

Bespoke Portfolio Service

Application Pack for a Self Invested Personal Pension (SIPP)

Suitability Responsibility: Professional Adviser

Completing this Application Pack

Welcome to Brooks Macdonald Asset Management Ltd (**Brooks Macdonald**). This is an Application Pack for the Brooks Macdonald Bespoke Portfolio Service (BPS). Brooks Macdonald requires this Application Pack to be completed by the underlying member of a SIPP (**the beneficial owner**). Brooks Macdonald will be treating the beneficial owner as its **Client**.

As a Client, you should only complete this if you have a Professional Adviser, who will need to conduct a full Suitability assessment. **Brooks Macdonald will not be seeking enough information in this Application Pack to conduct its own Suitability assessment.**

The beneficial owner should understand that the legal owner of assets held within the Account is likely to be the SIPP Trustee (**the provider**).

Brooks Macdonald may have agreements in place with specific providers. The beneficial owner may be required to sign agreements with providers.

The beneficial owner should complete this Application Pack where indicated on pages 4 and 6 to 16.

The provider should complete this Application Pack where indicated on pages 5 and 16.

Professional Advisers should complete this Application Pack where indicated on pages 15 and 17.

If you require additional space to answer a question, please use the space provided on page 18 of this document.

The beneficial owner and the provider

This Application Pack is important both at the commencement of our Services and on an ongoing basis.

As a Client you should:

- read the Application Pack carefully
- ensure that answers to questions or requests for information are **completed accurately and in full**
- inform us immediately if your circumstances change. You should also discuss this with your Professional Adviser who may wish to review the Suitability of your investment portfolio

Your Professional Adviser is responsible for:

- collecting information about your financial position
- carrying out a Suitability assessment for the BPS
- advising you on Investment Objectives and Risk Profile

Brooks Macdonald is responsible for:

- creating and managing the BPS Portfolio on a discretionary basis in accordance with your Investment Objectives and Risk Profile

If you have any questions relating to the Application Pack you should contact your Professional Adviser.

Important: This Application Pack forms part of the legal agreement governing the provisions of Brooks Macdonald's Services. The provider and the beneficial owner should read Section 2 of the Brooks Macdonald Terms and Conditions for an explanation of the legally binding obligations applicable to the Client.

This Application Pack is designed to collect information to ascertain:

- details of the Account holder(s)
- Investment Objectives and Risk Profile
- Professional Adviser details
- identity and verification information
- important information relating to the operation of your Account(s)

The completed Application Pack should be returned to your Brooks Macdonald regional office.

Contact details for each office can be found on page 19 of this document.

Important: The Application Pack should only be returned to Brooks Macdonald once all sections have been completed, including those sections to be completed by the Professional Adviser.

For Professional Advisers

This Application Pack forms part of our legal agreement with a Professional Adviser and enables our respective Clients to understand the extent of our roles and responsibilities. Professional Advisers are required to complete this Application Pack on pages 15 and 17 in order to:

- confirm appointment as Professional Adviser
- confirm that a Suitability assessment of the Client for the BPS has been undertaken
- confirm agreement to the Adviser charges applicable to the Client

The Professional Adviser is responsible for:

- carrying out a Suitability assessment of the Client for the BPS
- advising the Client on Investment Objectives and Risk Profile
- completing the Adviser charges section on the fees and charges page

The Professional Adviser accepts responsibility for the ongoing obligations to assess that the investment service is suitable for the Client.

Brooks Macdonald is responsible for managing the Client portfolio in accordance with the Client's investment profile.

Important: Professional Advisers should **only** complete those sections of this Application Pack marked '**Professional Adviser to complete**'.

Verification of identity

It is important that Brooks Macdonald has access to appropriate information about you in order to meet its obligations to identify and verify Clients. Your Professional Adviser (or Investment Manager) will collect this information.

We will attempt to verify your identity using our online electronic verification system. However, in instances where this is unsuccessful, we will require certified copies of two of the following items for each individual covered in this Application Pack. These documents should be included when returning this Application Pack to Brooks Macdonald. Please ensure at least one form of ID contains a photograph and one other states your address.

- driving licence (certified copy)
- passport (certified copy)
- national identity card (certified copy)
- a recent utility bill or bank statement (within the last three months)

Original bills and statements will be returned immediately. Where originals are unavailable Brooks Macdonald will require certified copies of original documentation.

Certified copies

Where Brooks Macdonald requires certified copies of original documentation such certification must be made by a regulated professional person having sight of the original documentation. This can include a Professional Adviser, Solicitor, Barrister, Justice of the Peace, Accountant, Doctor, Police Officer, Army/Navy/Air Force Officer, Minister of a recognised religion, Licensed Insolvency Practitioner, Commissioner for Oaths, Notary public or persons equivalent to such persons in other jurisdictions.

These should always bear a stamp or hand written declaration in addition to a signature that follows the requirements detailed below:

1. that the original document has been seen
2. that the document is a certified copy of the original
3. in the case of Photo ID, the photo on the document bears a good and true likeness to the individual

Beneficial owner to complete

Combined Accounts

If you have two or more BPS accounts you might want us to manage them as a single portfolio. For example, you may have a BPS individual account in your own name and a Self Invested Personal Pension (SIPP).

We can manage these as Combined Accounts.

Managing several accounts as a single Combined Account may be advantageous as:

- we can create a Combined Account portfolio designed to achieve a single investment profile
- the assets will be retained in the account into which they were deposited
- the type of assets each portfolio might own can reflect the tax treatment applicable to different types of account as long as, when viewed together, all the investments in the Combined Account reflect the single investment profile

We will ask each Client to confirm the investment profile applicable to the Combined Account and we will invest the assets in the Combined Account so that they are consistent with that investment profile. However, the assets in each individual Client's account will not be invested to meet any particular investment profile. Consequently, the investment performance of each Client account may be very different from the performance of the other Client accounts.

The following types of account are eligible to be managed as part of a Combined Account:

- individual account(s) for either spouse or civil partner
- joint accounts held by married couples or civil partners
- SIPPs and Offshore Bonds

Please refer to the Client Investing Guide for more information about Combined Accounts

If you wish to open a Combined Account, please tick:

As well as the appropriate Application Pack for the other accounts, we will also require a Combined Accounts Confirmation form to be completed. Your Brooks Macdonald Investment Manager or your Professional Adviser will be able to discuss this with you further.

Each account that participates in a Combined Account may contain more higher risk or lower risk investments than it would if it was managed separately. Investment gains and losses will not be distributed evenly across each participating account.

Similarly, because it forms part of a Combined Account, your individual portfolio could contain more illiquid investments than it would if it was managed separately and it may contain more illiquid investments than other portfolios forming part of the Combined Account.

SIPP provider to complete

SIPP provider details

Account name

Full name of SIPP:

SIPP provider details

Full name:

Address:

Postcode:

Country:

HM Revenue and
Customs reference:

SIPP plan reference:

Income drawdown

Is the SIPP in income drawdown?

Yes

No

If yes, please provide details of the income required:

£

How frequently would you like the income amount to be paid:

Monthly

Quarterly

Semi-annually

Annually

The amount of income accumulated in your BPS Portfolio might not always be sufficient to cover the amount of your regular fixed payment. In these circumstances some or all of your regular fixed payment will be paid out of your invested capital. This will erode your total investment which may reduce future capital growth or income receipts.

SIPP provider's bank account details

Account name:

Bank name:

Account number:

Sort code:

Reference:

Beneficial owner to complete

Personal details

Title: Forename(s):

Surname:

Permanent residential address:

 Postcode:

Alternative mailing address *(only complete if you would like Brooks Macdonald to correspond with you at a different address):*

Postcode:

Nationality: Country of birth:

Citizenship:

Daytime telephone number:

Mobile telephone number:

Contact email address:

I am happy to receive market related news and articles by email:

Date of birth: / /

National insurance number:

Gender: Male Female

Marital status: Single Married Civil partnership Widowed
 Divorced Separated

Number of dependants:

Age of dependant: Nature of relationship:

Age of dependant: Nature of relationship:

Age of dependant: Nature of relationship:

Age of dependant: Nature of relationship:

Beneficial owner to complete

Personal status

You may have accumulated and continue to accumulate wealth throughout your lifetime. In this section, please confirm the following information in order to assist with the anti-money laundering verification in relation to the source of your wealth.

Employment status: Employed Self-employed Retired Not employed
 Student Partner Other (please specify):

Previous occupation, if retired:

Name of employer/business/partnership:

Job title/Occupation:

Expected retirement date of beneficial owner: / /

Please tick if your employer needs to receive contract notes:

If so, please confirm the contact address and email address to which contract notes should be sent:

Contact address:
 Postcode:
 Email address:

Estimated total annual income

Salary (or equivalent): £

Other income: £

Total income earned
(ie salary plus other income): £

Estimation of net worth
(assets - liabilities eg mortgages/loans): £

Source of wealth

Please indicate the source(s) of your wealth (tick all sources which apply as appropriate):

Salary (or equivalent) over lifetime

Inheritance
(please specify circumstances):

Investments
(please specify nature of investments- eg owning a business):

Other
(please explain the origin of your wealth if not covered above):

Beneficial owner to complete

Investment profile

Your investment profile consists of your Investment Objective(s), your Risk Profile and your time horizon.

Your Professional Adviser will assess the Suitability of your investment requirements. This includes:

- helping you to determine your **investment profile**
- ensuring that you fully understand the **risks** of investments that we may purchase for you
- assessing whether you can afford to sustain potential **investment losses** consistent with the level of risk you have chosen

Our BPS provides a portfolio designed to meet your specific investment requirements. We will provide you with a detailed investment proposal that will set out the type of investment portfolio we will construct so that it is consistent with your investment requirements.

Where you wish to split your accounts across differing investment profiles, we will provide you with a BPS Additional Account form to confirm the different investment profile.

Where you have indicated that you wish us to manage your assets as part of a Combined Account it is important to understand that the investment profile you choose in this Application Pack will be applied to the Combined Account which will be managed as a whole. Your individual portfolio, when viewed in isolation may not meet the Combined Account's Investment Objective, Risk Profile or time horizon.

Please refer to the Client Investing Guide for more information about choosing your investment profile.

Investment Objective

Please tick **one box** below to indicate the outcome that you wish your portfolio to achieve:

Income

You want an investment portfolio designed to produce a regular income. Growing the value of your portfolio is less important to you than achieving a steady income.

Growth

You want to grow the value of your investment portfolio over time. Producing a level of income is less important than increasing the value of your investment portfolio.

Income & Growth

You want your portfolio to produce a level of income and to increase in value over time.

Do you envisage drawing a tax free lump sum, buying an annuity or drawing an income from the pension in the short term?

Beneficial owner to complete

Time horizon

The time horizon defines the period of time over which you wish us to invest.

Some investment types are more suitable if held for a period of years: a typical Brooks Macdonald portfolio is intended for Clients who plan to invest for at least three years. It is therefore important for us to understand how long you intend to keep your investment portfolio.

Please note, for new accounts, if you have a time horizon of less than 3 years, then you will need to seek advice from a Professional Adviser who is authorised to give advice as none of the products and services offered by Brooks Macdonald will be suitable for your needs.

A number of different factors may be relevant in choosing your time horizon, including your overall financial situation and your retirement date. You should consider how likely it is that you will want to sell some of your portfolio in order to cover a particular financial commitment in the future.

Please indicate your time horizon below by ticking **one box**:

Less than 3 years

3-5 years

5-10 years

More than 10 years

This investment

Please give further details about the money you wish to invest.

Initial investment amount:

£

What percentage of your total assets does this represent?

%

Please indicate any additional money you intend to invest:

£

When will these funds be added?

/ /

Understanding risk

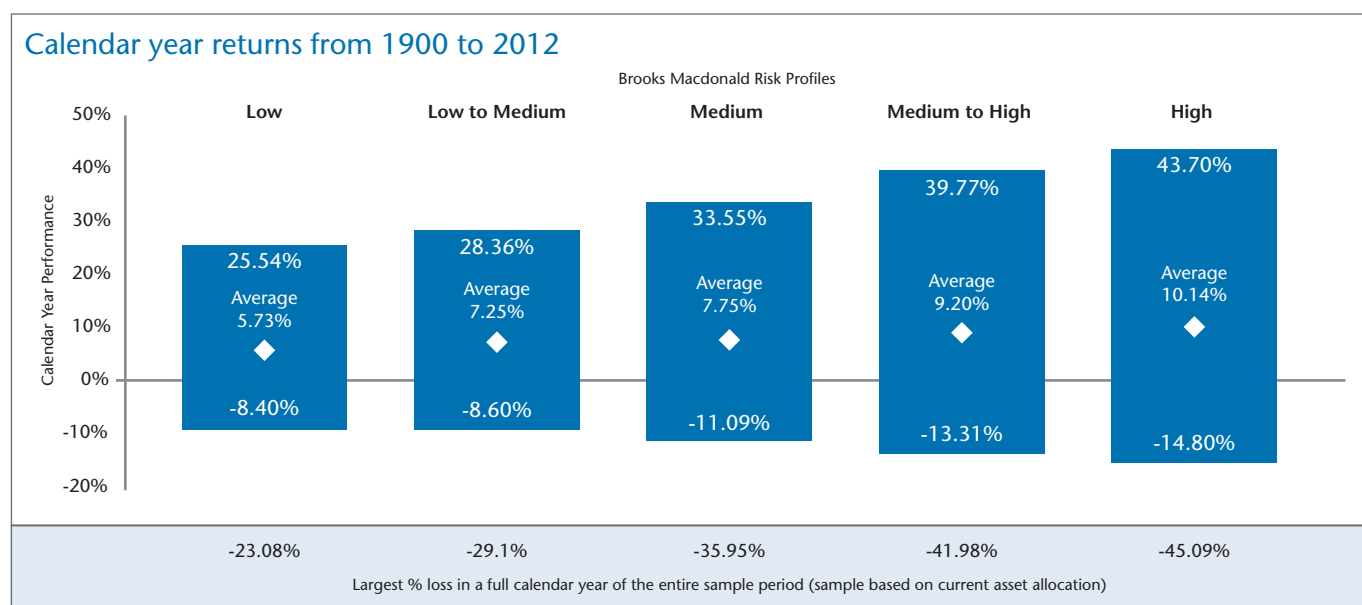
All investments involve a degree of risk. Investments which provide higher returns typically have higher risks. Taking more risks increases both the possibility that you might lose money and the amount of money that you might lose. You should never accept more risk than you are comfortable with.

To determine the level of risk you are prepared to accept you should consider your ability to absorb investment losses. Your Brooks Macdonald Investment Manager will help you to understand how your portfolio might be affected in difficult investment market conditions.

Portfolios managed by Brooks Macdonald may include investments that are not able to be sold immediately for cash (these investments are known as illiquid). Owning illiquid investments may increase the risk in your portfolio. The higher the Risk Profile of any given portfolio, the greater the likelihood that it will contain some illiquid investments.

The chart below is designed to help you choose your Risk Profile. The chart records the range of investment outcomes over a calendar year of the five Risk Profiles we offer.

