

Terms and conditions

Close enterprise investment scheme service

Contents

Part I. General Terms		
A.	About these Terms and Conditions	3
B.	Definitions	4
C.	General Terms and Conditions	6
Part II. Service Terms and Conditions		
D.	Custody and Client Money	14
E.	Close Enterprise Investment Scheme Service Terms and Conditions	17
Part III. Appendices and Annex		
Appendix I	Online Account Terms and Conditions	21
Appendix II	Data Privacy Notice	24
Appendix III	General description of the nature and risks of investments	25
Annex	Summaries of Order Execution Policy and Conflicts of Interest Policy	26

Part I. General Terms

A. About these Terms and Conditions

These Terms and Conditions are reviewed and updated regularly.

The latest version of these terms can be found on our website:
closebrothersam.com/general-terms-and-conditions

These Terms and Conditions are comprised of:

- General Terms and Conditions
- Specific Terms and Conditions for the Close Enterprise Investment Scheme Service
- Appendices
- Online Terms and Conditions
- Data Privacy Notice
- General description of the nature of the risks of investments
- Annex
- Summary of Order Execution Policy
- Summary of Conflicts of Interest Policy

In the event of any inconsistency or conflict between the various sections of these Terms and Conditions, the Specific Terms and Conditions shall take precedence, then the General Terms and Conditions.

The Online Terms and Conditions apply to those clients who have an Online Account. The Appendices are standalone and shall apply to every client.

Should you have any questions, please contact your Investment Manager or Financial Adviser.

B. Definitions

Account The account, which may be comprised of one or more portfolios, in which your Investments will be held, which will be opened in your name and which is identified by an individual account number. Each portfolio will have two cash accounts, a capital account to hold general monies and an income account to hold any income generated by the portfolio prior to it being paid away to you or reinvested in accordance with your instructions.

Adviser Charging Agreement The adviser charging agreement (or section of the relevant Application Form) that authorises your Financial Adviser to receive the advice fees as detailed within this agreement for the provision of initial and ongoing advice and services.

Agent An individual or firm, acting either as a buyer or a seller in a securities transaction on behalf of its clients.

AIM The London Stock Exchange's Alternative Investment Market.

Application Form The application form(s) we require you to complete in order for us to provide the Services to you, or such other document completed by you and which evidences your consent to be bound by our Terms and Conditions.

AQSE Aquis Stock Exchange Growth Market.

Associate (or Associated Company) Any holding company of ours or any subsidiary of any such holding company as defined in the Companies Act 2006, as amended from time to time.

BACS The Banking Automated Clearing System, which allows payment to be made directly to a designated bank account through an automated process.

Best Execution As defined in the FCA Rules. A summary of our Order Execution Policy, designed to achieve best execution, is set out in the Annex to these Terms and Conditions.

Business Day Any day except for Saturday, Sunday and public holidays in England, when banks in London are open for business.

Client Agreement These Terms and Conditions (including the Appendices and Annex) and the documents listed in the Close EIS Service Terms and Conditions at section E.

Close Brothers Asset Management The trading name of Close Asset Management Limited (Registered number: 01644127), with registered office address at 10 Crown Place, London EC2A 4FT.

Close Brothers Group Close Brothers Group plc and its subsidiaries, each of which are our Associated Companies.

Close EIS Service The Close Enterprise Investment Scheme Service, the Specific Terms and Conditions for which are set out in Section E of these Terms and Conditions.

Conflicts of Interest Policy Our policy on conflicts of interest, a summary of which is set out in the Annex to these Terms and Conditions.

Data Privacy Notice The short form notice set out in Appendix II to these Terms and Conditions providing information as to how we may collect, process and retain your information, including Personal Data, for the purposes of making our Services available to you.

Data Protection Legislation All applicable laws and regulations relating to the processing of Personal Data and privacy including the General Data Protection Regulation, Regulation (EU) 2016/679, as it forms part of domestic law in the United Kingdom by virtue of section 3 of the European Union (Withdrawal) Act 2018 (including as further amended or modified by the laws of the United Kingdom or of a part of the United Kingdom from time to time) and the Data Protection Act 2018, any amendment or re-enactment of them and, where applicable, the guidance and codes of practice issued by applicable regulatory bodies.

Documents Your personal document storage area relating to your Account available in your Online Account.

Equities Shares in companies listed on recognised stock exchanges, both in the UK (e.g., the London Stock Exchange) and overseas, as well as shares in companies listed on other approved markets such as AIM.

Execution Only Trading Conducted by, or on behalf of, a client without any prior advice given or discretion exercised by Close Brothers Asset Management.

FCA The UK Financial Conduct Authority or any successor regulator.

FCA Rules The rules contained in the Handbook of Rules of the FCA, as amended from time to time.

Fees and Charges Schedule Each of the documents which describe the fees and charges payable by clients of Close Brothers Asset Management.

Financial Adviser Your accredited financial adviser.

FSCS The Financial Services Compensation Scheme.

FSMA Financial Services and Markets Act 2000 as amended from time to time.

General Investment Account (also referred to as an Investment Account) An investment account made available through the provision of Close Brothers Asset Management services containing investments that are not held in a Tax Wrapper.

General Terms and Conditions Section C of these Terms and Conditions, which applies to all clients of Close Brothers Asset Management.

HMRC His Majesty's Revenue and Customs.

Investment(s) The investments you are able to buy, sell or otherwise hold, through us or which we will buy, sell or hold on your behalf under these Terms and Conditions.

Investment Manager The manager responsible for your Investments and the administration of your Account and the underlying portfolio(s).

MIFID The Markets in Financial Instruments Directive (as amended), a European Union law which provides a harmonised regulatory regime for investment services across the member states.

MLR UK Money Laundering Regulations 2019.

MTF Multilateral trading facility.

Nominated Bank Account An existing bank account of yours that you nominate for direct debit payments and receipt of cash transfers from your Account.

Nominee Lion Nominees Limited, a wholly owned non-trading subsidiary of Close Asset Management Limited, whose sole purpose is to act as a nominee company.

Objectives The investment objectives, restrictions and financial goals we discuss and agree with you as amended from time to time.

Official List The official list of the London Stock Exchange.

Online or **Online Account** Administering and/or viewing your Account via the secure portal on our Website.

Online Secure Messaging Facility Any secure messaging facility made available within your Online Account.

Order Execution Policy Our policy regarding Best Execution, a summary of which is set out in the Annex to these Terms and Conditions.

OTF Organised trading facility.

Personal Data Data which relates to a natural person who can be identified from such data as per the Data Protection Legislation.

Platform A service that provides custody, administration and reporting of client assets.

Principal An individual or firm, acting either as a buyer or a seller in a securities transaction for its own account and risk.

Re-Registration The process of transferring assets from one provider to another in their current form. Re-registration is also known as a transfer 'in-specie'.

Securities All Investments that are not Funds, including Equities.

Services The services provided by Close Brothers Asset Management in accordance with these Terms and Conditions, including the Close EIS Service.

Share(s) Shares including Equities, issued by companies representing a right of ownership.

Specific Terms and Conditions The terms and conditions which apply to each specific Service, as contained in Sections D – E of this document.

Terms and Conditions Together the General Terms and Conditions, the Specific Terms and Conditions, the Appendices and the Annex.

We, us, our Close Asset Management Limited or the relevant member of the Close Brothers Group (as the case may be), having our principal office at: 10 Crown Place, London EC2A 4FT and our successors and assignees.

Website closebrothersam.com

You and/or your Our client to whom we provide the Close EIS Service and whose details are set out in any Client Agreement.

C. General Terms and Conditions

Please read and keep this document safe for future reference as it contains important legal and regulatory information. The Client Agreement forms the entire agreement, which governs the legal relationship between Close Brothers Asset Management and you and upon which we intend to rely. By signing up to the Client Agreement you will also be bound by these General Terms and Conditions and any applicable Specific Terms and Conditions, which constitute a legally binding contract.

Close Brothers Asset Management is a trading name of Close Asset Management Limited (Registered number: 01644127) and Close Asset Management (UK) Limited (Registered number: 02998803). Both companies are subsidiaries of the Close Brothers Group plc group of companies, are registered in England and Wales and are authorised and regulated by the FCA. For the purposes of the Client Agreement, you are contracting with Close Asset Management Limited, trading as Close Brothers Asset Management.

If you do not understand any part of this document or the enclosures, or you have not received all of the documents referred to herein, or you are having difficulties reading this document in its current format, please speak to your normal Close Brothers Asset Management contact. For further information please refer to the contact section of the Specific Terms and Conditions.

C.1. Regulatory Disclosures

C.1.1 Unless otherwise agreed, we will classify you as a Retail Client (as defined by the FCA Rules) and our Services and Products will be provided to you on this basis. This means that you are entitled to certain protections afforded to Retail Clients under the FCA Rules and under FSMA.

C.1.2 The following policy documents or summaries have been made available to you with these Terms and Conditions: (i) Order Execution Policy; and (ii) Conflicts of Interest Policy, which you hereby confirm you have read, understood and agree to.

C.1.3 Close Asset Management Limited and Close Asset Management (UK) Limited are members of the FSCS. Compensation under the FSCS is subject to certain limits. In respect of most types of investment business the maximum compensation available is £85,000. This means that in the event we are unable to meet our liabilities, you may be eligible for compensation within the rules of the FSCS. Further details can be found on the FSCS's website: [fscs.org.uk](https://www.fscs.org.uk)

C.1.4 If you have any complaints regarding our Products or Services, you should write to:

The Compliance Officer
Close Brothers Asset Management
Nelson House
Gadbrook Road
Northwich
Cheshire CW9 7TN
 Or email: client.complaints@closebrothers.com

C.1.5 If we cannot resolve your complaint satisfactorily, you may refer it to the Financial Ombudsman Service at Exchange Tower, London E14 9SR ([financial-ombudsman.org.uk](https://www.financial-ombudsman.org.uk)). The Financial Ombudsman Service offers to investors, without charge, an independent complaints resolution service. In line with European legislation you may, if eligible, register your complaint via the Online Dispute Resolution portal. Details can be found at: ec.europa.eu/consumers/odr/

C.1.6 In order for us to provide our Services contemplated under this agreement you must complete the relevant sections of the Client Agreement. We are entitled to rely on the information given in any Client Agreement and to assume that it is valid and correct. You acknowledge that we are not responsible for any consequences if the information you have provided to us and which we have reasonably relied on is inaccurate or incorrect in any material way. You must notify us as soon as possible if any of the information provided to us by you needs to be updated.

