this Agreement) via secure mail or in writing signed or sent or purported to be signed or sent by both the joint account holders (unless specified otherwise) and believed by us to be genuine. We shall not be liable for so acting in good faith upon any such instruction, confirmation or authority notwithstanding that it shall subsequently be shown that the same was not given or signed or sent by any such persons;
- (b) Your liability hereunder shall be joint and several; and
- (c) In case of death, we are authorised to hold to the order of the survivors, or the legal personal representatives of your survivor, all monies and investments held by us for your account.

Communications with You

We may communicate with you by telephone, post, e-mail or in person. In certain circumstances, we may ask you to confirm any instructions in writing prior to implementation. All our communications with you will be in English. Although Hubwise provide you with custody services under this agreement, all communications concerning your account should be with SCM; instructions will only be accepted by Hubwise from SCM.

Variation and Amendment

SCM may amend these Terms and Conditions by giving you at least 30 days' notice unless we are required to make the change sooner (e.g. for legal or regulatory reasons). SCM will only make changes for good reason, including but not limited to:

- (a) to make them clearer and more favourable to you;
- (b) to provide for the introduction of new systems, services, changes in technology and products;
- (c) to rectify any mistakes that may be discovered in due course;
- (d) to reflect changes in the costs and charges that we incur or expect to incur in providing our services to you, and/or to take into account changes in the rates of inflation, taxes or interest or other market rates or indices;
- (e) to reflect changes in market practice or conditions;
- (f) to reflect the way that our services are used and ensure that the costs of those services are allocated fairly among our clients;
- (g) to provide for the introduction of new systems or services and changes in technology or products; or
- (h) to reflect a change of applicable law or regulation.

If SCM amends these Terms and Conditions for valid reasons that are not specified in these Terms and Conditions and you do not agree with those changes, SCM shall not impose any charges in relation to the closure of your Account or any transfer of your Account and any monies or investments held on your behalf, to an alternative service provider should you wish to transfer or close your Account provided that you do so within ninety (90) days of being notified of those changes.

In addition, Hubwise may amend the Terms and Conditions in the circumstances set out in paragraph 26 of Schedule 3.

Reporting to you

Under our discretionary portfolio management service, you will be entitled to the following services/reports:

1. Access to your portfolio online.
2. Every three months we will provide you with a portfolio valuation statement. The valuation statement will also assess the performance of your portfolio against its benchmark, as set out below.
3. Every year we will provide you with the following documents, to help you complete your UK tax return:
 - (a) Details of any dividends, interest and other income received during the preceding tax year;
 - (b) Details of any tax deducted from any dividends, interest and other income received during the preceding tax year;
 - (c) Details of any capital gains made during the preceding tax year; and
 - (d) Details of any Excess Reportable Income made during the preceding tax year.
4. We shall notify you by the end of that Business Day when the value of a portfolio drops by 10% or more from the value of the portfolio at the beginning of that reporting period (with additional reporting for each subsequent, incremental drop of 10%). The reporting period for 10% drop will be the same quarterly periods as used for valuation purposes. To support daily monitoring of portfolio values, the weekly weighted performance process will be replaced by a daily calculation.

The following benchmarks will apply:

Portfolio	Benchmark
Bond Reserve Portfolio GBP	Barclays Benchmark Overnight GBP Cash Index
50/50 Bond Reserve / Absolute Return GBP	Barclays Benchmark Overnight GBP Cash Index
50/50 Bond Reserve / Long-Term Return GBP	Average of Barclays Benchmark Overnight GBP Cash Index & UK RPI All Items Index
Absolute Return Portfolio GBP	Barclays Benchmark Overnight GBP Cash Index
50/50 Absolute Return / Long-Term Return GBP	Average of Barclays Benchmark Overnight GBP Cash Index & UK RPI All Items Index
Long-Term Return Portfolio GBP	UK RPI All Items Index
Bond Reserve Portfolio USD	Barclays Benchmark Overnight USD Cash Index
50/50 Bond Reserve / Absolute Return USD	Barclays Benchmark Overnight USD Cash Index
50/50 Bond Reserve / Long-Term Return USD	Average of Barclays Benchmark Overnight USD Cash Index & US CPI Urban Consumers NSA
Absolute Return Portfolio USD	Barclays Benchmark Overnight USD Cash Index
50/50 Absolute Return / Long-Term Return USD	Average of Barclays Benchmark Overnight USD Cash Index & US CPI Urban Consumers NSA
Long-Term Return Portfolio USD	US CPI Urban Consumers NSA
Bond Reserve Portfolio EUR	Barclays Benchmark Overnight EUR Cash Index
50/50 Bond Reserve / Absolute Return EUR	Barclays Benchmark Overnight EUR Cash Index
50/50 Bond Reserve / Long-Term Return EUR	Average of Barclays Benchmark Overnight EUR Cash Index & Eurozone CPI
Absolute Return Portfolio EUR	Barclays Benchmark Overnight EUR Cash Index
50/50 Absolute Return / Long-Term Return EUR	Average of Barclays Benchmark Overnight EUR Cash Index & Eurozone CPI
Long-Term Return Portfolio EUR	Eurozone CPI

Termination

You may terminate these Terms and Conditions at any time in writing. In the case of termination by you, termination shall be deemed to take effect one week after receipt of such written notice.

We may terminate these Terms and Conditions upon giving thirty (30) days' prior notification (or shorter time where not reasonably practicable because Hubwise have decided to terminate their services to you; or where there is a valid reason, such as where we believe that applicable law or regulation requires us to cease providing you with services).

Once a termination notice has been received or deemed to be received by us, we will not accept any new instructions, other than instructions to close out any open transactions where required. You acknowledge and agree that any transactions which remain unsettled at the time of receipt of the termination notice must be settled in the normal course of business, and that the termination notice does not relieve you from any obligations to settle such transactions.

In addition, Hubwise may terminate the Terms and Conditions in the circumstances set out in paragraph 24 of Schedule 3.

Effects of termination or cancellation

Termination will be without prejudice to the completion of transactions already initiated which will be completed promptly by SCM. Further, termination will not affect accrued rights, indemnities, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payment. You will be liable to pay for any transactions made prior to termination and any fees outstanding, if applicable. We may retain and/or realise any of your assets as may be required to settle the transactions already initiated, and to pay any outstanding liabilities of yours.

Confidentiality, the General Data Protection Regulation and Record Retention

The confidentiality of your personal information is very important to us. We will endeavour to take all due care to protect this information. We would like to highlight below a few matters relating to your information about which you should be aware.

SCM may use, share, store or otherwise process personal information provided by you or us in connection with the provision of our services for the purposes of providing the services, administering your account or for all purposes ancillary thereto, including to help to prevent and detect fraud or loss.

The information we hold about you is treated as confidential and will not be used for any purpose other than in connection with the provision of the Services. We will only share your personal information where we are required to do so or where you have provided your consent. We will only share your information where:

- (a) you have provided your consent;
- (b) the law, regulatory bodies, or the public interest permits or requires it;
- (c) HM Revenue & Customs or other authorities require it;
- (d) we are required to detect and prevent crime;
- (e) there are other parties connected to your portfolio i.e. joint portfolios;
- (f) with specific subcontractors who help to provide you with the services you have requested; or
- (g) to comply with mandatory Governmental data requirements.

We may use credit-reference agencies and other agencies when considering your application:

- (a) to check your identity;
- (b) to decide if you are eligible for an account, service or facility; or
- (c) as part of our anti-money laundering and fraud-prevention measures.

These agencies use information from a number of different public sources (for example, the electoral roll, county court judgments and bankruptcies), as well as information from other banks or lenders on how you manage your other banking or credit arrangements.

You have the right to be informed about the data processing which will be carried out about you. This includes:

- (i) the right to know the identity and contact details of the data controller and where applicable, the controller's representative and the data protection officer;
- (ii) the purpose and the legal basis for the processing;
- (iii) our legitimate interest in processing your data;
- (iv) the types or categories of Personal Data which will be processed about you e.g. any data we obtain from third party sources such as credit reference agencies;
- (v) any recipient or categories of recipients with whom we intend to share your Personal Data;
- (vi) details of transfers outside of the EEA and safeguards we will put in place to protect your data;
- (vii) the length of time your data will be retained for or the criteria used to determine the retention period;
- (viii) your right to withdraw consent at any time, where relevant;
- (ix) the source any Personal Data that we process about you which does not originate from you;
- (x) how we use automated decision making, including profiling and information about how decisions are made, the significance and the consequences.
- (xi) to lodge a complaint with the Information Commissioner's Office – you can contact the ICO at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF Telephone. +44 (0)1625 545863;
- (xii) request that we cease processing your Personal Data for the purposes of profiling;
- (xiii) ask Us to correct incorrect Personal Data which we may hold about You; and
- (xiv) request the erasure of Personal Data where it is no longer necessary for the purpose(s) for which it was originally collected.

