

# Institutional stockbroking services

## Terms of business

These *Terms of business* set out the detailed basis upon which Sanlam Securities UK Limited (SSUK) will provide stockbroking services to you. These *Terms of business*, together with the fee schedule and *MiFID client categorisation and consent form* constitute our agreement with you and are together referred to as 'this agreement'. The client is the company or other organisation named as the client on the *MiFID client categorisation and consent form*, who is entering into this agreement with SSUK. Your application is subject to acceptance by SSUK.

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## Contents

<b>5</b>	1. Governing regulations	<b>13</b>	15. Conflicts of interest
<b>5</b>	2. Category of account	<b>13</b>	16. Aggregation
<b>5</b>	3. The service	<b>13</b>	17. Taxation
<b>6</b>	4. Placing an order	<b>13</b>	18. SSUK's liability and indemnities
<b>8</b>	5. Trade and transaction reporting	<b>14</b>	19. Force majeure
<b>9</b>	6. Contract notes	<b>14</b>	20. Complaint procedure
<b>9</b>	7. Clearing	<b>14</b>	21. Client protection
<b>9</b>	8. Settlement	<b>15</b>	22. Termination and events of default
<b>10</b>	9. Research	<b>16</b>	23. Joint accounts
<b>10</b>	10. Communication and client instructions	<b>16</b>	24. Anti-money laundering
<b>11</b>	11. Unsolicited calls	<b>17</b>	25. Fees, charges and remuneration
<b>11</b>	12. Commencement date	<b>18</b>	26. Data protection and provision of information
<b>11</b>	13. Amendments and assignments	<b>18</b>	27. Electronic communication
<b>11</b>	14. Clients' warranties and indemnities	<b>18</b>	28. Provision of certain information via our website

# Definitions

In this section, we have set out the specific meaning of terms used throughout the document.

**Affiliate:** in relation to a person, a person controlled, directly or indirectly, by the same person as controls that person.

**Applicable regulations:** the *FCA Rules*, the rules of any relevant regulatory authority, the rules of any relevant exchange, and all other applicable laws and rules in force.

**Business day:** a day other than a Saturday or a Sunday on which banks in London are generally open for business.

**Derivative:** an 'over-the-counter' or exchange-traded derivative instrument of any kind or description, whether a derivative of a security or otherwise.

**Event of default:** an event such as is set out in paragraph 22.3.

**Exchange:** any exchange or execution venue on which any security or derivative which is the subject of a transaction is listed or quoted.

**FCA:** the Financial Conduct Authority of the United Kingdom and any successor body.

**FCA Rules:** the rules and regulations of the FCA.

**FSMA:** the Financial Services and Markets Act 2000 of the United Kingdom.

**Investment:** any securities, derivatives or other property (but not cash) which is held by us or to our order on your behalf.

**Paragraph:** a paragraph or a sub-paragraph of these terms.

**Rules:** articles, rules, regulations, directions, procedures, customs and practices in force.

**Security:** any type of security, whether or not the security has been created or issued by us, and which, without limitation, may include the following: publicly and privately traded debt and equity securities including any type of ordinary, preferential or convertible share; floating rate and fixed income debt securities including debentures, bonds and promissory notes; warrants; other types of equity-linked and debt-linked securities; and any other type of sovereign, governmental, state, municipal, and corporate debt.

**Services:** our execution and dealing services in publicly or privately traded securities and derivatives (including, where permitted by applicable regulations, unregulated collective investment schemes) and the provision of any related services, information, advice and research.

**SPI Group:** any company controlled directly or indirectly by Sanlam Private Investments UK Ltd.

**Terms:** the terms of business under which we offer our services to you and which are set out in this document, or which are included in any variation of, or supplement to, these terms which we may agree with you in writing.

**Trading venue(s):** any regulated market, multilateral trading facility (MTF) or organised trading facility (OTF), as defined in the FCA Rules.

**Transaction:** an order which you give to us for the purchase, sale or subscription of any security, derivative or other investment, or any other transaction entered into between us which is carried out under these terms.

# Terms of business

## 1. Governing regulations

SSUK is authorised and regulated by the Financial Conduct Authority (FCA), whose address is 25 The North Colonnade, Canary Wharf, London E14 5HS, and is bound by its rules in the conduct of investment business. Except where stated, or where the context otherwise demands, words and phrases defined in the *FCA Rules* have the same meaning when used in this agreement. These *Terms of business* are subject to the laws of England and Wales and other applicable laws and rules. In the event of conflict between these *Terms of business* and any such laws and rules, the latter will prevail. The language in which this contract will be interpreted, and in which all communications will be conducted, will be English.

## 2. Category of account

- 2.1. For the purpose of *FCA Rules* and based on the information available to us, we will treat you as a professional client or an eligible counterparty. If you are classified as an eligible counterparty, certain statutory and regulatory protections will not apply to you. Your classification is confirmed in the attached *MiFID client categorisation and consent form*, which you must sign and return to us. Please note that in dealing with you as an eligible counterparty, SSUK is not obliged to meet certain conduct of business obligations as set out under Markets in Financial Instruments Directive (MiFID).
- 2.2. You have the right to request recategorisation. Any such recategorisation will be subject to eligibility criteria and conditions as specified in MiFID. SSUK reserves the right to refuse to agree to such reclassification.
- 2.3. **Local public authorities and municipalities.** You are not a public sector body, local public authority, municipality or a private individual investor or if you are, you have elected and are capable of being treated as an elective professional client in accordance with the FCA Rules or other applicable law and you will notify us immediately of any changes to your status that mean you are no longer capable of being treated as such.