We have used the Barclays Equity Gilt Study (an authoritative survey of annual investment returns going back to 1900) to estimate how each Risk Profile would have performed over each calendar year if the asset allocation was unchanged throughout the period 1900 to 2012. We excluded the most extreme annual investment gains and losses to avoid distorting the results. Please refer to the Client Investing Guide for more information as to how we calculated the results.



For each risk level, the bars in the chart reflect the largest annual gain and the largest annual loss that a portfolio would have achieved, with the most extreme gains and losses excluded. On this basis, for Medium Risk we estimate that the largest gain would have been 33.55% and the largest loss -11.09%. If the extreme gains and losses are included we estimate that the largest loss for Medium Risk is -35.95%.

The chart also records the estimated average annual investment return each risk level would have achieved using the full data sample. For example, it shows that the average annual investment return for a Medium Risk portfolio is 7.75%.

The sole purpose of the chart is to compare potential investment outcomes to help you to determine your Risk Profile. The figures shown are not an actual record of investment performance, nor are they guarantees about future performance: your investments might perform better than or worse than the estimated investment returns shown.

As the chart shows, investment returns are volatile and therefore we recommend a minimum investment time horizon applicable to the risk of your investment portfolio.

Beneficial owner to complete

Risk Profile

Please indicate the level of risk you have chosen to accept by ticking **one** appropriate box below.

Please refer to the 'Investment Profile' section of the Client Investing Guide for more information about the different types of investments that a Brooks Macdonald portfolio might own.

Please note, if you are a no risk investor, ie someone who is not prepared to risk losing any money then you need to seek advice from a Professional Adviser who is authorised to give financial advice as none of the products and services offered by Brooks Macdonald will be suitable for your needs.

1. Low Risk

- you are a cautious investor seeking to protect your wealth
- you are more interested in avoiding losing money than in maximising potential investment gains
- you are prepared to tolerate small fluctuations in the value of the portfolio in order to achieve greater investment returns than a bank or building society deposit
- equity exposure is likely to range between 0-30%

2. Low/Medium Risk

- you are a conservative investor seeking to maintain your capital
- you are prepared to accept a lower investment return than equity markets over the longer term in exchange for trying to minimise potential losses
- you accept that the portfolio will be subject to fluctuations in value to achieve above inflation investment returns over the longer term
- equity exposure is likely to range from 30-55%

3. Medium Risk

- you aim to achieve a greater investment return from the portfolio
- you are prepared to own a significant proportion of higher risk investments in order to try to produce a higher investment return
- you are prepared to accept that the value of the portfolio may fluctuate significantly in the short term in order to achieve potentially greater investment returns over the longer term
- equity exposure is likely to range between 55-75%

4. Medium/High Risk

- you aim to achieve large investment gains
- you are prepared to own a very significant proportion of higher risk investments in order to try and achieve large investment gains. Most of your portfolio will be invested in risky investments
- you are willing to (and can afford) to sustain significant investment losses over a prolonged period of time in order to achieve better long term investment returns
- equity exposure is likely to range between 75-95%

5. High Risk

- you aim to maximise your investment returns over the long term
- you are prepared to be fully invested in equities or other higher risk investments to achieve the highest possible investment returns
- you are willing to sustain and can afford substantial investment losses over a prolonged period of time

Beneficial owner to complete

Investment profile outcome

The table below records the different possible investment profile outcomes. Please **tick one box** that reflects the Investment Objective and Risk Profile that you have chosen.

Some combinations of risk and objectives are unachievable and are marked 'Not available'.

We recommend a minimum time horizon **in years** for the portfolios we manage. Where your indicated time horizon is less than the minimum indicated, the portfolio may not be suitable for you.

Please speak to your Professional Adviser if your investment profile is not available.

Investment Objective

| | Income | Growth | Income & Growth |
|--------------------|--|--|--|
| No risk | Not available | Not available | Not available |
| Low | <input type="checkbox"/> Time horizon 3yrs + | <input type="checkbox"/> Time horizon 3yrs + | <input type="checkbox"/> Time horizon 3yrs + |
| Low/Medium | <input type="checkbox"/> Time horizon 5yrs + | <input type="checkbox"/> Time horizon 5yrs + | <input type="checkbox"/> Time horizon 5yrs + |
| Medium | <input type="checkbox"/> Time horizon 5yrs + | <input type="checkbox"/> Time horizon 5yrs + | <input type="checkbox"/> Time horizon 5yrs + |
| Medium/High | <input type="checkbox"/> Time horizon 5yrs + | <input type="checkbox"/> Time horizon 5yrs + | <input type="checkbox"/> Time horizon 5yrs + |
| High | <input type="checkbox"/> Time horizon 5yrs + | <input type="checkbox"/> Time horizon 5yrs + | <input type="checkbox"/> Time horizon 5yrs + |

Investment requirements

For our core investment service we utilise a guidance portfolio appropriate to your Risk Profile, the asset class composition of which is determined by our Asset Allocation Committee. Our Investment Managers use the guidance portfolios as a reference point for construction of your investment portfolio. In some instances, your portfolio investment requirements may fall outside the boundaries of our guidance portfolios, however Brooks Macdonald can construct and manage a fully bespoke portfolio especially designed to meet your requirements.

Please record below any specific investment requirements, such as asset classes you wish us to include or to avoid. We will not be able to accept any instructions that are unclear, imprecise, not compatible with your investment profile or that may impair our ability to manage your portfolio according to your investment profile.

In addition, your Professional Adviser will review these requirements to ensure your portfolio is suitable for you.

Your specific investment requirements:

Ethical investments/Investment preferences

Please describe any particular types of investment that you wish to try to avoid. This may be either because you are associated with the company, have a large position in a stock elsewhere or wish to avoid an investment for ethical reasons. We will make our best efforts to avoid such investments, however we cannot guarantee that we will avoid any particular investment types if we purchase collective investments for you.

Please note that selecting an industry sector to avoid is likely to mean you do not benefit from investment growth in that sector.

Your specific investment preferences:

Beneficial owner to complete

Operation of the account

Third party authority

In this section you can authorise another party to view your account(s) online and request information and valuation statements regarding the current value and performance of your account(s). Please note, your Professional Adviser and SIPP provider will automatically be granted access to your account(s).

Authority to another person

Name of other person with authority:

Relationship of other person with authority:
(eg spouse, family member, solicitor, other)

Email address of other person with authority:

 View access

We will require certified copies of two of the items below in order to verify the identity of the authorised person.

These documents should be included when returning this Application Pack to Brooks Macdonald. Please ensure at least one form of ID contains a photograph and a signature and one other states the third party address.

- driving licence (certified copy)
- passport (certified copy)
- national identity card (certified copy)
- a recent utility bill or bank statement (within the last three months)

Original bills and statements will be returned immediately. Where originals are unavailable Brooks Macdonald will require certified copies of original documentation. Please see page 3.

Valuation statements

Clients receive periodic valuations. If you require an additional copy of the valuation statements please tick the box below and give the address to which they should be sent.

Copy of the valuation statements

| | | | |
|---|----------------------|--------------|----------------------|
| Title: | <input type="text"/> | Forename(s): | <input type="text"/> |
| Surname: | <input type="text"/> | | |
| Company name: <i>(if applicable)</i> | <input type="text"/> | | |
| Address: | <input type="text"/> | | |
| | <input type="text"/> | Postcode: | <input type="text"/> |

Circumstances on death

In the event of your death Brooks Macdonald will continue to manage your investments in line with your chosen investment profile until we receive further instructions from the SIPP provider.

Beneficial owner and Professional Adviser to complete

Fees and charges

Brooks Macdonald fees and charges

I/We confirm (by ticking this box) that I am in receipt of the Brooks Macdonald Fee Schedule.

Please do refer to this before completing the below.

The initial fee payable to Brooks Macdonald to set up this account (and for future additions to the account) is £ or % of the total assets invested, plus VAT.

The ongoing annual management charge for this service is % of the total assets under management plus VAT.

Adviser charges

The Professional Adviser should complete the Adviser charges with the Client.

Initial charge: £ / % from the initial investment amount and all future investments.

If VAT is applicable to the initial charge please tick

Ongoing charge: % / £ per annum from the total investments (including any income or new investments) on a continuing basis

If VAT is applicable to the ongoing fee please tick

It is the responsibility of the Adviser to determine whether or not VAT should be applied to any Adviser charge. Brooks Macdonald will not accept any liability arising out of any decision to charge or not to charge VAT on any Adviser charge.

Adviser details

Adviser name:

Adviser firm name:

Address:

Postcode:

Email address:

Declarations and authority

It is important that you understand the BPS, and the Terms and Conditions applicable to the BPS.

Therefore, please read these declarations and consents carefully. They are important and if inaccurate may affect Brooks Macdonald's ability to provide the Service requested or any service at all.

I/We have received (please tick box to confirm receipt of all of the following):

- Brooks Macdonald Terms and Conditions
- Client Investing Guide

I/We acknowledge that:

1. Brooks Macdonald is required to provide the BPS only on and subject to the Terms
2. Brooks Macdonald relies on the information provided in this Application Pack being full and accurate and failure to provide full and accurate information may adversely affect the ability of Brooks Macdonald to perform its Services and may mean that it could cease to provide Services (in whole or part)
3. when Brooks Macdonald is providing the BPS it is not acting as a Tax Adviser, Financial Planner or Pensions Adviser
4. where specific consents in relation to Instructions by Email or Electronic Communication have been given there are risks associated with such means of communication (see section 14.2 of the Terms)
5. there is a right to cancel or withdraw from the Terms in accordance with section 14.8
6. all charges will be paid in accordance with the amounts detailed on page 15

I/We consent to the following:

1. the Order Execution Policy which has been provided as part of the Client Agreement and, in particular, to the explicit disclosure that orders may, in certain circumstances, not be executed other than through a regulated market, exchange or multilateral trading facility
2. my/our Personal Data may be retained and/or processed in accordance with section 14.11 of the Terms

Please check that all required boxes are completed before signing below.

Beneficial owner to sign

Signature: Date: / /

Full name:

SIPP provider to sign

First Trustee

Signature: Date: / /

Full name:

Second Trustee

Signature: Date: / /

Full name:

Professional Adviser to complete

Professional Adviser

Declarations and authority

The Professional Adviser is required, as part of the legal agreement between Brooks Macdonald and the Professional Adviser to confirm (by ticking all boxes) the following:

- I have carried out anti-money laundering identification and verification to the standards required by the Money Laundering Regulations 2007
- I have been appointed by the Client as their Professional Adviser
- I have carried out an assessment of the Suitability of the BPS for the Client in accordance with applicable requirements
- I have discussed the BPS with the Client and advised them based on their Investment Objectives and Risk Profile
- I have full and continuing authority from the Client in respect of any Instructions given by me in the context of my agreement with the Client

Signature:

Date:

Full name:

FCA reference number:

Additional notes

Clients:

Office use only:

Contact us

If you require further details or wish to discuss your portfolio please contact your Investment Manager at Brooks Macdonald.

111 Park Street
Mayfair
London
W1K 7JL
T 020 7499 6424
E info-am@brooksmacdonald.com

2 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EE
T 01892 554 900
E tunbridgewells@brooksmacdonald.com

No 1 Marsden Street
Manchester
M21 HW
T 0161 861 4110
E manchester@brooksmacdonald.com

Blackbrook Gate
Blackbrook Park Avenue
Taunton
TA1 2PX
T 01823 217 084
E taunton@brooksmacdonald.com

The Long Barn
Dean Estate
Wickham Road
Fareham
Hampshire
P017 5BN
T 01329 552 111
E hampshire@brooksmacdonald.com

Howard House
3 St Mary's Court
Blossom Street
York
YO24 1AH
T 01904 234 820
E york@brooksmacdonald.com

10 Melville Crescent
Edinburgh
EH3 7LU
T 0131 240 3900
E edinburgh@brooksmacdonald.com

36 Hamilton Terrace
Leamington Spa
CV32 4LY
T 01926 351 051
E leamingtonspa@brooksmacdonald.com

**Certificate of Foreign Status of Beneficial Owner
 for United States Tax Withholding**

OMB No. 1545-1621

▶ **Section references are to the Internal Revenue Code.** ▶ **See separate instructions.**
 ▶ **Give this form to the withholding agent or payer. Do not send to the IRS.**

Do not use this form for:

- A U.S. citizen or other U.S. person, including a resident alien individual W-9
- A person claiming that income is effectively connected with the conduct of a trade or business in the United States W-8ECI
- A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions) W-8ECI or W-8IMY
- A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions) W-8ECI or W-8EXP

Instead, use Form:

Note: These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.

- A person acting as an intermediary W-8IMY

Note: See instructions for additional exceptions.

Part I Identification of Beneficial Owner (See instructions.)

| | |
|---|---|
| 1 Name of individual or organization that is the beneficial owner | 2 Country of incorporation or organization |
| 3 Type of beneficial owner: <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Disregarded entity <input type="checkbox"/> Partnership <input type="checkbox"/> Simple trust <input type="checkbox"/> Grantor trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Estate <input type="checkbox"/> Government <input type="checkbox"/> International organization <input type="checkbox"/> Central bank of issue <input type="checkbox"/> Tax-exempt organization <input type="checkbox"/> Private foundation | |
| 4 Permanent residence address (street, apt. or suite no., or rural route). Do not use a P.O. box or in-care-of address. | |
| City or town, state or province. Include postal code where appropriate. | Country (do not abbreviate) |
| 5 Mailing address (if different from above) | |
| City or town, state or province. Include postal code where appropriate. | Country (do not abbreviate) |
| 6 U.S. taxpayer identification number, if required (see instructions) <input type="checkbox"/> SSN or ITIN <input type="checkbox"/> EIN | 7 Foreign tax identifying number, if any (optional) |
| 8 Reference number(s) (see instructions) | |

Part II Claim of Tax Treaty Benefits (if applicable)

9 I certify that (check all that apply):

- a The beneficial owner is a resident ofwithin the meaning of the income tax treaty between the United States and that country.
- b If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).
- c The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).
- d The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).
- e The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, \$500,000.

10 Special rates and conditions (if applicable—see instructions): The beneficial owner is claiming the provisions of Articleof the treaty identified on line 9a above to claim a% rate of withholding on (specify type of income):
 Explain the reasons the beneficial owner meets the terms of the treaty article:

Part III Notional Principal Contracts

11 I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- 1 I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates.
 - 2 The beneficial owner is not a U.S. person.
 - 3 The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, **and**
 - 4 For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.
- Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ▶

Signature of beneficial owner (or individual authorized to sign for beneficial owner) Date (MM-DD-YYYY) Capacity in which acting

BROOKS MACDONALD 
Asset Management

Terms and Conditions

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Introduction

Welcome to Brooks Macdonald Asset Management Limited (“**Brooks Macdonald**”). These Terms and Conditions (“**Terms**”) are important because they contain legally binding obligations on you. As a Client you should:

- Read the Terms carefully and retain a copy.
- Understand that you are entering into certain commitments and accepting certain responsibilities.
- Understand the scope of Brooks Macdonald’s services and the fees and costs associated with them.
- Understand the risks associated with investment using the Services selected by you.