You also have the right, upon applying to us in writing, to obtain a copy of the Personal Data held by us about you and/or obtain a portable copy of your Personal Data in a machine readable format. We will process your personal information in accordance with our privacy policy which can be obtained from SCM. This sets out details of your rights, who to complain to or to seek further information from and what we will do with your Personal Data.

Where possible, we only process your information within the European Union (EU), and the UK, as we share similar standards of legal protection. We may send your data outside of the EU; however, we will always ensure it is processed and handled in line with the General Data Protection Regulation (GDPR) (EU) 2016/679. Instances where we will transfer your data outside of the EU include:

- (a) disclosures to foreign authorities to reduce financial crime and terrorism; or
- (b) where we have a contract with a service provider with operations outside of the EU.

We may also contact you to inform you of products and services which might be of interest to you, either by letter, telephone or email. If you do not wish to receive this information by letter, email or telephone, or any combination of these, you can write to us. If you are an existing customer and have already opted out of marketing communications, you do not need to write to use again.

We may record and monitor our telephone calls to help improve the products and services we provide to you. The reasons that we may record and monitor calls are:

- (a) to help improve customer service;
- (b) to help us meet our legal and regulatory requirements;
- (c) to help detect and prevent fraud and/or other crimes; and
- (d) to help us answer your queries and issues.

If any of the information we hold on you is incorrect, please notify us and we will ensure that it is updated accordingly. Where your details have changed, you have a responsibility to inform us at the earliest time possible. Failure to notify us of a change in your details may affect the way in which we provide you with products and services.

You have the right to request a copy of the Personal Data we hold about you. We require you to confirm your identity before processing your request.

To make a request for your information, please write to the Information Commissioners Officer at SCM Direct, 1st Floor, Lansdowne House, 57 Berkeley Square, London W1J 6ER.

If you have any other queries regarding the way that we process your information, please email the Compliance Officer at SCM Direct, 1st Floor, Lansdowne House, 57 Berkeley Square, London W1J 6ER. If you have any concerns about the way we use your information, you can raise your concerns with the Information Commissioners Officer at SCM Direct, 1st Floor, Lansdowne House, 57 Berkeley Square, London W1J 6ER.

You should let us know if you think any information we hold about you is inaccurate, so that we may correct it. However, in accordance with legal and regulatory requirements, SCM will retain your records, for a minimum period of five years following the termination of any relationship between us. This period may be extended by force of law, regulatory requirement or agreement amongst us. Recordings of telephone conversations may be retained for longer. Therefore, we cannot assent to a request to destroy or delete any record pertaining to yourself unless we are required to do so by force of law or other regulatory requirement.

By using this service you grant us all necessary consents to transfer such data and to permit processing of your personal data for the purposes of providing the Services.

- The external data processor has warranted to us that it shall process such data only on our behalf and in compliance with our reasonable instructions and the applicable data protections laws;
- that it has implemented appropriate technical and organisational security measures for processing such data;
- that these measures are appropriate to protect such data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access, in particular where the processing involves the transmission of data over a network, and against all other unlawful forms of processing; and
- that these measures ensure a level of security appropriate to the risks presented by the processing and the nature of the data to be protected having regard to the state of the art and the cost of their implementation.

If you have any questions about the transmission of your Personal Data please contact us.

Complaints

In the event that you are dissatisfied with a service provided by SCM you may be entitled to make a complaint. We have a complaints procedure that is available on request. If you wish to register a complaint, please contact us:

The Complaints Management Function
SCM Direct, 1st Floor, Lansdowne House, 57 Berkeley Square, London W1J 6ER
+44 (0)20 7838 8650 • enquiries@scmdirect.com

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS at www.fscs.org.uk/consumer.

Assignment

You may not assign, sublicense, transfer or otherwise dispose of any of your rights or subcontract, transfer or otherwise dispose of any of your obligations under these Terms and Conditions without the prior written consent of SCM. SCM may assign, sublicense, transfer, or otherwise dispose of any of their rights or obligations under these Terms and Conditions to any affiliate of SCM or to any person acquiring the whole or any part of SCM's business or assets.

Remedies and Waivers

Any failure by SCM (whether continued or not) to insist upon strict compliance with any of these terms shall not constitute nor be deemed to constitute a waiver by SCM of any of its rights or remedies. The rights and remedies conferred SCM shall be cumulative and the exercise or waiver of any part thereof shall not preclude or inhibit the exercise by SCM of any other additional rights and remedies.

No Partnership or Agency

Nothing in this Agreement shall constitute or be deemed to constitute a partnership, joint venture or similar relationship between the parties and/or any other person. Except as expressly provided herein, nothing in this Agreement shall constitute or be deemed to constitute, either party acting as the agent of the other party for any purpose save the fact that SCM has appointed Hubwise as Custodian, together with other associated services.

Severability

If at any time any provision of these Terms and Conditions is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that such provision shall (so far as it is held illegal, invalid or unenforceable) be given no effect and shall be deemed not to be included in these Terms and Conditions and accordingly such illegality, invalidity or unenforceability shall not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of these Terms and Conditions; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of these Terms and Conditions.

Entire Agreement

This Agreement may be executed in any number of counterparts, which shall together constitute one agreement. Either party may enter into this Agreement by signing any such counterpart.

These Terms and Conditions contain the whole agreement between the parties relating to the matters contemplated by these Terms and Conditions and supersede all previous agreements between the parties relating to such matters.

Each party acknowledges that in entering into these Terms and Conditions it has not relied on any representation, warranty, collateral contract or other assurance (except those set out in these Terms and Conditions and the documents referred to in it) made by or on behalf of any other party before the date of these Terms and Conditions. Each party waives all rights and remedies which, but for this clause, might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance provided that nothing in this clause limits or excludes any liability for fraud.

Rights of third parties

No term of these Terms and Conditions is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to these Terms and Conditions and the parties may exercise, without the consent of any third party, any rights they may have to amend these Terms and Conditions save that SCM may enforce any term of these Terms and Conditions related to the provision of their respective services on behalf of any of its affiliates.

Governing Law

The terms of your agreement with SCM and all disputes or claims arising out of or in connection with it (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law, and you hereby submit to the exclusive jurisdiction of the English Court.

Definitions and Interpretation

Any reference to a statute, statutory provision, subordinate legislation, European directive, rule (including the FCA Rules), code or guideline ("legislation"), is a reference to such legislation as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without modification) any such legislation. A reference to a statute or statutory provision is a reference to that statute or statutory provision and to all orders, regulations, instruments or other subordinate legislation made under the relevant statute.

Use of any gender includes the other genders, and use of the singular includes the plural and vice versa. Clause headings are for ease of reference only and shall not affect the interpretation of this Agreement, and a clause or schedule is a reference to a clause or schedule to this Agreement.