## 3. The service

- 3.1. We will act as agent on your behalf in arranging transactions under the terms of this agreement. Instructions for transactions in the following categories will be accepted without further documentation being required:
  - (a) shares admitted to trading on a regulated market or an equivalent third country market (that is, one which is included in the list which is published by the European Commission and updated periodically);
  - (b) money market instruments, bonds or other forms of securitised debt (excluding those bonds or securitised debt that embed a derivative); and
  - (c) units in a scheme authorised by the FCA or under the Undertakings for Collective Investment in Transferable Securities (UCITS) directive.
- 3.2. We may deal for you in investments which may be, or which may have been, the subject of stabilisation either by us or by an affiliate or third party. Stabilisation is a price supporting process that sometimes takes place in the context of new issues of securities. The effect of stabilisation can be to make the market price of a new issue temporarily higher than it would otherwise be and also to affect the price of other securities which are related to the security which is being stabilised. Stabilisation is undertaken to ensure that securities are introduced into the market in an orderly fashion, and that the issue price and/or the price of the associated securities is not artificially depressed because of the increase in supply caused by the new issue. Stabilisation only takes place for a limited period and is widely publicised. There are also limits imposed by regulators on the price at which securities may be stabilised.
- 3.3. As an agency broker, we will act on an agency basis when executing orders we have accepted from you. The use of the terms 'commission', 'charge' or similar expressions in a contract or advice note will not necessarily imply

an agency relationship. Except where it is inconsistent with any applicable regulations, each transaction will be subject to the rules of the trading venue or market where it is executed and also to the terms and conditions of any intermediate broker.

3.4 We may require you to limit the number of open positions that you may have with us at any time and we may, at our sole discretion, close out any one or more transactions in order to ensure that such position limits are maintained.

3.5 You shall observe the standard of behaviour reasonably expected of persons in your position and shall not take any steps which would cause us to fail to observe the standard of behaviour reasonably expected of persons in our position.

3.6 This service is provided on an execution-only basis and we make no assessment of whether or not any particular transaction is suitable for you. When you place an order with us or request us to provide you with our services, we expect you to do so relying on your own judgement and to familiarise yourself with any applicable regulations which apply to transactions which you propose entering into. We recommend that you seek independent advice if you are in any doubt about the suitability of a market, jurisdiction, investment or transaction for your particular risk profile. We do not undertake to advise you about the merits or consequences of a particular transaction or the general risks to which you may be exposed in respect of any market, jurisdiction, investment or transaction. It is your responsibility to ensure that transactions entered into with us are in accordance with your investment objectives and comply in all respects with any legal or regulatory restrictions which apply to you. Any information which you may receive from us will be given in good faith, but we do not warrant that it is accurate or complete, or as to its tax consequences, and we do not accept any responsibility for any loss, liability or cost which you might suffer or incur in relying on such information, whether caused by our negligence or through any other cause.

SSUK will not consider whether:

- (a) the transaction suits your investment needs;
- (b) you have the knowledge and experience to understand the risks involved; or

(c) you are able to bear the risk of loss normally associated with this type of investment.

We will not be responsible for the ongoing monitoring or performance of any securities purchased for you under this service.

#### 4. Placing an order

4.1 Each order you place constitutes an offer to purchase the service subject to these terms. We may, in our absolute discretion, decline to accept any particular order or instruction from you or we may accept your order subject to certain conditions which we will notify you of. We shall promptly notify you if we accept an instruction but we are unable to execute the instruction for any reason. Our *Order execution policy* is available on our website (<http://www.sanlam.co.uk/stockbroking>). A hard copy can be provided to you upon request.

By agreeing to these terms you agree to the Order execution policy and provide consent:

- (i) for SSUK to exercise discretion as to how and when unexecuted limit orders are shown to the market; and
- (ii) for SSUK to execute outside of a regulated market, multilateral trading facility or organised trading facility.

4.2 We will accept dealing instructions by telephone and email, including Bloomberg Chat, FIX and have no liability for any instructions until they are received by us. We will act on any instruction which we reasonably believe to have been given, or purporting to have been given by you or any person authorised on your behalf, without enquiring as to the genuineness, authority or identity of the person giving or purporting to give such instructions unless such instruction appears to be manifestly incorrect. If we are in doubt about any instruction, we may (but shall not be obliged to) ask you to confirm the instruction in writing, in such form as we may request, before we act on it. We will record all such electronic communications to ensure that the material terms of a transaction and any other material information relating to a transaction are properly recorded.

4.3 When placing an order for the service by telephone, our dealer will repeat your instructions back to you to confirm the terms of your order prior to us

accepting it. The terms of the order accepted by us will be those repeated back to you subject to any amendments of which you may notify our dealer. All such calls will be recorded to ensure that the material terms of a transaction and any other material information relating to a transaction are properly recorded. Such records will be our property and will be accepted by you as evidence of your orders or instructions. We may use recordings and/or transcripts thereof for any purpose which we deem desirable.

- 4.4 In respect of all orders placed by you via email, FIX Orders or Instant Bloomberg messages, no contract will be created until you have received a message from us confirming the acceptance of your order. If you do not receive such confirmation either by return telephone call or by email within a reasonable time of submitting your order, you should contact us to check if your order has been received.
- 4.5 We will record the date and time that you place an instruction and all relevant bargain details. In the event of a dispute, you agree that our records will be conclusive. We may refuse to act on an instruction if, for any reason, we think it was not given by you, was not clear or might cause us to breach a regulation, law or contractual duty.
- 4.6 You must ensure that any instructions given to us are clear and intelligible. If you do not provide such instructions promptly, clearly and in an intelligible form, we may, at our absolute discretion, take such steps at your cost as we consider necessary or desirable for our own or your protection.
- 4.7 When we accept your order, we will use all reasonable endeavours to carry it out unless such order appears to be manifestly incorrect. However, we will not be liable to you for any loss or expense you incur if we are unable to carry out an order for whatever reason (other than our negligence, fraud or wilful default) or where there is a delay or change in market conditions before the transaction is completed. Except where we are negligent or wilfully commit a default in acting on your instructions, we will not be responsible for any delay or inaccuracy in transmitting your instructions to a third party nor in executing your transactions.
- 4.8 If, after instructions are received, we reasonably believe that it is not practicable to act upon such

instructions within a reasonable time, or we believe on reasonable grounds that it is in your best interest to do so, we may defer acting upon those instructions until it is in our reasonable opinion, practicable (or in your best interest) to do so, or notify you that we decline to act upon such instructions. We will not be liable for any losses resulting from such deferral or refusal, except as set out in paragraph 18.

