

# custodian's terms of business

Important information relating to your Enterprise Investment Scheme ('EIS'), Seed Enterprise Investment Scheme ('SEIS'), Business Property Relief ('BPR'), Business Relief (BR), Business Investment Relief ('BIR') and Unlisted Bond (UB) account(s). These terms of business govern the relationship between us, as administrator and custodian of your account(s) for EIS, SEIS BPR, BR, BIR or UB investments, and you. Your account with us ('the Account') has been initiated by your investment/fund manager ('the Fund Manager') whom you have authorised to invest your monies on your behalf. Since you have given the Fund Manager authority to act on your behalf, you should understand that we can only take instructions concerning your account from the Fund Manager and not from you.

When your Account is opened, you are signing up to a legal agreement between you and The Share Centre Limited ('TSC'/us) on the terms below ('the Agreement'). For your own benefit and protection you should read these terms carefully before you proceed. If you do not understand anything, please contact us on 01296 41 41 41. You accept that the prices and values of investments, and products related to them, together with the income they produce, can go down as well as up and that you may get back less than your initial investment. In addition, the levels and bases of taxation may change, both generally and in relation to specific products and investments. Consequently, TSC cannot accept responsibility for any movements in the value of your investments. Past performance is no indication of future performance.

You acknowledge that TSC:

- is the administrator and custodian of your Account;
- is not the Fund Manager and is not responsible for the suitability or appropriateness of the Account, nor for any of the investments within it, either at the point of sale or thereafter;
- may only act upon the instructions of the fund manager in relation to your Account;
- is not responsible for the contents of any documentation relating to the Account, other than these terms of business or other documentation required to be sent to you by TSC in discharge of our regulatory obligations.

In particular, TSC is not responsible for the contents of any offering memorandum brochure or prospectus that accompanies these Terms of Business, and has not issued or approved the contents of these documents in accordance with Section 21 of the Financial Services & Markets Act 2000 ('FSMA').

## Section 1

### Terms of Business - applicable to all accounts

#### 1. General Information

**1.1** Your account ('the Account') is being provided to you by The Share Centre Limited ('TSC'), a company incorporated in England and Wales under company number 2461949. If you want to contact TSC you can write to us at PO Box 2000, Aylesbury, Bucks HP21 8ZB, email [service@share.co.uk](mailto:service@share.co.uk) or phone 01296 414141.

**1.2** Where you see the words "you" or "your" in these Terms of Business, it means you as the individual, or if opening a joint Account, all individuals named on the joint Account. If you are applying as an official of a company or a trust, then it is referring to the company or trust, and not you personally.

**1.3** TSC is authorised and regulated by the Financial Conduct Authority ("FCA") to provide share dealing and administration services. The FCA reference number for TSC is 146768 and you can check this information on the FCA's website [www.fca.org.uk](http://www.fca.org.uk). The FCA's address is 25 The North Colonnade, Canary Wharf, London E14 5HS.

**1.4** You will be treated as a 'retail client' under the rules of the FCA, which means that you are entitled to the full extent of applicable regulatory protections. You have the right to request to be classed as either a 'professional client' or 'eligible counterparty': this request must be made in writing and re-classification will only apply when TSC confirm this to you in writing. Please note that re-classification is dependent on you meeting certain criteria and that it will result in limitations to the level of applicable regulatory protections, including the loss of access to the Financial Ombudsman Service and Financial Services Compensation Scheme (which are explained in paragraph 10). Details of different client classifications can be obtained from TSC's Compliance team.

**1.5** This Agreement will come into effect once TSC has accepted your application and we have been provided with the relevant details to open your Account. If TSC decides not to accept your application, there will be no Agreement: if you have provided any documentation in support of your application this will be returned to you at the address shown on your application form.

**1.6** TSC can amend the Agreement from time to time only if it has a valid reason for doing so. A valid reason means one of the following:

- a change in law, regulation, industry guidance or codes of practice;
- new market practices; or
- economic reasons, including a variation in taxation rates or costs incurred in providing your Account (in which case TSC will respond proportionately).

**1.7** This Agreement is in English and all future communications with you will also be in English. The Agreement is governed by English law and in the event of a serious dispute, will be subject to the exclusive jurisdiction of the English courts.