Terms defined in the FCA Rules may be accessed by viewing the FCA's website at <http://www.fshandbook.info/FS/html/FCA/> (in particular the Glossary), telephoning the FCA on **0845 606 9966** or using the following address: **25 The North Colonnade, Canary Wharf, London E14 5HS.**

In this Agreement, the following words and expressions shall have the following meanings, unless the context requires otherwise:

Account	The account opened to record investments that are made by SCM and the assets held in Hubwise Nominees Ltd.
Administration Address	SCM Direct, 1st Floor, Lansdowne House, 57 Berkeley Square, London W1J 6ER.
Agreement	The provisions of these Terms and Conditions and any supporting Schedules and any other documents annexed to them as varied from time to time.
Application	An application completed by you to open an Account.
Best Execution Policy	As defined in the Policy Document which lays out the approach that will be taken when executing deals to establish the best possible result for you taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the trade.
Bulk Trade	Multiple Client orders to deal in one Security that are processed as a single trade "Aggregating".
Business Day	Any day other than a Saturday, Sunday or Bank Holiday, or on which banks are open for business in London.
Cash Reserve	A Client Account within your ISA used solely for money destined for eventual investment.
Client	An individual or Corporate entity opening an Account with SCM and Hubwise (for Custody purposes).
Client Account	Client money trust account as designated by the FCA CASS (Client Money) Rules.
Client Money Rules	The provisions in respect of Client money set out in the FCA Rules.
Conflicts of Interest Policy	The policy as required by the FCA Rules, a summary of which is provided to you above and further details are available upon your request.
Custodian	This has the meaning given in the FCA Rules.
Deal	Means to buy or sell investments (and cognate expressions, such as dealings, trades, transactions, shall be construed accordingly).
EEA	The European Economic Area.
ESMA	European Securities and Markets Authority
ETF	An Exchange Traded Fund.
Execution Venues	A Regulated Market, Multilateral Trading Facility, an Organised Trading Facility, an authorised firm that executes orders off its own book, a market maker, a liquidity provider or any entity outside the European Economic Area which performs a similar function to any of these.
FCA	The Financial Conduct Authority: The regulator for the UK's Financial Services Industry, which can be contacted at 25 The North Colonnade, Canary Wharf, London, E14 5HS or through its website www.fca.org.uk .

FCA Rules	The FCA Handbook and any other rules and guidance of the FCA, as amended, replaced or supplemented from time to time.
FSCS	Financial Services Compensation Scheme: The compensation fund of last resort for customers of authorised financial services firms. If a firm becomes insolvent or ceases trading they may be able to pay limited to its customers.
Financial Ombudsman Service	Has the meaning given to it in the FCA Rules.
HMRC	Her Majesty's Revenue and Customs.
Hubwise	Hubwise Securities Limited.
In Specie	A phrase describing the transfer of an asset in its present form, rather than selling it and distributing the cash.
Investments	The assets acquired by SCM as permitted by this agreement.
Multilateral Trading Facility (MTF)	A multilateral system operated by an investment firm or market operator which brings together multiple third-party buyers and sellers in financial instruments and which is subject to non-discretionary rules.
Nominated Bank Account	A UK Bank or Building Society account of yours which is associated with your Account(s).
Nominee/Nominee Company	A wholly owned Subsidiary of Hubwise or any other Nominee Company as may be agreed between Hubwise and SCM for certain asset classes.
Organised Trading Facility	An Organised Trading Facility (OTF) is a multilateral system that is not a Regulated Market (RM) or a Multilateral Trading Facility (MTF). Within an OTF, multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives can interact in a way that results in a contract.
Personal Data	Any information relating to you or your use of the Services provided under these Terms and Conditions and processed in connection with them. Such Data will be held in accordance with the Data Protection Act 1998, as amended, replaced or supplemented from time to time.
RTS	Regulatory Technical Standards.
Retail Client	Has the meaning given to that term in the FCA Rules.
Terms and Conditions	These Terms and Conditions, as from time to time amended, together with your Application. The Terms and Conditions will take precedence if the two differ.
We, us and our	This is SCM and may include some references to Hubwise, as applicable.
Year	A year beginning on 6th April and ending on the following 5th April. This is commonly known as the Tax Year.
You and Your	A person (including trustees, a company and any other legal entity) who invests in an Account through SCM.

Schedule 1 – Investment Risks

ETFs are funds that have an exchange listing and for which there is a secondary market on the relevant exchange. Therefore, unlike other types of fund, profits or losses from an ETF can be realised by Authorised Participants (APs) redeeming the shares to the issuer or by investors in general selling their holdings on the exchange. The price of the ETF depends on the value of the underlying investments and the demand for the ETF shares in the market, and the share price may therefore be at a discount or premium to the fund's asset value. Some ETFs are more thinly traded than others, which may affect their liquidity, especially in a market downturn. Although ETFs normally have a low tracking error i.e. a measure of how consistently it follows its benchmark, during times of market volatility the tracking error of an ETF may increase.

The value of investments and the income from them can go down as well as up and investors may not recover the amount of their original investment.

Typically, ETFs try to replicate a stock market index such as the FTSE 100 or the S&P 500 Index, a market sector such as energy or technology, or a commodity such as gold or petroleum. Accordingly, if such index, sector or commodity price fluctuates, so will the value of the ETF.

There may also be a counterparty risk as many ETFs generate additional revenue by lending out some of their investments. Similarly, some ETFs seek to achieve their objectives through the use of derivatives which carry counterparty risk. In either case if the counterparty defaults, the investor may see a reduced return regardless of the performance of the underlying assets. To mitigate the counterparty risk providers or lenders post collateral by setting aside a pool of assets that the investor can claim on in the event of the issuer or lender's default.

Leveraged and Short ETFs can often be more complex financial instruments that may significantly amplify volatility and therefore risk. For this reason, SCM does not invest in any leveraged or short ETFs.

If the ETF's underlying investments are in a currency different to the ETF's denominated currency (i.e. portfolio exposure to Sterling but ETF denominated in Euros), there will be an additional currency risk to consider when making the investment.

In the case of foreign ETFs, sometimes there may be a tax advantage by opting to invest in an international portfolio. Tax laws vary from country to country, so it may be beneficial for your tax return to find other foreign investments. Tax is subject to change which could affect your investment in the future.

Schedule 2 - Remuneration and Charges

This schedule provides details of the fees SCM will charge. These charges are separate to the charges made within the various ETFs or the 'spread' related element of dealing charges in connection with the management of your portfolios. These charges will change according to the precise ETFs selected and the level of turnover within the portfolios.

The aggregated costs will be shown when you register online to allow you to understand the overall cost. In addition, you will be shown the cumulative effect of costs on return when you apply for an account with SCM.

You shall pay SCM by way of remuneration for its various services a fee equal to 1/12 of 0.4% (plus VAT) per calendar month of the value of your portfolio (before deduction of that month's management fee). Such management fee will be calculated during the first working week of the month based on the average daily Portfolio value during the previous month. This payment will be deducted by the end of the first full working week of the month.

In the event of your Account being transferred, withdrawn or terminated, charges will be payable until the date of notification of transfer, withdrawal or termination and a charge to cover transaction costs may also apply. The management fee will be deducted automatically by SCMD from your Account.

You shall pay SCM by way of remuneration for the Customer Custody Services a fee equal to 1/12 of 0.12% per calendar month of the value of your portfolio (before deduction of that month's management fee). Such fee will be calculated during the first working week of the month based on the average daily Portfolio value during the previous month. This payment will be deducted by the end of the first full working week of the month.

In order to enable the efficient management of portfolios, Hubwise automatically, estimates and 'ring-fences' sufficient cash within the investor's portfolio to cover six months of future cash obligations, such as management fees, custody and administration fees together with scheduled cash withdrawals.

In the event of your Account being transferred, withdrawn or terminated, charges will be payable until the date of notification of transfer, withdrawal or termination and a charge to cover transaction costs may also apply. The fee will be deducted automatically from your account and paid to Hubwise on your behalf.

When withdrawing either a portion or the entirety of cash from your SCM Account, no charge will be made for BACS (Standard Payment Procedure).

A £30 charge will be made for other payment procedures e.g. CHAPS or SWIFT withdrawals.

A £10 per holding charge will be made in connection with in-specie transfers out of the various SCM portfolios to an external manager save in circumstances in which the SCM has decided to change the custodian and administrator from Hubwise and your portfolio is being transferred to the new supplier.

You shall pay SCM the fees as set out below:

Panel on Transactions and Mergers (PTM) levy £1 on all UK share deals over £10,000 gross consideration.

If domestic postage of documents is required by a client on a frequent basis or exceeds £10 per year, the additional costs will be passed back to the account holder.

Interest

Interest is paid on cash held in the Client Account and Cash Reserve Account and will be credited at rates received by Hubwise, calculated daily and applied half yearly in June and December. The interest received from the banks in which cash is deposited on your behalf is paid out in full.

In order to safeguard your cash under the FSCS, deposits may be held in multiple Bank Accounts in which circumstances you will receive a blended rate of interest.

Cash paid into an Account will be made available to you immediately after the payment is credited to an Account and the funds have been cleared.