C.1.7 No provision of these Terms and Conditions shall be deemed to restrict, qualify or exclude any duty owed to you under FSMA, the FCA Rules, or otherwise at law.

C.2. Eligibility requirements

C.2.1 In addition to any other eligibility requirements specified in the Specific Terms and Conditions, our products and services are only available to persons over the age of 18 or to entities.

C.3. Overseas residents

C.3.1 We may be prohibited from making our services and products available in any jurisdiction other than the UK. If you reside in a jurisdiction other than the UK, we may be unable to provide our services and products to you.

C.3.2 If your country of residency changes at any time after you become a Close Brothers Asset Management client you become a Close Brothers Asset Management client you are required to notify us. We may require you to close your Account and/or cease providing our services to you. We accept no liability for any financial loss or tax consequences that derive from a change in your residential status.

C.4. Commencement

C.4.1 You will become a Close Brothers Asset Management client from the date on which we have received the Client Agreement from you, completed to our satisfaction and we have completed our client due diligence process in accordance with statutory and regulatory requirements.

C.4.2 Once you are a Close Brothers Asset Management client, we will commence providing Services to you in accordance with the Specific Terms and Conditions applicable to you.

C.5. Fees and Charges

- C.5.1 You agree to pay our fees and charges as communicated to you in the relevant Fees and Charges Schedule.
- C.5.2 We reserve the right to change these fees and charges subject to either: (i) providing you with 30 days' prior written notice and any such changes shall be notified to you in writing in accordance with paragraph C.19; or (ii) you accepting the new fees and charges, having been given written notice of the applicable fees and charges prior to acceptance.
- C.5.3 All such amounts payable may be deducted from any money forming part of your Account, or where insufficient monies are available, it may necessitate the sale of sufficient assets from your relevant portfolio by us to cover such charges.
- C.5.4 Please refer to the Specific Terms and Conditions, which list the documents setting out the fees and charges applicable to your Service. You should note that, unless stated otherwise and subject to certain exceptions, all fees are plus VAT (as applicable), and other related tax or imposition at the rates applicable from time to time. The VAT status of any charge will be confirmed in the document(s) setting out the fees applicable to your Service, as detailed in the Specific Terms and Conditions.
- C.5.5 We reserve the right to make a charge for the retrieval of information that may be held on our archive or for the provision of duplicate documents, such charges to be disclosed to you in advance.
- C.5.6 You are liable for any reasonable costs we correctly and properly incur in providing the Services to you in accordance with these Terms and Conditions, including, where relevant, provider charges, transfer and registration fees, taxes, stamp duties and other fiscal liabilities. All charges to be passed on to you will be indicated on your confirmation statement, periodic statement or otherwise in accordance with the FCA Rules.
- C.5.7 We reserve the right, to the extent permitted by law, to charge you interest on money you owe us at a rate of five percent above the Bank of England base rate. We may also make member firms of the London Stock Exchange and other relevant exchanges, other financial institutions and/or credit reference agencies aware of your payment record.

C.6. Risk Warnings

- C.6.1 All investments involve a degree of risk. The value of investments and the income from them may go down as well as up. Past performance is not a reliable indicator of future returns or results and therefore you may get back less than the amount you invested. You acknowledge that you have read and understood this before doing business with us.
- C.6.2 When we provide our Services to you we may make available to you generic information on investments

or markets, market trends, investment analysis or commentary on the performance of selected companies ("Investment Information"). Investment Information is prepared for the benefit of all of our clients and is not based on a consideration of your particular circumstances. You must not, therefore, treat it as a personal recommendation or as investment advice given to you.

- C.6.3 Investment Information represents our view at the time it is given. We may change our view without updating any Investment Information previously made available to you. Where applicable, you should read any Fund Documentation pertaining to your Investments and their associated risks. We are not liable for any losses you may suffer from your use of our generic Investment Information.
- C.6.4 Please refer to the additional risk warnings set out in Appendix III to these Terms and Conditions.

C.7. Order Execution and Aggregation

- C.7.1 A summary of our Order Execution Policy is set out in the Annex to these Terms and Conditions. We will at all times comply with our Order Execution Policy and will comply with applicable obligations regarding order execution under the FCA Rules.
- C.7.2 You acknowledge that specific instructions from you in relation to the execution of orders may prevent us from following our Order Execution Policy and, accordingly, we may not be able to achieve order execution on your behalf. You authorise us, where applicable, to execute transactions in Investments on your behalf outside of a regulated market, a MTF or an OTF. You also instruct us not to make public any client limit orders in respect of shares admitted to trading on a regulated market or traded on a trading venue, which are not immediately executed under prevailing market conditions.
- C.7.3 You agree that we may aggregate your transactions with those of other clients (including our staff, and staff and clients of other subsidiaries of the Close Brothers Group) without your prior agreement where we believe that it is unlikely to work to your disadvantage, although it may do so in relation to a specific order.

C.8. Instructions and payments

- C.8.1 Subject to paragraph C.9, and provided they are otherwise given in accordance with these Terms and Conditions, all instructions and notifications given by you shall be acted on as soon as reasonably practicable following receipt by us. We may require you to communicate with us in a specific manner with regards to a particular instruction.
- C.8.2 We may act and rely without further inquiry upon any instruction or other notification which we believe in good faith is from you and, subject to those limitations on our liability as set out in this Client Agreement, we shall not be liable in respect of any error of transmission, misunderstanding or fraud of any other

party. We shall also not be liable for reasonably following an instruction or notification which is not in fact genuine and for not following or for investigating further any instruction or notification which we consider may not be genuine. We may not acknowledge receipt of an instruction.

- C.8.3 When we receive an instruction or a request to deal in an Investment on your behalf, we may, as your Agent, pass your order to third parties (which may include Associates) for execution. Our Associates may deal either as Principal or Agent. Subject to where otherwise stated within these Terms and Conditions and to our obligations under applicable law and FCA Rules, we do not have to account or disclose to you any benefit which we or they may obtain as a result.
- C.8.4 Where you give us an instruction to make a payment to your bank account or to any third party bank account and we agree to make the payment to that account, we will store those bank details in our system for future payments unless notified otherwise.

C.9. Delays and Rejections

- C.9.1 We have the right to reject on reasonable grounds, an application for the purchase of Investments in whole or in part including where we deem it to be inappropriate.
- C.9.2 Requests or instructions we consider to be unclear may lead to a delay in the execution of your instructions to us. We will not be liable for any losses or lost opportunities which may result from such a delay (including any loss of interest in relation to any unsuccessful application for an Account). In the event that we have material difficulty in fulfilling any of your Investment instructions, we shall use our best efforts to contact you as soon as practicable and inform you of this. In the event of an unsuccessful application, we will return any payments to you promptly.
- C.9.3 We reserve the right to refuse to act upon any instruction from you where, in our reasonable belief, to do so would:
- (i) contravene any applicable law, regulation or regulatory guidance;
 - (ii) further a fraudulent scheme;
 - (iii) harm a vulnerable client; or
 - (iv) expose us to liability.

C.10. Communications

- C.10.1 All information supplied by us, and all communications between us and you, will be in English.
- C.10.2 We may communicate with you at any time using any reasonable method, including by letter, email, secure message, telephone or video call.
- C.10.3 All communications with you will be recorded and retained by us (and made available to you upon request) in order for us to comply with our regulatory obligations and for monitoring and training purposes. This includes

communications via telephone and video call, which will be recorded. We will record both the audio and video components of our video calls with you. Any recording will be our sole property and will be conclusive evidence of the conversation.

- C.10.4 The records of all communications with you will be stored by us for a minimum period of five years from the date of the call, video call or communication or, where requested by a competent authority such as the FCA, for a minimum period of seven years. In accordance with our data retention policy, we may hold copies of communications for up to 20 years.
- C.10.5 Where relevant, we can refuse your instructions at our discretion and will not be liable for any losses or lost opportunities arising if we are seeking to clarify unclear instructions or if we refuse to act on your instructions.
- C.10.6 Any email communication we send you will be deemed received by you when that communication leaves our server. Any email communication you send us will be deemed received by us when that communication is received on our server. We will endeavour to act upon any email communication received from you as soon as reasonably practicable after receipt. Any urgent written communication should be marked as such and followed up by telephone.
- C.10.7 We will send all notices, information and other correspondence to you at the address or email address set out in the Client Agreement or such other address as you may notify to us from time to time. Letters sent to you by first class post shall be deemed to be delivered on the second business day after posting and emails shall be deemed received upon transmission.
- C.10.8 Where you have an Online Account, certain notices, documents and information will be made available to you via your Online Account.
- C.10.9 You must let us know immediately in the event of any change to your contact details.

C.11. Account Ownership Sole Accounts

- C.11.1 In respect of any Account you hold in your sole name, the following shall apply:
- (i) You confirm that you are the only person beneficially entitled to the assets of the Account;
 - (ii) Any instruction, notice, demand, acknowledgement or request to be given by or to you under this Client Agreement must be given by or to you personally within the terms of this agreement. No other person may be deputed or authorised to give or receive the same unless you provide us with such written authority as we, in our absolute discretion, may deem necessary; and
 - (iii) Your liabilities under or in connection with this agreement are your sole responsibility.

Entity Accounts

- C.11.2 If you have entered into this agreement through a corporate, trust or other entity structure, the following shall apply:
- (i) The formal authority of the trustee or authorised representative shall be shown to our satisfaction;
 - (ii) Any instructions, notice to terminate, demand, acknowledgement or request to be given by or to the trustee or authorised representative must be given by or to all of them, unless agreed otherwise;
 - (iii) This agreement shall continue notwithstanding the death, removal or incapacity of a trustee or authorised representative. The continuing trustee(s) or authorised representative(s) must notify us as soon as is practicable to our satisfaction details of any change to the trustees or authorised representatives together with the authority for any new appointment;
 - (iv) Notwithstanding the terms of any trust or constitutional documentation, except where otherwise agreed the liability of the trustees or authorised representatives under or in connection with this agreement shall be personal, joint and several;
 - (v) We shall not be concerned with the claims of any person or organisation under the terms of any trust or constitutional documentation; and
 - (vi) We are required to ensure that all legal entities are uniquely identifiable. Where you enter into the Client Agreement in a non-personal capacity, for example under a trust or corporate structure, we require you to obtain, or provide your consent for us to obtain on your behalf, a legal entity identifier (LEI). If we obtain a LEI on your behalf, we will not renew this annually unless you ask us to. If you require us to renew your LEI at any time after it has been initially obtained by us please let us know. We will inform you of the cost of this renewal before we complete the renewal on your behalf.