**1.8** Any transactions undertaken for you in stocks and shares will be subject, where applicable, to:

- the rules of:
  - the London Stock Exchange ("LSE");
  - any other market as TSC may decide;
- CREST (the UK electronic system used for transferring shares between sellers and buyers);
- the FCA;
- the terms of your agreement with the Fund Manager; and
- all other applicable laws, rules and regulations. Where there is a conflict between this Agreement and any such laws and regulations, the latter will prevail. You must comply with the City Code on Takeovers and Mergers and the FCA's Disclosure and Transparency Rules regarding the notification of major shareholdings, which may be relevant if you are dealing in large quantities of shares. Further details can be obtained from TSC's Compliance team.

**1.9** There may be times when a conflict of interest develops between you and TSC or between you and another TSC customer. TSC has taken all reasonable steps to identify such conflicts of interest and has a Conflict of Interest Policy in place, designed to prevent conflicts of interest from adversely affecting the

interests of its customers. A summary version of this Policy is set out in Schedule 1 below.

**1.10** You acknowledge that the Fund Manager is responsible for decisions relating to the investments within your Account. TSC is not responsible for advising you on the suitability of the services or transactions provided or offered by the Fund Manager or TSC. You will therefore not benefit from the protection of the FCA's rules relating to suitability which would require TSC to ensure that a product or service is suitable for you when taking into account your knowledge and experience in the relevant investment field, your financial situation and your investment objectives.

**1.11** TSC does not provide advice on the legal implications of accepting this Agreement. TSC does not provide advice on taxation.

#### 2. Customer Information

**2.1** You will supply TSC with all information reasonably requested as soon as practical. You confirm that all information will be, to the best of your knowledge and belief, correct when supplied and that you will notify TSC immediately of any changes.

**2.2** TSC will only use your personal information in accordance with the relevant data protection laws. You are entitled to a copy of any personal information TSC holds on computer and on certain written records free of charge.

Further information on how we will look after your data, how we will use your data and your rights in relation to your data is contained within TSC's Privacy Policy. The policy is available from TSC's website, [www.share.com](http://www.share.com).

**2.3** Due to anti-money laundering regulations (which aim to prevent criminal property being used or disguised as legitimate wealth) you may have to produce satisfactory evidence of your identity, or the identity of any person on whose behalf you are acting, before TSC can do any business with you, and from time to time thereafter. This identification process is designed to assist in the prevention of crime within the financial services industry and society at large. If you do not provide the information when requested, TSC may be unable to accept any instructions from you or provide you with any other services.

**2.4** TSC will only accept applications from residents of certain qualifying countries, details of which are available from TSC. Where applications are received from such residents, additional identification requirements may apply.

**2.5** You confirm that you are not a US person for the purposes of US federal income tax, and that you are not acting for, or on behalf of, a US person. The definition of a US person includes, but is not limited to, US citizen, US resident, US taxpayer or someone who holds US dual nationality. In the future, should you become a US person, you agree to inform us immediately and to provide us with your Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) using IRS Form W9.

#### 3. Charges

**3.1** In accordance with the terms of your agreement with the Fund Manager, we will deduct the applicable fees from your account as instructed by the Fund Manager. However, we may charge you separately for provision of certain services under this Agreement (e.g. for responding to a data subject access request). You must pay all applicable fees, commissions and other charges (including other sundry charges as highlighted on the TSC website) in accordance with the terms of this Agreement and your agreement with the Fund Manager. You must also pay all applicable taxes and levies (e.g. Stamp Duty, market levies, overseas financial transaction taxes, currency conversion fees, custodial charges, charges on foreign currency exchanges and administration charges levied by overseas agents) that TSC or the Fund Manager is required to charge you. All such charges may be deducted from your Account or from any other account you hold with TSC. Other taxes and costs (e.g. Capital Gains Tax) may also exist that are not collected or deducted by TSC.

#### 4. Your Money and Investments

**4.1** Your money and investments will be handled in accordance with the Client Asset Rules of the FCA and any modifications or directions granted by the FCA in relation to those rules. Unless otherwise agreed all money received or paid from or to you must be in British Pounds Sterling.

**4.2** All payments to your Account must be drawn on a United Kingdom ("UK") bank account. Please note that if your account is in your own name it must be drawn on your own personal bank account, for a Company account payments must be drawn from the Company's bank account. You may credit money to your Account by using an acceptable form of debit card, providing the sum to be credited does not exceed such limit as TSC may advise. Alternatively you can credit monies to your account using a same day banking service.