- 4.9 Where your dealing instruction could be executed on more than one execution venue, we will execute it on such execution venue(s) selected by us unless specifically instructed by you to the contrary. All transactions will be subject to the rules of the execution venue from time to time in force through which the transaction is executed and to all other applicable laws and regulations of any jurisdiction, so that if there is any conflict between such rules, laws and regulations and these terms, the former will prevail.
- 4.10 In order for the best results to be achieved when we transmit orders on your behalf to another broker, the executing broker may seek to place an order with an execution venue other than a regulated market, a multilateral trading facility (MTF), organised trading facility (OTF) or a systematic internaliser.
- 4.11 Once given, instructions may only be withdrawn or amended with our consent. We can only cancel your instructions if we have not already acted upon those instructions.
- 4.12 Although SSUK does not impose a minimum trade value for the service, we reserve the right to refuse your order if, in our reasonable opinion, it would not be commercially viable for us to undertake the transaction, with the exception of trades arising from corporate actions or disposals of an entire holding.
- 4.13 Short selling is not permitted.
- 4.14 You acknowledge and accept that:
- (a) A quote that you obtain at, or prior to, the time you place an order is not a guarantee that all or part of your order will be executed at the quoted price. You acknowledge that when you place an order, the price of the security may change between the time the order is placed and the time it is executed, and you agree not to hold SSUK liable for these price fluctuations. In addition, if you place an order when

the trading venues or marketplaces are closed, or for a security that has not traded on the public market before, you acknowledge that the security may be open for trading at a price substantially higher or lower than the previous closing price or the anticipated price. You agree to pay or receive the prevailing market price at the time your order is executed, even if the execution price is significantly higher or lower than you anticipated at the time you placed the order.

- (b) The price quotes you receive when you place an order will only apply to a set number of shares for that security defined as the normal market size (NMS). You acknowledge that the price you pay may vary substantially if your order is larger or smaller than the NMS to which a price quote applies. Large market orders may be executed in multiple lots at different prices.
- (c) You may limit the risk of price fluctuations by placing a limit order. However, if you place a limit order, you are less likely to get an execution. SSUK can provide no assurance that your limit order will be executed at any particular time, or at all. Where you place with SSUK a limit order in securities admitted to trading or traded on a trading venue within the European Economic Area, which are not immediately executed under prevailing market conditions, you expressly instruct us by agreeing with these terms to not publish such limit orders unless agreed otherwise.
- (d) You authorise SSUK to treat any applications, orders and instructions sent to us as valid. This authorisation remains in force until we have notice of its termination. Such notice will not affect the completion of orders already initiated by us pursuant to this authority. However, if you wish to cancel an order which has not yet been executed we will, without liability, seek to cancel it with the trading counterparty, but we can give no assurance that we can effect such cancellation. In placing any order with us you accept full liability for its completion unless we confirm to you cancellation of the order, and you accept liability for any costs arising from cancellation.

- (e) We may, at our entire discretion, arrange for any transaction to be effected or settled with, or through, the agency of an intermediate broker, which may not be an affiliate of ours, may not be in the United Kingdom and may not be regulated by the FCA. We will act in good faith and with due diligence in the selection, use and monitoring of such intermediate broker. We will not be liable to you for any act of omission of any intermediate broker which we have taken reasonable care in appointing unless it is an affiliate of ours. Orders are subject to the terms and conditions of any intermediate broker and to any applicable regulations. UK regulations for the protection of investors such as the *FCA Rules* may not apply to transactions conducted overseas. No responsibility will be accepted for intermediate brokers or agents selected by you.
- (f) Many transactions will be effected subject to, and in accordance with, applicable regulations. In particular, you acknowledge that the applicable regulations usually contain wide powers in an emergency or other undesirable situation. You agree that if any trading venue or clearing house takes any action which affects a transaction then we may take any action which we, at our discretion, consider desirable. We will not be liable for any loss suffered by you as a result of acts or omissions of any trading venue or clearing house, or any action reasonably taken by us as a result of such acts or omissions.
- (g) If a trading venue (or intermediate broker or agent, acting at the direction of, or as a result of action taken by, a trading venue) takes any action which affects a transaction, then we may take any action to mitigate any loss incurred as a result of such action. Any such action shall be binding on you.

## 5. Trade and transaction reporting

We will each comply with our respective trade and transaction reporting requirements under and in accordance with the *FCA Rules* and other applicable law. To enable us to comply with our obligations, you agree to promptly deliver to us (and/or procure the

delivery of) any information, data and/or documents that we may request, including a specific identifier, to enable us to complete and submit trade and transaction reports to the relevant competent authority. You acknowledge we will not be able to trade on your behalf without this information and we shall not be responsible for any resulting loss you may incur.

You consent to us providing information, data and/or documents about you (or, where applicable, your underlying principals), and transactions executed with or for the same, to competent authorities in the course of submitting trade or transaction reports. We reserve the right without liability and at our sole discretion to cancel any orders or transactions where you have failed to provide us with sufficient or accurate information to enable us to comply with our trade and transaction reporting requirements. You further agree that we may make public relevant details of quotes provided to you and transactions executed for you in accordance with applicable law.

## 6. Contract notes

- 6.1 You will be sent a contract note or electronic trade confirmation (or supporting memorandum if applicable) for every purchase or sale carried out on your behalf.
- 6.2 Unless you request otherwise, you agree a contract note provides you with sufficient information on the costs incurred to meet the MiFID obligations detailed in Article 24(4) of Directive 2014/65/EU. We will provide you with a full disclosure where we trade a structured product on your behalf.