C.12. Inducements

- C.12.1 We may pay or receive from third parties, fees in relation to referral of business, both externally and across the Close Brothers Group. We do not enter into soft commission arrangements (being those under which we would receive goods or services in return for designated investment business). The receipt of any minor non-monetary benefits will be of such a scale that they will not influence our behaviour in such a way that is detrimental to client interests, and they are capable of enhancing the quality of Services provided to you.

These minor non-monetary benefits could include:

- (a) generic information or documentation related to instruments and/or services;
- (b) participation in relevant conferences, seminars and training events;
- (c) de minimis hospitality at such events and business meetings;
- (d) allowable free trials of investment research; and
- (e) permissible material relating to corporate issuers.

C.13. Borrowing and Underwriting

- C.13.1 Except where permitted in accordance with the Specific Terms and Conditions applicable to the Services which we are providing to you, we will not borrow against the security of the Investments held in your Account. We shall not, other than in the fulfilment of your obligations under these Terms and Conditions or without your prior consent, commit you to supplement the funds in your Account by borrowing on your behalf. We shall not lend to a third party any investment, document of title, certificate evidencing title or other property held in your Account.

C.14. Clients of Intermediaries

- C.14.1 This section applies if you have been introduced to Close Brothers Asset Management through a third party Financial Adviser. As such, your Financial Adviser has acknowledged and you acknowledge under this paragraph C.14.1 that, unless otherwise agreed with you, we will not provide or undertake (and nor do we have any responsibility to provide or undertake) any of the following:
- (a) investment advice or tax advice;
 - (b) making recommendations to you; or
 - (c) assessments of suitability or appropriateness (save in respect of determining whether any decision to trade is suitable), otherwise than as required to do so by the FCA Rules.
- C.14.2 We may provide you with (a) Discretionary Investment management services; (b) administration and custodial services for certain of our Services; (c) regular reviews of our Services which we market to your Financial Adviser to reflect the descriptions relating to those of our Services.
- C.14.3 You confirm that any reports we provide you with may also be disclosed to your Financial Adviser unless otherwise instructed.
- C.14.4 Where you have agreed your investment objectives with your Financial Adviser, you should contact them immediately in writing if you wish to amend them.

C.15. Liability

- C.15.1 Nothing in these Terms and Conditions excludes or limits our liability for death or personal injury arising from our negligence, or our fraud or fraudulent misrepresentation or wilful default, or for any other liability that cannot be excluded or limited by English law or the FCA Rules.
- C.15.2 We accept responsibility for any losses, damages or reasonable costs incurred by you where we have been negligent, fraudulent or in wilful default in the selection, use and monitoring of counterparties, custodians or sub-custodians. We remain responsible and liable for all acts and omissions of the Nominee, as if such acts and omissions were our own.
- C.15.3 We will not be liable for:
- loss of profits, sales, data, business, or revenue;
 - business interruption;
 - loss of anticipated savings;
 - loss of business opportunity, goodwill or reputation;
 - loss caused for reasons which are beyond our reasonable control;
 - loss or lack of gain or adverse tax consequence, arising from any transaction made or not made by you; or
 - loss that was not foreseeable to both parties when the contract was formed.
- C.15.4 You acknowledge that we cannot accept responsibility for the performance of any Investment, the content of any documentation, provided by a third party provider nor, subject to paragraph C.15.2, the actions of counterparties, custodians or sub-custodians.
- C.15.5 If you become aware of any inaccuracies or errors concerning your Account or any reports or communications you receive through your use of Close Brothers Asset Management Services, then please let us know as soon as you can so that we can investigate the matter for you.

C.16. Financial Crime Prevention and Client Identity Verification

- C.16.1 Close Brothers Asset Management is required by law to implement controls to counter the risk of financial crime, including the criminal facilitation of tax evasion. The identity of all clients, any beneficial owners and certain associated parties (where applicable) must be verified prior to acceptance as a Close Brothers Asset Management client. This may involve checks against information held by licensed credit reference agencies, which may record that such enquiries have been made; this should not affect your credit rating score.

We will also verify your identity electronically using the bank account details you provide to us, which will include sharing those details with one of our third party partners in order to undertake such checks. By entering into a Client Agreement, you confirm that you have the permission of all parties to the business relationship to these checks being undertaken. If we cannot verify an identity electronically, certified copies of identification documents may be required.

- C.16.2 As part of the due diligence process, we assess the purpose and intended nature of the proposed business relationship and may request information necessary to establish the legitimacy of your source of wealth and source of funds. We may need to contact you to request additional information and/or documentation, which may result in a delay in the provision of our Services to you.
- C.16.3 In certain circumstances, including but not limited to where we identify that you, your spouse, a close family member or a close business associate, is a 'Politically Exposed Person' (as defined in the MLR), we will apply enhanced due diligence measures which may include additional verification checks, media searches and obtaining evidence of the source of wealth or income.
- C.16.4 All regulated firms are required to keep client information up to date: we hereby reserve the right to request additional information and/or documentation as part of our ongoing monitoring of the relationship. A range of trigger events, such as a request to expand the business relationship, change of address, appointment of a new relevant associated party (e.g. trustee, director, shareholder) will prompt Close Brothers Asset Management to seek appropriate evidence.
- C.16.5 We reserve the right to delay processing your instructions and/or withhold any payments due to you in respect of your Investments, until satisfactory evidence is received. Any cash may be held in a non-interest bearing client money account. We will not be held liable for any loss suffered as a result of any delay while completing the client due diligence process in line with statutory and regulatory requirements.
- C.16.6 Payments can only be made to bank accounts in your own name. We will not make any payments to third parties unless required to do so by applicable law and regulation, or where we otherwise agree.
- C.16.7 We will store the details of any bank account a payment is made to in our system for future payments unless notified otherwise.

C.17. Data Protection

- C.17.1 We may collect, use and store the personal information, including sensitive personal information, which you submit to us in any Client Agreement and in correspondence with us, including information relating to the Services which we provide to you, transactions that you carry out and your relationship with us and our Associates ("Information").
- C.17.2 The manner in which we may use your Information is summarised in the short form Data Privacy Notice attached as Appendix II to these Terms and Conditions.

C.18. Transfer and Delegation

- C.18.1 Subject to applicable law and regulation, we reserve the right to transfer our rights and obligations under these Terms and Conditions to another appropriately regulated entity that we determine is capable of performing these obligations and exercising these rights, upon giving written notice to you.
- C.18.2 Any written notice shall take effect on the date specified, which shall not be less than 30 days after the issue of such notice. For the avoidance of doubt, any such transfer does not require your express consent. These Terms and Conditions are personal to you and cannot be assigned by you.
- C.18.3 In performing Services under these Terms and Conditions, we may delegate activities to third parties (including Associates) selected by us. We will, at all times, act in accordance with the FCA Rules and applicable law in the selection, use and monitoring of all delegates.

C.19. Amendment

- C.19.1 We may, at any time and without prior notification, change the terms on which we provide Services to you to reflect a change in law or any regulation (or the way in which they are applied), or to reflect the requirements of any regulatory authority or governmental body, including the FCA or HMRC.
- C.19.2 We may, at any time with prior notification, change the Client Agreement, the Services we provide to you (in each case, without requiring a change to the Terms and Conditions) for any valid reason including, but not limited to, the following:
- to reflect a change in technology, to cover an improvement or change in our Services or in the facilities we provide;
 - to reflect a change in market conditions or the overall cost of providing our Services to you; and
 - to ensure the good management or competitiveness of our business.

- C.19.3 Subject to paragraphs C.19.1 and C.19.2, we will give you not less than 30 days' notice of any changes to our Terms and Conditions and/or any changes to the applicable fees and charges. If you do not agree with any change notified to you, subject to paragraph C.20, you may terminate your Client Agreement with us without penalty. Alternatively, we may make changes to our Terms and Conditions and/or the applicable fees and charges on less than 30 days' notice where you provide your consent to these changes.
- C.19.4 For the purposes of these Terms and Conditions, unless stated otherwise, written notification shall include notification in hard copy or electronically; by post, email, or by directing you to the relevant section of our Website (including your Online Account).

C.20. Termination

- C.20.1 The Client Agreement may be terminated by you at any time by written notice to us. We may pass on any third party fees which we incur as a result of termination by you.
- C.20.2 We may terminate the Client Agreement by giving at least 30 days' written notice of our intention to do so except that we may terminate the Client Agreement at any time by written notice if you are declared bankrupt or if we are required to do so by any regulator.
- C.20.3 Upon termination of your Client Agreement, you shall pay:
- (i) a due proportion of our fees up to the date of termination;
 - (ii) any transfer charges outlined in the Fees and Charges Schedule;
 - (iii) any expenses reasonably incurred in transferring assets to you or to your order;
 - (iv) any losses necessarily realised in settling or concluding outstanding obligations.
- C.20.4 We may also pass on any third party fees which we incur as a result of termination by you.
- C.20.5 Any fees and charges owing at termination may be deducted from any money forming part of your Account. If adequate cash is not available in your Account to cover these fees and charges, you authorise us to sell sufficient investments within your Account to cover such fees and charges.
- C.20.6 In the event of termination of the Client Agreement, by you or by us, we will (following payment in accordance with this paragraph C.20 and settlement of all outstanding transactions), Re-Register your assets and transfer your cash as you reasonably request, and in the absence of any such reasonable request will take such action to Re-Register your assets in your name and to transfer your cash to you as we see fit.