**4.3** TSC, at its absolute discretion, may require payments received, either individually or collectively, in excess of £25,000 to be subject to clearance, before dealing instructions are accepted.

**4.4** TSC has the right to return money, whether received by cheque, bank transfer or debit card, to 'source' (i.e. from where it came). All money returned will be done so at your own risk and will be subject to the normal timings of the banking clearance system.

**4.5** TSC has the right to delay the return of any money received from you until 10 business days after the date of clearance for credit control purposes.

**4.6** Unless otherwise indicated, TSC will not accept or make third party payments on your behalf. All receipts and withdrawals of money and investments must be received from, or paid to, an account in your own name or, in certain circumstances such as your death or incapacity, your legal representatives. Where requested and agreed, money will only be transferred overseas to certain qualifying countries, details of which are available from TSC.

**4.7** The cash balance held on your behalf, and as shown in your Account, will be deposited in the name of TSC under customer trust status, i.e. separate from TSC's own money. It will be held with an authorised banking institution, together with cash balances belonging to other customers of TSC. These deposits may be held within instant access accounts or in unbreakable term deposits of up to the terms to 95 days as permitted by the FCA in their Client Money rules or any agreed modifications or directions granted by the FCA in relation to those rules. The use of unbreakable term deposits could delay the return of your funds in the event of either the insolvency of the banking institution or TSC. TSC may debit or credit your Account for all sums payable by or to you (including dividends you may receive in cash, fees and other amounts payable by you).

**4.8** Interest will be payable quarterly on credit balances on money in your Account at the rates published in the Investor Agreement. Where you make a payment to TSC to be credited to your Account, no interest will start to be calculated on this sum until the payment has cleared.

**4.9** Investments held on your behalf are pooled with the investments of other clients. All investments in your Account will be held by Share Nominees Limited, TSC's 'pooled' nominee company ('the Nominee'). This means that there are no separate certificates, documents evidencing legal ownership or external electronic records of your individual investment holdings. The holdings will be registered in the name of the Nominee. As a result your holding may not be individually identifiable on the relevant company register. The Nominee is a bare trust and holds investments for you as the beneficial owner, together with investments belonging to other customers of TSC, ensuring they are kept separate from the resources of TSC itself. If we identify a shortfall in the investment pool relative to the total sum of our clients' holdings in that investment, we will segregate an equivalent amount of our own money as client money to cover the cost of rectifying that shortfall until it is corrected. This will not affect the record TSC maintains which shows how much stock is held on your behalf.

**4.10** The Nominee holds the investments on trust, such that when customers buy or dispose entirely of an investment in accordance with this Agreement, their interest in relation to that investment within the trust is created or extinguished respectively.

**4.11** TSC accepts responsibility for holdings in the name of the Nominee and for acts and omissions of the Nominee.

**4.12** TSC may deliver or accept delivery of investments either in certificate form or via Crest on behalf of the Nominee.

**4.13** Investments may be held on behalf of TSC by custodians, sub-custodians or investment clearing systems. Overseas investments may be held on behalf of TSC by an overseas custodian, its sub-custodian or an investment clearing system. TSC will use all due skill care and diligence in the selection and review of third party custodians and of the arrangements for the holding and safekeeping of assets but, in so far as we have met our obligations under CASS 6.3.1R, TSC and the Nominee do not accept responsibility for any losses arising from the default of such an appointed custodian or clearing system. It should be noted that there may be different settlement, legal and regulatory requirements in overseas jurisdictions from those applying in the UK and different practices for the separate identification of investments.

**4.14** Overseas investments held by the Nominee may be in the form of CREST Depository Interests ("CDIs") or American Depository Receipts ("ADRs"). CDIs and ADRs generally cannot be registered into certificates. CDIs may be liable for withholding tax from the country of origin of the underlying investment. TSC is not obliged to reclaim any foreign withholding tax deducted. If you are unsure about the tax implications of dealing in overseas investments, you should seek independent tax advice.