You are required to hold an element of cash in your account to cover fees for the next six months' and where applicable, requested withdrawals for the next six months. This will result in an underinvestment of cash, equivalent to the afore mentioned algorithmic calculation, into your selected portfolio.

SCM is entitled to pay such charges out of assets and money held for you or by set off or to require you to pay them directly or via us. You may be liable for other taxes or charges not payable via SCM.

We do not receive any other remuneration or non-monetary benefits in connection with transactions carried out on your behalf.

We do not receive commission or non-monetary benefits from product providers or any other institutions with which investments are made.

You should be aware of the possibility that other costs or taxes relating to the services that we provide for you may exist even though they are not paid through us or imposed by us.

Schedule 3 - Hubwise Securities Ltd Custody Terms and Conditions

1. Customer Custody Services

These Custody Terms and Conditions create a direct contractual relationship between you and Hubwise Securities Ltd (“Hubwise”), for the custody of any investments (“Investments”) and cash (“Cash”) belonging to you, and other associated services as set out in these Custody Terms and Conditions (the “Customer Custody Services”).

These Custody Terms and Conditions contain important information about your relationship with Hubwise and impose obligations and liabilities on you. You should read them carefully and you should contact SCM if you want any further information. Please keep these Custody Terms and Conditions in a safe place in case you need to refer to them in the future.

Hubwise Securities Ltd, a company incorporated in England and Wales, with registered number 06071374 whose address is Waverley Court, Wiltell Road, Lichfield, Staffordshire WS14 9ET.

Hubwise Securities Ltd is authorised and regulated by the Financial Conduct Authority. The current address of the Financial Conduct Authority is 25 The North Colonnade, London E14 5HS.

Hubwise will provide the Customer Custody Services to you under these Custody Terms and Conditions and you will become a client of Hubwise for these purposes.

You hereby acknowledge and agree that:

- SCM is irrevocably authorised to enter into these Custody Terms and Conditions on your behalf as your agent;
- SCM is irrevocably authorised to act on your behalf, including for the purposes of making representations, warranties and undertakings, and giving receipts and discharges on your behalf for Cash and Securities received from you;
- SCM is authorised, alone, to give instructions and receive notices on your behalf to Hubwise Securities Ltd for the purposes of the delivery by Hubwise of the Customer Custody Services or the enforcement by Hubwise of its rights under these Custody Terms and Conditions;
- SCM has full capacity and authority to dispose of any investments or rights in connection with any transaction;
- Hubwise may transfer monies and investments to and from your client custody account to fulfil any settlement or other obligations you may have to Hubwise; and
- following notification to you of any termination of the Services Agreement between SCM and Hubwise, your relationship with Hubwise Securities Ltd under these Custody Terms and Conditions will also terminate.

You agree, at all times, to comply with all applicable laws and regulations, including any taxation, customs or other requirements in relation to your nationality or place of residence, in order to receive the Customer Custody Services from Hubwise under these Custody Terms and Conditions.

In addition, you represent and warrant to SCM and Hubwise on a continuing basis that you are not a US citizen, you are not resident in the US and you do not have an obligation to pay tax to the US authorities on your worldwide income. If any of these statements is or becomes untrue, you must immediately inform SCM and Hubwise and in those circumstances, each of SCM and Hubwise reserve the right to close your client custody account and decline to provide any further services to you.

2. Client Identification

The Money Laundering Regulations require all financial institutions to verify the identity of their clients and both SCM and Hubwise have obligations under these regulations. Hubwise will in so far as possible rely on the identity checks already undertaken by SCM but exceptionally, it may need to obtain certain information from you for this purpose. You confirm that all information that you supply will be accurate and accept that Hubwise may need to pass this information to a third party to comply with its reporting requirements. Accordingly, Hubwise may require you to provide it with certain information as shown on your passport, photocard driving licence or other form of acceptable identification and utility bills. You agree to Hubwise conducting an electronic check using third party data sources to verify this information. SCM shall notify you of the information required.

In addition, depending on your residence or the results of Hubwise's electronic checks, further information may be required. Additional requirements may also apply to corporate or trust clients. From time to time it may be necessary for Hubwise to request further identification information order to fulfil its obligations under the Money Laundering Regulations and associated legislation, such as when considerable time has passed since Hubwise provided services to you. Failure to provide the requested information may mean that Hubwise cannot start or continue to provide services to you. Hubwise may seek to re-verify your identity periodically using electronic methods without further reference to you.

Hubwise is required to verify in particular the identity of holders in a company or trust beneficiaries that have an interest of at least 20% in or who exercise control over the company, trust or other account. Should you be acting as a director of a company or trustee of a trust, you will be responsible for notifying Hubwise of any changes to holders, beneficiaries or their interests in the company or trust that result in them exceeding the 20% threshold or triggering any requirement to verify their identity. In addition, you agree to notify of any changes in control over the company, trust or other account including, for example, the appointment of new directors or trustees.

Hubwise is required to collect a valid national identifier for individuals or a valid Legal Entity Identifier ("LEI") for all legal entities (companies, charities and trusts, but not bare trusts) in order to facilitate transaction reporting on behalf of SCM. No orders can be submitted without such identifiers being collected from the client.

SCM will be responsible for the transaction reporting of individuals or Legal entities.

3. Accounts

Hubwise shall act as custodian of all of your Investments and Cash managed by SCM which are delivered to and accepted by Hubwise under the terms and conditions set out in these Custody Terms and Conditions (together the Custody Assets).

The Customer Custody Services performed by Hubwise require the opening of one or several accounts (the Account(s)) in your name in the accounting records of Hubwise. Hubwise will open such Accounts as may be required to provide the Customer Custody Services. Hubwise shall record all transactions relating to your Accounts and any Custody Assets received and held in safe custody by Hubwise in your Accounts. You agree to notify Hubwise of any changes to your Account through SCM.

You authorise SCM to give instructions in respect of the Custody Assets in the Account(s). You agree that Hubwise shall not be subject to, nor shall its rights and obligations under these Custody Terms and Conditions or with respect to the Account(s) be affected by, any other agreement between you and SCM or any other person.

Hubwise will supply to SCM on your behalf at least at such intervals as required by applicable law, a statement in respect of any Custody Assets in the Account(s) maintained by Hubwise, a Sub-Custodian or a Securities System.

4. Securities Accounts

Hubwise keeps your Investments segregated from assets held by it for its own account. You authorise Hubwise to hold your Investments together with the securities or assets of other customers (although Hubwise will identify in its records all Investments held in its capacity as custodian on your behalf as being your securities).

Some companies provide benefits to shareholders relating to the nature of their business. These benefits will not necessarily be available to you automatically, as your securities will be registered in the name of a nominee company. Should you wish to receive these additional benefits, you should make the necessary arrangements with SCM. Hubwise will arrange, if you choose, for you to receive a copy of the annual reports and accounts issued by every UK company or other concern in respect of shares, securities or units which are held in your securities accounts with Hubwise and to vote on your shares. There is a fee for such services, as detailed in Schedule 2.

5. Cash Accounts

Funding your Cash Account

On opening your account, you will nominate a bank account from which payments and receipts can be made. This account will need to be in your own name. It is our policy not to accept payments or make payments to third parties and such payments may be rejected.

Client Money

As is regulated to hold Client Money, cash held in an account will be held as trustee and, as a result, cash will be held in accordance with rules relating to client money. Hubwise maintains its Client Accounts with a range of selected leading Banks (Approved Banks). For more information on the Banks currently selected by Hubwise please contact SCM.

If one of those Banks fails or becomes insolvent you may not be able to recover all the monies deposited in your Client Account(s) that they maintain for you. However, you may be entitled to claim compensation under the FSCS up to £85,000 of any loss. The level of compensation will be reduced if you already hold an account with that Bank.

If paying monies into the Client Account from your Nominated Bank Account, you must quote your Client Reference. Once your Nominated Bank Account has been verified, Hubwise will normally process transfer instructions from SCM within one Business Day of receipt. You can instruct SCM in writing at any time to change your Bank Account. Upon receipt of new Bank or Building Society Account details, Hubwise will update its records and replace your Nominated Bank Account. Subject to completing any necessary checks, it will make this change within five Business Days of receipt of SCM's instruction. You will be notified when your instructions have been accepted.