- C.20.7 Instructions to liquidate your Account and repay funds may mean that any potential tax relief is lost and you should ensure that you have taken appropriate advice prior to this course of action.
- C.20.8 You should be aware that where we are required to liquidate the entire portfolio(s) on termination, this may take place over an extended period of time as the markets for shares in the portfolio(s) may be of limited liquidity and produce different market conditions to accommodate sudden large sell orders.
- C.20.9 You acknowledge that the time it takes to re-register or liquidate assets will depend on the particular investments concerned. If any of the investments are deemed by us to be either valueless (the investment has nil market value) or illiquid (the investment cannot be sold under normal market conditions), we will normally continue to hold the investments in our custody until they can be transferred or liquidated. Where we continue to hold assets in custody for you the General Terms and Conditions and Part D (Custody and Client Money) will remain in full force and effect. We will send you quarterly statements relating to the relevant Investments we continue to hold for you. If you wish to discuss alternative arrangements, please contact your relationship manager.
- C.20.10 Liquidation of your portfolio(s) may result in realisation of capital gains or losses. Capital gains may incur capital gains tax. You should consult your tax adviser if you are unsure as to the tax implications of any particular course of action.
- C.20.11 Any payments received by us after your Client Agreement has been terminated will be sent to your Nominated Bank Account or paid by any such other reasonable method as we may deem appropriate. We reserve the right, in the event of de minimis sums of less than £25 being received, to retain such a sum and pay it out to a charity in accordance with the FCA rules. For de minimis sums of more than £25, we shall seek your instructions for its return.
- C.20.12 This paragraph C.20 is subject to any restrictions on termination which may apply to any particular Product or Investment.
- C.21. Death and Incapacity**
- C.21.1 In the event of your death, we will need to receive formal written notification of this along with an original or a certified copy of the death certificate.
- C.21.2 We will take no instructions with respect to the sale, redemption or transfer of your Account until we receive appropriate documentation in relation to the administration of your estate (such as an original or sealed office copy of the grant of probate, or equivalent), or such other documentation as we may deem necessary in the circumstances. On receipt of such documentation, we will take instruction from your executor(s), personal representative(s), or any other duly authorised person, subject to continued compliance with our Terms and Conditions.
- C.21.3 Until we receive appropriate documentation as described in C.21.2, we will not permit withdrawals from your Account (with the exception of direct payments to (a) HMRC for inheritance tax purposes and/or (b) the funeral director to pay funeral expenses, subject to our receipt of an original or certified copy of the will, a deed of indemnity in our favour and the relevant HMRC form or funeral director's invoice). We may, at our sole discretion and subject to receipt of an original or certified copy of the will and a deed of indemnity in our favour, accept instructions from a duly authorised person to liquidate the portfolio(s) and hold the proceeds in cash. A deed of indemnity is a document that gives us the ability to ask for payment (on demand) for any losses we suffer as a result of acting under this paragraph C.21.3.
- C.21.4 We are not responsible for any Investment losses to your Account(s) during the period between us receiving formal notice of your death and the date on which we receive instructions from your properly authorised representative(s). Furthermore, until we sell, redeem or transfer the investments held within your Account(s), they will be subject to daily price movements as normal, and we are not responsible for any losses as a result.
- C.21.5 The Client Agreement shall bind your executor(s), personal representative(s), or any other duly authorised person.
- C.21.6 We shall not be affected by the claims of any person or organisation interested in the estate.
- C.21.7 In the event of your incapacity, we will take instructions from your properly authorised attorney. We reserve the right to refuse to accept any power of attorney document which does not meet our reasonable requirements, as notified to you at the relevant time.
- C.21.8 This paragraph 21 shall be subject to anything to the contrary in the Specific Terms and Conditions.
- C.22. Events outside our reasonable control**
- C.22.1 We shall not be liable to you for any failure or delay in performing any of our obligations if any such failure or delay is due to any cause outside of our reasonable control. Events outside our reasonable control shall include, without limitation (a) acts of God; (b) any change to the law or regulation of a governmental or regulatory body; (c) any act of terrorism; (d) market conditions affecting the execution or settlement of transactions in respect of your Account; (e) any 'denial of service' or cyber attack; (f) industrial action; and (g) any event or circumstance that we are unable, using reasonable skill and care, to avoid.
- C.22.2 We will take all reasonable steps to prevent or minimise the delay or non-performance caused by events outside our reasonable control. Where there is a risk of substantial delay or non-performance, you may terminate the Client Agreement in accordance with paragraph C.20.1.

C.23. Bribery Act

- C.23.1 Neither you nor any member of the Close Brothers Group shall engage in any activity, practice or conduct which would constitute or result in an offence by either party under applicable anti-bribery laws or regulations, including the Bribery Act 2010.
- C.23.2 We shall devise, implement and enforce our own written anti-bribery policies and procedures constituting adequate procedures under the Bribery Act 2010.

C.24. Third Party Rights

- C.24.1 Save as stated otherwise in these Terms and Conditions, for the purposes of the Contracts (Rights of Third Parties) Act 1999, no person who is not a party to these Terms and Conditions may enforce them.

C.25. Legal and Tax

- C.25.1 You are responsible for the management of your legal and tax affairs, including making any applicable filings and payments and complying with any applicable laws and regulations.
- C.25.2 You acknowledge that we are not legal or tax advisers and we do not provide legal or tax advice. We recommend that you obtain your own independent legal and tax advice, tailored to your particular circumstances. You should not rely on any information provided by us as a substitute for taking your own independent legal or tax advice.

C.26. Severability

- C.26.1 If any provision of these Terms and Conditions is found by any court or other authority of competent jurisdiction to be illegal, invalid or unenforceable in whole or in part, that provision (or part provision) shall, to the extent required, be deemed not to form part of such Terms and Conditions, but shall not affect the legality or enforceability of any other provision.

C.27. Waiver

- C.27.1 No waiver by us or you of any provision of any of these Terms and Conditions shall be deemed to be a waiver of any subsequent breach of that or any other provision and any forbearance or delay by us or you in exercising any of our or your rights under the relevant terms and conditions shall not be construed as a waiver of such rights.

C.28. Choice of Law

- C.28.1 All our terms and conditions and any other matters relating to the relationship between us and you will be governed by and construed in accordance with English Law.
- C.28.2 The English courts will have exclusive jurisdiction to settle any disputes or claims which may arise out of or in connection with any of our terms and conditions and all parties agree to submit to such jurisdiction.

Part II. Service Terms and Conditions

D. Custody and Client Money

D.1. Glossary

- D.1.1 The following definitions apply only to the Specific Terms and Conditions in this Section D:
- Corporate Action (also referred to as a Corporate Event)**
An action initiated by an issuer of an investment that affects investors. Some common examples of corporate actions are: open offers of new shares or securities, rights issues, stock splits, spin-offs or a merger or acquisition. Corporate actions can be either Mandatory or Voluntary.
- Mandatory Corporate Action** A Corporate Action initiated by the managers of the investment that an investor does not have to elect to act on in order for the action to take effect.
- Voluntary Corporate Action** A Corporate Action that will not take effect without an election from an investor.

D.2. General

- D.2.1 Unless agreed with us in writing, where you hold your investments on our Platform, you appoint Close Asset Management Limited as custodian of your Investments and client money and the terms of this section will apply to you.

D.3. Custody

- D.3.1 Investments held on your behalf (including investments held on your behalf on our Platform) will be registered in the name of our Nominee or a custodian or sub-custodian appointed by us, and any investment certificate or other document evidencing title to your Investments will be in the name of the Nominee or a custodian or sub-custodian. You will be recorded as the beneficial owner of the Investments in our records.
- D.3.2 Your Investments will be held in a pooled account, which means that your Investments will be combined with Investments belonging to other clients of ours and will not be identifiable by separate certificates or other physical documents of title. We will maintain our own records to identify the extent of your holdings in the relevant Investments. In the unlikely event of default or insolvency of the Nominee or custodian or sub-custodian any shortfall in the Investments may be shared proportionately amongst all clients and you may not recover all of your Investments. Due to the nature of the pooled account, we sometimes receive fractional entitlements that we are unable to allocate to your Account. We will always allocate your full entitlement to you based on your individual holdings. Any shares or units remaining once we have allocated to each client their full entitlement or any cash payments we have received in respect of a fractional entitlement will be applied in any reasonable manner determined by us. This may mean that for shares or units these will be either be sold for our own account or retained for our own account (at our discretion), and for cash payments these may be retained by us for our own account.
- D.3.3 Save where otherwise agreed with you, you may not use the Investments in which any of your Services are invested as security for a loan or create any legal

charge, lien or security interest over them. You are not entitled to transfer or assign any interest in any of the Investments held within any of your Services except in accordance with the terms of the relevant Service.

- D.3.4 Where we appoint a custodian or sub-custodian outside the UK or the EEA, or where we, or that sub-custodian appoints a further custodian holding assets overseas, there may be different settlement, legal and regulatory requirements and different practices relating to the segregation of those assets.
- D.3.5 Save where otherwise agreed, we will not create or permit to be created any lien or other security interest in your Investments, other than by operation of law of any jurisdiction to which your Investments may be subject or in respect of any unpaid sums due to us, a custodian or sub-custodian, bank or agent in respect of any services provided by us or them.
- D.3.6 We will exercise all due skill, care and diligence in the selection, appointment and periodic review of any Nominee and/or sub-custodian and the arrangements for the holding and safekeeping of your Investments.
- D.3.7 Neither we nor the Nominee shall be liable as a result of any error in, malfunction, variation, suspension or termination of the services provided by CREST or any other securities settlement system.
- D.3.8 If you give us specific instructions as to the holding of your assets (for example if you request that assets are registered into your own name or if you appoint your own custodian) you do so at your own risk. We reserve the right to decline to act on such instructions.
- D.3.9 We will, ordinarily and at our discretion, credit your Account with us with the proceeds of any sale (and debit your Account with the cost of any purchase) on the intended settlement date of the trade (as stated on the confirmation issued to us by our market counterparty) regardless of whether or not the sale or purchase has settled with the market counterparty on that date. If we believe that settlement of the trade with the market counterparty may not take place, we reserve the right to reverse the credit to your account.
- D.3.10 If you are a client of the Close EIS Service and you elect to have your assets held in custody offshore ("Offshore Custody") your investments will be held by a single offshore custodian appointed by us. An election for Offshore Custody should be made in your Client Agreement or otherwise notified to us in writing.