**4.15** On some occasions, money relating to overseas investments not held by the Nominee may be deposited in a client bank account outside the UK. Money held in its country of origin will be held with an approved bank or depository: however there may be times, because of the applicable law or market practice, when it is not possible to hold your money in a client bank account with an approved bank or depository. In some cases, the bank or depository with which your money may be held outside the UK may not have accepted that it has no right of set off or counterclaim against your money in respect of any sum owed by TSC on any other account held by TSC at the bank. Additionally, your money may be passed to another person, such as an exchange, clearing house or an intermediate broker, for the purposes of a transaction on your behalf through or with that person. It is to be noted that for banks, depositories and persons located outside the UK, the legal and regulatory regime applying will be different from that of the UK: in the event of failure, your money may be treated in a different manner from that which would apply if the money was held in the UK.

**4.16** Our treatment of cash funds for investment in business investment relief services under the direction of the fund manager is detailed in schedule 4 to these terms of business.

**4.17** Subject to paragraph 4.11 above, in the event of there being a shortfall in the total quantity of money or an investment held in a pooled nominee or client money bank account, compared with the quantity or balance which should be held for customers, or in the event of an authorised banking institution, the Nominee or any other third party custodian, bank or counterparty used by TSC defaulting (e.g. if they become insolvent), customers may have to bear that shortfall on a pro-rata basis.

**4.18** Dividends from investments will usually only be received as cash.

**4.19** You shall not charge or pledge the investments held under this Agreement (i.e. use them as security for a loan) or dispose of all or part of them otherwise than in accordance with this Agreement.

## 5. Dealing

**5.1** Purchases and sales effected by us will be on an execution only basis and will be executed by us on instructions received from the Fund Manager and may be made on any market through any intermediary that we select in accordance with the Order Execution Policy.

**5.2** We will inform the Fund Manager of any changes that may occur in any investment that we hold for you as Nominee, resulting from a take-over or other offer, or scheme of arrangement, or where rights or similar benefits arise. Having received this notification from us, it is the Fund Manager's responsibility to instruct us to take action, if any, on your behalf. In the absence of such notification from the Fund Manager, we reserve the right to take no action on your behalf.

**5.3** Where we hold partly paid shares for you, we may at our absolute discretion sell such number thereof as may be necessary in order to pay any calls or instalments due on the balance held.

**5.4** We will collect dividends, interest on Securities, interest on deposits and other distributions that are due to you, and credit them to your account.

**5.5** We may combine orders by the Fund Manager with the orders of other customers and with our own orders or orders of associated companies and persons connected with TSC. The combining of orders may result in a more or exceptionally a less favourable price being achieved than if the order had been executed separately, though if the price is less favourable, we shall advise the Fund Manager

in advance for each such transaction and seek their authority to proceed as required by FCA rules. We will arrange for the execution of orders as soon as is reasonably practicable given the prevailing circumstances after instructions have been received. Further information is contained within TSC's Order Allocation Policy.

**5.6** Where your Securities are held by the Nominee on a non-discretionary basis, we will not exercise the voting rights attached to such Securities without the receipt of a specific written or electronic instruction from the Fund Manager. If you wish to give such instruction, you should do so via the Fund Manager (which may charge an appropriate administration fee).

**5.7** Securities will be registered in the name of the Nominee, which as a non-trading wholly owned subsidiary is not authorised under the Financial Services and Markets Act 2000, or any other nominee approved by us. We accept full responsibility for any loss that might arise as a result of any default by Share Nominees Limited or any other nominee company controlled by us in which the Securities are held.

**5.8** All dealing instructions are only dealt automatically if they can be completely satisfied. If a dealing instruction cannot be executed automatically for whatever reason, it will, if possible, be manually executed as soon as practicable. Dealing Instruction will not be partially filled.

**5.9** Dealing instructions issued to us by the Fund Manager cannot be altered once they have been accepted and executed by TSC.

**5.10** Dealing instructions from the Fund Manager to purchase investments will only be executed if there is sufficient money in your Account, or sufficient sale proceeds due, to meet the potential cost of execution (including all applicable charges). Subject to this, in the event of adverse price fluctuations TSC has the right to reduce the size of a purchase dealing instruction if there are insufficient funds in your Account to meet the potential cost of execution (including all applicable charges). Dealing instructions to sell investments will only be executed if there are sufficient investments recorded within your Account that can be transferred to the purchaser, which shall not be adversely affected by paragraph 5.8 above.

**5.11** TSC may retain any commissions received from a third party arising from transactions carried out for you and the amount of such commission and the identity of the third party will be available upon request.

In addition, TSC may pay a share of the fees or commissions charged to you with third parties and the amount paid to the third party and its identity will be available upon request.