If you have any questions relating to Brooks Macdonald, the services offered or the Terms generally you should contact your Professional Adviser or your normal contact at Brooks Macdonald.

Important: Where you have been introduced to Brooks Macdonald by your Professional Adviser you should carefully consider section 4 of these Terms which describes the respective obligations of Brooks Macdonald and your Professional Adviser when providing their respective services to you.

The Terms are divided into three key parts:

- Sections 1 to 4 providing information about Brooks Macdonald, its Services, Professional Adviser services and the important definitions and interpretation to enable you to understand these Terms.
- Sections 5 to 13 providing the terms relating to the nature of the Services and the holding of the Client Portfolio.
- Section 14 providing the terms which apply generally across all of the Services (unless explicitly stated otherwise).

1. About Brooks Macdonald

- 1.1 Brooks Macdonald is authorised and regulated by the Financial Conduct Authority (“FCA”) with firm registration number 184918. The FCA can be contacted at 25 The North Colonnade, Canary Wharf, London, E14 5HS (www.fca.gov.uk and 0845 6061234).
- 1.2 Brooks Macdonald’s registered office is at 111 Park Street, Mayfair, London W1K 7JL. A list of other addresses from which Brooks Macdonald conducts its business is set out in the application pack and at www.brooksmacdonald.com/contact-us.
- 1.3 The Services provided by Brooks Macdonald are set out in sections 8-10 of these Terms. The principal business activities of Brooks Macdonald are discretionary investment management and execution only services for Clients.
- 1.4 The Client Agreement is provided in English and English will be the language of all communications between the Client and Brooks Macdonald.

2. The Client Agreement and commencement of Services

- 2.1 These Terms (including the Schedule) form part of the legally binding obligations between the Client and Brooks Macdonald which also include:
 - (a) The completed Application Pack relevant to the Client;
 - (b) The Fee Schedule detailing fees, charges, costs and expenses for the service;
 - (c) Such other terms and conditions expressly stated to form part of the Client Agreement (for example, bespoke terms or terms specific to tax wrappers or products or Services).

Together the “Client Agreement”.

- 2.2 These Terms come into effect from the date on which Brooks Macdonald commences provision of Services. Clients should be aware that Brooks Macdonald will not be able to commence the provision of Services until such time as a Client Agreement is in place.
- 2.3 Nothing in section 2.2 affects any right of cancellation or withdrawal which may apply to Services provided to the Client (as more particularly described in section 14.8).

3. Understanding these Terms

- 3.1 In these Terms:
 - (a) Unless the context otherwise requires, words importing the singular will include the plural and vice versa and the masculine includes the feminine and neutral;
 - (b) Headings of parts and sections are for ease of reference only and do not affect interpretation;
 - (c) References to statutes, statutory instruments, rules or regulations are to such statutes, statutory instruments, rules or regulations as amended or replaced from time to time;

(d) References to ‘subsidiary’, ‘parent undertaking’ and ‘participating interest’ are to have the same meanings given in section 1159, 1161 and 1162 of the Companies Act 2006.

- 3.2 In these Terms the following words have the following meanings:

“Account” means an account maintained by us in the name of the Client which is used to hold cash and Investments

“Affiliates” means a related person that is a member of the Brooks Macdonald Group

“AIM Service” means the Brooks Macdonald discretionary investment management service under which a portfolio of AIM-listed stocks is constructed and managed for the purposes of providing inheritance tax benefits

“Applicable Law” means those laws, rules and regulations (including the FCA Rules) applicable to Brooks Macdonald in relation to the provision of Services under the Client Agreement

“Application Pack” means the Brooks Macdonald application pack completed by the Client and the Professional Adviser (where applicable) seeking the provision of the Services described in the application pack and these Terms

“Appropriateness” means the regulatory obligation on Brooks Macdonald to assess the appropriateness of financial products or services for Clients when providing Execution-Only Dealing (but which does not apply to any other services)

“Attorney” means a person appointed under a power of attorney

“BPS Portfolio” means a portfolio of Investments offered by Brooks Macdonald through BPS.

“BPS” means the Brooks Macdonald Bespoke Portfolio Service as described in section 9

“Brooks Macdonald” means Brooks Macdonald Asset Management Limited

“Brooks Macdonald Group” means any person or entity being a parent or subsidiary undertaking of Brooks Macdonald, a subsidiary of a parent undertaking or an entity in which such person has a participating interest, each within the meaning of “group” as defined by the FCA Rules

“Client Agreement” means these Terms, the Application Pack, the Fee Schedule and such other terms and conditions expressly stated to form part of the Client Agreement

“Client Bank Account” means a bank account designated as a Brooks Macdonald client bank account used for the deposit of Client cash under the FCA Client Money Rules and separate from Brooks Macdonald cash

“Client Money Rules” means the client money rules set out in the FCA Rules

“Collective Investment Scheme” or **“CIS”** means any collective investment scheme within the meaning of section 235 of FSMA, including unit trusts, open ended investment companies (recognised or established under FSMA (see **“Regulated CIS”**)) and unregulated collective investment schemes (see **“Unregulated CIS”**)

“Conflicts of Interest Policy” means the summary Brooks Macdonald conflicts of interest policy as required by the FCA Rules and as amended from time to time

“Combined Account” means Accounts nominated as combined accounts in the Application Pack

“Custody Services” means the services provided by or through Brooks Macdonald relating to the safekeeping of Investments for Clients

“Derivatives” means futures, options, contracts for differences or other Investments whose value or pricing derives from some other variable

“DPA” means the Data Protection Act 1998

“EEA” means the European Economic Area being the EU plus Iceland, Norway and Liechtenstein

“Electronic Communication” means any form of communication made by digital, text, email, messaging, internet or other technological device capable of making communication electronically

“EU” means the European Union

“Execution-Only Dealing” has the meaning given in section 10

“Fee Schedule” means the fee schedule forming part of the Client Agreement (as amended from time to time in accordance with section 14)

“FSMA” means the Financial Services and Markets Act 2000

“FOS” means the Financial Ombudsman Service

“FCA” means the UK Financial Conduct Authority or any successor body

“FCA Rules” means the FCA Handbook of Rules and Guidance as amended, replaced or supplemented from time to time

“FSCS” means the Financial Services Compensation Scheme

“Instruction” means any communication from the Client giving an instruction, consent or authorisation in relation to the Client Agreement

“Investment Objective” means the Client investment objective where set out in the Application Pack

“Investment” means the investments in relation to which Brooks Macdonald provides its services as described in section 6

“ISA” means an individual savings account within the meaning of the ISA Regulations

“ISA Regulations” means the Individual Savings Account Regulations 1998

“KYC” means ‘know your customer’ information; the basic customer due diligence information and data that financial services companies must gather in order to meet anti-money laundering requirements and to assess the Client’s needs and requirements

“MPS Portfolio” means a pre-determined model portfolio of Investments offered by Brooks Macdonald through MPS and selected by the Client in the Application Pack

“MPS” means the Brooks Macdonald Managed Portfolio Service described in section 8

“Order Execution Policy” means the Brooks Macdonald policy explaining the steps taken to provide best execution in accordance with the FCA Rules

“Packaged Products” means life policies, units in regulated Collective Investment Schemes, interests in investment trust savings schemes and personal pension schemes

“Personal Data” means any personal information relating to a Client within the meaning of the DPA

“Privacy Policy” means the Brooks Macdonald privacy policy as amended from time to time

“Professional Adviser” means a person appointed by the Client to provide the Client with financial planning and advice services

“Professional Client” means a Client categorised as a Professional Client in accordance with section 5

“Regulated CIS” means a CIS established or recognised under FSMA as a regulated CIS

“Retail Client” means any Client other than a Client categorised as a Professional Client

“Retail Investment Product” means a retail investment product as defined in the FCA Rules, including, but not limited to Packaged Products, structured investment products and Collective Investment Schemes

“Risk Profile” means the risk profile of the Client where set out in the Application Pack

“Suitability” means the regulatory obligation to ensure that advice or personal recommendations (including decisions to deal within a discretionary investment management service) are suitable having regard to the Investment Objectives, Risk Profile and circumstances of a Retail Client

“Trustee” means the trustee of a trust

“UK” means the United Kingdom of Great Britain and Northern Ireland

“Unregulated CIS” means any CIS other than a Regulated CIS

“Working Day” means any day excluding weekends and bank holidays when banks are normally open for business in London

4 Relationships with Professional Advisers

- 4.1** Brooks Macdonald accepts Clients introduced to it by Professional Advisers subject to these Terms. Clients should be aware of the respective responsibilities of Professional Advisers and Brooks Macdonald. This section of the Terms describes the role undertaken by each of them.
- 4.2** Where the Client is given general financial planning, advice and recommendations by a Professional Adviser, Brooks Macdonald does not provide such planning, advice or recommendations and has no duty to assess Suitability.
- 4.3** Where MPS is provided to the Client:
- (a) The Professional Adviser is responsible for:
 - (i) collecting any KYC required by Applicable Laws;
 - (ii) determining the Client's Investment Objectives and Risk Profile;
 - (iii) assessing the suitability of MPS for the Client;
 - (iv) advising the Client as to the selection of an MPS Portfolio and assessing the suitability of the chosen MPS Portfolio for the Client; and
 - (v) assessing the Suitability of MPS and the chosen MPS Portfolio for the Client on an ongoing basis and advising the Client accordingly; and
 - (b) Brooks Macdonald is responsible for managing the MPS model portfolio on a discretionary basis in accordance with the stated Investment Objectives and Risk Profile for the MPS portfolio.
- 4.4** Where BPS is provided to the Client:
- (a) Unless section 4.4(b) applies the Professional Adviser is responsible for collecting any KYC required by Applicable Law and Brooks Macdonald may rely on any KYC collected by the Professional Adviser in order to carry out any functions for which it is responsible;
 - (b) If there is no Professional Adviser, or where Brooks Macdonald has agreed with the Professional Adviser, Brooks Macdonald is responsible for collecting any KYC required by Applicable Law;
 - (c) Brooks Macdonald is responsible for creating and managing the BPS Portfolio on a discretionary basis in accordance with the Client's stated Investment Objectives and Risk Profile;
 - (d) Either the Professional Adviser or Brooks Macdonald will be appointed by the Client to carry out the Suitability Functions set out under 4.4(e) below and the party so appointed is responsible for carrying out those functions;
 - (e) In this Section 4.4, "Suitability Functions" means the functions of:
 - (i) assessing the Suitability of BPS for the Client;
 - (ii) advising the Client as to the Suitability of any particular BPS Portfolio (including, but not limited to, Client's Investment Objectives and Risk Profile); and
 - (iii) assessing the Suitability of BPS and the BPS Portfolio for the Client on an ongoing basis and advising the Client accordingly.
- 4.5** Where the AIM Service is provided to the Client:
- (a) The Professional Adviser is responsible for:
 - (i) collecting any KYC required by Applicable Laws;
 - (ii) determining the Client's Investment Objectives and Risk Profile;
 - (iii) assessing the suitability of the AIM Service for the Client;
 - (iv) advising the Client as to the selection of an AIM Portfolio and assessing the suitability of the chosen AIM Portfolio for the Client; and
 - (v) assessing the Suitability of the AIM Service and the chosen AIM Portfolio for the Client on an ongoing basis and advising the Client accordingly.
 - (b) Brooks Macdonald is responsible for managing the AIM portfolio on a discretionary basis in accordance with the stated Investment Objectives and Risk Profile for the Client.
- 4.6** Brooks Macdonald is entitled to rely on the KYC and Investment Objective and Risk Profile information provided by Professional Advisers using Brooks Macdonald documentation. The receipt of such information does not constitute any acceptance of responsibility to review it for any purpose, including for any assessment of Suitability (save where Brooks Macdonald has explicitly agreed to do so in the Client Application Pack).
- 4.7** Notwithstanding that the Client's principal relationship may be with the Professional Adviser, Brooks Macdonald reserves the right to contact the Client for any purposes in connection with the Client Agreement. The Client acknowledges that such contact may be necessary to enable Brooks Macdonald to comply with Applicable Law and to ensure the smooth performance of its obligations under this Agreement. By making contact with the Client, Brooks Macdonald does not accept a transfer of or undertake responsibility for suitability obligations owed by the Professional Adviser.

5 Client categorisation

- 5.1** Brooks Macdonald will provide its Services on the basis that Clients are Retail Clients for the purposes of the FCA Rules. Any different categorisation will be agreed with the Client in writing.
- 5.2** These Terms apply to Retail Clients and Professional Clients. As a Retail Client, all the protections afforded to Retail Clients under the FCA Rules will apply. As a Professional Client those protections do not apply and the differences are described in section 5.4 below.

- 5.3** In certain circumstances Clients may wish to seek in writing a different categorisation. Brooks Macdonald may agree to categorise Professional Clients as Retail Clients. Brooks Macdonald is not obliged to agree to such request and may decline to act. Also, even if Brooks Macdonald agrees to categorise a Client as a Professional Client it may, on its own initiative re-categorise the Professional Client as a Retail Client by notice in writing.
- 5.4** In circumstances where Brooks Macdonald has categorised a Client as a Professional Client these Terms still apply save that:
- (a) Brooks Macdonald's duty of best execution under the FCA Rules is modified as provided for by the FCA Rules such that Brooks Macdonald is entitled to make certain assumptions about the Professional Clients.
 - (b) Where Brooks Macdonald is required by FCA Rules to assess the suitability of an Investment or Service for Professional Clients it will be entitled to assume that the Professional Client has the necessary experience and knowledge to understand the risks involved and Brooks Macdonald is entitled to assume the Professional Client is able to bear any consequences related to them, to the extent permitted by the FCA Rules.
 - (c) Where Brooks Macdonald is required by the FCA Rules to assess the appropriateness of an Investment or Service for the Client it will be entitled to assume that the Professional Client has the necessary experience and knowledge to understand the risks involved.
- 5.5** Please note that where Brooks Macdonald has categorised a person falling within the definition of a Professional Client as a Retail Client this categorisation will not necessarily give such Client protection under the FSCS or access to FOS.
- ## 6 Scope of Brooks Macdonald Services
- 6.1** Brooks Macdonald provides discretionary investment management and execution only services to Clients.
- 6.2** As part of the Services, Brooks Macdonald provides safekeeping, custody and nominee services and Client Bank Accounts for the purpose of facilitating the payment of transaction charges and Professional Adviser charging. Section 6 explains the scope of those related functions.
- 6.3** Brooks Macdonald will deal in the following Investments:
- (a) Shares (equities) in UK or overseas companies;
 - (b) Debentures, loan stock, certificates of deposit, bonds, notes, commercial paper and other government, public or corporate debt securities;
 - (c) Warrants to subscribe for Investments falling under (a) or (b) above;
 - (d) Depository receipts or other types of Investment relating to Investments falling under (a) to (c) above;
 - (e) Regulated CIS and Unregulated CIS in the UK or overseas;
 - (f) Derivatives; and
 - (g) Other Investments following within the definition of 'specified investments' under Schedule 2 Part II of FSMA or similar or related instruments.
- 6.4** The following Investments or Services are not provided by Brooks Macdonald:
- (a) Short selling (sales of investments by a client which are not actually owned by the client);
 - (b) Traded options, writing of options;
 - (c) Commodities;
 - (d) Stop loss or stop market trading;
 - (e) Underwriting;
 - (f) Stock lending; or
 - (g) Insurance mediation activity;
- 6.5** The scope of Services is subject to the Client Agreement, in particular to the selections made by the Client in the Application Pack. Amendments to the scope of Services are subject to section 14.17.
- 6.6** Brooks Macdonald does not advise or hold itself out as advising on the general financial affairs of Clients or on the impact of investment decisions relating to pensions, offshore investments, taxation or other matters relating to the personal circumstances of Clients and does not therefore provide services across all Retail Investment Products. Consequently when providing advice or personal recommendations in the performance of its discretionary investment management services it will do so on a restricted basis.
- 6.7** Where the Client uses MPS or BPS (including the AIM Service or any Client specified discretionary investment management service) Brooks Macdonald may at its sole discretion decide whether or not to exercise voting rights or corporate actions relating to Investments. This may mean that Brooks Macdonald acts in accordance with or against the recommendations of boards or may not vote at all. Brooks Macdonald will seek to act in accordance with the best interests of its Clients when exercising (or not exercising) voting rights or taking up (or not taking up) rights arising on corporate actions.
- 6.8** Where the Client uses the Execution-Only Dealing Service Brooks Macdonald will use reasonable endeavours to provide Clients with information about voting rights or potential corporate actions. Brooks Macdonald will not be bound to exercise either voting rights or corporate actions on behalf of an Execution-Only Dealing Client but will, where Instructions are received in good time, seek to implement the Instructions. Brooks Macdonald may, at its sole discretion, exercise voting rights or corporate actions notwithstanding that it has not received Instructions from an Execution-Only Dealing Client and will seek to act in accordance with the best interests of its Clients.
- 6.9** Clients may access services, other than those described in these Terms, through other entities within the Brooks Macdonald Group. Clients should speak to their Professional Adviser or normal Brooks Macdonald contact. New services will usually require new terms and conditions.