D.4. Client Money

- D.4.1 All monies held by us in your Account will be held in pooled client money bank accounts, which means your cash may be held in an account with the cash of other clients of ours. If the bank we have appointed to hold your money becomes insolvent, we will have an unsecured claim on behalf of all of our clients with an interest in the pooled client account. This means that in such circumstances, you would share proportionately in any shortfall.
- D.4.2 We will act in good faith and with due diligence in the selection and monitoring of banks holding client money.
- D.4.3 Except where stated otherwise in these Terms and

Conditions, you agree that we may cease to treat your cash as client money and accordingly release it from its client bank accounts if there has been no movement on your balance for a period of at least six years (notwithstanding any payments or receipts of charges, interest or similar items) and we have taken reasonable steps to trace you and return the balance, subject at all times to the FCA Rules.

- D.4.4 You agree that we may allow another person, such as an exchange, clearing house or intermediate broker, to hold or control money we hold on your behalf, but only for the purpose of a transaction for you through or with that person.
- D.4.5 We may operate client money accounts outside the UK:
- (i) You should be aware that different legal and regulatory provisions will exist and the protections may not be equivalent to those available in the UK. In the event of default of such a bank, client money may be treated differently from the position, which would apply if the money was held in the UK.
 - (ii) We will only hold client money in an account outside the UK where the relevant bank has confirmed that all money standing to the credit of the account is held by it as trustee and that the bank is not entitled to combine or set off the account in respect of any money owed to it on any other account held with it, whether in our name or not.
- D.4.6 Client money may be passed by us to a settlement agent in a jurisdiction outside the UK and in the event of a default of the settlement agent client money may be treated differently from the position which would apply if the money was held in the UK.
- D.4.7 Client money may be pooled and placed on overnight short-term deposit. We will act in good faith and with due diligence when selecting banks with whom such monies are placed.
- D.4.8 Subject to the FCA Rules, client money may also be placed in an unbreakable deposit account with a notice period of up to 95 days. Where we do so, there is a risk that it will take longer to return your money, in the event of (a) our insolvency or (b) market events which trigger a high and sustained level of withdrawals from our client money accounts.
- D.4.9 If you are a client of the Close EIS Service and you elect to have Offshore Custody, the monies associated with your Offshore Custody account will be held in a client money bank account with BNP Paribas Securities Services S.C.A. Jersey Branch ("BNP Paribas"). Your client money may not have the equivalent protections as if held in the UK and may be subject to greater risk in the event of a default by BNP Paribas.

D.5. Income, interest and dividends

- D.5.1 Unless specified otherwise in your Fees and Charges schedule, interest paid on cash held in your Account(s) (other than in the course of settlement of transactions on your behalf) will be calculated daily and, if due, credited monthly to your Account.

- D.5.2 Gross interest will be calculated at such rate as may be specified in your Fees and Charges Schedule, or as otherwise notified to you from time to time. Subject to the applicable rate, this may mean that you receive no interest payments on cash held in your Account(s). Notwithstanding anything to the contrary in your Fees and Charges schedule, where the applicable interest rate is negative you agree that the negative interest rate may be applied to the cash held in your Account and that your Account may be debited accordingly.
- D.5.3 The rate of interest payable on your Account may be greater or less than the rate that we receive. For the avoidance of doubt, we will not notify you of changes to bank base rates. Where relevant, you will be responsible for any additional income tax liability arising thereon.
- D.5.4 Income receivable on the Investments held by us on your behalf will be credited to your Account within 10 business days of its receipt by us.
- D.5.5 You should note that in the event that you are invested in a Fund paying interest distributions, you may, from time to time, also be subject to withholding tax on distributions from that Fund.
- D.5.6 If you hold overseas Investments directly i.e. not a Managed Fund or Investment Trust that invests in overseas investments, withholding tax may be suffered. Subject to a limited number of exceptions, we do not currently support reducing withholding tax claims under applicable tax treaties on overseas investments, therefore you may suffer higher withholding tax than that applicable under an applicable treaty – this may not be able to be offset against any UK tax liability arising to you.

D.6. Corporate Actions

- D.6.1 In respect of all Investments held in our custody, we shall be responsible for:
- (i) dealing with any rights and meeting calls;
 - (ii) exercising any conversion, subscription or redemption rights;
 - (iii) dealing with takeover or other offers; and
 - (iv) exercising or dealing with any other rights.
- D.6.2 If we have participated in a Corporate Action on behalf of our clients, where we have pooled client balances, we will usually receive one allocation of shares or units in respect of our overall holding of that stock on behalf of our clients. We may also receive a small cash payment in respect of any fractional entitlement. We will always allocate your full entitlement to you based on your individual holding. Any shares or units remaining once we have allocated to each client their full entitlement or any cash payment we have received in respect of a fractional entitlement will be applied in any reasonable manner determined by us. This may mean that for shares or units these will either be sold for our own account or retained for our own account (at our discretion), and for cash payments these may be retained by us for our own account.

D.6.3 Save where the terms of the relevant Investment and/or Fund Documentation requires otherwise or where you request us to do so, we will not send you copies of reports, accounts, prospectuses or scheme particulars that may be issued in respect of an Investment held within an Account.

D.7. Voting

D.7.1 In respect of Investments that are managed by us on a discretionary basis, our Stewardship Policy, accessible via our website, indicates that we will monitor forthcoming voting resolutions of the core companies we invest in and consult with our investment managers on the course of action we should take. Where we judge this to be in the best interests of our clients, we will exercise our right to vote. We will not automatically support the board of the relevant company if we believe that to do so would not be in your best interests.

D.8. Class Actions

D.8.1 If we are notified of a class action or group litigation order that is being processed or taken concerning Investments that we or our Nominee are holding or have held on your behalf we will be under no obligation to inform you or otherwise act on that notification. We may at our sole discretion take the decision to act on your behalf having considered all relevant information and we may do so without notifying you.

D.9. Assets not held in our custody

D.9.1 You/We may use your Account to record assets not managed or held by us. If we are able to source prices for these assets automatically we will do so but we are not responsible for any failure to do so or any inaccuracies in such valuations. The valuations of any assets which cannot be updated by us will remain your responsibility.

D.10. Transferring Holdings

Transferring into your Account

D.10.1 If you hold any shares or other eligible Investments outside your Account, you may transfer them into the Account free of charge by completing the transfer process, including by sending us the completed transfer form and share certificate(s) (where applicable). You should be aware that a charge may be levied by your existing account manager or product provider before the transfer is actioned by them, and you shall be responsible for any such charge. You should note that it may not be possible to deal during any such transfer process.

D.10.2 If any of the Investments you wish to transfer into your Account are not available on our Platform you will need to sell these Investments and transfer the resulting cash into your Account, unless an alternative share class of the same Investment is available on our Platform, in which case we will, at your request, request the conversion of your Investment into a share class that is available on our Platform and re-register accordingly.

D.10.3 If we re-register any of your Investments in accordance with D.10.2, we will convert any Bundled (Commission-Paying) Share Classes to the equivalent Clean (Commission-free) Share Classes, such conversions to take place at a schedule determined by us.

D.10.4 We accept no liability for losses incurred by you as a result of time spent un-invested while you are arranging for Investments to be sold and cash transferred into your Account.

Transferring out of your Account

D.10.5 Subject to any restrictions which may apply in relation to a specific Investment, you can transfer any of your shares or other eligible Investments out of your Account by sending signed written instructions to us. If the holding is to be held in certificated form, certificates will be issued in your name and can take six to eight weeks to process. Please note that certificated and CREST holdings held outside your Account cannot be sold through your Account.

D.11. Payment

D.11.1 Our preferred method of payments to you is by BACS. If you do not provide us with your Nominated Bank Account details and associated supporting evidence when requested, any payment to you may be delayed and held on your Account.

D.12. Withdrawals

D.12.1 Subject to paragraph C.8.2 of the General Terms and Conditions if you request us to, on receipt of that written request, we will use reasonable endeavours to sell all or part of your Investment and provide you with the proceeds in accordance with the particulars of your instructions.

D.12.2 We reserve the right to delay any withdrawal request in the event we suspect any suspicious trading activity connected to your Account or any other action that may, in our reasonable opinion, be in breach of applicable FCA Rules.

D.13. Cash Withdrawals

D.13.1 We reserve the right to delay any withdrawal until such time as cleared funds are available in your Account to facilitate such withdrawals. Due to various settlement timescales, dependent on the type of Investment, the dispatch of withdrawal proceeds may take up to 10 Business Days from the date your instruction is received. For withdrawals over a certain amount, or in relation to certain Investments, this may take longer.

D.13.2 Any instructions relating to withdrawals should be given in accordance with the procedures relating to instructions set out in these Terms and Conditions.

E. Close Enterprise Investment Scheme Service

E.1. Close EIS Service

- E.1.1 For the clients of the Close EIS Service, the Client Agreement shall comprise these Terms and Conditions and:
- (i) the Application Form; and
 - (ii) the Fees and Charges Schedule.

E.2. Commencement

- E.2.1 The Close EIS Service commenced on the date on which you submitted your Application Form.

E.3. Our investment management

- E.3.1 We may make common investment decisions for a number of client portfolios including your portfolio(s).
- E.3.2 Where we make an investment decision to deal on your behalf in relation to your portfolio(s), we shall assess the suitability of the transaction in the context of the objectives of the Service and in accordance with FCA Rules.
- E.3.3 Except where otherwise agreed, we will not borrow on your behalf to invest or invest in holdings with a contingent liability or otherwise create a leveraged portfolio, unless otherwise agreed with you and in accordance with FCA Rules in order to ensure that we are acting in your best interests.
- E.3.4 We do not guarantee to produce any particular level of performance, or any outperformance of a given index or other benchmark.
- E.3.5 The Close EIS Service is based upon our understanding of the current tax regime, which is subject to change. We do not give individual tax advice and clients are advised to seek independent tax advice from an appropriately qualified and experienced financial adviser, tax adviser, lawyer or accountant.
- E.3.6 By entering into the Client Agreement, you grant us the exclusive right to manage your portfolio at our sole discretion and without prior reference to you and to select and manage investments which correspond with the applicable objectives.
- E.3.7 We will, normally acting as your Agent, have complete discretion to buy, sell, retain, convert, exchange or otherwise deal in investments and other assets of your portfolio, make and withdraw deposits, apply for issues and offers for sale and accept placings, underwritings and sub-underwritings of any investments, effect transactions on any markets or exchanges, negotiate and execute counterparty and account opening documentation, take all routine or day-to-day decisions and otherwise act as we think appropriate in relation to the management of your portfolio, but subject always to the provisions of the agreement.