**5.12** HM Revenue and Customs ("HMRC") may challenge any purchase or sale prices in less liquid investments for open market valuation purposes (for instance, for assessing capital gains tax liability). When assessing tax liabilities arising from a transaction in less liquid investments, you should seek independent tax advice, and should not necessarily rely upon any transaction price or contract note as evidence of an open market value.

## 6. Settlement

**6.1** Once TSC has executed a dealing instruction from the Fund Manager, sale proceeds (if a sale) or investments (if a purchase) will be available for withdrawal by the Fund Manager only once those sale proceeds or investments have been received in full by TSC.

**6.2** If for any reason the anticipated sale proceeds or investments are not received in full the following rules will apply to your account, along with all other applicable customers of TSC:

- if purchasing investments: entitlement arises, in the chronological order in which instructions were received by TSC, to the relevant investments actually delivered to TSC. In the event of any delivery shortfall, your account will be credited with a cash sum equal to the whole or relevant part of the sum debited from your Account in respect of the relevant investments;
- if selling investments: entitlement arises, in the chronological order in which instructions were received by TSC, to cash actually received by TSC. In the event of any payment shortfall, relevant investments equal to the whole or relevant part of the number of shares, bonds, warrants or units originally sold will be returned to your account.

## 7. Liability

**7.1** You agree to be responsible for any costs or losses incurred by TSC and/or the Nominee which a reasonable person would consider to have been incurred by them and be reimbursable to them:

- as a result of your specific request, fault, omission or dishonesty; and/or
  - arising from the proper performance of our functions or the proper exercise of the terms of this Agreement, except where such costs or losses are due to our fraud, wilful default or negligence. Neither this paragraph nor anything else within this Agreement will restrict or exclude any duty or liability owed to you under the rules of the FCA, the Financial Services and Markets Act 2000 ("FSMA"), Financial Services Act 2012 or under common law.
- 7.2** TSC may, at any time where it reasonably considers it necessary or desirable to do so, suspend all or any of its services including, without limitation, carrying out repairs or upgrades to hardware or software and correcting any hardware or software error and TSC shall not be liable for any losses incurred by you arising from the suspension.
- 7.3** Whilst TSC will use its reasonable endeavours to ensure that its Internet websites are available at all times, it will not be liable for any loss or damages resulting from the websites being inaccessible. Access to the websites may be suspended temporarily or permanently and without notice.
- 7.4** If TSC fails, interrupts or delays performing its obligations under this Agreement because of a breakdown, failure or malfunction of any telecommunications or computer services or systems (internally or externally) or any other event not reasonably within its control, then TSC will not be liable to you nor will it be responsible for any loss or damage caused or suffered by you as a result of such event. This includes, but is not restricted to, any delay, breakdown or failure of any transmission or telecommunication or computer systems or facilities, strikes or other industrial action or dispute, or the failure of any relevant exchange, clearing house, broker, independent software vendor, settlement agent or bank to perform its obligations or to operate efficiently and correctly or any other event which is reasonably outside TSC's control.

**7.5** The information contained within TSC's websites originated by TSC is believed to be correct, but cannot be guaranteed.

**7.6** Where information, or links to information, on TSC's websites consists of pricing or performance data or other information which has been obtained from third parties, TSC will not normally have carried out any independent verification of such data and does not accept liability for any reliance placed upon such data, if that data is proven to be inaccurate or incomplete.

**7.7** You undertake not to distribute, sell or license any content contained on, or linked to from, TSC's websites. You agree that TSC or its authorised agents may at all reasonable times and on reasonable notice have access to and inspect your computer systems, accounts, records and other documents (in both hard copy and machine readable form) in relation to any suspected re-distribution, re-sale or sub-licensing of such content.

**7.8** TSC is not responsible for the security or transmission of electronic instructions either from TSC or from you.

**7.9** TSC shall not be responsible for any loss or damage or depreciation in value of the investments or for any failure to produce a return on capital invested, howsoever arising.

**7.10** You acknowledge that the role of TSC is not to provide any investment advice under this Agreement and as such, TSC will have no liability to you under this Agreement for any investment advice that might be given to you (inadvertently or otherwise).

## 8. Escrow Accounts

**8.1** Where a Fund Manager requests or instructs us to transfer or hold client money or client assets in an account operated by a solicitor (such as a solicitor's escrow accounts or a solicitor's general client account), we shall do so on the strict basis, that you accept that TSC accepts no liability for such client money or client assets whilst held by the solicitor or after they have been transferred out by us to the solicitor or until they have been received by us from the solicitor.