## 7. Clearing

- 7.1 SSUK has responsibility for compliance and regulatory requirements regarding our operations and the supervision of your account. SSUK will not act as custodian or hold client cash for the purpose of *FCA Rules*.
- 7.2 Joint account holders will be jointly and severally liable to SSUK and we may discharge our obligations to make any payment or account to all such holders by making such payment or account to any one or more of them.
- 7.3 All transactions will be due for settlement in accordance with market requirements (as shown on the relevant contract note or advice). You undertake to procure that SSUK or their appointed agent will receive all

cash and securities when due with respect to any transaction which it is required to settle on your behalf and that all cash or investments held by, or transferred to SSUK or their appointed agent will be and remain free of any lien, charge or encumbrance. All payments due to SSUK or their appointed agent will be made without set-off, counterclaim or deduction.

- 7.4 You acknowledge that, if SSUK or our appointed agent does not receive either cash or securities when due in respect of any transaction, or if we or you do not take all necessary steps to secure the due execution and settlement of any such transaction, SSUK or our appointed agent may cancel, close out, terminate or reverse all or any transactions and sell, charge, pledge or otherwise dispose of any investment held for you, at whatever price and in whatever manner SSUK or our appointed agent sees fit in its absolute discretion (without being responsible for any loss or diminution in price), and may enter into any other transaction, or do, or not do anything (including the application of client money due to you) which would, or could, have the effect of reducing or eliminating any liability under any transaction, position or commitment undertaken for you. For the avoidance of doubt, any asset held for you can be realised in order to discharge any obligation you have to SSUK or our appointed agent, including any investment held in safekeeping by SSUK or our appointed agent, and investments held in the course of settlement. Should it be necessary to realise any assets as outlined above, SSUK or our appointed agent will give you three business days' notice prior to taking such action.
- 7.5 SSUK or our appointed agent shall not be liable to you in respect of any choice made by SSUK or our appointed agent in selecting the investments to be sold. The proceeds of sale (net of costs) will be applied in or towards the discharge of your liabilities to SSUK or our appointed agent and SSUK or our appointed agent will account to you for any balance. If such proceeds are insufficient to cover the whole of your liabilities, you will remain liable for the balance.



## 8. Settlement

- 8.1 Delivery or payment (as the case may be) by the other party to the transaction shall be entirely at your risk. Our obligations or those of our appointed agents to deliver investments to you or to account to you or any third party for the proceeds of sale of investments are conditional upon the discharge of any obligations owed to us or to our settlement agents by you or any third person involved in the settlement process. Neither we nor our appointed agents shall be under any obligation to settle transactions or to account to you unless we have received all necessary documents from you. Without limitation, these obligations may include the obligation to pay money or to deliver property, including documents of title to any security. We may settle your obligations in respect of a transaction, even if you have not furnished us with the relevant funds or investments, but it is your obligation to ensure that such transaction is duly performed, and you shall as soon as possible pay us or deliver investments to us in order to settle such transaction. Any cash received by us from a third party in respect of a transaction shall be a debt owed by us to you until it has been paid by us to you or otherwise discharged, and we shall owe you no fiduciary duty in relation thereto. You shall hold on trust for us any investments or money received from us in respect of any transaction until your own obligations to us are fully performed. Title to investments purchased by you and held by us will (subject as stated above) pass to you upon payment by you of the amount due in respect of such purchase. Unless otherwise agreed, settlement of transactions shall be in accordance with the normal practice for the investment or market concerned.
- 8.2 Where you instruct us to effect settlement by accepting the transfer of investments to our designated CREST account (or the designated CREST account of any agent acting on our behalf), you accept that payment obligations upon settlement will be dealt with through a settlement bank and that the creation of a settlement bank payment obligation will, to the extent of such obligation, discharge our obligation to pay you.

- 8.3 In settling your transactions, we may use another entity to act as our settlement agent. We will act in good faith and with due diligence in the selection, use and monitoring of such settlement agent. We will ensure that the settlement agent performs its tasks properly (to a standard reasonably expected of a settlement agent) and we will ensure that it will indemnify you for any loss, liability or cost which you might suffer or incur arising out of its negligence, wilful default or fraud. We may request you to deliver investments and/or cash to such settlement agent.
- 8.4 If you fail to deliver investments to us (or any agent used by us) to settle a sale, we reserve the right to purchase such investments in the market, without notice and at our complete discretion. The cost of such purchase will be charged to you.

## 9. Research

SSUK will not produce or distribute research to its clients. You consent that you will only send research to SSUK if it was agreed in a separate research agreement between our companies, or if:

- (a) the research is made freely available by you to both your clients and non clients;
- (b) it is a short-term market commentary; or
- (c) it is a non-substantive opinion on macroeconomic, market or company data.

In all scenarios mentioned in the point above, Sanlam will be consuming such research only via Bloomberg, therefore you acknowledge that you will only use this channel to deliver such research and associated broker files.

## 10. Communication and client instructions

- 10.1 All communications will be sent to the address (or email address) that you notify us of. It shall be sufficient to show that the communication was posted correctly, stamped and addressed. Communications to SSUK should be sent to your usual contact.
- 10.2 We will acknowledge your instructions by acting upon them unless we advise you that we believe such compliance with your instructions may not be practicable or might involve either party in a contravention of any law, rule or regulation or unless they appear to be manifestly incorrect. We will normally require you to give us written instructions in relation to the exercise of any rights attaching to investments held in safekeeping by us for you.

10.3 We may rely and act upon any instruction whether given or purported to be given by you, or by a third party where you have notified us in writing that the relevant third party may give instructions on your behalf. We may continue to rely and act upon instructions from such third party (whether or not in writing) until we receive written notice from you to the contrary.

10.4 We may not act upon instructions left verbally on a telephone answering service or device without additional written confirmation.

## 11. Unsolicited calls

In the interests of the proper administration of the portfolio and for related investment purposes, SSUK, its representatives and/or employees, may call upon you by telephone, visit or otherwise communicate orally with you without express invitation. In doing so, we will abide by the *FCA Rules* on 'unsolicited real time financial promotions'.

## 12. Commencement date

12.1 This agreement will come into force when we acknowledge receipt of the signed *Client classification form* and confirm in writing that your trading account has been opened.

12.2 These terms are accepted by you when you first conduct a transaction following the commencement of these terms, whether or not you have specifically agreed to accept them. You acknowledge that you have not relied on or been induced to enter into a relationship with us by a representation other than any representation expressly set out in these terms. We will not be liable to you for any representation (other than a fraudulent misrepresentation) that is not set out in these terms.