- E.3.8 There is no restriction on the amount we may invest on your behalf in any single investment, or on the proportion of your portfolio in any single investment, or any particular type of investment, or on the markets on which transactions are effected, unless otherwise agreed with you. You should note that if we sell Investments on your behalf, there may be tax consequences.

E.4. Investment Objective

- E.4.1 The investment objective for the Close EIS Service is to provide clients with a way of accessing the multiple tax reliefs available through the Enterprise Investment Scheme, collectively known as EIS relief. These include, income tax relief, tax-free growth, loss relief, capital gains tax (CGT) deferral and inheritance tax relief, some or all of which may be interdependent. This objective is achieved through investment in companies that we believe qualify for EIS relief or other legislation covering such relief.
- E.4.2 We will manage your portfolio on a discretionary basis within this investment objective.
- E.4.3 We will normally only make new investments in shares which are traded on AIM or on AQSE, and which we believe qualify appropriate investors for EIS relief. There shall be no restriction on the amount invested in any one investment or on the proportion of your portfolio in any one investment.
- E.4.4 We cannot guarantee that any Investment will in practice qualify or continue to qualify for EIS relief as defined by HMRC from time to time. We shall not be liable for any losses or losses of opportunity that you may suffer as a result of the failure of an investment to qualify, or continue to qualify, for EIS relief, except where such losses are as a direct result of our fraud, wilful default or negligence.

E.5. Your Financial Adviser, Suitability and your Financial Adviser's charges

- E.5.1 We require that you (a) appoint a Financial Adviser to advise you in whether this Service is suitable for you; and (b) retain a Financial Adviser on an ongoing basis to advise you on whether this service is suitable for you. We require you to notify us immediately in writing in the event of termination of your relationship with your Financial Adviser. This also applies to any beneficiary of the Close EIS Service on receipt of their beneficial interest.
- E.5.2 Your Financial Adviser remains responsible at all times for ensuring the Close EIS Service remains suitable for you. Your Investment Manager cannot accept any liability or responsibility for ensuring that the Close EIS Service is and remains suited to your personal circumstances, requirements and objectives. Close Brothers Asset Management accepts no liability or responsibility for any third party adviser whom you may appoint, or for any advice provided to you by such third party adviser.

- E.5.3 Your Financial Adviser will have disclosed to you the total charges that relate to the advice that they gave you to proceed with the Close EIS Service. How you pay for your Financial Adviser's services may depend on when the advice to invest in the Close EIS Service was given.
- E.5.4 Your Financial Adviser will be paid for their advice by separate adviser charges rather than as a portion of the annual management charge. If you would like us to facilitate the payment of your Financial Adviser's charges on your behalf you will need to complete an Adviser Charging Agreement.
- E.5.5 Any initial adviser charges may be deducted from the amount of cash that you subscribe before the balance is invested in your portfolio(s). The amount taken will be agreed between you (as the investor) and your Financial Adviser.
- E.5.6 If you have agreed to pay for your Financial Adviser's charges on an ongoing basis, we will continue to facilitate the payment of your Financial Adviser's ongoing charges until you give us further instructions.
- E.5.7 You are entitled to withdraw your consent to us facilitating your Financial Adviser's charges at any time by informing us in writing. We will stop calculating the Financial Adviser charges as soon as we receive your instruction, but please note that we cannot backdate any instruction to stop paying your Financial Adviser's charges. Your instruction to cease facilitating your Financial Adviser's charges will be valid only from the date we receive it, and we will assume that your Financial Adviser is entitled to receive the charges that you have authorised up to the date that you withdraw your authorisation, and we will make arrangements to pay any accrued adviser charges from your portfolio. Once we have processed the charge and paid your Financial Adviser, we cannot recover it, so you will need to take the matter up directly with your Financial Adviser.
- E.5.8 If you change your Financial Adviser and want us to start paying charges to your new Financial Adviser you will need to let us know in writing. As above, we will stop calculating your previous Financial Adviser's charges as soon as we receive your instruction, but we will make arrangements to pay any accrued charges up to that date. Your new Financial Adviser's charges will start accruing from the date that we receive your instruction.
- E.6. Fees and charges**
- E.6.1 Our fees and charges are calculated in accordance with the relevant Fees and Charges Schedule provided to you.
- E.6.2 Our fees and charges may be deducted from any cash held within your portfolio(s) in accordance with the Fees and Charges Schedule. Where there are insufficient monies available to meet the fees and charges due, then we may either: (a) invoice you directly, and you hereby agree to settle any invoice by return; or (b) sell assets from your portfolio(s) to cover such charges.
- E.7. Communications**
- E.7.1 Instructions and notifications may be given by you by telephone, video call, email or letter to the address, telephone number or email address last notified by us to you. We may require you to communicate with us in a specific manner with regards to a particular instruction.
- E.8. Valuations and reports**
- E.8.1 The initial value and composition of your portfolio shall be calculated on the date on which we commence management of your portfolio(s). If requested, a copy of this initial valuation will be sent to you unless the initial fund consists solely of cash.
- E.8.2 We shall prepare periodic statements quarterly, showing the contents of your portfolio(s) and the cost, current market value and the basis on which these have been valued. Each periodic statement will also show income and interest credited to your portfolio(s), fees charged and transactions made in the period.
- E.8.3 A consolidated tax pack in respect of your discretionary taxable portfolio(s) will be provided on an annual basis to assist in the preparation of your annual tax return or annual accounts.
- E.8.4 Unless the historic book cost of any holdings transferred to us has been provided or is readily available, we will record the book cost as nil. In such instances, for taxable portfolio(s) we cannot guarantee the accuracy of any capital gains tax calculations provided with your tax pack.
- E.8.5 Valuations will be sent out as soon as reasonably practicable following the relevant valuation date in accordance with the FCA Rules.
- E.8.6 We will obtain EIS3 certificates from companies whose shares we buy on your behalf, and we will issue these to you. While we will use reasonable endeavours to provide these to you within an acceptable time frame, we cannot accept any responsibility for the receipt of EIS3 certificates as this is dependent on, among other things, the investee company and HMRC.
- E.9. Contract notes and advice notes**
- E.9.1 Contract notes and/or advice notes shall not be sent to you unless required in accordance with FCA Rules or unless you specifically elect to receive these when entering into the Client Agreement. You should be aware that where you elect to receive hard copy contract notes we reserve the right to charge a fee for this service which will be notified to you.
- E.9.2 Where you do receive a contract note or advice note you should be aware that this is not a document of title.
- E.9.3 You are entitled to contact us within two Business Days of the date of receipt of any contract note or advice note to advise us that the transaction is not within agreed investment objectives and parameters or of any error which it may contain. In the absence of such notification, we are entitled to assume that you confirm that the transaction is within agreed investment objectives and parameters.

- E.9.4 An error in relation to the contract note or advice note in no way invalidates, and does not afford you the right to seek to reverse, rescind or unravel, the transaction to which it relates.
- E.10. Payments and Withdrawals**
- E.10.1 You are entitled to withdraw the assets and/or cash your portfolio(s) at any time by giving us written notice in accordance with paragraphs E.10.4 and E.10.5 below. Upon receipt of this written notice we will, as promptly as possible and to the extent practicable, transfer to you the cash and/or assets that you wish to withdraw. In most cases we can also transfer your assets and/or cash to another service provider engaged by you.
- E.10.2 We may accept verbal instructions at our discretion. If insufficient funds are available on your capital account, we will take the necessary funds from your income account. If there are insufficient funds standing to the credit of your income account we shall, at our discretion, sell assets held within your portfolio and use the proceeds of sale to make such payments. Requests for withdrawal of the entire value of the portfolio will be subject to the completion and fulfilment of any commitments we have already made as managers on your behalf.
- E.10.3 If rather than having your assets transferred to you or as you direct as provided in paragraph E.10.1 above you would prefer that Close Brothers Asset Management sells your investments on your behalf and, assuming your investments can be sold, transfer to you the sale proceeds, then you must provide written instructions to that effect. We will pay to you the sale proceeds less any amounts you might owe to us.
- E.10.4 If, as a consequence of a withdrawal or transfer request as contemplated in this paragraph 10, the value of your portfolio falls below the minimum holding requirement of £100,000 we may, at our discretion, terminate the agreement with immediate effect.
- E.10.5 For amounts under £25,000, please give not less than ten working days' notice before the funds are required. For amounts above £25,000, we will use our best efforts to raise the entire amount within the timescale requested (to be at least ten working days from our receipt of the request), but reserve the right in your own interest to consult you and, if necessary in the market conditions, to agree such longer period as will allow the orderly disposal of the portfolio's shares in markets which may have limited liquidity and produce difficult conditions to accommodate sudden large orders for sales or purchases.
- E.11. Instructions**
- E.11.1 In the event that you instruct us to execute a trade or transaction on an Execution Only basis, we will not be responsible for the suitability of that Investment. Where that Investment is categorised as a non-complex financial instrument under the FCA Rules, we will also not assess the appropriateness of that Investment. The consequence of this is that you will not benefit from the protections afforded by the FCA Rules on assessing appropriateness.
- E.11.2 We have the right to reject, on reasonable grounds, an application for the purchase of Investments in whole or in part including where we deem it to be inappropriate. We also reserve the right to refuse an application if we have reason to believe that the application may be in contravention of any law or regulation (including applicable anti-money laundering and combating terrorist financing rules and anti-bribery regulations) or if you have not provided evidence of identity previously requested.
- E.12. Dealing and Counterparties**
- E.12.1 With the exception of transactions undertaken, and positions held, by you on an Execution Only basis, we shall arrange for the settlement and delivery of all purchases and sales and shall deal at our discretion with scrip issues, right entitlements and other matters affecting investments in your portfolio(s).
- E.12.2 We will act in good faith and with due diligence in our choice of counterparties, but may deal on such markets or exchanges as we believe provide the best possible outcome. All transactions will be effected in accordance with the rules and regulations of the relevant market or exchange, and we may take all such steps as may be required or permitted by such rules and regulations and/or by appropriate market practice.
- E.13. Death**
- E.13.1 Where we are notified of your death, the management of your portfolio(s) will, as soon as practicable thereafter, be undertaken in accordance with a "care and maintenance" mandate, which means that the portfolio(s) will continue to hold the assets/cash at such relevant time unless and until a cash offer is received for an individual holding or if the decision is taken by us to sell a holding for all clients subscribing to the Close EIS Service. The proceeds of such sale will not be reinvested. If the executor(s) or personal representative(s) intends to transfer the portfolio to their name(s) once the grant of probate, certificate of confirmation (in Scotland), letters of administration or equivalent is received, we may enter into a new agreement with such executor(s) or personal representative(s) in relation to such portfolio(s) and the reinvestment of any sale proceeds. We shall continue to deduct our charges as payment for our management of the portfolio(s) and for dealing with any arrangements concerning your death including acting in accordance with the directions of your executor(s).