**8.2** You further accept that it is the responsibility of you or your Fund Manager as appropriate to ensure

that any solicitor that we are instructed to send client money or client assets to is satisfactory to you and it is your or your Fund Manager or Advisor's responsibility, not TSC's, to conduct any due diligence that may be appropriate. TSC may require sight of this due diligence and may at our sole option, without accepting any responsibility or liability, not effect a transaction until we have received satisfactory due diligence information.

**8.3** In order to protect client money and client assets, at our option, and without accepting any liability or obligation, we may only accept a solicitor's escrow arrangement with firms of solicitors who are prepared to indemnify us in writing in respect of client money and asset obligations and their compliance with Solicitors Regulatory Authority rules with appropriate disclosures of the client account procedures operated by the solicitor.

**8.4** In order to limit our risk and protect client money and client assets, we reserve the right to require a contractually binding liability release letter from you or our Client and / or your Fund Manager or Financial Advisor (even if such person or firm has discretionary powers), if we are requested to transfer funds or assets to any third party, including solicitors, before effecting any such transfer.

**8.5** We will not enter into any sub-custodian arrangement that does not meet TSC's due diligence requirements, irrespective of instructions from you or your Fund Manager or Advisor. Sub custody arrangements and requirements are set out in FCS CASS rules.

## 9. Termination

**9.1** Any process of termination will be in accordance of the Investor Agreement within the Offering Memorandum that you have entered into with the Fund Manager.

## 10. Complaints and Compensation

**10.1** If you have a complaint, please contact the department at TSC you have an issue with. You can contact us by any means including letter, telephone or email. If TSC cannot resolve the complaint to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service, the independent complaints handling body for the financial services industry. A copy of TSC's complaints handling procedure is available upon request.

**10.2** TSC participates in the Financial Services Compensation Scheme, established under the FSMA, which provides compensation to eligible investors in the event of the firm being unable to meet its customer liabilities. Payments under the protected investment business scheme are limited to a maximum of the first £50,000 of the claim. Further information is available from TSC's Compliance team.

## 11. General

**11.1** All written or electronic communications TSC sends you will be to the latest address notified by you to TSC and shall be assumed received by you on the second day after posting or on the day after dispatch in the case of electronic communication. Communications sent by you shall be deemed received only if actually received by TSC.

**11.2** Telephone calls will be recorded for the purposes of training, quality control and monitoring and confirming regulatory compliance.

**11.3** TSC and the Nominee may employ agents on such terms as they think fit. TSC will satisfy itself that any person to whom it delegates any of its functions or responsibilities under the terms agreed with you is competent to carry out those functions and responsibilities. TSC will take reasonable care in the selection and supervision of such agents.

**11.4** Should any clause within this Agreement or part thereof become or be declared illegal, invalid or unenforceable for any reason, the remainder of the clause and Agreement shall be unaffected and shall remain in full force and effect.

**11.5** The Contracts (Rights of Third Parties) Act 1999 will not apply to this Agreement, meaning that only you and TSC have the right to enforce any of the terms and conditions mentioned.

# Section 2

## Schedule 1

### Conflicts of Interest Policy - Summary Version

TSC aims to identify and prevent conflicts of interest which may arise between itself and its customers, and between one customer and another, in order to avoid any adverse effect on its customers. This Policy sets out procedures, practices and controls in place to achieve this. The avoidance of potential conflicts of interest is a key consideration, so operational structures and procedures, password-controlled systems, data hierarchy, and the clear segregation of roles and responsibilities are all designed to work preventing any conflicts arising in the first place. This Policy applies to all officers (whether Executive or Non-Executive), employees and any persons directly or indirectly linked to the Share plc group of companies ("the Group") and refers to all interactions with all customers of the Group.

### Scope

Types of conflict which may carry a material risk of damage to the interests of a customer include, but are not limited to, the following. Where the Group or any person directly or indirectly linked to the Group:

- is likely to make a financial gain or avoid a financial loss at the expense of the customer;
- has an interest in the outcome of a service provided to, or of a transaction carried out on behalf of, the customer which is distinct from that customer's interest in that outcome;
- has a financial or other incentive to favour the interest of another customer or group of customers over the interests of the customer;
- carries on the same business as the customer;
- receives, or will receive, from a person other than the customer an inducement in relation to the service provided to the customer in the form of monies, goods or services, other than the standard commission or fee for that service;
- designs, markets or recommends a product or service without properly considering all the Group's other products and services and the interest of their customers.