## 13. Amendments and assignments

13.1 We can change this agreement to make it fairer to you or more easily understandable, or to correct a mistake (provided that this correction would not adversely affect you). We may also, at any time, change the terms of this agreement for any valid reason including, but not limited to, the following reasons:

(a) to reflect a change in the law or any regulation (or the way in which they are applied);

(b) to reflect a change in technology, to cover an improvement or change in our services or in the facilities that we provide;

(c) to reflect a change in market conditions or the overall cost of providing our services to our clients; and

(d) to ensure the good management or competitiveness of our business.

You will be given at least 10 business days' notice (unless the circumstances dictate a shorter period) in respect of any changes to the terms of this agreement.

13.2 We may transfer our rights under this agreement to any associate and arrange on your behalf for it to assume our obligations to you so long as the associate is regulated by the FCA and is bound by its rules in the conduct of investment business. We will advise you if this happens and let you know the name of the associate. You agree that we will be released from our obligations to you once this has been done, and that the terms of this agreement will apply to the provision of services by the associate as if it were a party thereto.

## 14. Clients' warranties and indemnities

14.1 You warrant that you are authorised and have the capacity to enter into these terms and any transactions which may arise under them.

14.2 You warrant that you have full and unrestricted power to employ us to deal in investments on an execution-only basis on the terms of this agreement and, insofar as may be appropriate, that you have the power to delegate the custody of investments.

14.3 You warrant that you have been solely responsible for making your own independent appraisal and investigation of any transaction and have sufficient knowledge and experience to make your own evaluation of the merits and risks of any transaction.

14.4 You will comply with any applicable regulations, and hold and maintain any necessary authorisations, consents, licences, powers, and approvals (together, 'consents') in order to enable you to enter into any transactions and grant the security interests and powers and indemnities referred to in these terms and you will inform us if any necessary consent is withdrawn, suspended or materially altered.

- 14.5 Any payments made to us under these terms or in respect of any transaction will be made free from any lien, charge or other third-party interest and you know of no reason why such payments should not be made.
- 14.6 You warrant and represent to us that all information you have given is complete and accurate. You agree to notify us of any material change in any information supplied to us. Should you give us information which is not complete and accurate, or is misleading, or you fail to notify us of any change in the information you have given us:
- (a) we will not be responsible to you for any loss that may be incurred as a result of our relying on any incomplete, inaccurate or misleading information; and
  - (b) you will indemnify us against any claims which may be made against us as a consequence of us relying on such information.
- 14.7 Any of your employees, agents or representatives who negotiate and enter into transactions on your behalf are properly authorised by you to do so.
- 14.8 No event of default or any event which may become an event of default has occurred or is continuing.
- 14.9 You are willing and financially able to sustain a total loss of funds resulting from transactions and trading of such transactions is suitable for you.
- 14.10 On a continuing basis you will indemnify us against any loss, liability and cost which we may suffer or incur as a result of our acting on any instruction which we reasonably believe to have been approved by you or given on your behalf.
- 14.11 Where you are acting as an agent for another person:
- (a) When you are acting as an agent for any other person (a 'principal'), we will, for the purpose of the *FCA Rules* and in the absence of any written agreement stating otherwise, continue to treat only you as our client, even where you have disclosed the principal to us, and the following provisions of this paragraph 14.11 will apply. In respect of any transaction which you enter into with us, we shall regard you as responsible for settlement whether or not you are acting as an agent for a disclosed or undisclosed principal.
    - (b) At our request, you will notify us of the identity, address and any other details that we may require in respect of each counterparty, to enable us to perform a credit and counterparty risk assessment in respect of any transaction before placing any order on behalf of a counterparty for which you are acting as agent.
    - (c) Each transaction will be entered into by you as agent for and on behalf of the principal specified by you (whether by code name or otherwise), the obligations under the transaction will constitute valid and binding obligations of your principal and you will be authorised and empowered to enter into the transaction on behalf of your principal.
    - (d) You represent, warrant and undertake on your own behalf and as agent for any principals that no principal will be a state or a separate entity within the meaning of the State Immunity Act 1978, and that a principal shall, at the time an instruction is given in respect of it, have the characteristics and conform to any criteria agreed between us from time to time.
    - (e) We shall, in respect of each principal and in accordance with your instructions, establish and maintain one or more separate sub-accounts (each a 'principal account'). You undertake, as agent for the relevant principal and on your own behalf, in respect of each instruction given, to specify by the close of business on the day on which you give us an instruction (or such other time as we may specify) the principal account to which the relevant instruction relates. Until you specify a specific principal account, and provide the information referred to in paragraph 14.11.b, you shall be personally liable, as principal, in respect of the relevant transaction.
    - (f) We will administer principal accounts which we reasonably believe relate to different principals separately, including for the purposes of calculating any margin requirement. We shall not exercise any power to consolidate, or set off amounts owing between, principal accounts.

- (g) You and your principals shall observe the standard of behaviour reasonably expected of persons in your position and not take any step which would cause us to fail to observe the standard of behaviour reasonably expected of persons in our position.

14.12 You, as agent for each principal and on your own behalf, covenant to us that you will:

- (a) ensure at all times that you and the principal obtain and comply with the terms of, and do all that is necessary to maintain in full force and effect, any authority, power, consent, licence or authorisation necessary to enable you to enter into any transactions on behalf of the principal;
- (b) promptly notify us of the occurrence of any event of default with respect to yourself or the principal;
- (c) provide to us on request such information regarding your and the principal's financial or business affairs as we may reasonably require to evidence the authority, power, consent, licence or authorisation referred to above or to comply with any applicable regulations;
- (d) provide to us on request copies of the relevant sections of the principal's constitutional documents relating to its capacity to enter into transactions and appoint an agent to act on its behalf and ensure that any such extract will, to the best of your knowledge, be true and accurate in all material respects;
- (e) either: (i) execute as agent for the principal where you are duly authorised to do so, or (ii) ensure that the principal executes, on our request, all such transfers, powers of attorney and other documents as we may require in order to ensure that the principal complies with its obligations under these terms; and
- (f) in respect of any transaction, hold sufficient funds and/or investments to complete the transaction and will know of no reason why your principal should fail to meet its obligations under the transaction.

