



# Terms of Business (including Supplementals)

Fundamental Asset Management Limited

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## 1. Introduction

These Terms of Business, the Account Application attached ('**Account Application**') together with all attached Schedules and Annex's set out the terms and conditions on which Fundamental Asset Management Ltd ('**FAML**') is pleased to act as the Investment Manager of the Customer named in the Account Application into which these Terms of Business are incorporated (the '**Customer**'). The Account Application, Terms of Business and all attached Schedules and Annex's are together referred to in this Agreement as the **Investment Management Agreement**. The Customer acknowledges that all relations between the Customer and FAML in relation to FAML acting as the Customer's investment manager shall be on the terms of the Investment Management Agreement.

## 2. Authorised and Regulated by the FCA

FAML is authorised and regulated by the Financial Conduct Authority ('**FCA**') with registration number 401123. The address of the FCA is 12 Endeavour Square, London E20 1JN. Nothing in the Investment Management Agreement shall exclude any liability FAML may have to the Customer under the Financial Services and Markets Act 2000 or the FCA's rules. References in this Investment Management Agreement to FCA rules shall mean the FCA Handbook and any other applicable rules of the FCA as amended from time to time. The Custodian appointed pursuant to clause 20 is approved by HM Revenue & Customs as an ISA and JISA Account manager under the ISA Regulations.

## 3. Categorisation

FAML has categorised the Customer as a retail client for purposes of the FCA's Rules.

The Customer has the right to request a different client categorisation. If the Customer requests a different client categorisation, and FAML agrees to such different categorisation it will lose the protections otherwise provided to retail clients by certain FCA rules which may include:

- a) the requirement for FAML to act in the Customer's best interests;
- b) the obligation to provide the Customer with appropriate information before providing services to the Customer;
- c) restrictions on the payment or receipt by FAML of inducements;
- d) FAML's obligation to ensure the information it provides to the Customer is clear fair and not misleading; and
- e) the requirement for FAML to give the Customer adequate reports on the services that are provided to it.

The Customer confirms to FAML it is acting as principal and not as agent on behalf of someone else.

## 4. Effective Date

The Investment Management Agreement shall supersede any previous terms of business that applied between the Customer and FAML and shall apply with effect from the date on which the Account Application shall have been signed by each of the Customer and FAML. FAML may amend the Terms of Business by notice in writing to the Customer always provided in any event that the Customer shall be given not less than ten days' notice of a change before any such change takes effect unless it is otherwise impractical to do so. FAML will only make changes for good reason including but not limited to:

- a) Making them clearer and more favourable to the Customer.
- b) Reflecting legitimate increases or reductions in the cost of providing the service to the Customer.
- c) Providing for the introduction of new systems, services, changes in technology and products.

- d) Rectifying any mistakes that may be discovered in due course.
- e) Reflecting a change of applicable law or regulation.

The Investment Management Agreement and all actions taken pursuant to it are subject to the FCA rules and all other applicable laws and regulations. The Customer acknowledges that to the extent there is a conflict between the terms of the Investment Management Agreement and the terms of the FCA Rules or other applicable laws and regulations the latter shall prevail. To the extent that FAML takes actions or fails to take actions in order to comply with FCA rules or other applicable laws or regulations, the taking of such actions or failure to take actions shall not make FAML or any of its officers or agents liable to the Customer.

## 5. Account Opening

The Customer shall provide FAML with the information it requires to set up an Account including without limitation the following, a signed copy of the Account Application incorporating these Terms of Business, such documentation and information as is required by FAML to satisfy regulatory requirements and the UK bank details of the Customer into which any sums paid out of the Portfolio (as defined in Clause 6 below) shall be paid. In accordance with the Money Laundering Regulations 2017 and the Proceeds of Crime Act 2002:

- a) FAML may require verification of the Customer's identity and may use agents to do so;
- b) FAML is required to make various checks on money received from the Customer in excess of £10,000;

FAML will not be responsible for any loss that may result from any delay whilst the Customer's identity is verified.

FAML shall not be required to accept the Customer as a Customer until all documentation it requires has been received by FAML properly completed by the Customer.

The Customer confirms it is an investor that is knowledgeable of the risks associated with investing in companies that are listed on AIM. (See risks associated with smaller companies listed on AIM in Section 8 of the Application form).

## 6. Services to be Provided to the Customer

6.1 FAML shall manage the portfolio of assets (including uninvested cash) entrusted by the Customer to the management of FAML (the '**Portfolio**') on a discretionary basis within the investment objectives and any restrictions stated in the Account Application and these Terms of Business. Subject to such objectives and restrictions, FAML, normally acting as agent, shall, unless advised otherwise, in managing the Portfolio have complete discretion for the account of the Customer (and without prior reference to the Customer) to buy, sell, retain, exchange or otherwise deal in investments and other assets, make deposits, subscribe to issues and offers, and accept placings, of any investments, effect transactions on any markets, take all day to day decisions and otherwise act as FAML judges appropriate in relation to the management of the Portfolio.

6.2 The investment objectives and restrictions set out in the Investment Management Agreement shall not be deemed to have been breached as a result of changes in the price or value of certain assets of the Portfolio brought about solely through movements in the market.