E.14. Taxation

- E.14.1 Any information relating to taxation in this agreement is non-exhaustive and based upon existing legislation. Existing levels and bases of reliefs from taxation may change and the value of tax reliefs depends on your personal circumstances.
- E.14.2 There is no single body of legislation dealing with EIS relief. The approval of qualification status is therefore dependent on new case law relating to, or HMRC interpretation of, various pieces of legislation. Changes to such legislation, whether or not directly intended to apply in the context of EIS relief may affect the qualification status of companies for such relief.
- E.14.3 No guarantee can be given that HMRC will grant EIS relief on each investment made for you. HMRC advance assurance of qualification can only be obtained on behalf of companies, not investors. The HMRC process for confirming qualification can be slow and, from time to time, it may be necessary for us to make our own judgment on qualification. It is possible that EIS relief, once claimed by an investor, could be withdrawn if a company changes its business activities, its corporate structure, is taken over by a company within three years of investment and other circumstances relating to the company.
- E.14.4 Neither you, nor us acting on your behalf, may be in a position as minority shareholders to influence investee companies' management, so as to preserve an investee company's qualifying status for EIS relief.
- E.14.5 If an investee company ceases to be a qualifying company for EIS relief within the three year period following acquisition of shares in that company, any income tax relief claimed may need to be repaid, the investor may have a chargeable gain for CGT purposes calculated in the normal way and unless a further investment is made to defer the original deferred gain, that gain will fall back into charge.
- E.14.6 You should note that the objective of the portfolio is to provide you with a way of accessing the multiple tax reliefs available through the Enterprise Investment Scheme, collectively known as EIS relief. These include, income tax relief, tax-free growth, loss relief, capital gains tax (CGT) deferral and inheritance tax relief, some or all of which may be interdependent.

E.15. Contact

- E.15.1 If you have any questions regarding the Close EIS Service, please contact your Client Service Team on 01606 810100.
- E.15.2 Alternatively, you can contact us at:
Close EIS Service
Close Brothers Asset Management
Nelson House
Gadbrook Business Centre
Gadbrook Road
Northwich
Cheshire
CW9 7TN

Part III. Appendices and Annex

Appendix I – Online Account Terms and Conditions

1. Introduction

- 1.1 These Terms and Conditions apply to your use of the secure element of our Website giving you access to your Online Account.
- 1.2 When you elect to have an Online Account, you agree to be bound by these Online Account Terms and Conditions.
- 1.3 The information on our Website is not, and is not intended as, advice on any specific issue or situation. None of this information constitutes, or may be relied on as financial or other professional advice.

2. Opening an account

- 2.1 After completing the online registration process and/ or if your application is accepted, you will be sent a username and single-use password separately by email. This will provide you with online access to your Account. Single-use passwords expire after a period of time if the Online Account is not activated.
- 2.2 You will be asked to change your single-use password to a password of your choice when you access your Online Account for the first time. You will also be asked to choose a memorable word (together with your username and password “Security Details”).
- 2.3 You will be asked to give selected letters from the memorable word each time you log on to your Online Account; this will help to protect you in the event that someone finds out your password by watching you log on or monitoring your internet traffic.
- 2.4 The receipt of the username and single-use password does not imply that your application to open an Online Account has been successfully processed.

3. Security of your Account

- 3.1 You must take all reasonable precautions to keep your Security Details safe and to prevent any unauthorised access to your Online Account.
- 3.2 In particular, you must:
- (i) not use Security Details that other people might easily guess, for example, birth dates, family pet or street names;
 - (ii) safeguard your Security Details and under no circumstances should you keep a written or electronic record of your Security Details or disclose them to any other person;

- (iii) take all reasonable steps to prevent disclosure of your Security Details;
- (iv) always remember to log off once you have finished accessing your Online Account;
- (v) keep your computer safe by using up-to-date antivirus and firewall software;
- (vi) not use the same Security Details for your Online Account that you use for other online services or accounts;
- (vii) dispose of any documents containing any Online Account or security information by shredding them;
- (viii) never try to access your Online Account from a link in an email which looks like it is sent from us. You must only access your account through our Website;
- (ix) not use any kind of auto-complete function in your internet browser or other software to remember your Security Details; and
- (x) follow any security advice recommended by the manufacturer of any mobile device used to access your Online Account.

- 3.3 You agree to provide us with any information and assistance we may reasonably require if there is unauthorised access to your Online Account and you agree that we may disclose information about you or your Online Account to law enforcement agencies, including the police or to other third parties for the purposes of investigating such events and taking any further related actions such as the recovery of losses suffered by us.
- 3.4 You can change your Security Details Online at any time after logging on to your Online Account.
- 3.5 Nobody at Close Brothers Asset Management will ever ask you for your password. If anybody asks you for your password, you should contact us immediately.
- 3.6 In addition, we will never ask you for Account information or your passwords in an email. If you think that any of your Security Details have been lost, stolen, if you receive emails that you believe to be fraudulent, or if you think that someone has used or may try to use your Security Details to access your Online Account you must change your Security Details immediately and call our Investor Support Team for investigation.

4. Provision of your Online Account

- 4.1 Your right to use your Online Account is personal to you and you must not permit any other person to access or use your Online Account or Security Details in any circumstances.
- 4.2 You are solely responsible for providing and maintaining any equipment that you use to access your Online Account or our Website. Technological changes may make the equipment that you currently use to access your Online Account obsolete or otherwise unsuitable. You are solely responsible for any costs that you incur while using your Online Account or our Website. We reserve the right to change our Website, your Online Account or our Website at any time without notice to you, even if this means that you need to update or replace the equipment that you use to access your Online Account or our Website.
- 4.3 You may have to print documents from our Website or your Online Account from time to time. These documents will also be stored Online or in your Documents so you can print them at any time.

5. Suspension and termination of your Online Account

- 5.1 At our sole discretion, we may immediately suspend or terminate your access to your Online Account. By way of example a suspension or termination of access and use of your Online Account may occur where we reasonably believe you have misused your Online Account or if we believe there is or is likely to be a threat to the security of your Online Account. We will inform you of any suspension or termination as soon as reasonably possible.
- 5.2 Any suspension or termination of your right to access and use your Online Account will not affect applications already accepted by us, whether or not we have already actioned them, unless we believe that there may be a risk of fraud, or we are prevented by law from actioning your application.

6. Using your Online Account

- 6.1 We reserve the right to add, alter, upgrade or discontinue any or all of the services available to your Online Account or information contained on our Website without notice, for example, in order to respond to any security concerns we may have or to improve the Website. It is your responsibility to regularly read any Fund Documentation and terms and conditions available on our Website. By opening an Online Account you agree and accept to be bound by the Fund Documentation and these Terms and Conditions.
- 6.2 We are not obliged to verify the source of any instruction made through the use of our Website as long as we reasonably believe it to be genuine. If we do not consider any such instruction to be genuine and accurate we may decline to act upon such instruction and you acknowledge and confirm that you hereby release us from any liability whatsoever, directly or indirectly, from our resulting action, inaction or omission. However, for your protection, we reserve the right to contact you and obtain written confirmation from you of any instruction made through the use of your Online Account.

7. Inactive accounts

- 7.1 We reserve the right to close an Online Account which has no holdings or cash balances in accordance with the General Terms and Conditions. We reserve the right to pay away any de minimis unclaimed amounts in accordance with the FCA Rules.

8. Online security

- 8.1 We will automatically log you out of your Online Account after we have warned you that we are about to do so, if we detect that you have been inactive for 15 minutes.
- 8.2 We may write to you to confirm amendments made to your Online Account and personal details. In some cases, we may seek additional information from you to verify the validity of these changes.

9. Limitations of Liability

- 9.1 Both our Website and, as a consequence, your Online Account may be temporarily unavailable or restricted for administrative or any other reason and we do not accept any responsibility and will not be liable for any loss or damage arising out of, or in connection with, loss of access to, or use of, the Website or your Online Account. If either the Website or your Online Account are unavailable, you should notify us.
- 9.2 You acknowledge and accept that we, and anyone for whom we are responsible for, have no liability to you at law, by statute, in equity or otherwise arising from our relationship for any loss, damage, expense or injury, whether direct or indirect, special or consequential, incurred or suffered by you arising from, or in connection with: (i) any error, corruption, inaccuracy or incompleteness in any information input by you on the Website or on your Online Account; and (ii) your use of, or access to, our Website or your Online Account except as a result of our negligence or wilful default.
- 9.3 While we take all reasonable care to ensure all electronic communication, emails and any attachments we may send to you are free from inaccuracies, errors, viruses or other malicious software, we do not warrant this and, unless proved to be due to negligence on our part, we shall not be liable to you for any loss, damage or expense you may incur as a result of such inaccuracies, errors, viruses or other malicious software.
- 9.4 In no event will we be liable to you for any circumstances beyond our reasonable control including, without limitation, a corruption or error arising during data transmission, any hardware or software error, unavailability, non-functioning or interruption of the internet or other telecommunication services, viruses or security breaches.
- 9.5 You acknowledge that you will be responsible to Close Brothers Asset Management and to yourself for any loss, damages, claims and costs caused by your misuse of the Website or your Online Account and failure to take all reasonable precautions to keep your Security Details secure.

10. Privacy and Cookies

- 10.1 We may use cookies (small data files stored on your pc or other computer type device) or similar software to improve the provision of our Online services. Further information on how we may use cookies is set out on our Website under 'Cookie Policy' and by using the Website, you will be deemed to have consented to the use of cookies as disclosed to you in our Cookies Policy.
- 10.2 The Data Privacy Notice set out in Appendix II sets out the details of what information about you we collect, how it is stored and what we use it for.