## 15. Conflicts of interest and materials interest

- 15.1 A detailed Conflicts of Interest Policy, describing the conflicts of interest identified by us and how we manage them, is available upon request from your usual contact or from the Compliance team at our Bristol office; a summary can be found on SSUK's website at [www.sanlamsecuritiesuk.com](http://www.sanlamsecuritiesuk.com).
- 15.2 We may give or receive minor non-monetary benefits to/from some of the firms with whom we work in order to offer you a better service. Such benefits may include information relating to financial instruments or investment services; participation in conferences, seminars and training events; and minor hospitality (such as food and drink during a business meeting, conference, seminar or training event). Any costs we incur in provision of such benefits will not affect the charges you pay for our service. Further information regarding these arrangements is available on request.

## 16. Aggregation

Subject to the *FCA Rules*, we may in certain circumstances aggregate transactions for you with those of other clients and of our employees and of our associates and their employees without prior reference to you or such other clients. Aggregation may operate on some occasions to your advantage and on other occasions to your disadvantage. Also, we may act as your agent in relation to transactions in which we are also acting as agent for the account of other clients and associates. We may, at our discretion, meet the cost, or retain the benefit of, minor fractional entitlements arising from pro-rata rights and other such issues.

## 17. Taxation

You are solely responsible for the management of your affairs to the best advantage for tax purposes. We can accept no responsibility for any tax consequences of anything done within the scope of our authority.

## 18. SSUK's liability and indemnities

- 18.1 We will not be liable for any loss, liability or cost suffered or incurred by you as a result of our providing services to you unless the loss, liability or cost is caused by our own negligence, wilful default, contravention of *FCA Rules* or breach of this agreement, or fraud committed while acting on your proper instructions.
- 18.2 We will not be liable to you if we fail to act on your instructions in accordance with these terms or if we cannot carry out our responsibilities to you because of something we cannot reasonably control (for example, a systems failure or problems at a particular trading counterparty), provided that we take reasonable steps to mitigate the effects of such circumstances.
- 18.3 We may treat instructions as your instructions, even if you can prove they were not signed or communicated by you or with your authority (unless such instructions appear to be manifestly incorrect), provided that our employees were not guilty of negligence, fraud, or wilful default in treating them as valid instructions.
- 18.4 We may delegate any of our functions under these terms to an associate or external third party. We may also, where reasonable, employ agents (including associates) to perform any administrative, dealing or ancillary services required to enable SSUK to arrange transactions on your behalf under these terms. SSUK will act in good faith and with due diligence in the selection, use and monitoring of agents. We will not be liable for any loss, liability or cost which you may suffer or incur as a result of the negligence, wilful default or fraud of any third party (including any broker, bank, agent, custodian, investment exchange, depository or clearing house, but excluding any of our affiliates) which we have taken reasonable care in appointing and which may act on our behalf or in accordance with our instructions (or fail to do so) in connection with the provision of our services to you under these terms. If you suffer any loss, liability or cost which is caused by a third party, you may instruct us to pursue the third party for a remedy on your behalf. In this event, before we pursue the remedy we may require you to indemnify us fully to our satisfaction for any loss, liability and cost that we might suffer or incur.
- 18.5 Neither we nor any third party who acts on our behalf in providing a service to you, whether affiliated to us or not, nor our or its directors, officers, servants, agents or representatives will be liable to you except in the case of fraud for any consequential, indirect, special, incidental, punitive or exemplary loss, liability or cost which you may suffer or incur arising out of our, its or their acts or omissions under these terms, howsoever the loss, liability or cost is caused and regardless of whether it was foreseeable or not. For the purpose of this paragraph, the expression 'consequential loss, liability or cost' shall include any loss, liability or cost which you may suffer or incur arising from you not being able to sell investments where the price of the investments is falling, or from not being able to purchase investments where the price of the investments is rising, or from you not being able to enter into or complete another transaction (for example a hedge, swap, derivative or series of derivative contracts) which requires you to have disposed of or purchased the investments which you are trying to dispose of or acquire, and any other loss arising as a result of loss of business, profits, goodwill or data and any indirect, special, incidental, consequential, punitive or exemplary loss, liability or costs, whether arising from negligence, breach of contract or otherwise and regardless of whether it was foreseeable or not.
- 18.6 Nothing in these terms excludes or limits our liability for fraud or for death or personal injury arising from our negligence or that of our employees, agents or subcontractors.
- 18.7 This indemnity does not protect us in respect of:
- (a) our own negligence, wilful default or fraud; or
    - the negligence, wilful default or fraud of an affiliate; or
  - (b) anything done by us (or by an affiliate) in contravention of any applicable regulations.
- 18.8 **Tax evasion.** You will comply with all applicable laws and regulatory rules and disclosure requirements relating to taxation in any relevant jurisdiction and you will not engage in tax evasion.

## 19. Force majeure

In the event of any failure, interruption or delay in the performance of our or, where applicable, our appointed agent's obligations resulting from acts, events or circumstances not reasonably within our respective control (including, but not limited to, supervision or closure of any securities market, suspension of trading in the investment which is the subject of your order, industrial disputes, acts or regulations of any governmental or supranational bodies or authorities and breakdown, failure or malfunction of any telecommunications or computer service or systems) SSUK or, as the case may be, our appointed custodian shall not be liable or have any responsibility of any kind for any loss or damage thereby incurred or suffered by you, provided that we take all reasonable steps to mitigate the effects of such failure, interruption or delay.

## 20. Complaint procedure

SSUK will at all times follow the procedure laid down by the FCA for the effective consideration and proper handling of complaints from clients. SSUK will endeavour to resolve your complaint as quickly as possible, but in any event, will acknowledge receipt of your letter within five business days. Upon resolution of your complaint, we will send you a final response letter, which sets out the nature of that resolution and any applicable remedy. If you wish to make a complaint or would like to receive details of our complaint handling procedure, please contact the Head of Client Operations at our Bristol office.