Interest on Cash Accounts

Interest is paid on cash held in the Client Account and Cash Reserve Account and will be credited at rates received by Hubwise, calculated daily and applied half yearly in June and December. The Interest received from the banks in which cash is deposited on your behalf is paid out in full.

In order to safeguard your cash under the FSCS, deposits may be held in multiple Bank Accounts in which circumstances you will receive a blended rate of interest.

Cash paid into an Account will be made available to you immediately after the payment is credited to an Account and the funds have been cleared.

Dormant Balances

If there have been no transactions in an Account that Hubwise maintain for you, for a period of at least six years (other than routine charges, interest and similar items), it may write to SCM and you, at your last known address, informing you of its intention to transfer these funds from a Client Money Account. You will have 28 days to make a claim for the monies held on your behalf, after which they will lose the protection of being held in a Client Account.

However, Hubwise will still pay what is due to you if you subsequently claim payment.

6. Custody of Investments, Sub-Custodians and Securities Systems

Hubwise are responsible for the safe custody of all Assets held in your Account. Your Investments are registered in the name of a Nominee company, which will normally be Hubwise's wholly owned Subsidiary, Hubwise Nominees Limited, or occasionally another Nominee Company or Securities System, as may be required for certain customers and certain asset classes, selected in accordance with FCA rules. Hubwise Nominees Limited is a non-trading company set up to hold Investments on behalf of Retail Clients.

Hubwise are responsible and liable for its Nominee to the same extent as for its own acts, including for the avoidance of doubt, losses arising from fraud, wilful default or negligence.

Your Investments will be registered in the same name as those of other Clients (pooled together with other Client investments). This means that Investments will not necessarily be immediately identifiable by way of separate certificates, physical documents or equivalent electronic entries on the register. In the event of an irreconcilable shortfall following the default of any Nominee responsible for pooled investments, you may not receive your full entitlement and may share in that shortfall pro rata.

Hubwise has insurance in place to provide further protection to the Assets held in their Nominee to the value of £5,000,000 for each and every claim. The FSCS also provides compensation of up to £50,000 per investor for eligible claimants in respect of UK Securities and Funds held in custody.

Hubwise may be required to give details (including your email address) and details of your shareholding to Companies House, the Registrar or Fund administrator. Investments will not be lent to a third party and they will not borrow money against them.

You authorise Hubwise to maintain the Investments in the Account(s) directly or indirectly through custody accounts which have been established by Hubwise with any entity it and SCM agree to appoint as Sub-Custodian for the safekeeping, clearance and settlement of Investments located within or outside of the United Kingdom (individually, a Sub-Custodian).

Any Investments held by a Sub-Custodian will be subject to the terms and conditions of the relevant agreement between Hubwise and any Sub-Custodian and may also be subject to the laws and regulations of another jurisdiction including a non-EEA jurisdiction.

Hubwise and SCM shall exercise reasonable skill, care and diligence in the selection and appointment and continuing use of any Sub-Custodian. Hubwise and SCM shall not be liable for any losses arising from any act or omission of any Sub-Custodian or in the event of the insolvency of any Sub-Custodian in the absence of any negligence, fraud or wilful default by Hubwise and SCM in the selection or appointment of such Sub-Custodian. This limitation of liability shall not exclude or restrict any duty or liability of Hubwise to you, SCM or any third party which, by applicable law, cannot be excluded by agreement. Liabilities which must be excluded or restricted by this may include liability for any loss of Securities held with a Sub-Custodian.

Hubwise and each Sub-Custodian may deposit Investments with, and hold Investments in, any Securities System. A Securities System is a securities depository, clearance system, settlement system, dematerialised book entry system or any similar system.

Where Hubwise or a Sub-Custodian makes use of a Securities System, any Investments maintained with that Securities System shall be maintained subject to the rules of that Securities System governing the rights and obligations among the Securities System and its participants and may also be subject to the laws and regulations of another jurisdiction (including a non-EEA jurisdiction). Therefore, as a result, your rights relating to those Investments may be different to those that you might have had under English law.

Hubwise will require that each Sub-Custodian or Securities System segregates the Investments held in its safe-keeping for Hubwise's own account from those held on your behalf except where it is not feasible to do so because of the nature of the law applicable to the Sub-Custodian or Securities System or market practice.

Securities in the Account(s) which are maintained by any Sub-Custodian or Securities System may be held directly by such entity in your name or in the name of Hubwise Nominees Ltd's or Sub-Custodian's nominee or in such other manner as permitted under applicable law.

Investments held with a Sub-Custodian or a Securities System may be held on a pooled basis in omnibus accounts with Investments belonging to other clients of Hubwise, the Sub-Custodian or the Securities System. Where it is not feasible to do otherwise because of the nature of the law applicable to the Sub-Custodian or Securities System or market practice, Investments held with a Sub-Custodian or a Securities System may also be held on a pooled basis in omnibus accounts with the Sub-Custodian's or the Securities System's own Investments. As a result, Investments may not be separately identifiable by individual certificates or other documents, or specific entries on share registers. Where Investments are held in an omnibus account, in the event that there are insufficient Investments to meet the claims of all persons holding Investments in that account, you may not recover some or all of your Investments. The manner in which a shortfall will be dealt with may vary in accordance with applicable law and regulation.

Where Investments are held with a third party such as a Sub-Custodian or a Securities System, in the event of a failure or the insolvency of the Sub Custodian or Securities System, such Investments may not be as well protected from claims made on behalf of the other creditors of the Sub-Custodian or Securities System and you may not recover some or all of your Investments.

7. Corporate actions

A corporate action is something that will bring about a change to the Investments you hold. Only information issued by a fund manager or its Third-Party Administrator or the Regulated Market will be relayed to you by SCM.

You authorise SCM and it shall have full discretion to act or refrain from acting on any corporate action.

Except where the Custody Terms and Conditions say otherwise and until Hubwise receives Instructions to the contrary, Hubwise will:

- (a) collect all interest and dividends and all other income and payments as they become payable and credit such amounts to the relevant Account(s) as appropriate;
- (b) participate in non-discretionary corporate actions in accordance with the law and regulation or market practice of the relevant jurisdiction or market provided that Hubwise shall not be liable for a failure to participate in a non-discretionary corporate action where it did not receive notice of such action from the issuer of the security; and
- (c) execute in your name for the Account(s), whenever Hubwise deems it appropriate, such ownership and other certificates as may be required to obtain payment from the Investments.

Hubwise shall as soon as practicable notify SCM on your behalf of the receipt of any notices, reports or other communications in relation to discretionary corporate actions in respect of any of the Investments in the Account(s). Provided that SCM provides instructions in a timely manner, Hubwise shall exercise any rights under such corporate actions in accordance with such instructions. Hubwise shall not be liable for loss resulting from any failure of SCM to provide timely instructions.

8. Security Interest

You agree that you will not allow any security interest, mortgage, charge, pledge, lien or other encumbrance to subsist or be created over any Custody Assets.

Where you or SCM have requested that Hubwise deliver Custody Assets to you or at your instruction and there are outstanding amounts owing to Hubwise from you or SCM pursuant to the provisions of these Custody Terms and Conditions, Hubwise may refuse to deliver such Custody Assets until such amounts have been paid in full.

9. Regulatory

For the purposes of providing you with the Customer Custody Services, has categorised you as a retail client. You have the right to request re-categorisation as a professional client in which case you must give notice in writing and you will lose certain protections under the regulatory regime. Hubwise will consider any request for re-categorisation but is not obliged to grant such a request.

10. Instructions

Hubwise shall not accept any instructions or notices directly from you. You must provide instructions to, and otherwise communicate matters regarding your Account directly to SCM, not Hubwise. Hubwise shall be permitted to act on any instructions or notices given by SCM which it reasonably believes in good faith to have been given by an authorised representative of SCM.

All transactions involving the Custody Assets shall be executed or settled solely in accordance with instructions provided by SCM or its agents.

SCM must ensure that the instructions which it gives to Hubwise comply with the arrangements agreed between Hubwise and SCM. Hubwise may decline to act on any instruction received from SCM which Hubwise reasonably considers does not comply with those arrangements and shall have no liability to you for any failure by SCM to provide your instructions to Hubwise in accordance with the arrangements agreed between Hubwise and SCM.