7 Investment Objectives and Risk Profile

- 7.1** Where Clients use Professional Advisers the responsibility for Suitability or Appropriateness is different for MPS and BPS. Please see section 4.
- 7.2** Under MPS the Investment Objectives and Risk Profile of the MPS Portfolios managed by Brooks Macdonald are as described in the Application Pack. The Professional Adviser remains responsible for ongoing assessment of the Client's individual investment objectives and risk profile and for advising the Client of the suitability of the MPS and selected MPS Portfolio(s).
- 7.3** Under BPS either Brooks Macdonald or the Professional Adviser may have accepted the Suitability Functions described in section 4.4. Where the Professional Adviser has accepted the Suitability Functions the extent of Brooks Macdonald's responsibility is to create and manage the Client's BPS Portfolio in accordance with the Client's Investment Objectives and Risk Profile. However, where the Client has appointed Brooks Macdonald to provide the Suitability Functions, Brooks Macdonald will also accept responsibility for assessing the Suitability of BPS and the BPS Portfolio for the Client in accordance with the Investment Objectives and Risk Profile of the Client.
- 7.4** Clients should notify their Professional Adviser or Brooks Macdonald promptly in writing of any material change in their investment objectives, attitude to risk, any individual financial or personal circumstances or knowledge and experience in financial services. Such changes are important and may determine the nature of Services provided to Clients. Failure to provide up to date information may impact on the ability of Brooks Macdonald's Services (or the service of Professional Advisers) to correspond with Client needs.
- 7.5** The impact of events and circumstances outside of Brooks Macdonald's control, including but not limited to the ongoing movements in the markets and fluctuations in the value of Investments, will not automatically be deemed to be a breach of any MPS Portfolio, BPS Portfolio or any other portfolio's investment objectives or risk profile. In the event of unusual market conditions or turmoil, Brooks Macdonald may accept Instructions from the Client (or Professional Adviser) to change the Client's selected Risk Profile, MPS Portfolio or model portfolio. Such Instructions may include changing the Client's Investment Objective and Risk Profile on the Client's Instruction to a lower risk basis. Brooks Macdonald only accepts such Instruction within MPS or BPS on an exceptional basis and treats such Instructions as Execution-Only Instructions. Consequently, Brooks Macdonald will not accept any responsibility for following the Instruction, including loss of opportunity or loss of returns.
- 7.6** Brooks Macdonald will seek to achieve the Investment Objective but there is no guarantee that it will be achieved.

8 Managed Portfolio Service (MPS)

- 8.1** MPS is a service under which Brooks Macdonald manages a range of MPS Portfolios on a discretionary basis to meet a defined Investment Objective and Risk Profile. MPS Clients (in consultation with their Professional Adviser) choose an MPS Portfolio and Investments are made in order to precisely replicate the chosen MPS Portfolio. The MPS Application Pack details the MPS Portfolios available for selection by the Client. The list of available MPS Portfolios may vary from time to time and is available on request from Brooks Macdonald.
- 8.2** MPS offers discretionary investment management over the MPS Portfolios, providing exposure to the Investments referred to in section 6 above.
- 8.3** Subject to section 6 above, MPS Portfolios may cover all major world markets without geographical spread or type of Investment being restricted.
- 8.4** Clients are required to accept the initial composition, investment strategy, risk profile, volatility and characteristics of the MPS Portfolio selected. Where additional investment is made into an MPS Portfolio it will be invested and managed in accordance with the strategy of the relevant MPS Portfolio(s) at the time invested unless otherwise agreed.
- 8.5** Subject only to section 7.5 above, Clients are not permitted to give Instructions to buy, sell or exercise rights in relation to Investments held in the MPS account. If a Client wishes to give Instructions Brooks Macdonald will require a separate Execution-Only Account to be opened by the Client.
- 8.6** Where a Client with a MPS account ceases to have the required Professional Adviser, Brooks Macdonald, at its entire discretion, may cease to provide MPS to the Client with immediate effect. Brooks Macdonald may agree to provide Execution-Only Dealing or BPS or other service to such Clients (subject to completion of the appropriate Application Pack and acceptance as a Client for such Service).

9 Bespoke Portfolio Service (BPS)

- 9.1** BPS is a discretionary investment management service by which Brooks Macdonald manages a bespoke range of Investments. The BPS Application Pack details the Investment Objectives and Risk Profiles available for selection by the Client.
- 9.2** Subject to section 6 above, BPS Investments may cover all major world markets without geographical spread or type of Investment being restricted.
- 9.3** Clients are required to accept the initial composition, investment strategy, risk profile, volatility and characteristics of the BPS Portfolio selected. Where additional investment is made into the BPS Portfolio it will be invested and managed in accordance with the strategy of the relevant BPS Portfolio at the time invested unless otherwise agreed.

- 9.4** Subject only to section 7.5 above, Clients are not permitted to give Instructions to buy, sell or exercise rights in relation to Investments held in the BPS. If a Client wishes to give Instructions Brooks Macdonald will require a separate Execution-Only Account to be opened by the Client.
- 9.5** In the event that a Client requests a portfolio service or service level not ordinarily available within the BPS, Brooks Macdonald may agree to provide a different portfolio service or service level within the BPS. In all such cases, Brooks Macdonald will accept responsibility for the suitability of the resulting Client Portfolio to the Client's Investment Objectives and Risk Profile and will agree to construct and manage the specified Client Portfolio accordingly. Further, if the Client requires that Brooks Macdonald does not exercise discretion over a part or the whole of the Investments in such a separate Account Brooks Macdonald reserves the right to open a separate Execution-Only Account in respect of such Investments.
- 9.6** Where the Client has selected the AIM Service a separate Client Account will be opened.

10 Execution – Only Dealing Services

- 10.1** Where Brooks Macdonald provides Execution-Only Dealing it will, subject to these Terms, follow Client Instructions and carry out transactions in Investments on behalf of the Client.
- 10.2** Clients are responsible for the suitability of investment selection for Execution-Only Dealing. Where a Retail Client provides an Instruction to deal in Investments on an execution only basis in respect of non-complex instruments (for example shares traded on a regulated market such as the London Stock Exchange, Gilts, Corporate Bonds and Regulated CIS) Brooks Macdonald will not provide any advice as to the suitability or appropriateness of such Instruction or whether a transaction is generally a good idea for the Client. Clients are responsible for assessing the suitability and/or appropriateness of such transactions.
- 10.3** Where a Client gives an Instruction in relation to complex investments (for example, Derivatives or warrants) Brooks Macdonald will owe a duty to assess the appropriateness of the Instruction by reference to the experience, knowledge and understanding of the Client. The duty to assess appropriateness under the FCA Rules means that Brooks Macdonald may, if it considers that information held about the Client suggests that an execution only transaction is not appropriate for the Client, provide a warning to the Client. If the Client wishes to proceed notwithstanding that warning Brooks Macdonald may do so but the Client will remain wholly responsible for the Instruction and resulting transaction.
- 10.4** Brooks Macdonald will not provide Execution-Only Dealing within a discretionary investment management service, MPS or BPS. Instructions given by Clients within a discretionary investment management service may be accepted by Brooks Macdonald subject to an Execution-Only Dealing Account having been established for the Client. Brooks Macdonald is not responsible for the effects of any delay while Brooks Macdonald considers a request for an Execution-Only Dealing Account to be established.

11 Dealing

- 11.1** Subject to these Terms, Brooks Macdonald will carry out transactions in Investments on such terms as it thinks fit and in accordance with market practice. Brooks Macdonald may carry out transactions with or through third parties, including Affiliates, and may:
- (a) Be required to give representations and warranties to counterparties and exchanges on behalf of the Client.
 - (b) Enter into such terms and conditions, agreements, arrangements or other documentation as it thinks fit which may be legally binding on the Client.
 - (c) Take such steps as deemed necessary or desirable in order to carry out transactions and facilitate the settlement of transactions in accordance with good market practice.
- 11.2** Brooks Macdonald will use reasonable steps to achieve the best possible result when carrying out transactions for Clients.
- 11.3** When deciding where to execute transactions, the factors Brooks Macdonald will take into account include:
- (a) Price at which the Investment can be bought or sold;
 - (b) Timeliness of execution;
 - (c) Certainty that execution can be effected;
 - (d) Overall cost of execution.
- 11.4** Brooks Macdonald carries out Client Instructions to deal (and effects decisions to deal made by it when providing discretionary investment management services) through intermediaries including retail service providers, market makers, direct market access and through other counterparties. Brooks Macdonald will use reasonable endeavours to regularly monitor and assess the ability of intermediaries to provide Clients with best execution.
- 11.5** As part of its approach to achieving the best possible result for the Client, Brooks Macdonald may execute transactions in Investments outside of a regulated market or a multi-lateral trading facility where it thinks fit.
- 11.6** A summary of the Brooks Macdonald Order Execution Policy is part of the Application Pack and Clients are required to consent to it when completing the Application Pack. Brooks Macdonald reviews its Order Execution Policy at least annually and Clients should review the latest version on the Brooks Macdonald website or ask for a copy.

- 11.7** Clients may give Instructions as to the venue for execution of an order. The Client will be solely responsible for the choice of execution venue in such case.
- 11.8** In certain circumstances, where Brooks Macdonald reasonably considers that it is likely to operate in the best interests of Clients, orders and decisions to deal in Investments may be aggregated. Brooks Macdonald will only aggregate transactions in accordance with the FCA Rules. It is possible that aggregation may work to the advantage or disadvantage of the Client in certain circumstances.
- 11.9** Brooks Macdonald does not offer a foreign exchange dealing service. Where payments are requested in a currency other than the currency in which the Client Portfolio is held it may be necessary to carry out a foreign exchange transaction. Foreign exchange rates vary and may affect the outcome of transactions to a significant extent (both in favour of and to the detriment of the Client).

12 Settlement and custody of Client assets

12.1 Dealing with Client Assets

Brooks Macdonald provides settlement, safekeeping and custody and nominee services in respect of Investments. These services are either provided by Brooks Macdonald or by third parties. This section explains the manner in which transactions are executed, settled and held in custody for Clients and also the way in which client money is held in accordance with the FCA Rules. Where Brooks Macdonald provides these services it will arrange for the registration and safekeeping of Investments in accordance with the FCA Rules.

12.2 Settlement

- (a) Brooks Macdonald will arrange for the settlement of transactions undertaken in relation to Client Portfolios provided that it holds or receives all necessary documents or funds on the basis of standard market practice for the type of Investment and markets concerned. Delivery or payment by the other party to any such transaction will be at the Client's risk and Brooks Macdonald's obligation to account to Clients for any proceeds of sale of any Investment is conditional on receipt of the relevant documents or sales proceeds as applicable.
- (b) Brooks Macdonald may operate a settlement system under which the Client Portfolio is debited with the purchase cost or credited with the proceeds of sale on the usual settlement days for the relevant market, conditional upon settlement ultimately being effected on that market. If settlement is effected other than at these times the Client's Portfolio may benefit or may lose out. Brooks Macdonald may cancel any debit or credit attributed to a Client Portfolio at any time before actual settlement. By way of confirmation, Clients should not rely on debits or credits arriving on an assumed date under the procedure described above until actual settlement has taken place.

- (c) If Brooks Macdonald becomes aware of settlement failure or receives an error notice (for example, where settlement has not occurred because amounts remain unpaid or an operational error has occurred) Brooks Macdonald may reverse entries or correct errors made in any documents or on any systems.

12.3 Registration of Investments

- (a) Investments, if held in registerable form, will be registered, either in the name of the Client or Brooks Macdonald Nominees Limited, or a third party nominee company as permitted by the FCA Rules.
- (b) Investments in Client Portfolios will normally be registered or otherwise recorded in the name of a nominee company of a type permitted by the FCA Rules. Brooks Macdonald Nominees Limited is wholly owned by Brooks Macdonald Asset Management Limited and third party nominees are normally owned by third party custodians. Please see section 12.3(i) which explains Brooks Macdonald's responsibilities in relation to third party custody and nominees.
- (c) In some circumstances it may be appropriate for Investments to be registered or recorded in Brooks Macdonald's own name or in the name of a custodian of a type permitted by the FCA Rules (which may include members of the Brooks Macdonald Group). This may occur where Investments are overseas Investments and Brooks Macdonald has taken reasonable steps to assess whether it is in the Client's best interests to hold them in this way or it is not feasible to do otherwise due to Applicable Law or market practice in the relevant jurisdiction.
- (d) In certain jurisdictions Applicable Law may mean that it is not possible for investments held by a third party custodian to be held in a manner separately identifiable from the assets belonging to that third party custodian or to Brooks Macdonald. In the event of the insolvency or default of such a third party custodian if there is a shortfall in assets available to settle claims not all of the assets belonging to the Client may be recovered.
- (e) Brooks Macdonald will normally only deposit assets with custodians in countries outside the EEA which do not regulate the safekeeping and custody of Investments where the nature of the Investments or Services connected with them requires them to be deposited with a third party in that country.
- (f) The Investments belonging to Clients which are held overseas may in any event be subject to settlement, legal and regulatory requirements together with different market practices for the separate identification of those Investments to those applying in the UK and the Client's rights in relation to them may therefore differ. Where Investments are held outside of the UK Client's rights in the event of a default or insolvency are likely to be different and in certain circumstances may be less than they would be had the Investments been held in the UK.