## 21. Client protection

As a professional client or eligible counterparty you will not be an eligible complainant under the Financial Ombudsman Service. Although we are members of the Financial Services Compensation Scheme (FSCS), none of your transactions with us will be within the protection of the FSCS established by the FCA.

## 22. Termination and events of default

22.1 You are entitled to terminate this agreement at any time by written notice. Termination will take effect when we receive the notice or, if different, at the time specified in the notice, subject in either case to the completion of outstanding transactions.

22.2 We may also terminate this agreement on one month's notice in writing, or by immediate notice if required to do so

by any competent regulatory authority, or if you are found in the event of default as set out in paragraph 22.3. Termination will not in any event affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payment save that you will be required to pay:

- (a) any additional expenses necessarily incurred by us in terminating this agreement; and
- (b) any losses necessarily realised in settling or concluding outstanding obligations. On termination we may retain (or, where applicable, direct our appointed custodian to retain) such securities and cash as may be required to settle transactions already initiated and to pay any of your outstanding liabilities.

22.3 An event of default is constituted by one of the following events:

- (a) you fail to pay any amount or deliver any security, derivative or other property when required;
- (b) you breach any material provision of the terms or an event happens which makes it probable that you will or may breach a material provision of the terms;
- (c) a petition is lodged against you or by you seeking your administration, winding-up, receivership, liquidation or bankruptcy, or a similar event occurs, or in our reasonable opinion you actually become, or are likely to become, unable to pay your debts as they fall due or you make a general assignment, arrangement or composition with or for the benefit of your creditors;
- (d) you fail to comply in any material respect with any applicable regulations which apply to you, or any authorisation held by you is suspended or withdrawn by any competent regulatory authority or similar body; or
- (e) any material adverse change in your financial condition or business occurs.

22.4 If, on termination, any money is or may become due as a result of a commitment entered into by us on the portfolio's account ('an outstanding amount') we may at our discretion sell such of your investments as we may in our discretion select in order to realise funds sufficient to cover

any outstanding amount (but only to the extent that insufficient funds are otherwise held on the portfolio's account and available for the purpose). We may also cancel, close out, terminate or reverse any transaction or enter into any other transaction or do anything which has the effect of reducing or eliminating any outstanding amount, or reducing or eliminating liability under any contracts, positions or commitments undertaken on the portfolio's account.

- 22.5 If an event of default occurs then any amount owed or property due by you to us will become immediately due, payable or deliverable and we may, in order to satisfy any amount owed by you to us, and without giving you any prior notice:
- (a) Calculate in good faith the present value of any outstanding actual or contingent rights which you have against us and obligations which you owe to us in order to determine a net sum representing the present value of the net amount which is either due to you or owed by you to us (the 'close-out amount'). We will as soon as possible notify you of the close-out amount and whether this sum represents a final or preliminary calculation. Thereafter, we may act in accordance with the provisions of this paragraph 22.5 in order to realise the sums which will allow us to pay you the close-out amount (where you are owed the close-out amount) or to settle in total or in part your obligation to pay us the close-out amount (where you owe us the close-out Amount). Where after realising sums from the sale of any investments and/or setting off any cash held by us to your account, there is a balance due by you to us, that balance will be treated as a debt due on demand.
  - (b) Treat any outstanding transaction as terminated.
  - (c) Sell any investment (without any responsibility for any loss in its value from doing so).
  - (d) Cancel, close out, or reverse any of your transactions or open positions, or take any other action which we consider necessary or appropriate to reduce or prevent our loss or otherwise recover any amount owed by you to us.

- (e) Retain any cash or investments which may otherwise have been due to you under any transaction in order to meet any loss, liability or cost which we may have suffered or incurred arising out of your default.

- 22.6 In acting under the provisions of paragraph 22.4, we will not sell any of your investments or other assets at a price other than its ruling market price in the recognised market (if any) for the security or asset in question at the time the sale is made. We will pay you the balance of any amount which we recover after we settle all of your outstanding obligations to us.

### 23. Joint accounts

- 23.1 If you are a partnership, or otherwise comprise more than one person (including trustees and company directors), your obligations under this agreement will be joint and several and any reference in this agreement to you as the client shall be construed, where appropriate, as a reference to any one or more of you. Accordingly, any warning or other notice which is given to one of the persons constituting the client will thereby be given to all persons constituting the client.
- 23.2 If one of you wishes to give instructions on behalf of all parties constituting the client, you must give us standing written instructions to that effect. In the absence of such standing instructions, we may require instructions from one party to be co-signed by all the persons constituting the client (or, in the case of trusts, by at least two trustees; or, in the case of charity, corporate, personal pension, onshore bond or offshore bond clients, in accordance with the signing authorities specified in writing to us). Furthermore, once we have been notified in writing by one or more joint holders that they no longer consent to the other joint holder(s) giving instructions on their behalf, we will require future instructions to be co-signed by all persons constituting the client.
- 23.3 In the event of the death, bankruptcy, winding-up or dissolution of any one or more of any of the persons constituting the client, this agreement will not terminate and the obligations and rights of all other such persons under these terms shall continue in full force and effect. Where there is a change of joint holders other than as a result of death, for example a trustee or director retiring, SSUK should be notified in writing.

23.4 Where the client is a trust, the liability of the trustees under this agreement shall be limited, in the absence of fraud, to the assets of the trust from time to time.

## 24. Anti-money laundering

24.1 In order to satisfy our obligations under the money laundering regulations and the *FCA Rules*, we may need to request sight of certain documents such as proof of identity, proof of your ultimate owners or anyone with an interest in you, your directors, officers, employees and agents. As an alternative, or in addition, we may verify identity of trustees, directors or other signatories by a search with a credit reference agency. To do so, the credit reference agency may check the details you supply against any particulars on any database (public or otherwise) to which it has access.