The investment management services provided to the Customer by FAML pursuant to the Investment Management Agreement are referred

to in these Terms of Business as the 'Investment Management Services'.

6.3 FAML's performance in relation to its Investment Management Services may be evaluated and compared against relevant benchmarks unless FAML expressly notifies the Customer otherwise. Further information on benchmarks can be provided on request.

6.4 FAML's authority and discretion under the Investment Management Agreement shall include, the power to sell, buy keep and exchange investments and to carry out transactions and to exercise such other powers as FAML deems appropriate for the purposes of providing the Investment Management Services. The Customer authorises FAML to open accounts and execute documents and letters of representation in the Customer's name for the purposes of providing the Investment Management Services under the Investment Management Agreement.

6.5 From the date on which the Account of the Customer with FAML (**Customer's Account**) is activated, FAML may make available to the Customer Investment Management Services in relation to:

- a) shares and debt instruments in UK and overseas companies; and
- b) unit trusts and similar schemes in the United Kingdom or elsewhere.

6.6 From such date as FAML shall notify the Customer in writing, FAML may make available to the Customer Investment Management Services in relation to:

- a) other debt instruments
- b) depository receipts
- c) any other investments that FAML may offer the Customer.

6.7 FAML may also procure the supply to the Customer of valuation, clearing, settlement, custody and other Investment Management Services as mutually agreed from time to time in accordance with the terms of the Investment Management Agreement.

6.8 FAML will not provide any tax advice and the Customer should take its own independent tax advice.

6.9 FAML may, from time to time in its absolute discretion, withdraw the whole or any part of the Investment Management Services on a temporary or permanent basis.

6.10 A Penny share is defined as a readily realisable security in relation to which the bid-offer spread is 10 per cent or more of the offer price, but not:

- a) a government and public security; or
- b) a share in a company quoted on The Financial Times Stock Exchange 100 Index; or
- c) a security issued by a company which, at the time that the firm deals or recommends to the client to deal in the investment, has a market capitalisation of £100 million or more (or its equivalent in any other currency at the relevant time).

FAML may invest part of the Portfolio in Penny Shares. The Customer should be aware that there is a greater risk of losing money when shares are bought in some smaller companies. In particular the gap between the buying price and the selling price of such shares can be very wide, the prices can change quickly and go down so that if the Customer had to sell them quickly he might get back much less than he

had paid for them.

6.11 Stabilisation - FAML may, unless the Customer notifies it not to, purchase investments for the Customer that may have been the subject of stabilisation or influenced by measures to stabilise the price.

The FCA permits stabilisation to help counter the fact that when a new issue comes to the market for the first time the price can drop for a time.

Stabilisation is carried out by a stabilisation manager who is entitled to buy back securities that were previously sold to entities that have decided not to keep them. This may result in the price of the securities being higher than it would otherwise be during the stabilisation period.

The Stabilisation Rules: provide limits on the period during which the new issue may be stabilised; in the case of shares and warrants fix the price at which the stabilising manager may stabilise; and require the stabilising manager to disclose that he may be stabilising. The fact that a new issue is being stabilised should not be taken as an indication of the interest from investors or of the price at which investors are prepared to buy securities.

## 7. Objectives, Restrictions and Risk

7.1 In providing the Investment Management Services and in particular exercising its discretion as regards the provision of such services FAML shall act on the information known to it from time to time. Accordingly, the Customer shall keep FAML up to date on the Customer's personal and financial situation, or the affairs of the trust partnership or company that is the Customer if this should be the case. Furthermore, the Customer shall notify FAML promptly of any change in its attitude to risk, investment objectives, its financial situation or the knowledge and experience of the Customer.

7.2 In order to enable FAML to manage the Portfolio broadly in line with the investment objectives and risk criteria of the Customer, the Customer is required to specify in the Account Application the investment objectives and the risk criteria which most closely match the investment objectives and risk criteria the Customer would like FAML to apply in managing the Portfolio.

7.3 The broad descriptions of investment objectives and risk criteria selected by the Customer will be applied to the Portfolio as a whole rather than necessarily to each investment in the Portfolio. The management of the Portfolio will reflect FAML's understanding of the investment objectives and risk criteria selected by the Customer. The Customer agrees that it has provided FAML with those of its investment objectives that are relevant to the provision of the Investment Management Services.

7.4 The Investment Management Services that FAML shall provide to the Customer shall be restricted to those markets permitted under the Investment Objectives and Risk section of the Account Application.

7.5 FAML shall not without the prior written consent of the Customer:

- a) On behalf of the Customer in managing the Portfolio, engage in any transactions that relate to futures or options;
- b) commit the Customer to underwrite or sub-underwrite any issue or offer of securities;
- c) commit the Customer to any transaction that relates to warrants other than warrants already in the Portfolio when responsibility

for its management is taken over by FAML or where warrants are linked to another security held by or acquired for the Customer;

d) commit the Customer to add to the funds in the Portfolio.

7.6 FAML is obliged under FCA Rules to obtain information about the Customer so that FAML can assess whether the Investment Management Services it is providing are appropriate for the Customer.