- (g) Where Investments belonging to Clients are held in the same name as Brooks Macdonald's own assets, Brooks Macdonald will ensure that such Investments are separately identified in its records from assets belonging to it.
- (h) Where Investments belonging to a Client are registered in the name of Brooks Macdonald, a third party custodian or nominee they may be held together with those of other Clients in an omnibus account or otherwise pooled. This means that Clients' individual entitlements to such Investments may not be identifiable by separate certificates, physical documents of title or equivalent records. In the event of a default or insolvency of the custodian, any shortfall may be shared pro rata among all Clients whose investments are registered in this way. This may mean that Brooks Macdonald may return certificates or other evidence of title to the Client which are not the same certificates or evidence of title which were originally deposited by the Client. A further effect of pooling is Clients' entitlements to shares under the benefits arising from corporate actions will be distributed on a pro rata basis or otherwise as Brooks Macdonald in its absolute discretion thinks fit.
- (i) Where Brooks Macdonald appoints a custodian it will undertake an appropriate risk assessment and will exercise all due skill care and diligence in the selection, appointment and periodic review of the custodian. Brooks Macdonald will not be responsible for the acts, omissions, default or insolvency of a custodian (or its nominee) except where such a default is caused by negligence, fraud or wilful default on the part of Brooks Macdonald or of a nominee company wholly owned by Brooks Macdonald. Brooks Macdonald will seek to ensure that adequate arrangements are made to safeguard Investments, particularly in the event of an insolvency but Clients should be aware that Investments may be at risk if the custodian becomes insolvent.
- (j) In the event that a loss is suffered by Clients as a result of assets being held with Brooks Macdonald due to custodian failure and where we are not able to make good any loss caused, Clients may be eligible to claim under the FSCS. Details of the FSCS protection available are set out in section 14.13.
- (k) In the event that the Client instructs Brooks Macdonald to use a particular custodian or nominee for the safekeeping of Investments the Client's decision to do so is entirely at the Client's own risk.

12.4 Documents of title

Documents of title to Investments held in the Client Portfolio will be held by Brooks Macdonald as custodian for Clients or otherwise in accordance with Instructions. Brooks Macdonald will ensure that, where Investments are held in uncertificated form or are transferable by book entry, evidence of title will be recorded so that Investments belonging to the Client are separately identifiable from Investments held for the Brooks Macdonald Group.

12.5 Collection of income

- (a) Brooks Macdonald will be responsible for collection of income. Brooks Macdonald will be responsible for claiming and receiving dividends, interest payments and other entitlements in respect of Investments within Client Portfolios where it provides custody services.
- (b) Brooks Macdonald will arrange for the crediting of Client Portfolios as follows:
 - (i) In respect of dividends and distributions on UK Investments, not later than the date of receipt of cleared funds;
 - (ii) In respect of dividends and distributions on non-UK Investments, on the date when notification of receipt by the custodian is provided to Brooks Macdonald or, if later after receipt of funds following any necessary currency conversion (which will be carried out promptly);
 - (iii) In respect of all other income on the date of receipt of cleared funds.
- (c) Brooks Macdonald will follow the Instructions of the Client as set out in the Application Pack as to how income is to be distributed or re-invested.

12.6 Liens and security interests

- (a) Brooks Macdonald is entitled to an express lien, power of sale and right of set off over Client Investments, cash or other property in respect of properly incurred charges and liabilities arising from the provision of the Services (including Custody Services). Brooks Macdonald may exercise such rights in such manner as it thinks fit, including by consolidating Accounts belonging to the Client.
- (b) The Client hereby charges by way of first fixed charge and with full title guarantee, the grant of a pledge over and a general lien and right of set off over all Investments, Accounts and assets held by Brooks Macdonald on behalf of the Client (or by custodians and nominees appointed by Brooks Macdonald pursuant to these Terms) as continuing security for the performance of the Client's obligations under these Terms and the charges and liabilities properly arising from the provision of the Services (including Custody Services) under these Terms.
- (c) If Brooks Macdonald is required to exercise its rights under this section it will seek to provide notice but may do so immediately and without notice where it considers appropriate.
- (d) Clients are responsible for meeting the costs associated with exercising any of the rights or powers reserved to Brooks Macdonald under this section (which may include the costs of realising assets and legal costs associated with enforcing the security).

- (e) The proceeds of sale of assets will be applied towards the discharge of any liabilities owed to Brooks Macdonald (including the costs associated with such sale) and the Client will remain liable for any outstanding amounts owed.
- (f) Where any of the rights in this section are exercised, Brooks Macdonald will not be liable for the decisions as to which Investments or assets it realises in order to meet the Client's liabilities, nor is Brooks Macdonald responsible for any legal, tax or other consequences for the Client.

13 Individual savings account (ISA)

- 13.1** The following Terms apply to Clients holding Investments in a Brooks Macdonald ISA.
- 13.2** Brooks Macdonald is approved by HMRC as an ISA Manager and will manage any ISA in accordance with the ISA Regulations. Brooks Macdonald may delegate any of its functions or responsibilities under these Terms to other parties but will only do so after satisfying itself of their competence.
- 13.3** Brooks Macdonald only offers the stocks and shares ISA. To open an ISA, Brooks Macdonald requires actual receipt of a signed and completed ISA application form, together with a personal cheque made payable to BMAM Re: Client name, or a request to transfer the funds from an Individual account can be made. Clients must not exceed the subscription limits set by HMRC from time to time.

ISAs must remain in the beneficial ownership of the Client and must not be used as security for a loan. The title to the Investments within the ISA will be held in the name of a nominee in accordance with section 12.3 of these Terms.
- 13.4** The ISA Regulations specify the type of Investments which may be held within an ISA. If a previously qualifying Investment should no longer qualify, Brooks Macdonald will propose selling the Investment and reinvesting proceeds in the ISA, or transferring it out of the ISA. For example, warrants arising other than through an investment trust public offer for sale may not be held in an ISA and they will be sold and the proceeds retained pending reinvestment in an eligible Investment.
- 13.5** Please note where interest is earned on uninvested cash in the Brooks Macdonald ISA this will be subject to a flat rate charge (currently 20%) which is paid to HMRC.
- 13.6** Brooks Macdonald does not currently charge for withdrawals from the Brooks Macdonald ISA. However, Brooks Macdonald reserves the right to do so in the future by amendment to the Fee Schedule.
- 13.7** Brooks Macdonald will arrange, on request, for Clients to receive a copy of the annual report and accounts issued by every company or other concern in respect of which shares, securities or units are held directly in the Brooks Macdonald ISA. Brooks Macdonald reserves the right to make a charge for issuing such documents. Brooks Macdonald has an obligation to arrange, if requested, for Clients to be able:

- (a) to attend shareholders, securities holders or unit holders' meetings;
- (b) to vote; and
- (c) to receive in addition, to the annual report and accounts any other information issued to shareholders, securities holders or unit holders.

Any election made under this section must be made in writing to Brooks Macdonald.

- 13.8** In respect of the Brooks Macdonald ISA only, Brooks Macdonald will make claims, conduct appeals and reach agreement on behalf of Clients for tax reliefs. Please note Brooks Macdonald will not reclaim any overseas tax deducted on non-UK qualifying investments that may be held in the Brooks Macdonald ISA from time to time. Brooks Macdonald will advise on the amount of cash held pending reinvestment. Brooks Macdonald will also inform the Client if the Brooks Macdonald ISA becomes void through any failure to meet ISA Regulations. Please note Brooks Macdonald reserves the right to make a charge for the work involved in voiding an ISA unless the ISA has become void by reason of Brooks Macdonald having failed to perform its obligations under these Terms.
- 13.9** The management of the Brooks Macdonald ISA will be subject to the rules and regulations of HMRC. In the event that any of these Terms are inconsistent with the ISA Regulations the latter shall prevail. If necessary, these Terms may be amended without notice to comply with ISA Regulations.
- 13.10** The Client may instruct Brooks Macdonald to transfer an ISA, or part of such an arrangement, to another plan manager. On Client Instructions all or part of the Investments held in the ISA and proceeds arising from those Investments will be transferred or paid to the Client, subject to any charges levied in accordance with these Terms.
- 13.11** If the Client requests to transfer the Brooks Macdonald ISA to another plan manager willing to accept the transfer, Brooks Macdonald will usually complete the transfer within 30 days of receiving written instructions.
- 13.12** Brooks Macdonald makes no extra charge when receiving plans from other plan managers, but reserves the right to do so in future by amending the Fee Schedule in accordance with section 14.17.
- 13.13** ISAs automatically terminate on the death of the Client. Any tax claimed back from a dividend received after that date must be repaid. ISAs will be valued for probate as at the date of death, and dealt with as instructed by the executors. The Account will continue to be managed in accordance with the Terms and subject to section 14. 16.

13.14 Where a Client opens an ISA Account with Brooks Macdonald as a result of a face to face meeting, a right to withdraw may apply for a period of up to 7 days from the day on which Brooks Macdonald receives the ISA application. Where a right to withdraw applies, Brooks Macdonald will normally only commence your ISA on the expiry of the withdrawal period. Rights to withdraw cannot be waived by Clients. A Client wishing to exercise a right to withdraw is required to provide Instructions to Brooks Macdonald before the end of the 7 day period.

14 General Terms and Conditions

14.1 Instructions

- (a) Clients may give Instructions by the following methods:
 - (i) Orally (face to face) or by telephone to Brooks Macdonald;
 - (ii) Electronic Communications to Brooks Macdonald email addresses;
 - (iii) In writing to Brooks Macdonald, 111 Park Street, Mayfair, London W1K 7JL or to the relevant Brooks Macdonald office at which the Account is normally serviced.
- (b) Where Clients have authorised Professional Advisers to provide Instructions on behalf of the Client, Brooks Macdonald will accept Instructions from Professional Advisers through the same methods.

14.2 Limitation on instructions

Instructions provided by the methods set out in section 14.1 above are subject to the following important limitations and conditions. Clients should consider them carefully:

- (a) Instructions to make a payment or transfer of cash or Investments to third parties require Brooks Macdonald's prior confirmation in writing (except that Instructions to transfer between Accounts belonging to spouses may be given by email where explicitly confirmed by the Client in the Application Pack).
- (b) Instructions by telephone will not be accepted other than on Brooks Macdonald telephone lines. Clients are not permitted to give Instructions by calling mobile phone lines.
- (c) Brooks Macdonald will act on Instructions received between 8.30am and 5.30pm on a Working Day as soon as practicable that Working Day. Where Instructions are received outside of these hours Brooks Macdonald will act on them as soon as practicable during the next Working Day.
- (d) The Client accepts and acknowledges that Electronic Communications are at risk of interruption and/or delay and that Electronic Communication should not be regarded as a secure method of delivery.

- (e) Where Instructions given orally or by Electronic Communication are directed at a specific person and that person is not present to receive them there may be a delay in acting on such Instructions until actual receipt by such person.
- (f) Brooks Macdonald may make a request for an Instruction provided by one of the methods above to be provided by another method (usually in writing), in which case, such Instruction is only valid when provided in accordance with that request.

14.3 Verification of Instructions

Where Brooks Macdonald receives and acts on Instructions it does so in the reasonable belief that such Instructions come from the Client or such other person as is authorised to provide Instructions. Brooks Macdonald will not undertake any verification of the provider of Instructions (unless a verification procedure, such as password or security check has been expressly agreed in advance with the Client) but will act reasonably and in good faith at all times.

14.4 Acting on Instructions

Brooks Macdonald will normally acknowledge Instructions by acting upon them. Brooks Macdonald is not obliged to act on Instructions in the following circumstances:

- (a) If Brooks Macdonald suspects that an Instruction has not been given by the Client or some other person authorised to act on behalf of the Client or Brooks Macdonald has some other doubts or concerns as to the veracity of Instructions pursuant to section 14.3(a);
- (b) If it reasonably believes that doing so could constitute a breach of Applicable Law;
- (c) Where the Instruction is unclear or incomplete or otherwise incapable of being acted upon;
- (d) Where there is a risk that acting upon such Instructions could cause Brooks Macdonald to breach an obligation under the Client Agreement or otherwise cause loss or damage to Brooks Macdonald.

14.5 Communicating with Brooks Macdonald

- (a) For normal communications other than Instructions, Clients should contact their Professional Adviser or their normal contact at the relevant Brooks Macdonald office.
- (b) Brooks Macdonald will communicate with Clients (or the Client's Professional Adviser) using the contact details provided by the Client in the Application Pack by Electronic Communication, fax, telephone or face to face unless the Client and Brooks Macdonald expressly agree in writing that some other method of communication will apply.

14.6 Conflicts and Material Interests

- (a) The Brooks Macdonald Group provides a range of financial services and it is possible that Affiliates may at times have interests which conflict with Clients. Notwithstanding this, Brooks Macdonald has in place a Conflicts of Interest Policy and conflict identification and management procedures in order to seek to ensure that Clients are treated fairly. The Conflicts of Interest Policy is a summary of these policies and procedures and forms part of the Client Agreement.
- (b) The Conflicts of Interest Policy is an important disclosure and is kept under regular review. For this reason it is set out in a separate document which forms part of the Client Agreement. Clients are required to confirm receipt of the Conflicts of Interest Policy in the Application Pack. Clients can ask for a new copy at any time or access the Conflicts of Interest Policy through www.brooksmacdonald.com.

14.7 Reporting to Clients

- (a) Where Clients use MPS and BPS (including the AIM Service and any Client specified discretionary investment management service) Brooks Macdonald will:
 - (i) Provide the Client with periodic reports on the Client Portfolio. Such periodic statements will be provided on a quarterly basis for the BPS and on a six monthly basis for the MPS. Periodic reports will detail the value of the Client Portfolio, any holdings of Investments or cash and the transactions in Investments over the relevant quarterly period;
 - (ii) Not be obliged to provide the Client with confirmations on the execution of each order in the Client Portfolio. Brooks Macdonald may agree with a Client to provide confirmations meeting the FCA Rule content requirements.
- (b) Where Clients use the Execution-Only Dealing Service, Brooks Macdonald will provide a confirmation in accordance with the FCA Rules in respect of every transaction in Investments.
- (c) Clients should check periodic reports and confirmations carefully and notify Brooks Macdonald promptly if there is any inaccuracy.

14.8 Rights to Cancel

- (a) This Client Agreement is subject to a right to cancel within 14 days of the date on which it becomes effective. Cancellation rights can be exercised without penalty by the Client by providing written notice to Brooks Macdonald prior to the end of the right to cancel.