11. Intellectual Property Rights

- 11.1 We (or our licensors) hold and own all copyright and all other intellectual property rights connected to our Website, including without limitation your username, password and Account number. All rights are reserved. You have no rights to use any of our intellectual property except as set out in these Terms and Conditions.
- 11.2 Except for the purpose of accessing the Website and producing print-outs for your personal use or to the extent that we consent otherwise in writing addressed to you, no material on the Website may be copied, displayed, modified, reproduced, stored in a retrieval system, transmitted (in any form or by any means), distributed, used for creative derivative works or used in any other way for commercial or public purposes.

12. Communications

- 12.1 You agree that we may communicate with you and provide information, documents and reports relating to our services via our Website, including in the Documents area of the Online Account and the Online Secure Messaging Facility.

Appendix II – Data Privacy Notice

Your Personal Data will be collected and processed by Close Asset Management Limited, referred to below as “we”, “our” or “us”.

This notice is intended to provide an overview of what Personal Data we collect about you and why we process it. You can find further information about how and why we use your Personal Data and the rights that you have in relation to your data at closebrothersam.com/general-terms-and-conditions

What is my Personal Data?

Personal Data is information that can be used to identify you or tell someone something about you. This can include your name, date of birth and contact details. It can also include information such as your financial circumstances, your bank details and records of communications, e.g. letters and recorded telephone conversations and video calls.

1. Purposes for which we use your Personal Data

The main ways in which we process your Personal Data are:

- A. **To verify your identity, address and bank account details in order to be able to accept you as a Close Brothers Asset Management client.** We will carry out credit reference, anti-money laundering, terrorist financing and fraud prevention checks (which may include sharing personal data with credit reference and fraud prevention agencies).
- B. **To manage, administer and take decisions regarding your account, such as:** assessing your suitability for the services that you have requested or that we have recommended, providing those services to you, and exercising our rights and performing our obligations under our client agreement with you (e.g. buying, selling and transferring investments, receiving and paying out monies and keeping you up to date with how your investments are performing).
- C. **Managing our legitimate business interests, such as:** improving customer service, to send promotional information about our products and services, market research, quality assurance, training staff, system development and statistical analysis of your Personal Data even if you or we subsequently decide not to enter in to a client agreement with you.
- D. **To meet our legal and regulatory obligations.**

2. Sharing your information

To allow us to process your Personal Data for the purposes summarised above, we need to share it with a number of third parties. We will share your information with:

- A. **Credit reference and fraud prevention agencies.** We are required to undertake checks on all prospective clients. These include credit reference, anti-money laundering, terrorist financing and fraud prevention checks. We will share your information with credit reference and fraud prevention agencies to verify your address, identity and bank account details. Although a record of our check will remain on your record, it will not affect your credit score.
- B. **Those Associates who assist us in administering your account.** These may be based outside the European Economic Area. Close Brothers Asset Management uses a number of third party suppliers to provide systems, software and expertise in the execution and delivery of its services to you and may share your Personal Data, including your Special Category data with any of these. For further information regarding our arrangements with these data processors, please refer to our Privacy Notice on our website at closebrothersam.com/legal-centre/
Please be assured that these third parties will not use your data for marketing purposes. We will always take appropriate measures and meet our legal obligations to ensure that any information transferred to such third parties is kept securely.
- C. **Our Associates, UK and overseas law enforcement agencies, HMRC, regulatory authorities and other bodies who may have a legal right to the data, for example an authorised representative acting on your behalf or our legal and other professional advisers –** to fulfil our regulatory and contractual obligations or for crime prevention purposes.
- D. **Other members of the Close Brothers Group plc group of companies –** to ensure the delivery of services you have opted to receive from us (where the other members of our group help us to provide those services to you), to ensure the safety and security of your data, and as part of our internal research and statistical analysis activity.

Appendix III – General description of the nature and risks of investments

1. Risk warnings

Client Investments and Risks

We have set out below a summary of the general nature and risks associated with the types of investments that may be included in your portfolio(s).

The main risk associated with investing is that as the value of an investment may go down as well as up, you may get back less than you invest.

1.1 Shares

Investments may be in shares listed on recognised stock exchanges, both here in the UK and overseas or in shares on other approved markets such as London Stock Exchange's Alternative Investment Market. The main risks associated with investing in shares include:

- (i) If there is no recognised market for shares, then these may be difficult to realise and accurate information about their value may be hard to obtain;
- (ii) Smaller company investments may be difficult to realise if there is little liquidity in the market for such shares and there may be sizeable differences between the buying price and the selling price;
- (iii) Shares listed on overseas markets may involve different risks to the UK markets;
- (iv) Shares in currencies other than sterling may vary in value according to the price of which a currency is converted into sterling, depending upon the volatility of the foreign exchange markets.

2. Risks specific to the Close EIS Service

- 2.1 Investment in the Close EIS Service carries substantial risk. There can be no assurance that the Close EIS Service investment strategy will be achieved and investment results may vary substantially over time.
- 2.2 No guarantees as to investment performance, the level of dividend income, and capital gains or savings in EIS relief are given either expressly or by implication. The past performance of the Investment Manager is not a reliable indicator of future results and there can be no guarantee that a portfolio's objectives will be achieved.
- 2.3 The value of investments and the income from them may fall as well as rise and is not guaranteed. An investor may not get back the original amount invested. Fluctuation may be particularly marked in the case of a higher volatility portfolio and the value of an investment may fall suddenly and substantially. There can be no guarantee that the value of investments would be realisable in the event of a forced sale.

- 2.4 The EIS relief offered by the Close EIS Service is based on current tax law and practice. The tax treatment depends on the individual circumstances of each client and may be subject to change in the future. No guarantee can be given that HMRC will grant EIS relief on each investment made for the portfolio(s).
- 2.5 Should you redeem any part of your portfolios, that portion will no longer qualify for EIS relief and if it is applicable it will fall back into your estate for inheritance tax purposes.
- 2.6 There is a risk that an investment selected on the basis that it was considered by the Investment Manager in good faith to be a 'trading company' may not be or may cease to be so, if HMRC considers that such a company has changed its business activities, or its corporate structure, or if may for some other reason cease to qualify for EIS relief.
- 2.7 AIM and AQSE are markets which are designed primarily for emerging or smaller companies. Such companies can be expected, in comparison to companies quoted on the Official List, to have less mature businesses, a more restricted depth of management, and a higher risk profile. The rules of these markets are less demanding than those of the Official List.
- 2.8 Companies listed on AIM and AQSE are unquoted companies. Unquoted in this context means companies that are not listed on a recognised stock exchange. Investment in unquoted companies, by its nature, involves a high degree of risk. Many unquoted companies have a small management team and, accordingly, the loss of any one individual may have a materially adverse effect on their performance. Developing companies can have limited product ranges and tight cash constraints and are therefore vulnerable to sudden market changes.
- 2.9 An investment in the Close EIS Service is considered suitable only for informed investors and should be regarded as higher risk and long-term in nature. You should be prepared to invest in higher risk shares and be prepared to accept a high degree of volatility on your investments.
- 2.10 From time to time, there may be no liquid market for the shares within your portfolio, given that the portfolio will be invested in unquoted companies. The investments may be difficult to realise and accurate information about their value, or the extent of the risks to which you are exposed, may be hard to obtain.

Annex – Order Execution Policy and Conflicts of Interest Policy

1. Order Execution Policy

- 1.1 It is our policy when buying or selling investments of all types of financial instruments to obtain best execution. This means that we will take all sufficient steps to trade in a manner designed to obtain the best possible result for you on a consistent basis. In order to try and achieve this, we focus on the total consideration of the trade including the price of the instrument, together with all expenses directly related to the execution of the order that are payable by you. The following is a summary of the policy we have established and which we will review at least annually and monitor periodically. Wherever possible, we will place all trades for direct equities (including investment trusts), government securities and corporate bonds with a UK based FCA regulated investment firm such as a stockbroker. For all trades in unit trusts or OEICs we will trade directly with the Manager.
- In order to achieve the objectives set out above, we regularly review the stockbrokers with whom we might wish to trade. We will take into account a range of factors in deciding where to place deals on your behalf. These include: (a) price, (b) size, (c) likelihood of execution and settlement, (d) speed, (e) costs, (f) nature of the order, (g) any other consideration relevant to the order.
- 1.2 We will generally give the highest priority to total consideration, representing the price of the relevant financial instruments and the costs related to execution. However, we may at our discretion, prioritise such other factors such as liquidity or immediacy. For example, where we execute orders in shares of smaller companies, the ability to execute the order in the required volume is often the key factor determining the execution venue. In practice this may mean that the choice of execution venue is limited to a single broker who is capable of delivering that volume. Where this is the case, the price for that transaction is largely determined by means of negotiation between us and that broker with the objective of obtaining the best possible result for you.
- 1.3 We do not routinely accept specific instructions as to how to execute orders. However, should we accept such instructions, you acknowledge that for that specific order this may prevent us from taking the steps that we have designed and implemented to obtain the best possible result for your order.
- 1.4 Further information on the policy is available on request or can be found in the Policies section on our website closebrothersam.com

2. Conflicts Of Interest Policy

- 2.1 Close Brothers Asset Management is required by the FCA to take all appropriate steps to identify and to prevent or manage, record and, where relevant, disclose actual or potential conflicts of interest. We are committed to operating in the best interests of our clients and managing conflicts of interest fairly. Where we have a material interest or a conflict of interest, we may not knowingly advise or deal unless we have taken appropriate steps to ensure that our clients' interests are not adversely affected.
- 2.2 From time to time, we or anyone connected with us, may execute transactions for you where we, or another client of ours, have an involvement that may conflict with our duty to you. We will ensure that any such conflict, or potential conflict, does not affect the transactions we carry out for you in any material way. If we cannot manage a conflict then we will tell you so.
- 2.3 We have established a Conflicts of Interest Policy, which sets out the types of actual or potential conflicts of interest which affects our business and provides details of how they are managed in accordance with the above paragraphs.
- 2.4 Further details and updates of this policy are available upon request or at our website in the Policies section of our website: closebrothersam.com/policies

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Visit our website: closebrothersam.com