24.2 It may also use your details to assist other companies for verification purposes. A record of the search will be maintained. Any delay in providing such identity documentation, when requested, or in obtaining a satisfactory search at a credit reference agency, may result in a delay in the commencement of your account.

24.3 If you are a regulated financial services institution in the United Kingdom or European Union (EU), we shall deal with you on the understanding that you are complying with all applicable EU anti-money laundering legislation and that evidence of the identification of any underlying clients has been obtained and recorded under procedures maintained by you.

24.4 If you are a regulated financial services institution based in a non-European Union country (including Jersey, Guernsey and the Isle of Man) which is a member of the Financial Action Task Force, and you are, or will be, dealing as agent for your own client(s), we will require your written assurance that evidence of the identification of any underlying clients for whom you act as agent will have been obtained and recorded under procedures maintained by you in accordance with local regulations concerning money laundering. If you are unable to provide us with such assurance, we reserve the right to cease to deal with you.

24.5 In all other circumstances, we may request such information from you (or your client(s)) as we deem necessary to meet the applicable regulations prevailing in the United Kingdom concerning money laundering. If satisfactory evidence of identity has not been obtained by us within a reasonable time period, we reserve the right to cease to deal with you.

## 25. Fees, charges and remuneration

We will provide you with a fee schedule which will detail specific charges applicable to your agreement with us. The fee schedule will form part of this agreement.

25.1 We will charge you for each transaction in accordance with agreed commission rates for the market, security, derivative or other asset in question. Unless otherwise agreed, our charges will include any applicable value added tax, stamp duty, stamp duty reserve tax, industry levy, transfer fees, registration fees and other liabilities, costs and expenses payable in connection with transactions and as stated in any confirmation or contract note.

25.2 You will pay us any amount which you owe us upon demand in freely transferable, cleared and available same day funds, in the currency and to the accounts which we specify, and without making any set-off, counterclaim, deduction or withholding for any present and future tax, levy, impost, stamp duty, deduction, charge or withholding, unless you are required to do so by law.

25.3 We may receive remuneration from, or share charges with, a third party, including an affiliate. The amount or basis of any such charges will be made available to you on request. If we receive remuneration for another person in connection with a Transaction which we conduct on your behalf or with you, then we may retain such remuneration for our own account. We will give you details of the amounts of any such remuneration upon your request.

25.4 We reserve the right to charge you interest on any amounts due from you to us which are not paid on the due date, at such rate as is reasonably determined by us as representing the cost of funding such overdue amount. Interest will accrue on a daily basis.



- 25.5 Unless we notify you in writing to the contrary, all payments and deliveries between us shall be made on a net basis and we shall not be obliged to deliver or make payment to you until we have received from you the appropriate cleared funds or documents.
- 25.6 We may deduct or withhold all forms of tax (whether of the United Kingdom or elsewhere in the world whenever imposed) from any payment if obliged to do so under applicable regulations. In accounting for tax or making deductions or withholding of tax, we may estimate the amounts concerned. Any excess of such estimated amount over the final confirmed liability shall be promptly credited or sent to you. You will promptly pay any shortfall to us. If you are required by law to make any deduction or withholding in respect of any such payment, you agree to pay such amount to us as will result in us receiving an amount equal to the full amount which would have been received had no such deduction or withholding been required. We may debit amounts due from any of your accounts.
- 25.7 If we are required to effect a currency conversion for the purpose of any transaction, we will do so in a reasonably prudent manner, having regard to the prevailing rates for freely convertible currencies which exist at the time the conversion is required. We will not be under any obligation to defer any conversion to obtain a more favourable exchange rate.
- 25.8 You will indemnify us in full in respect of any loss, liability or cost through our being required to convert any amount that you owe us into a different currency for the purpose of making or filing any claim against you, and any amount which we receive and convert into the original currency is less than the original amount of your liability to us in that original currency, and any other loss, liability or cost which we may incur or be subjected to with respect to any of your accounts or any contract or as a result of any default by you hereunder or under any contract.

## **26. Data protection and provision of information**

SSUK is registered under the Data Protection Act (1998). Information which you provide in the course of dealing with SSUK (including your name, address and investment details) will be held in strict confidence by SSUK and used to provide its investment services to you, as well as for business development and trend analysis purposes. By signing this form, you agree that the information it contains may be used by SSUK in this way. SSUK (or its Associated companies) may also use this data to tell you about its products and services which it thinks may be of interest to you. Please inform us if you do not wish to receive such information.

SSUK may give your personal data to agents or sub-contractors so that they can provide a service to it and on the basis that the agents will keep your data confidential. SSUK will not provide or sell your personal data to third parties other than as set out above or unless permitted by law or for the purposes of effecting an investment transaction. SSUK may also give your personal data to other financial services firms to the extent necessary to perform the services contemplated in this agreement, which may include the transfer of such data outside of the European Economic Area (as defined by the Data Protection Act).

## **27. Electronic communication**

Where you have provided an email address, you agree to be provided with information through that option and, where appropriate, you agree to be provided with information through the SSUK website <http://www.sanlam.co.uk/stockbroking> unless you inform us to the contrary. These communications will be in respect of the services covered in your relationship with Sanlam and will include but are not limited to links to relevant Sanlam policies, the delivery of reports, transaction information and valuations. If you have provided us with an email address but you would prefer to receive communications through the post instead, please inform your usual Sanlam contact.

Where you intend to instruct us by email, we recommend you do not do so where the instructions are particularly time sensitive. We shall only be responsible for instructions received by email where we have been previously advised of your email address, we receive the instructions in sufficient time to act upon them prior to any deadline and you have received our express acknowledgement that we have received and can act on the instructions.

Where we primarily communicate with you by email, you acknowledge that we are authorised to continue to use the email address provided until we have received notification of any change to your email

address. We will not accept a notification by email of an email address change.

We may record telephone and other electronic conversations for training, monitoring and any other purposes permitted by law. We may use these recordings as evidence.

#### **28. Provision of certain information via our website**

You acknowledge and consent to receive information from us via our website as permitted by the *FCA Rules* at <http://www.sanlam.co.uk/stockbroking>



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