Hubwise may decline to act upon any instruction given on your behalf where:

- (i) Hubwise reasonably considers that to act would cause either Hubwise or SCM to breach any applicable law, market practice, or to act contrary to the rules, laws or market practice of any exchange or trading system; or
- (ii) there are unpaid amounts owing to Hubwise by you or on your behalf.

Hubwise shall not be under any obligation to investigate whether any instruction would place it, in breach of any applicable law, any market practice, or would be contrary to the laws or market practice of any exchange or trading system. Hubwise shall notify SCM promptly if it decides to decline any instruction, and if requested by SCM in writing, Hubwise shall disclose the reasons for its decision as soon as reasonably practicable, unless it is precluded from doing so by any applicable law or regulation.

11. Charges and Debiting Accounts

All charges incurred by you in respect of the Customer Custody Services shall be collected by Hubwise by debiting your respective Cash or Cash Reserve Accounts. Details of such charges are included in Schedule 2. As instructed by SCM, Hubwise is authorised to debit any Account in respect of those charges. Hubwise may change the charges for the Customer Custody Services at any time upon reasonable notice.

It is possible that you may be liable for other taxes or costs in addition to the charges in respect of the Customer Custody Services.

12. Warranties and Representations

Each party represents, warrants and undertakes to the other parties that:

- (a) it has and shall have at all times the right and authority to enter into and perform its obligations under these Custody Terms and Conditions;
- (b) where relevant, it is properly authorised to enter into the Terms and Conditions including these Custody Terms and Conditions;
- (c) it holds and shall continue to hold all governmental consents and all regulatory approvals which are necessary or desirable in order for it to perform its obligations under these Custody Terms and Conditions; and
- (d) it shall not do anything or omit to do anything, which so far as it is aware would cause the other party to breach any applicable law.

13. Liability

Hubwise shall not be liable for any losses, costs or expenses suffered or incurred by you, SCM or any third party in connection with the provision of the Customer Custody Services except to the extent that such losses are determined to be attributable to the fraud, gross negligence or wilful default of Hubwise or any of its affiliates in the performance of their obligations under these Custody Terms and Conditions or to the breach of these Custody Terms and Conditions by Hubwise or any of its affiliates. This limitation of liability shall not however exclude or restrict any duty or liability of Hubwise or any of its affiliates to you, SCM or any third party which, by applicable law, cannot be excluded by agreement.

Subject to the paragraph above, neither you nor Hubwise shall be liable to the other nor any third party, whether arising from negligence, an indemnity claim, breach of contract or otherwise, for any indirect or consequential loss or damage; loss of profits, business or revenue; expended

management time; loss of goodwill; damage to reputation and/or business; loss of or corruption to software or data; amounts paid to third parties on an ex gratia basis; loss of anticipated savings, or punitive or exemplary damages.

Subject to the first paragraph of this section, Hubwise shall be liable to you, SCM or any third party whether arising from negligence, an indemnity claim, breach of contract or otherwise for any losses resulting from:

- (a) acting upon any instructions or Hubwise validly delaying or declining to act upon instructions in accordance with these Custody Terms and Conditions;
- (b) any act or omission in pursuance of what Hubwise reasonably believes to be lawful market practice;
- (c) a delay in receiving any notice or instruction in respect of any payment of Cash or Investments;
- (d) errors in instructions supplied to Hubwise Securities Ltd; or
- (e) a failure by you or SCM to comply with any instructions of Hubwise in relation to the Customer Custody Services.

14. Indemnity

You shall reimburse Hubwise against all losses, costs and expenses suffered or incurred by or awarded against Hubwise as a result of or in connection with:

- (a) the breach by you or SCM acting on your behalf of any of the provisions of these Custody Terms and Conditions or any default or failure in the performance of your obligations or those of SCM acting on your behalf, including, without limitation, any failure to make delivery or payment when due;
- (b) your breach of applicable laws and regulations; or
- (c) any representation or warranty being untrue or misleading in any respect.

Without prejudice to any other rights and remedies available to Hubwise under these Custody Terms and Conditions, you shall also reimburse Hubwise on demand against all losses, costs and expenses (including, but not limited to, legal, bank, broking, exchange, custodian, clearing and transaction fees, stamp duty (if any), value added tax, matching or settlement fines and fees and other applicable taxes and charges) suffered or incurred by Hubwise in connection with the provision of the Customer Custody Services, save to the extent that any losses, costs or expenses are determined to be attributable to the fraud, gross negligence or wilful default of Hubwise in the performance of their obligations under these Custody Terms and Conditions or to the breach of these Custody Terms and Conditions by Hubwise or any of its affiliates.

In connection with any claim that does or could give rise to a claim for reimbursement under this section for Hubwise, Hubwise may, if it chooses, in addition to any and all other rights and remedies under these Custody Terms and Conditions, retain any money, securities or other property belonging to you pending a determination of such claim but only to the extent permitted by applicable law.

15. Data Protection and Confidentiality

You authorise SCM to transfer any Personal Data to Hubwise to enable Hubwise to provide the Customer Custody Services to you under these Custody Terms and Conditions. Hubwise shall only process and hold Personal Data supplied to it by SCM to the extent and in such a manner as is necessary for the performance of its obligations under these Custody Terms and Conditions and the Services Agreement and otherwise in accordance with the written instructions of SCM, and/or as required by applicable law.

Any data, including Personal Data, received and held by Hubwise in relation to you or your Accounts shall be treated by Hubwise as confidential, and Hubwise shall not disclose any such data to any person, other than to you and SCM in connection with the provision of the Customer Custody Services under these Custody Terms and Conditions and under the Services Agreement, or as permitted or required by applicable law or regulation.

For the sole purpose of providing the Customer Custody Services, you consent that Hubwise shall also be permitted to communicate or transfer Personal Data (including sensitive Personal Data) to any relevant third party. You also consent to the transmission to, and processing of your data (including sensitive Personal Data) in, any jurisdiction outside the European Economic Area (EEA). In such circumstances, the laws applying to such data may differ from those within the United Kingdom and EEA, and your data may be less well protected.

In accordance with the data protection legislation in the United Kingdom, you are entitled to request a copy of the information held by Hubwise about you. You should request such information through SCM in the first instance. Upon payment of a prescribed fee (being £10 as at the date of these Custody Terms and Conditions), Hubwise shall provide a copy of your information to you. You should advise SCM if you believe that any information held about you is incorrect.

You acknowledge that Hubwise may record and/or routinely monitor telephone calls and electronic communications in connection with the provision of the Customer Custody Services, although, for the avoidance of doubt, they shall only do so in accordance with applicable law.

16. Record keeping

Hubwise shall maintain, and retain, all relevant records in accordance with applicable law and regulation. This will usually involve retaining your records for a minimum of five years following the termination of the agreement. Any telephone recordings relating to transactions shall be retained for a minimum period of five years.

17. Force Majeure

Hubwise shall not, in any circumstances, be liable to you for any loss of any kind whatsoever by reason of any failure or delay in the performance of its obligations under these Custody Terms and Conditions to the extent such failure or delay results wholly or partly from an event or state of affairs beyond its reasonable control, including war, riots, civil disobedience, acts of government, political crisis, strikes, civil commotion or terrorist action, revolution, natural disasters (such as earthquakes, fires, tidal waves, storms and floods), acts of God, explosions, disease, the failure or defective performance of any communication, settlement, computer or accounting systems or equipment, viruses, inability to obtain or the interruption of communication facilities, any failure or interruption in the supply of data, the suspension or limitation of trading by any exchange or clearing house and any event (including any act or omission by any third party) beyond its reasonable control which could not reasonably be planned for or avoided.

18. Account Establishment

Where an Account is established in a joint name, partnership, investment club, or other similar arrangement where the Account is in the name of more than a single person, each account holder shall be jointly liable to Hubwise. Where an Account is established in the name of a trust, each trustee shall be deemed to be jointly and severally liable to Hubwise as its client.

Where an Account is established through a financial intermediary other than SCM, the financial intermediary, and not the underlying beneficiary, shall be deemed to be Hubwise's client, and shall be liable for the Accounts held by Hubwise.