### Guarding against conflicts of interest

A number of different safeguard systems and processes are in place in order that the potential for conflicts of interest is minimised:

- personal account dealing requirements upon all officers, employees and certain associates of TSC in relation to their own investments;
- an Investment Research Policy covering the production and dissemination of investment research by TSC;
- a Register of Information logging receipt and use of any 'inside information' by TSC;
- Chinese Walls restricting the flow of price sensitive information within TSC;
- a Gifts and Inducements Log registering the solicitation, offer or receipt of certain benefits to staff;
- external business interests conflicting with TSC's interests are prohibited for TSC's officers and employees, unless Board approval is provided;
- job roles and system access is subject to appropriate segregation of duties considerations, detailed within a separate Policy;
- remuneration packages within TSC are structured to minimise any link with levels of business generated with retail customers;
- order execution ensures TSC must not receive any remuneration, discount or non-monetary benefit for routing client orders to any particular trading venues or execution venues;
- corporate governance requirements are followed as appropriate to the size and nature of Share plc;
- legal and regulatory record keeping requirements are followed, including the maintenance of a Privacy Policy for Internet users;
- a Public Interest Disclosure Policy ("whistle-blowing") is in place for TSC employees;

- where a conflict of interest arises, TSC will, if known, disclose it to a customer prior to undertaking investment business for that customer. A full version of the Conflicts of Interest Policy is available on request from TSC's Compliance team

## Schedule 2

### Order Allocation Policy

Where TSC considers it necessary and in the best interests of its customer(s), an order may be aggregated (i.e. combined) with orders received from other customers.

You should be aware that aggregating orders in this way may work to your disadvantage. This may be because your shares will be bought or sold alongside shares of other customers, the price you pay or receive may not be the same as it would have been if those shares had been bought or sold non-aggregated. The market may also quote a different price because of the larger number of shares being bought or sold together. The price you pay or receive could, therefore, be higher or lower than if your shares had been bought or sold on their own.

An order will only be carried out if the total order can be dealt, i.e. an order will not be partially filled. If you apply for a new issue of securities (e.g. within an initial public offer or placing) and that offer is oversubscribed, you may receive a partial allocation of securities or none at all. The allocation guidelines of the offer will be followed wherever practicable by TSC when deciding how to allocate securities where the full amount applied for has not been distributed. In the absence of any guidelines, TSC will allocate the securities pro rata to each customer's application within the offer.

## Schedule 3

### Order Execution Policy

#### Part One: The Quality of Execution

When executing orders on behalf of customers in relation to shares and other financial instruments, TSC will take all sufficient steps to achieve what is called "best execution" of customer orders. This means that TSC has in place a policy and procedures which are designed to obtain the best possible execution result, subject to and taking into account:

- the nature of customer orders
- the priorities the Fund Manager places upon TSC in filling those orders; and
- the market in question,

and which provides, in TSC's view, the best balance across a range of sometimes conflicting factors. TSC will take into consideration a range of different factors which include not just price, but which may also include such other factors as the cost of the transaction, the need for timely execution, the liquidity of the market (which may make it difficult to execute an order), the size of the order and the nature of the financial transaction. TSC's commitment to provide its customers with "best execution" does not mean that TSC owes customers any fiduciary responsibilities over and above the specific regulatory obligations placed upon TSC or as may be otherwise contracted. While TSC will take all sufficient steps, based on those resources available to it, to satisfy itself that it has processes in place that can reasonably be expected to lead to the delivery of best execution of customer orders, TSC cannot guarantee that it will always be able to provide best execution of every order executed on each customer's behalf.

#### Part Two: Order Execution Policy

**1** Your Fund Manager's orders must be received on either a 'best price' or 'limit price' basis and are subject to the requirements of this execution policy

**2** Where an order is received with specific instructions as to how the order should be executed, the order will be executed in line with those instructions. It is important to note that specific instructions may prevent TSC from taking the steps it has designed and implemented in this policy to obtain the best possible result for the execution of customer orders.