- (b) The exercise of cancellation rights will not affect transactions or Instructions which have been provided prior to an effective notice of cancellation being received by Brooks Macdonald. Brooks Macdonald will be entitled to all the benefits of the Terms including accrued rights to fees, charges costs and expenses.
- (c) In the event that the Client has given Instructions or the Client Portfolio has been subject to market movements for any period prior to the effective notice of cancellation, the Client may be subject to losses arising between the effective date of commencement of the Client Agreement and the effective date of cancellation. The Client will be responsible for these losses.
- (d) If Retail Investment Products are purchased by Execution-Only Dealing, such Investments may attract their own specific cancellation rights or rights to withdraw. Clients using the Execution-Only Dealing Service should seek confirmation from the relevant product provider and Brooks Macdonald will seek to assist on request.
- (e) ISA Accounts opened on a face to face basis may benefit from a right to withdraw and this is explained in section 13.14.

14.9 Fees, Charges and Interest

- (a) Brooks Macdonald's standard fees, charges and expenses are set out in the Fee Schedule, a copy of which is provided with the Client Agreement. If no copy is received Clients should request a further copy.
- (b) Brooks Macdonald may amend the Fee Schedule from time to time in accordance with the notice provisions set out in section 14.17.
- (c) Fees, charges and expenses differ depending on the Service selected.
- (d) Brooks Macdonald will facilitate the payment of Professional Adviser's fees, costs and expenses where expressly agreed to by the Client in the Application Pack. The Client authorises the deduction of Professional Adviser fees, costs and charges on the basis set out in the Application Pack. Brooks Macdonald does not set Professional Adviser fees, costs and charges.
- (e) From time to time, Brooks Macdonald may receive non-monetary benefits from brokers and suppliers which may assist it to provide the Services. Brooks Macdonald reserves the right to receive such non-monetary benefits where it reasonably believes that doing so will not impact on its obligations to the Client under these Terms under the FCA Rules.

- (f) Other services may be chargeable in accordance with the Fee Schedule. Clients are requested to seek clarification in the event of any doubt as to applicable fees, charges and expenses.
- (g) Brooks Macdonald charges fees on the basis described below:
 - (i) For MPS, fees are charged quarterly. Brooks Macdonald will calculate the amount due by taking the total assets under management at the end of the relevant quarter multiplied by the annual percentage charge. That figure will then be divided by the number of days in the relevant quarter as a percentage of the number of days in the calendar year, to represent the quarterly fee charging structure. This calculation will be carried out for each quarter.
 - (ii) For BPS, fees are charged quarterly. Brooks Macdonald will calculate the amount due by taking the total assets under management at the end of the relevant quarter multiplied by the annual percentage charge. That figure will then be divided by the number of days in the relevant quarter as a percentage of the number of days in the calendar year, to represent the quarterly fee charging structure. This calculation will be carried out for each quarter. In addition, transaction based charges apply to dealing in Investments within the BPS Portfolio as described in the Fee Schedule.
 - (iii) For Execution-Only Dealing, transactions on the basis set out in the Fee Schedule, being either fee based or transaction based charges.
- (h) Fees will become due and payable as follows:
 - (i) Late payment of fees, charges or expenses due to Brooks Macdonald will attract interest charges at a daily rate of 2% above the base lending rate of The Bank of England.
 - (ii) The Client acknowledges that Brooks Macdonald will be entitled to deduct cash from the Client's Account in consideration of fees which are due to Brooks Macdonald and the Professional Adviser (if applicable). Where the Client's Account does not hold sufficient cash to pay fees, Brooks Macdonald will be entitled to sell Investments to the extent necessary to cover outstanding amounts due.
 - (iii) Where Client Money is held in a Client Money Bank Account and interest is received on such money, Brooks Macdonald will pay interest on the balance to the Client's Account. Any interest exceeding £10 will be credited to your Account quarterly. Rates of interest paid can be confirmed on request. Uninvested money (which may include cash pending investment and other money not immediately required for settlement) may attract interest at different rates depending on the Service. Interest rates payable on Accounts may be below interest rates which Clients may be able to achieve in deposit accounts and below the Bank of England base rate then in force.

14.10 Client obligations and responsibilities

- (a) As the Client will be legally bound by the terms in this Client Agreement, it is important on entering into the Client Agreement and on a continuing basis that Clients undertake that:
 - (i) They have the required power, authority and ability to enter into the Client Agreement and perform the obligations contained in it;
 - (ii) The Services are services which the Client is willing and able to retain;
 - (iii) All information provided in the Client Agreement and as part of the application process is true and accurate.
- (b) Any Investments transferred to the Account(s) will be free and clear of charges and encumbrances.
- (c) Any changes to information provided or the circumstances (including financial circumstances, investment objectives or attitude to risk) will be promptly notified to Brooks Macdonald.
- (d) Where the Clients provide Instructions pursuant to these Terms and otherwise in respect of the ongoing performance of the Client Agreement, the Client undertakes that:
 - (i) (save in respect of Trustees or Attorneys) Instructions are provided as principal and not as trustee or agent;
 - (ii) No charge or other encumbrance over Investments or Accounts exists or will be created (unless expressly agreed in writing to the contrary);
 - (iii) The giving of Instructions will comply with Applicable Law and these Terms.
- (e) Where the Client is a Trustee or Attorney, the Client further undertakes that:
 - (i) The relevant trust or other document under which the Client enters into the Client Agreement expressly permits the appointment of a provider of the Services;
 - (ii) There is no restriction on the scope of the Services, investment objectives, risk profile, jurisdiction of Investments, nature of issuer of securities or any other restriction which would prevent the exercise of full discretionary authority or otherwise restrict the scope of the Services provided by Brooks Macdonald;
 - (iii) The investment objectives and restrictions contained in the Client Agreement are within the authority of the Trustee or Attorney under the relevant trust or authority;
 - (iv) The Client has full power and authority to deal with the Investments as if the Client were the beneficial owner of the Investments and Brooks Macdonald is entitled to treat Instructions from the Client as if that were the case.

14.11 Confidentiality and Data Protection

- (a) Brooks Macdonald will maintain Client related confidential information in a confidential manner. In the performance of its Services under the Client Agreement, Brooks Macdonald may be required or deem it necessary to disclose information relating to the Client where:
 - (i) Required to do so by the FCA or any relevant regulatory authority where they are entitled to require disclosure;
 - (ii) Required to do so in order to meet Applicable Law, the order of a Court or market rules and codes of practice applicable to the circumstances at the time;
 - (iii) Deemed necessary in order to inform employees (or the employees of agents of delegates appointed under these Terms) so that they can perform their duties properly;
 - (iv) Where Brooks Macdonald deems it necessary in order to investigate or prevent fraud or activities believed to be illegal or otherwise in breach of Applicable Law;
 - (v) Necessary in order to instruct or retain third parties for the performance of its obligations under these Terms.
- (b) Brooks Macdonald will use Personal Data in accordance with and subject to the DPA. Brooks Macdonald is registered under the DPA and may retain Personal Data gathered from the Client in computer, paper or other filing systems.
- (c) The Client acknowledges and agrees to Brooks Macdonald undertaking credit checks with credit reference agencies and fraud protection services using the Client's Personal Data. The purpose of such use of Personal Data is to protect Brooks Macdonald and Clients should be aware of data being transferred between one or more credit reference agencies. Brooks Macdonald will supply details of such agencies on request.
- (d) In order for Brooks Macdonald to provide the Services, the Client is required to agree that it may hold Personal Data (including Sensitive Personal Data as defined by the DPA) and process it in the manner set out in section 14.11(e) below.
- (e) Information (including Personal Data) may only be disclosed by Brooks Macdonald to third parties where it is necessary to do so in whatever format is considered appropriate by Brooks Macdonald, including, but not limited to:
 - (i) Brokers, dealers, IT providers, services providers and agents providing or maintaining services to Brooks Macdonald;
 - (ii) The FCA and other regulators or governmental bodies with legal rights and powers to require disclosure of information;
 - (iii) Contacting the Client from time to time by post, fax, email or telephone to bring to the Client's attention other products or services provided by Brooks Macdonald which may be of use to the Client.
- (f) Brooks Macdonald will not lend or sell Personal Data.
- (g) Clients may contact Brooks Macdonald at any time to withdraw the consents set out above. Please note that the withdrawal of consent to share information with third party services providers may hamper Brooks Macdonald's ability to perform the Services.
- (h) Clients should be aware that, by entering into these Terms, signing or otherwise consenting to the Client Agreement, the Client is agreeing that Brooks Macdonald may send your information internationally including to countries outside the EEA such as the United States of America. Some of these jurisdictions offer differing levels of protection of personal information, not all of which may be as high as the UK. Brooks Macdonald will seek to ensure that Personal Data and confidential information belonging to or relating to the Client is only used by third parties in accordance with appropriate data protection rules and procedures.
- (i) In accordance with DPA the Client as a data subject is entitled to a copy of the Client Personal Data held by Brooks Macdonald. Brooks Macdonald is entitled to charge a fee of £10 to meet any costs incurred in providing such Client Personal Data.
- (j) If, for any reasons, the Client considers that Personal Data held in relation to the Client is out of date, misleading or inaccurate the Client may request that it be amended or removed.

14.12 Delegation

- (a) Brooks Macdonald may delegate the performance of certain parts of the Services to third parties, including Affiliates.
- (b) Brooks Macdonald will not delegate investment management provided under any of its Services to any third party. If Brooks Macdonald were to propose to delegate investment management (for example, to access overseas investment management expertise for the Client), 30 days' notice would be provided.
- (c) Where delegates are appointed, Brooks Macdonald will use reasonable skill, care and diligence in its selection, use and monitoring of such third parties but such obligation will not give rise to any liability to Brooks Macdonald unless such liability has arisen directly as a result of fraud, negligence or wilful default on the part of Brooks Macdonald. This section does not affect Brooks Macdonald's liability for the acts or omissions of its nominee.

14.13 Complaints and Compensation

- (a) Any complaint relating to the Services or the Client Agreement should be directed to the Compliance Officer, 111 Park Street, Mayfair, London W1K 7JL (0207 499 6424 or via www.brooksmacdonald.com). A written copy of the Brooks Macdonald complaints handling procedures is available on request. If, after Brooks Macdonald has had a reasonable opportunity to deal with a complaint, the Client considers that it has not been dealt with satisfactorily the Client may be entitled to complain directly to FOS. Contact details for FOS are available on request or at www.financial-ombudsman.org.uk.
- (b) The Financial Services Compensation Scheme is applicable to the Services provided by Brooks Macdonald. In the event that Brooks Macdonald is unable to meet its obligations to Clients and is declared to be in default by FSCS, Clients may be able to claim compensation through FSCS up to certain prescribed levels. The FSCS limits are £50,000 per person for investment related claims and £85,000 per person for deposit related claims (in relation to Client Money).
- (c) Further information about FSCS is available on request from Brooks Macdonald or by contacting FSCS (www.fscs.org.uk or 0800 678 1100).
- (d) Brooks Macdonald maintains professional indemnity insurance to reflect the nature and scale of its business in accordance with the FCA Rules.

14.14 Telephone call recording

- (a) In accordance with Applicable Law, Brooks Macdonald records telephone conversations with Clients and Professional Advisers without the use of a warning or warning tone.
- (b) Brooks Macdonald and the Client agree that such recordings and transcripts of recordings may be used for training and quality assessment purposes as well as for evidential purposes in the event of a dispute relating to the Client Agreement or the performance of obligations arising under or in relation to it.

14.15 Joint Accounts, Trust Accounts and Connected Accounts

- (a) Brooks Macdonald offers joint accounts and accounts for trusts. Where there is more than one party to the Client Agreement, the Account is operated on the following basis:
 - (i) Each Account holder is jointly and severally liable, meaning that the actions of one Account holder will impact all Account holders as all Account holders are deemed equally entitled to assets and responsible for liabilities. If one Account holder were to default on its obligations in any respect Brooks Macdonald is entitled to look to any other Account holder(s) for the same liability in full;

- (ii) Any Account holder can give Brooks Macdonald instructions (without Brooks Macdonald needing to verify the instructions with the other Account holder(s)). Such instructions may include instructions to deal, transfer money or Investments, give notices, make requests or acknowledge receipts or do any other thing in relation to the Account or the performance of the Client Agreement;
- (iii) If Brooks Macdonald is aware of an actual or potential dispute between Account holders it may request the instructions of all Account holders;
- (iv) If an Account holder dies the Client Agreement remains in force and Brooks Macdonald will continue to treat the surviving Account holder(s) as the person(s) entitled to the Account.
- (b) A Client (whether a Joint Account holder, Trustee or Combined Account holder) may give an instruction to open a new Account in respect of an identical service. Brooks Macdonald will be entitled to assume that the KYC, Investment Objectives and Risk Profile are the same as the existing Account and carry out its services in accordance with these Terms without requiring a new Application Pack from the Client(s).

14.16 Circumstances on death

- (a) Following the death of a Client, Brooks Macdonald will need to receive notification as soon as possible. Brooks Macdonald requires official evidence of registration of death such as a registrar's certified copy of the death certificate.
- (b) On the death of a Client who is the holder of a Joint Account, the Client Agreement will remain in force and the surviving Client(s) of the Joint Account will continue as the only person(s) with entitlement to the Account.
- (c) On the death of a single Client Account holder, Brooks Macdonald will follow the explicit Instructions of the Client as set out in the Application Pack until such time as Brooks Macdonald is satisfied that personal representatives have been properly appointed and appropriate indemnities are provided for any action undertaken on the instructions of any such person.
- (d) If, within one year after the date of death, no instructions have been provided in relation to the future of the Account Brooks Macdonald may consider that the Account should be closed and notify the personal representatives (or equivalent) of proposals to liquidate Investments and return the money held in cash. Brooks Macdonald will consider requests for transfer of assets and in all cases the Client's estate will be responsible for the costs incurred in such closure, transfer or otherwise following the instructions of the relevant persons.

14.17 Amendments

- (a) Brooks Macdonald may amend these Terms where it has a valid reason for doing so.
- (b) Notification of amendments will be provided in writing and changes will take effect 30 calendar days after the notice has been sent (unless a different date is provided for in the notice). Clients will not normally be required to sign new agreements or consent to proposed amendments which will take effect as described above but Brooks Macdonald may require consent in certain circumstances. Where such amendments are made which relate only to the provision of information, administrative correction, typographical error correction or for any other reason which has no prejudicial impact on the Client, Brooks Macdonald may provide notice of such amendment at www.brooksmacdonald.com **provided that** the Client has consented to the website conditions section of the Application Pack.
- (c) Brooks Macdonald will only propose amendments to the Terms where there are valid reasons. In the context of the provision of the Services, valid reasons are likely to include:
 - (i) Changes in Applicable Laws;
 - (ii) Changes in market practice relating to the dealing, safekeeping and custody of Assets;
 - (iii) Changes in the way that Brooks Macdonald provides its Services through its Affiliates or through third parties;
 - (iv) Changes in technology and the way in which instructions, including Electronic Communications are given and received.
- (d) Clients may request amendments to the Client Agreement at any time. Such amendments will only take effect when Brooks Macdonald confirms its agreement in writing.
- (e) This section 14.17 describes amendments to the Terms. Clients should note that changes may occur to Services or Brooks Macdonald may exercise rights which it has reserved to itself under the Client Agreement in accordance with those rights. Exercise of such rights is not an amendment to the Terms.