19. Compensation Arrangements

In the event of default of SCM or Hubwise, you may benefit from the Financial Services Compensation Scheme (FSCS). The Financial Services Compensation Scheme (FSCS) is a fund of last resort available to compensate consumers if an authorised financial services provider can't meet claims against it. This will generally be because the firm has gone out of business, and has insufficient assets to meet claims. In the unlikely event you were to suffer financial loss directly because of SCM or Hubwise becoming insolvent, you would be able to claim under the investment business section of the FSCS. The maximum level of compensation for claims against authorised firms declared in default is £50,000 per investor per firm. Further information is available from the Financial Services Compensation Scheme (www.fscs.org.uk).

20. Complaints Procedures

In the event that you are dissatisfied with the Customer Custody Services, you should contact the Compliance Officer for Hubwise Securities Ltd, Waverley Court, Wiltell Road, Lichfield, Staffordshire WS14 9ET. Hubwise will endeavour to resolve any complaint as quickly as possible, but in any event, receipt of the complaint will be acknowledged within five (5) Business Days. A copy of Hubwise's internal complaints procedure (a copy of which is available on request) will be sent at the same time. Upon resolution of the complaint, Hubwise will send you a final response letter setting out the resolution of the complaint and any applicable remedy. If a complaint cannot be resolved to your satisfaction, you may be entitled to refer the matter to the Financial Ombudsman Service, the address of which is South Quay Plaza, 183 Marsh Wall, London, E14 9SR. A leaflet detailing the procedure will be provided with any final response to a complaint.

21. Conflicts of Interest

General

Hubwise may find itself in a position where conflicts of interest could arise. Considerable importance is placed within the Hubwise group on the identification, management and mitigation of conflicts of interest, in order to avoid any negative impact on the revenues and reputation of both Hubwise and its clients as a result of a conflict of interest.

Hubwise has developed a conflicts of interest policy which is designed to assist in the identification of:

- (i) possible conflicts of interest or the appearance of conflicts of interest which might affect or raise questions about the impartiality of the Customer Custody Services provided by and
- (ii) how such conflicts may arise in relation to Hubwise business.

It also assists Hubwise to ensure the fair treatment of clients, through effective management of potential conflicts. Conflicts may arise in a number of areas and may be difficult to manage specifically as a result of the nature of the clearing settlement and custody services provided by Hubwise. A summary of these potential conflicts is set out below for your information.

This conflicts disclosure is not intended to, and does not, create rights, duties or obligations which would not exist if the disclosure had not been made available, nor does it form part of any contract between you and Hubwise.

Business Relationships

Hubwise provides custody services to a number of financial services companies and their clients, which may include separate business divisions within the Hubwise Group. As a result, there may be circumstances where the interests of Hubwise's clients compete or conflict. Hubwise manages such conflicts by operating a policy of independence, which requires that each client must be treated and serviced in accordance with the commercial agreement entered into between that client and Hubwise. This means that no one client is given preferential treatment in the clearing and settlement of transactions and the delivery of custody services.

Hubwise may enter into transactions in securities, by virtue of its relationship with other clients, in which you may have an interest. When entering into a business relationship with a company, Hubwise uses reasonable endeavours to ensure that the business relationship is appropriate for the delivery of the Customer Custody Services, where relevant.

Hubwise may utilise the services of other parts of the group, where it is deemed appropriate for the effective delivery of the Customer Custody Services.

The Hubwise Management Team acts independently from other parts of the Hubwise Group, and whilst there may be cross-board memberships, any conflicts are managed through the contractual requirement to maintain confidentiality over any information obtained in the course of acting as a director of Hubwise.

Inducements

Hubwise is permitted to accept payments or non-monetary benefits from, or provide the same to, third parties including suppliers, if:

- (i) they are relevant to the delivery of the Customer Custody Services,
- (ii) they will not affect the ability of Hubwise to act in the best interests of the client or
- (iii) they directly enhance the quality of the Customer Custody Services offered to you.

Details if any of such payments or non-monetary benefits will be provided on request.

Treating Customers Fairly

Hubwise is committed to treating you and Hubwise's other customers fairly when providing the services it has contracted to provide. This commitment means (and you acknowledge) that, amongst other things, Hubwise will not prioritise you over any of its other customers (nor any of its other customers over you) but will seek to ensure fair treatment of all of its customers.

22. Confidentiality of Information

Controls over the flow of information have been implemented, in order to restrict information being shared with other areas of Hubwise, with other clients of Hubwise, and with third parties, other than sub-contractors and/or other third parties engaged by Hubwise in connection with the delivery of the Customer Custody Services.

Hubwise does not permit its staff to make use of any confidential information learned in the course of their employment for their own purposes. All staff are subject to a set of rules governing their personal investments, which not only requires prior compliance approval, but also includes a prohibition from dealing in the securities of Hubwise clients where the extent of the relationship that Hubwise maintains with its client would represent a significant part of the business of that

client, as determined by the Hubwise Compliance Department.

Hubwise staff are not permitted to disclose any confidential information obtained in the course of the delivery of the Customer Custody Services, except to the extent required by applicable law or regulation.

23. Termination and Cancellation Provisions

Termination

You may terminate these Custody Terms and Conditions at any time in writing. In the case of termination by you, the written notice of termination must be provided to Hubwise by SCM and termination shall be deemed to take effect one week after receipt of such written notice.

Hubwise may terminate these Custody Terms and Conditions at any time, and close any Accounts it holds for you in its accounting records upon giving thirty (30) days' prior notification to SCM (acting as your agent) where it is reasonably practicable to do so. Hubwise shall disclose the reasons for the termination of these Custody Terms and Conditions to SCM, unless precluded from doing so by applicable law or regulation.

Once a termination notice has been received or deemed to be received by SCM or Hubwise (as applicable), Hubwise will not accept any new instructions, other than instructions to close out any open transactions where required. You acknowledge and agree that any transactions which remain unsettled at the time of receipt of the termination notice by the relevant party must be settled in the normal course of business, and that the termination notice does not relieve you from any obligations to settle such transactions.

Should your agreement with SCM be terminated, either by you or by SCM or cancelled by you, your agreement with Hubwise under these Custody Terms and Conditions shall terminate automatically and simultaneously. You may not maintain your Account(s) with Hubwise except under the agreement you have with SCM.

Cancellation

You have the right to cancel these Custody Terms and Conditions within 14 calendar days of the date of SCM entering into these Custody Terms and Conditions on your behalf. A written notice of cancellation must be provided to Hubwise by SCM.

Effects of termination or cancellation

Upon notice of termination or cancellation of these Custody Terms and Conditions being served you shall instruct SCM to provide Hubwise with details of the account(s) into which Hubwise shall deliver the Custody Assets. Hubwise will deliver the Custody Assets to the persons so specified, provided that all amounts owing to Hubwise pursuant to the provisions of these Custody Terms and Conditions are determined and paid. Hubwise shall only be required to return Custody Assets to you when you have paid all amounts owing to Hubwise pursuant to the provisions of these Custody Terms and Conditions.

If Hubwise does not receive details of the account(s) into which Hubwise shall deliver the Custody Assets within 60 calendar days of notice of termination or cancellation having been served, Hubwise may, in its discretion, deliver all or part of such Custody Assets to such financial institution as it sees fit or continue to hold all or part of such Custody Assets provided that Hubwise's obligations shall be limited to safekeeping only.

Where there are outstanding sums owed to Hubwise from you or SCM in respect of your Custody Assets, Hubwise shall have the right to set off such sums against the Custody Assets to be returned to you. In addition, Hubwise may in its discretion withhold from such delivery such Custody Assets as may be necessary to settle transactions pending at the time of such delivery.

24. Statements, Communications and Notices

Any communications that Hubwise makes to you shall be in English. Hubwise, and may use various methods of communication, including oral, written or electronic.

All notices to be provided to you pursuant to these Custody Terms and Conditions shall be provided to SCM in accordance with the terms of the Service Agreement and you agree that a notice provided to SCM in accordance with those terms shall be considered validly served on you.

In the event that you do need to communicate directly with Hubwise, you should contact the Compliance Officer for Hubwise Securities Ltd, Waverley Court, Wiltell Road, Lichfield, Staffordshire WS14 9ET.

Hubwise shall provide you with a statement of the Cash and Securities it holds on your behalf at least annually, and upon your request, comprising the information required under applicable law.

25. Variation and Amendment

Hubwise may amend these Custody Terms and Conditions by giving you at least 30 days' notice. Hubwise will only make changes for good reason, including but not limited to:

- (a) making them clearer and more favourable to you;
- (b) providing for the introduction of new systems, services, changes in technology and products;
- (c) rectifying any mistakes that may be discovered in due course; or
- (d) reflecting a change of applicable law or regulation.