**3** Customer orders received for transferable securities, i.e. shares, exchange traded funds ('ETFs'), exchange traded commodities ('ETCs'), warrants, covered warrants and investment trusts will be executed on one of the following markets:

- a. London Stock Exchange ("LSE"); the LSE is a regulated market and one of the larger, better known European markets for dealing in both UK and international shares
- b. Alternative Investment Market ("AIM"); a market for smaller-capitalisation growth companies. AIM is not a regulated market, but is an exchange-regulated market owned by the LSE; and
- c. such other markets and Recognised Investment Exchanges as TSC considers appropriate in the circumstances.

**4** The choice of market depends on which market of multilateral trading facility ('MTF') a particular security is traded on, for example, where a security is only traded via the LSE, the customer order can only be executed via the LSE. Where the same customer order can be executed on either of two separate markets and where TSC can trade on both, TSC will choose the market that will provide the best possible result for that customer order.

**5** Customer orders are usually executed via specialist market makers known as Retail Service Providers ("RSPs"). TSC deals with a number of RSPs, all of whom are members of the LSE and authorised and regulated by the FCA. The RSPs quote a price and size in securities in which they are registered to deal and make this information available via various information vendors. The range of RSPs available to TSC will be dependent on which RSPs are accessible through the information vendor used; TSC will be linked to one or more information vendors which provide access to a wide range of RSPs.

**6** When TSC receives an order from your Fund Manager, the order is passed, via an information vendor, to an automated polling system, which connects directly to the appropriate RSPs registered with that information vendor. The automated polling system will then identify the RSP offering the best price for an order and this information is sent back to TSC for acceptance.

**7** On some occasions, where the RSP is unwilling or unable to execute an order electronically, the order will have to be executed manually with the RSP over the telephone.

**8** There may be occasions when, as a result of either specific instructions, the nature of the security being traded, or the services being provided, orders will not be executed on either a regulated market or MTF. Where such instances arise, TSC will obtain the fund manager's prior consent before proceeding to execute such orders. The fund manager's prior consent may either be in the form of a general agreement or in respect of individual transactions

**9** If an order is for a bond, PIB or gilt-edged security, it will be executed on the LSE via an RSP.

**10** There are a number of different execution factors which can affect the outcome of orders e.g. price, cost, speed, the likelihood of execution and settlement, the size and nature of the order or any other considerations relevant to the execution of an order. However, as TSC does not differentiate charging structures or settlement processes between execution venues, TSC considers the most significant factor to be the price at which the order can be executed. By achieving the best price possible given the execution venues available, TSC delivers the best possible result for the customer orders received.

**11** Adherence to this policy is monitored by the Dealing team and overseen as part of the annual Compliance monitoring programme.

**12** From April 2018 TSC will publish via its website an annual report detailing the top five venues TSC has used to execute customer orders, for each class of financial instrument.

#### Part Three: Client Acknowledgement

You acknowledge that:

- you have been made aware of and accept the nature, policy and procedures which TSC has in place for providing best execution as defined in this Order Execution Policy;
- in the absence of any express instructions from your Fund Manager, TSC shall have full discretion to choose a relevant venue from its current list of venues for executing any order or orders; and
- in choosing an execution venue, TSC will assess and balance a range of all relevant factors, including those set out in this policy, which, in its reasonable determination, TSC considers relevant to achieving the best result for you.

#### Schedule 4

##### **Business Investment Relief (where applicable)**

**1** We will hold cash funds arising from investor subscriptions in business investment relief services in one or more offshore non-interest bearing client money bank account or sub bank account or other bank account arrangements as approved by the Fund Manager. All client money will be held offshore in an appropriately regulated bank institution, or onshore in an FCA approved UK bank pending investment in a business asset that qualifies for Business Relief within the UK ('a Qualifying Investment').

**2** The transfer of funds onshore and the deployment funds will be on the instructions of the Fund Manager acting in accordance with the Investor Agreement.

**3** We will act on the instructions of the Fund Manager to realise investments for investors; and be authorised to buy, sell, retain, convert, exchange or otherwise deal in the Qualifying Shares.

**4** We will act in good faith and with reasonable care and diligence in the performance of our functions. We will not be liable to an investor in the event of any loss in value of funds invested or any insolvency of any bank with which funds are deposited in accordance with the Custodian Agreement, nor in the event of any restriction on our ability to withdraw funds from such bank for reasons reasonably beyond our control.

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