14.18 Brooks Macdonald liability and responsibility

- (a) Brooks Macdonald will perform the Services and comply with its obligations under the Client Agreement and Applicable Law to the level of skill and care as would reasonably be expected of a professional provider of the Services.
- (b) Brooks Macdonald will not accept responsibility for acts, omissions or any liabilities arising to the Client other than in circumstances of its negligence, fraud or wilful default.

- (c) Brooks Macdonald will not be responsible for any liabilities arising because of any circumstance outside of its reasonable control. Such circumstances may include, but are not limited to, changes in Applicable Law, governmental, regulatory or judicial changes, currency restrictions, acts of God, civil unrest, war, terrorism, strikes, lock-outs, industrial disputes, breakdown in market systems or infrastructure (including of trading, clearing house, market participant or counterparty), failure, breakdown or disruption of Electronic Communications or other communications or computer service.
- (d) Brooks Macdonald accepts responsibility for the acts or omissions of its nominee company. Brooks Macdonald cannot accept responsibility for the acts, omissions or default of third party service providers such as nominees, custodians, brokers, agents, market systems or central counterparties. Brooks Macdonald will use reasonable skill, care and diligence in its selection, use and monitoring of such third parties but such obligation will not give rise to any liability to Brooks Macdonald unless such liability has arisen directly as a result of fraud, negligence or wilful default on the part of Brooks Macdonald.
- (e) Brooks Macdonald does not accept responsibility for and will not be liable for:
 - (i) Liability arising because of actions taken by Brooks Macdonald which, in its opinion, were necessary to comply with Applicable Law;
 - (ii) Loss of business, loss of profit, or loss of opportunity to gain from some other investment;
 - (iii) Liabilities incurred in relation to matters of which Brooks Macdonald was not fully aware or could not reasonably have expected when undertaking Services for the Client; or
 - (iv) Indirect losses or consequential losses whether or not attention was drawn to the possibility of such liabilities being incurred.
- (f) The rights, duties and obligations of Brooks Macdonald set out in the Client Agreement are not intended to create or expand any fiduciary duties owed between client and investment manager and neither Brooks Macdonald nor its Affiliates accept responsibility for duties other than those expressly set out in the Client Agreement.
- (g) Nothing in section 14.17 is intended to exclude or limit the duties, responsibilities or liabilities owed to Clients by Brooks Macdonald under Applicable Law and Brooks Macdonald will not seek to exclude or restrict or rely on any exclusion or restriction where to do so would contravene its obligations under FSMA and the FCA Rules.

14.19 Termination

- (a) The Client Agreement may be terminated immediately by the Client on giving written notice.
- (b) Brooks Macdonald may terminate the Client Agreement immediately with 30 days' written notice:
 - (i) in the event of a breach of the Client Agreement by the Client;
 - (ii) where any circumstance arises which, in Brooks Macdonald's reasonable opinion, could cause a breach of Applicable Law (by the Client or by Brooks Macdonald); or
 - (iii) where Brooks Macdonald believes it is necessary to limit or protect any exposure of the Client to Brooks Macdonald.
- (c) Termination will not affect existing transactions which will proceed as per the Instructions provided or the decision to deal by Brooks Macdonald.
- (d) Termination shall not affect any outstanding or accrued fees, charges, costs and expenses owing to Brooks Macdonald up to the date of termination.
- (e) Brooks Macdonald will provide reasonable assistance to Clients in the event that they wish to transfer Investments or cash to third parties.

14.20 Bribery legislation

- (a) Brooks Macdonald has in place procedures to comply with the Bribery Act 2010.
- (b) Brooks Macdonald treats accusations of bribery and corruption with the utmost seriousness and will deal accordingly.

14.21 Assignment

- (a) These Terms are personal to the Client and Clients may not transfer or assign rights and obligations to any third party without the prior written consent of Brooks Macdonald.
- (b) Brooks Macdonald may assign its rights and obligations to any Affiliate or to any successor business providing services similar to the Services, provided that such assignee has in place all such licences required by Applicable Law for the performance of those services.

14.22 Rights of third parties

- (a) A person who is not a party to the Client Agreement will not have any rights under the Contracts (Rights of Third Parties) Act 1999 and will not have any rights to enforce its terms.

- (b) Notwithstanding section 14.22(a) above, a member of the Brooks Macdonald Group may enforce rights under these Terms where involved in the performance of the Services.

14.23 No waiver

- (a) From time to time Brooks Macdonald may offer Clients flexibility in the performance of Client obligations under the Client Agreement. The provision of such flexibility including any failure or delay by Brooks Macdonald to enforce its rights or exercise the legal remedies available to it under the Client Agreement or the law generally will not mean that it is waiving its rights to do so at any time or in the future.
- (b) If Brooks Macdonald exercises its rights or remedies in part such limited exercise will not restrict it from the full exercise of such rights or remedies under the Client Agreement or under the general law.

14.24 Severability

In the event that a court deems a provision or any part of a provision of the Client Agreement to be invalid, illegal or otherwise unenforceable, such provision or part of a provision will have no effect and to the extent required, be deemed not to have been included in the Client Agreement. The validity of the remaining provisions or parts of provisions of the Client Agreement will be unaffected.

14.25 Governing law and jurisdiction

- (a) The Client Agreement, the obligations arising under it and the circumstances in which it was established will be governed by and construed in accordance with English law.
- (b) The Client agrees that the English courts will have exclusive jurisdiction to settle any disputes arising out of or in connection with the Client Agreement and the Client further irrevocably agrees to submit to the exclusive jurisdiction of the English courts and not to bring proceedings in any other jurisdiction.

Schedule 1 Risk Warnings**1 Purpose of this risk warning notice**

This Notice provides a summary of the nature of risks that may arise in investing through Brooks Macdonald Asset Management ("Brooks Macdonald") but it may not disclose all the risks and other significant features of individual investment products and services.

This Notice describes the type of investments that may be purchased for your Portfolio and summarises typical risks associated with those investments and services. The Notice is designed to give you information about and a warning of the risks to enable you to understand them in order to take investment decisions on an informed basis.

Our services are subject to the Client Agreement entered into with you and consequently, you should not rely on this Notice as investment advice based on your personal circumstances, nor as an investment recommendation. You should also be satisfied that the product and/or service is suitable for you.

Depending on whether you access the Managed Portfolio Service (MPS) or the Bespoke Portfolio Service (BPS) and the terms of the Client Agreement entered into with you, either your Professional Adviser or Brooks Macdonald will be responsible for assessing the suitability of your Portfolio to your individual circumstances.

All financial products carry a certain degree of risk and the value of investments and the income from them can fall as well as rise and you might not get back the original amount invested. This can result from market movements and also from variations in exchange rates between sterling and the currency in which a particular investment is denominated. More than one risk factor may impact an investment at any given time which means that risks can have quite unpredictable effects on the value of investments.

Past performance is not a reliable indicator of future results.

If you have any questions regarding the types of investments or risks disclosed in this Notice you should ask either your Professional Adviser or Brooks Macdonald (depending on the nature of the service selected by you in the Client Agreement).

2 General Risks

2.1 Volatility

The value of investments and the amount of income derived from them may go down as well as up. All investments can be affected by a variety of factors, including macro-economic market conditions such as the interest or exchange rate environment, or other general political factors in addition to more investment or investment specific factors.

2.2 Liquidity and non-readily realisable investments

Certain investments may be very illiquid, meaning that they are infrequently traded and that it may be difficult to sell them on within a reasonable timeframe or at a price which reflects a "fair" valuation. In extreme cases an investment may be non-readily realisable meaning that there may be no secondary market available at all. In such a case it may be difficult or impossible to obtain any reliable valuation or understanding of the risks associated with continuing to hold an investment.

2.3 Contingent Liability Investment Transactions

Contingent liability investment transactions are investments which may require investors to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. Such payments may be by way of "margin" payment.

If you trade in futures, contracts for differences or sell options, you may sustain a total loss of the margin you deposit with your firm to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you must be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

Margined or contingent liability transactions that are not traded on a recognised or designated investment exchange may be exposed to substantially greater risks.

Brooks Macdonald does not purchase Contingent liability investments for clients.

2.4 Borrowing, leverage and gearing

The use of borrowing techniques (often referred to as leverage or gearing) in order to invest will increase the volatility and the risk of an investment. Borrowings may occur within a company or within an investment vehicle. Borrowing is not necessarily a bad thing – companies can use borrowing to increase investment in their business and investors (and investment vehicles) can use borrowing to gain a greater exposure to the investment than the original purchase price. Of course, such borrowings come with risks in all cases, including:

- (a) Movements in the price of an investment leads to much greater volatility in the value of the leveraged position and this could lead to sudden and large falls in value;
- (b) The impact of interest costs could lead to an increase in any rate of return required to breakeven; or
- (c) A client may receive back nothing at all if there are significantly large falls in the value of the investment.

Whilst portfolios managed by Brooks Macdonald do not include borrowing, individual investments we purchase for clients may incorporate a degree of borrowing.

2.5 Foreign Exchange

Fluctuations in exchange rates may mean that investments denominated in a currency other than the currency in which your Portfolio is denominated cause the value of an investment to fluctuate either in a favourable or unfavourable manner.

2.6 Taxation

The tax treatment of an investment for clients is relevant only to the specific circumstances of each client. There can be no guarantee that the nature, basis or incidence of taxation may not change during the lifetime of an investment. This may cause potential current or future tax liabilities, and you should be aware of the tax treatment of any investment product before you decide to invest.

If your circumstances are changing, or if you are uncertain about any aspect of how an investment might relate to your own tax position, please seek professional tax advice.

2.7 Regulatory and Legal Risk

All investments could be exposed to regulatory or legal risk. Returns on all, and particularly new, investments are at risk from regulatory or legal actions and changes which can, amongst other issues, alter the profit potential of an investment. Legal changes could even have the effect that a previously acceptable investment becomes illegal. Changes to related issues such as tax may also occur and could have a large impact on investment performance. All such risks are unpredictable and can depend on numerous political, economic and other factors. For this reason, this risk is greater in emerging markets but does apply everywhere. In emerging markets, there is generally less government supervision and regulation of business and industry practices, stock exchanges and over-the-counter markets.

There is no guarantee that an overseas investor would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. Investors may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in overseas courts.

2.8 Operational Risk

Operational risk, such as a breakdown or malfunction of systems and controls, including IT systems, can impact on all financial products. Changes in leadership and organisational change can severely affect such risks and, in general, operational risk may not be apparent from outside the organisation. Business risks, e.g. poor management or leadership could also negatively impact on the value of investments.

3 Investment Specific Risks

3.1 Equity Securities and Shares

Ownership of an equity security represents a direct stake in the company concerned. Such an investment will participate fully in the economic risk of the company and its value can therefore fall as well as rise. The volatility of equity markets can change quickly, and cannot be assumed to follow trends. In adverse market conditions irrecoverable capital losses could be incurred. In the worst case, a company could fail which means their equity securities become worthless. Investment in equity securities may be impacted by:

- (a) The size of the company – low market capitalisation;
- (b) An undiversified product set or reliance on single markets as a major source of income;
- (c) Heavy reliance on borrowing to finance the business;
- (d) High levels of fixed costs to pay irrespective of production or turnover;
- (e) Major income sources which are seasonal or “cyclical” in nature;
- (f) Where the company trades in emerging markets legal property rights may be difficult to enforce; and
- (g) Unlisted companies will not be subject to the rules of a listing authority and such smaller companies may be more exposed through high risk ventures and may have an unproven trading history or management meaning that their securities may be difficult to value and lack a secondary trading market.

It is possible to mitigate the risks of investing in just one company’s equity securities by gaining exposure to that company through a diversified investment vehicle.

Different types of shares:

(a) Ordinary Shares

Ordinary shares are issued by limited liability companies as the primary means of raising risk capital. There is no obligation to repay the original cost of the share, or the capital, to the shareholder until the issuer is wound up. In return for the capital investment in the share, the issuer may make discretionary dividend payments to shareholders either in the form of cash or additional shares.

There is no guaranteed return on an investment in ordinary shares for the reasons set out above and on a liquidation or winding up of the issuer ordinary shareholders are amongst the last of the creditors with a right to repayment of their capital (and any surplus funds). This could lead to a loss of a substantial proportion, or all, of the original investment.

Ordinary shares usually carry a right to vote at general meetings of the issuer.

(b) Preference Shares

Preference shares give shareholders the right to a fixed dividend, the calculation of which is not based on the success of the issuer company. They therefore tend to be a less risky form of investment than ordinary shares.

Preference shares do not usually give shareholders the right to vote at general meetings of the issuer, but shareholders will have a greater preference to any surplus funds of the issuer than ordinary shareholders. Should the issuer go into liquidation though preference shareholders’ rights are below those of other general creditors.

(c) Depositary receipts

Depositary Receipts (ADRs, BDRs, etc.) are negotiable certificates typically issued by a bank that represent a specific number of shares in a company, traded on a stock exchange which is local or overseas to the issuer of the receipt. They may facilitate investment in the companies due to the widespread availability of price information, lower transaction costs and timely dividend distributions. The risks involved relate both to the underlying share and to the bank issuing the receipt.

(d) Penny Shares

There is an extra risk of losing money when shares are bought in some smaller companies, including penny shares. There is a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them. The price may change quickly and it may go down as well as up.

3.2 Money Market Instruments

A money-market instrument is a borrowing of cash for a certain period, usually no longer than six months, but can be up to one year. The lender takes a deposit from the money markets in order to lend (or advance) it to the borrower.

The borrower must specify the exact amount and the time period for which he wishes to borrow. Money-market instruments may be exposed to the major risks outlined in this Notice, in particular credit and interest rate risk.

3.3 Debt Securities and Fixed Income Funds

The value of debt investments (or "bonds") is usually more stable than equity investments. However in some circumstances, particularly when interest rates are changing, the value of bonds can be uncertain. The most common use of a bond is to provide a reliable yield, or source of income until maturity. For example the value of a bond can be adversely affected by a number of factors such as:

- (a) credit rating of the issuer, which reflects their ability to repay the amounts payable when they fall due;
- (b) market expectations on interest and inflation rates;
- (c) amount of interest payable (the coupon);
- (d) the length of time until the debt falls due for repayment; or
- (e) the seniority of a bond within the capital structure of a company, and the quality of any security available.

The factors which are likely to have a major impact on the value of a bond are the perceived financial position of the issuer along with changes to market interest rate expectations. When interest rates rise, the value of corporate debt securities can be expected to decline. Fixed-rate transferable debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

Bonds issued by major governments or supranational bodies tend to be lower risk investments, while the risks of other debt securities (such as those with emerging market or corporate issuers) can vary greatly. Where an issuer is in financial difficulties, the risk of default on repayment obligations increases and little or no capital may be recovered. Any amounts repaid may take a significant amount of time to obtain.

3.4 Life Assurance Bonds/Products

Life Assurance bonds are issued by insurance companies. Therefore this type of investment will be subject to the ability of the insurance company to repay the sums owing to an investor when they fall due. The creditworthiness of the insurance company is important in assessing its ability to repay. Life assurance bonds are a form of insurance contract. They provide an element of insurance in the case of the death of the covered person(s) with an additional benefit of having an on-going value as an investment.