If Hubwise amends these Custody Terms and Conditions for valid reasons that are not specified in these Custody Terms and Conditions and you do not agree with those changes, Hubwise shall not impose any charges in relation to the closure of your Account or any transfer of your Account and any monies or investments held by or through Hubwise on your behalf, to an alternative service provider should you wish to transfer or close your Account provided that you do so within ninety (90) days of being notified of those changes.

26. Assignment

You may not assign, sublicense, transfer or otherwise dispose of any of your rights or subcontract, transfer or otherwise dispose of any of your obligations under these Custody Terms and Conditions without the prior written consent of Hubwise.

Hubwise may assign, sublicense, transfer, or otherwise dispose of any of its rights or obligations under these Custody Terms and Conditions to any person acquiring the whole or any part of Hubwise's business or assets.

27. Remedies and Waivers

No delay or omission by you or Hubwise in exercising any right, power or remedy provided by applicable law or under these Custody Terms and Conditions shall be considered as a waiver of that right, power or remedy. The single or partial exercise by you or Hubwise to these Custody

Terms and Conditions of any right, power or remedy provided by applicable law or under these Custody Terms and Conditions shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

28. Severability

If at any time any provision of these Custody Terms and Conditions is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that such provision shall (so far as it is held illegal, invalid or unenforceable) be given no effect and shall be deemed not to be included in these Custody Terms and Conditions and accordingly such illegality, invalidity or unenforceability shall not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of these Custody Terms and Conditions; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of these Custody Terms and Conditions.

29. Entire Agreement

These Custody Terms and Conditions contain the whole agreement between the parties relating to the matters contemplated by these Custody Terms and Conditions and supersede all previous agreements between the parties relating to such matters.

Each party acknowledges that in entering into these Custody Terms and Conditions it has not relied on any representation or other assurance (except those set out in these Custody Terms and Conditions and the documents referred to in it) made by or on behalf of any other party before the date of these Custody Terms and Conditions. Each party waives all rights and remedies which might otherwise be available to it in respect of any such representation or other assurance provided that nothing in this clause limits or excludes any liability for fraud.

30. Rights of third parties

No term of these Custody Terms and Conditions is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to these Custody Terms and Conditions and the parties may exercise, without the consent of any third party, any rights they may have to amend these Custody Terms and Conditions save that Hubwise may enforce any term of these Custody Terms and Conditions on behalf of any of its affiliates.

31. Governing Law

The terms of your agreement with Hubwise and all disputes or claims arising out of or in connection with it (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law, and you hereby submit to the exclusive jurisdiction of the English Court.

Schedule 4 – SCM Order Execution Policy

The Order Execution Policy outlines the arrangements we have put in place to ensure that we achieve ‘best execution’ – that is obtaining the best possible results for you when carrying out transactions on your behalf.

SCM Order Execution Policy

When we execute orders for clients we are required to do so on the most favourable terms in accordance with Article 27 of MiFID II. Execution under MiFID II includes the following activities:

- (a) reception and transmission of orders in relation to one or more financial instruments;
- (b) execution of orders on behalf of clients;
- (c) dealing on own account;
- (d) making an investment decision in accordance with a discretionary mandate given by a client;
and
- (e) transfer of financial instruments to or from accounts.

SCM does not execute orders directly with the market but will ensure that it acts in the best interests of the clients when placing orders with or transmitting orders to Hubwise for execution.

This policy will apply to execution of all type of financial instruments including those which are traded on a trading venue and OTC transactions.

The firm will take all sufficient steps to obtain the best possible result for our clients and when doing so take into account the execution factors. We will compare and analyse any relevant data, including that made public by execution venues and market makers, in order to obtain best execution.

The firm will act in the best interests of its clients by following the approach set out in this policy, unless it can be demonstrated that a better outcome can be achieved by employing an alternative approach. If an alternative approach is employed, the individual taking this decision must document the reasons for taking this approach and report this to the firm’s Compliance Officer who will consider whether it was appropriate and also consider if there are any changes to this Order Execution Policy required.

As a discretionary investment manager, we do not accept specific instructions in relation to orders from clients.

Execution Factors

The execution factors are any considerations relevant to the execution of the order and we will determine the relative importance of each of the factors in relation to each trade. As mentioned above the factors are:

- price;
- transaction costs, including fees and commissions;
- speed of execution;
- likelihood of execution and settlement;
- size of order;
- nature of order; and
- other considerations relevant to the order.

When we execute orders for retail clients the best possible result shall be determined in terms of total consideration, representing the price of the financial instrument and the costs relating to execution, which shall include all expenses incurred by the client which are directly relating to the execution of the order. These costs will include, where applicable, execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. If any of the other execution factors including any other implicit transactions costs are instrumental in delivering the best possible result in terms of total consideration for a retail client then these factors may be given precedence over the immediate price and cost consideration.

Execution Criteria

When executing a client order, the firm will take into account the following criteria to determine the relative importance of the execution factors:

- the characteristics of the client, including the categorisation of the client as retail or professional client;
- the characteristics of the client order, including whether the order involves a securities financing transaction;
- the characteristics of the financial instruments that are the subject of that order; and
- the characteristics of the execution venues to which that order can be directed.

These criteria should be carefully applied to each instance to determine the priority of each execution factor.

An execution venue for the purposes of this policy includes a regulated market, an MTF, an OTF, a systematic internaliser or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the function provided by any other firm caught by this definition.

Selecting a Broker

All orders are handled by Hubwise. When we are providing portfolio management services and placing orders with Hubwise for execution or where we are providing the service of receipt and transmission of orders we will ensure that they will enable us to obtain the best possible result for our clients. We will therefore obtain and review copies of the Order Execution Policy for Hubwise and monitor the trades that have been executed by them to ensure they have obtained the best possible result for our clients.

We will ensure that Hubwise can provide the best possible results for our clients on a consistent basis and that they will obtain results for clients that are at least as good as the results that could reasonably be expected from using alternative entities for execution. When undertaking this assessment, we will consider the data published by execution venues, firms and market makers on the quality of execution.

Evidence of Best Execution

If requested by a client or the FCA, we will demonstrate that we have executed transactions in line with our Order Execution Policy.

Monitoring and Review of Execution Arrangements and Policy

To ensure that the Order Execution Policy and execution arrangements remain appropriate for the firm and its clients this policy will be reviewed by the Governing Body of the firm on an at least annual basis. If there is any material change to the firm's ability to continue to obtain best execution then this policy will be reviewed and, if required, updated.

We will notify clients if there are material changes to this policy. A material change will be a significant event which could impact the parameters of best execution such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

We will monitor the effectiveness of our order execution arrangements and Order Execution Policy in order to identify, and where appropriate, correct any deficiencies. When undertaking this monitoring and assessment, we will consider the data published by execution venues, firms and market makers on the quality of execution.

We will undertake compliance monitoring of best execution on a quarterly basis to determine whether transactions have been conducted in accordance with this policy.

Annual Reports

We will provide clients with an annual report which sets out details of the top five entities in terms of trading volume to whom we have transmitted or placed orders in the last year for each class of financial instrument. These classes are set out in Annex I of RTS 28. The information we provide will be in separate reports for both for retail and professional clients. This information will be in a machine-readable format and will be published on our website and available for downloading.

We will also provide an assessment of the quality of execution for all brokers used which will include a summary of the analysis and conclusions we have drawn from the monitoring of the quality of the execution obtained by these brokers.

These reports will be provided to clients for each calendar year and must be published by the 30 April following the end of the period to which the report relates. The first report will be published on or before 30 April 2018. Each report will be kept in the public domain for at least two years.

Client Consent

We must obtain prior consent from our clients to our Order Execution Policy. By agreeing to our terms of business we will deem that your consent has been provided.

We may execute orders outside of a trading venue and by agreeing to our terms of business you have given your express prior consent to such transactions. Trading outside of a trading venue may have certain consequences including counterparty risk. Please let us know if you would like additional information on the consequences of this means of execution. If you do not provide consent we will be unable to provide services to you.



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SCM Direct is a trading name of SCM Private LLP which is authorised and regulated by the Financial Conduct Authority to conduct investment business.

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