In some cases the returns available from a life bond are linked directly to a specific pool of assets held by the insurance company (known as "unit-linked" policies). In other cases the returns could be linked more generally to the profits of the company in general, which reduces the overall transparency of returns.

Brooks Macdonald will not invest in Life Assurance Bonds within a Portfolio.

If you wish to invest in a life bond, you will be presented with specific information about the type of contract, its terms and more general information about the insurer and its financial strength. Please refer to this documentation for specific details about the policy and a more detailed description of the investment risks. You should speak to your Professional Adviser about investing in life bonds.

3.5 Exchange Traded Funds (ETFs)

ETFs are investment funds, traded like shares, which hold assets such as shares, commodities or bonds. They normally closely track the performance of a financial index, and as such, their value can go down as well as up and you may get back less than you invested. Some ETFs rely on complex techniques, or hold riskier underlying assets, to achieve their objectives and therefore you should always ensure you read the documentation provided to ensure you fully understand the risks you are taking on before you invest.

3.6 Structured Products

'Structured products' is the generic phrase for securities which provide economic exposure to a wide range of asset classes using a structured approach. This may include providing capital protection such that an investor will not have economic exposure to performance of the underlying assets below a certain level. This includes products where the potential return from your investment may be different to that normally expected from the underlying assets. These are sometimes known as Structured Capital At Risk Products or SCARPS.

Most structured products strategies are exposed to the credit rating of the product issuer, meaning that repayment could be at risk if the issuer is not able to repay the sums due under the terms of the product. However some products may include a guarantee to mitigate these potential credit risks. Investors should be aware that the return of capital invested at the end of the investment period is not guaranteed and therefore investors may get back less than was originally invested. The issuer will not typically have a trading history and may have been specially established to create the product. Some issuers may have a credit rating.

Investors should understand both the nature of the underlying assets and extent of their economic exposure to those assets. Some structured products may offer high income or a high level of participation to the capital growth experienced by the underlying assets. These products generally do not incorporate capital protection, and any that is provided is dependent on a financial index or basket of indices meeting certain conditions during the product life (such as a minimum value). Such products generally include leverage, and their value can be subject to sudden and large falls if the conditions which disapply protection arise. Investors should review product documentation carefully for details of any factors which might impact on how the payoff from a product may change with different economic or market conditions. Where the payoff from a product incorporates conditional protection, if the protection barrier is breached the capital value of an investment will be exposed to the full risk of the underlying. Investors should be aware that the product terms described only apply to investors who invest at launch and who hold the product until final maturity. It is important to note that early redemption or secondary market purchase could result in a capital loss, even where the product terms protect or guarantee return of the nominal amount purchased. Lastly, these products may also not be readily realisable which means that it may be difficult to liquidate or sell a product of this type.

3.7 Alternative Investments and Unregulated Funds

Alternative investments may be used to diversify the investment risks within a portfolio. Such investments may involve unique or unusual risks as a result of providing alternative sources of return for a portfolio. It is important that you understand the properties of the type of assets before making such an investment. Many alternative investments are structured as unregulated funds. This means that standards of operation, administration and management are determined privately by the operator of the fund rather than by force of regulation. Some (but not all) fund operators may be regulated by the FCA (or an equivalent regulator in another jurisdiction). It is important to understand that it may be difficult to liquidate or sell an investment of this type, or to identify an independently determined fair valuation for an interest in this kind of vehicle. In addition you may not be protected by certain regulatory protections or compensation schemes in the event that a scheme operator acts unlawfully and causes a loss to you when managing fund assets. Such risks can be mitigated through the performance of extensive due diligence prior to investment, or through investment via a professionally managed fund of funds.

Investors should only invest in these products if they are prepared to sustain a total or substantial loss of the money they have invested, plus any commission or other transaction charges.

"Alternative investments" can cover a very wide range of investment products. A summary is set out below from (a)-(d):

(a) Hedge Funds

Hedge Funds are investments which, in contrast to conventional "long only" funds, may employ a variety of different strategies to produce returns. The type of strategies and investments envisaged by a hedge fund will be a key determinant of how risky the investment will be. Strategies may range from low risk absolute return funds up to high risk or speculative funds which make use of extensive borrowing in an attempt to make maximum gain from their investment strategy.

Investments undertaken by hedge funds may be narrowly based around a specific type of asset or trading strategy, and the returns may be adversely affected by very specific market or industry circumstances. It is therefore important to understand the type of strategy and investment to be used in any hedge fund.

(b) Private Equity

Private equity funds commonly invest in any form of equity or company that is not openly traded via a public investment exchange. The companies concerned will therefore raise finance privately and will not be subject to stringent listing rules or filing requirements as a result. This factor means that private equity funds may invest in a wide range of unlisted companies. This may include start-up companies with little or no proven track record right up to significant companies with long and established trading histories. Examples of private equity strategies and associated risks include:

- (i) non-transferable investments, or a long “lock up” period during which the investment cannot be sold. Even if a buyer is found, it may not be possible to sell and any sale which is permitted may not occur at a price which reflects the value of the underlying assets;
- (ii) using committed capital that may be drawn down during a capital commitment period. Investors may need to make further payments to satisfy the capital calls made throughout the commitment period;
- (iii) Investing in a focussed portfolio of investments, which could lead to an undiversified economic exposure to the underlying assets;
- (iv) Using significant leverage or borrowing, which amplifies possible risks;
- (v) a possible lack of scrutiny or accountability of management to shareholders for decisions they make; and
- (vi) distributions are generally made in cash, however if a fund is unable to sell its interest in a private company, it may distribute minority interests in these companies to fund investors (such interests may be difficult to sell at any value).

(c) Property and Property Development Funds

Investment in real property or property funds involves a number of risks particular to this class of asset. Notably fixed property is immovable and might not be easy to sell or to value independently. As a result of the illiquid nature of property realisation may take some time.

There is no guarantee that the underlying properties will remain occupied, or that they might not incur significant maintenance or restoration costs which may impact on the returns available. All property is subject to local risks which may be unique in nature, which may be caused by factors such as the prevailing legal, economic, environmental or political circumstances.

Investors in property development funds face additional risks related to the successful completion of the development project both on time and according to budget. Even if a project is successfully completed, there is no guarantee that properties will either be sold or tenanted at the intended cost or timeframe.

Returns available from property funds may also be affected by leverage where borrowing is used to finance either construction or purchase.

(d) Commodities Linked Products

Investment into commodities is often achieved either via a structured product over a commodities index or basket of different commodities, or by using a commodity derivative.

These investments are affected by a variety of political, economic, environmental and seasonal factors. Their value can fall as well as rise, and in some cases may be mean reverting in nature.

3.8 Units in Collective Investment Schemes

Generally, a collective investment scheme will involve an arrangement that enables a number of investors to ‘pool’ their assets and have these professionally managed by an independent manager. Investments may typically include gilts, bonds and quoted equities, but depending on the type of scheme may go wider into derivatives, real estate or any other asset.

There may be risks on the underlying assets held by the scheme and investors are advised, therefore, to check whether the scheme holds a number of different assets. Investment in such schemes may reduce risk by spreading the investor’s investment more widely than a direct investment in the assets.

The reduction in risk may be achieved because the wide range of investments held in a collective investment scheme can reduce the effect that a change in the value of any one investment may have on the overall performance of the portfolio. However, even though the risk is spread the price or value of the portfolio as a whole can fall as well as rise.

3.9 Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A small movement in the price of the underlying security could result in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. Therefore the price of warrants can be volatile. If the investor fails to exercise this right within the pre-determined time-scale then the investment becomes worthless.

If subscription rights are exercised, the warrant holder may be required to pay to the issuer additional sums. Exercise of the warrant will give the warrant holder all the rights and risks of ownership of the underlying investment product.

A warrant is potentially subject to all of the major risk types referred to in this Notice.

You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

4 Risk Warning in Respect of Securities That May be Subject to Stabilisation

Unless we explicitly agree to the contrary, we may, from time to time, effect transactions in securities on your behalf, where the price may have been influenced by measures taken to stabilise it. You should read the following explanation carefully.

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it.

Stabilisation is permitted by applicable regulations because it can help deal with the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is carried out by a "stabilisation manager" (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilisation manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions that have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise have been during the period of stabilisation. The stabilisation rules:

- (a) limit the period when a stabilising manager may stabilise a new issue;
- (b) fix the price at which stabilisation may occur (in the case of shares and warrants but not bonds); and
- (c) require the stabilisation manager to disclose that he may be stabilising but not that he is actually doing so.

The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

Conflicts of Interest Policy

Under FCA rules we are required to establish, implement and maintain an effective Conflicts of Interest Policy.

The rules require us to take all reasonable steps to identify conflicts of interest between the Firm and Clients of the Firm, and between one Client of the Firm and another Client.

In order to identify conflicts of interest we must take into account a range of factors, which includes whether the Firm:

- May make a financial gain, or avoid a financial loss, at the expense of a Client
- Has an interest in the outcome of a service provided to a Client which is distinct from the Client's interest
- Has a financial interest or other incentive to favour the interests of one Client over the interests of another Client
- Receives an inducement in relation to a service provided to a client in the form of money, goods or services (other than the fee we charge for the service).

We therefore maintain a register of material conflicts of interest that arise in our business. We have taken all reasonable steps to prevent conflicts of interest from giving rise to a risk of damage to the interests of our Clients and we have recorded the organisational and administrative arrangements we have put in place for this purpose.

If we believe that the arrangements we have put in place are not sufficient to be reasonably confident that the risks of damage to the interests of our Clients will be prevented, we will disclose the source of conflicts of interest to our Clients.

Further details of our Conflicts of Interest Policy are available upon request.

Order Execution Policy

1 Background

Under the Markets in Financial Instruments Directive (MiFID) we are obliged to put in place a policy and to take all reasonable steps to obtain the best possible result for our Clients when executing orders or receiving and transmitting orders for execution.

This Order Execution Policy, which applies to Retail Clients and Professional Clients, has been drawn up in order to provide you with an understanding of how we execute orders on your behalf.

2 Your consent to our Order Execution Policy

We are required by the rules of the Financial Conduct Authority (FCA) to obtain your prior consent to our Order Execution Policy. Whenever you place an order with us you will be deemed to have provided your consent to the order being executed on the basis described in the Order Execution Policy.

MiFID established different types of execution venue where orders can be executed. These include regulated markets and "Multilateral Trading Facilities" ("MTFs"). In order to try and achieve the best possible result for you, we may seek to execute orders through an execution venue other than a regulated market or MTF, even if the investment is traded on a Regulated Market or an MTF. Where we do so we are required to seek prior express consent from you. We have sought and received this from you in our agreement with you.

Examples of this include:

- i) On an OTC (over the counter) basis with a market participant
- ii) By an 'Agency Cross' (crossing your order with that of another opposing Client)
- iii) By executing your order with a 'Systematic Internaliser' (a firm which trades on its own book) or other liquidity provider.

3 Our approach to Best Execution

We will determine our approach to execution of orders based on a number of factors (which we have listed below), but for a Retail Client we will typically give the highest priority to the "total consideration". This means that we will aim to achieve the best price – taking into account all relevant costs relating to executing the trade.

The following factors may affect execution:

- Price
- Cost
- Execution speed
- Likelihood of Execution
- Liquidity (the venue that has the best chance of selling the security without affecting its price)

- Any other consideration relevant to the execution of the order
- Settlement speed
- Likelihood of Settlement
- Size of the order
- Nature of the order

4 Execution venues

Brooks Macdonald Asset Management Limited's (BMAM) list of execution venues include:

- London Stock Exchange (LSE)
- Retail Service Provider network (RSP)
- Multiple Multilateral Trading Facilities (MTF's)
- BATS CHI-X
- Turquoise

All BMAM's overseas dealing is contracted to AJ Bell. A copy of AJ Bell's Execution Policy is available upon request.

5 Nature of your order

We may accept the following Client orders:

- At best – deal immediately at the best available price
- At limit – deal at, or better than, a specified minimum price for sales or a maximum price for purchases

For limit orders we will confirm limit conditions with you and seek to execute in accordance with those conditions through our execution venues.

6 Limit orders

If you give us an investment instruction at a specified price limit or better and for a specified size (a limit order), then it may not always be possible to execute that order under the prevailing market conditions. We would be required to make your order public (i.e. show the order to the market) in such a case unless you agree that we need not do so. We ask you to agree to allow us to exercise discretion as to whether or not we make your order public as we believe this is in your best interests.

7 Review of our Execution Policy

We review from time to time (and at least annually) our approach to order execution and consequently this Order Execution Policy should be viewed as a guide to our approach rather than a prescribed approach.

Updates to the Order Execution Policy and the execution venues that we use will be made annually.

* Part of the Brooks Macdonald Group plc

Fee Schedule

This document is referred to in Clause 14.9 of the Terms as the 'Fee Schedule'.

Initial and annual management charges as agreed between you and your Professional Adviser, if you have one, are set out in your Application Pack.

Brooks Macdonald fees

Initial charge

An initial charge is set out in your Application Pack. The maximum that you can be charged is:

- 3% + VAT on all new funds invested in the portfolio

Annual management charge

Annual management charges are set out in your Application Pack. The maximum that you can be charged is:

- 1.5% + VAT
- if you decide to have an execution only element to your portfolio the annual management charge for this will be a maximum 0.4% + VAT

Our annual management charge is calculated quarterly and taken against the value of your portfolio at the end of March, June, September and December.

Dealing charges

UK

- 1% on the first £10,000 (minimum £15 per trade)
- 0.15% from £10,001 to £250,000
- 0.11% thereafter

Overseas

- 1% on the first £10,000 (minimum £65 per trade)
- 0.15% thereafter

ISA charges

- 0.50% + VAT on the first £30,000
- 0.10% + VAT thereafter

Administration charges

- transfer of holdings to another institution (by CREST, electronically or into a paper share certificate) - £25 per stock + VAT
- foreign exchange transactions - £40 for transactions over £1,000 and the company's current banker's prevailing rate for transactions below £1000
- CHAPS payments - £10 per transaction
- same day faster payments - £2.75 per transaction
- historic valuation, SIPP crystallisation and probate services - 0.2% of the value of the portfolio (minimum £100/maximum £250) + VAT

Professional Adviser fees

If you have a Professional Adviser, they may charge fees in addition to the fees charged by Brooks Macdonald Asset Management Limited (Brooks Macdonald). Brooks Macdonald can, if instructed to do so in your Application Pack, facilitate the payment of such fees from your portfolio. Any fees you pay to your Professional Adviser from your portfolio will appear in your valuation.

Suitability (see Clause 4.4 e)

An additional charge will apply if Brooks Macdonald is to carry out the Suitability Functions described in clause 4.4 (e) of the Terms.

Variations

Brooks Macdonald may change the Fee Schedule as set out in this document from time to time and will notify the Client of any changes with a reasonable period of notice of at least 28 days before they are applied. Brooks Macdonald will only make changes for good reasons including but not limited to:

- reflecting legitimate increases or reductions in the cost of providing a service to you
- providing for the introduction of new systems, services, changes in technology and products
- reflecting a change in applicable law or regulation