If FAML does not obtain the necessary information from the Customer to determine the suitability of a decision to provide investment management services to the customer, FAML will not be able to provide investment management services to the Customer.

FAML shall be entitled to rely on the information provided by the Customer unless it is aware that the information is manifestly out of date, inaccurate or incomplete.

## 8. Inheritance Tax Planning Portfolios

If the Customer wishes FAML to invest the Customer's Portfolio as an Inheritance Tax Planning Portfolio with the intention of mitigating the ultimate effect of inheritance tax on the Customer's estate and the Customer accepts the higher risk associated with it as outlined below, the Customer should indicate the risk category as High Risk on the Account Application and the objectives as an inheritance tax planning portfolio. If the Customer requests an Inheritance Tax Planning Portfolio it will be invested in a diverse portfolio of shares that are quoted on AIM, the London Stock Exchange's international market for smaller companies ('AIM') with a view to mitigating the ultimate effect of Inheritance Tax on the estate of the Customer. Shares in AIM Companies are not admitted to the Official List of the United Kingdom Listing Authority. The Customer should be aware that investment in the shares of companies quoted on AIM is high risk due to their small size, limited trading history, price volatility and the illiquid nature of such shares. Accordingly, it may not be possible to realise investments in shares in AIM companies in a timely manner.

**FAML recommends the Customer to take his own specialist independent tax advice on the effectiveness of investments being made by FAML within certain parameters with a view to mitigating the ultimate effect of Inheritance Tax on a Customer's estate. FAML does not advise on tax matters and does not give any warranty or make any representation as to the tax effectiveness of investing in any particular way.**

## 9. Payment for Services

The Customer shall pay FAML's fees for the Investment Management Services including an account opening fee, an annual management fee and a fee per transaction that FAML instructs the broker to make on behalf of the Customer and reimburse FAML's costs all as stated in Schedule 1 to these Terms of Business which specifies inter alia the basis on which the amount of the fees is determined, the method of payment and when payment must be made. Save as provided below no other payment is receivable by FAML (or to its knowledge by any of its associates) in connection with any transaction executed through FAML for the Customer in addition to or in lieu of any fees.

All sums payable by the Customer pursuant to the Investment Management Agreement are exclusive of Value Added Tax and shall be paid to FAML free of any withholding or deduction. Accordingly, the Customer shall in addition to payment of those sums, pay upon

presentation of a valid VAT invoice such VAT as is chargeable in respect of the payment.

The Customer shall be responsible for the payment of all dealing commissions, transfer fees, registration fees, taxes and other liabilities and costs properly payable by FAML in the provision of the Investment Management Services.

Other taxes or costs may arise for the Customer that are not paid via FAML or imposed by FAML.

The Customer authorises FAML to collect any charges owing to FAML in accordance with Schedule 1 out of any cash in the Customer's Account and if no or insufficient cash is held on the Customer's Account, FAML may sell the Customer's investments or collect any charges owing to FAML on an accrued basis out of any money deposited in the Customer's Account at a later date.

In addition, the Custodian shall be entitled to pay any fees, foreign currency negotiation costs, stamp duty, PTM levy and value added tax incurred in connection with the purchase and sale of investments in the Portfolio and the administration of the Customer's Account in accordance with Schedule 1.

## 10. Periodic Valuations and Periodic Reports

Unless otherwise requested, FAML shall provide the Customer every three months with periodic statements of:

- a) custody of assets setting out the composition and value of the Portfolio within 30 business days of each period end or procure that such periodic statements of custody of assets are provided by the Custodian of the Portfolio. Valuations will normally be prepared using the last tradable price quoted as at close of business on the valuation date. At times when this information is not available in relation to a stock the price may have to be determined on a different basis such as last trade;
- b) performance comparing the valuation as at the date to which that periodic statement is prepared to the valuation as at the date the previous periodic statement was prepared to;
- c) the costs associated with the transactions and services undertaken on behalf of the Customer.

FAML will not provide the Customer with a contract note setting out details of each order which is made on the Customer's behalf, promptly when a transaction takes place, unless the Customer writes to FAML electing to receive contract notes in relation to each transaction that is made on behalf of the Portfolio promptly on the execution of the transaction. If the Customer does not elect to require contract notes to be sent to him/her promptly when a transaction takes place, FAML shall send such contract notes to the Customer with the next periodic statement.

FAML shall inform the Customer where the overall value of the Portfolio, as evaluated in the last periodic statement, depreciates by 10% and thereafter in multiples of 10%.

## 11. Instructions and communications

All communications between FAML and the Customer shall be in English.

FAML may monitor and/or record electronic communications (including telephone calls, emails, texts and instant messages) with its Customers

(without any warning being evident on the line) in order to verify what was said and to assist with the training of staff.

Telephone communications or communications between FAML and the Customer that result or may result in transactions will be recorded.

## 12. Instructions from the Customer

Where the Customer provides instructions to FAML these will be acknowledged by FAML acting upon the instructions. However, FAML shall not be required to comply with any instructions which FAML reasonably believes are impracticable or may involve either party in a contravention of any law, rule or regulation.

FAML may rely upon instructions received in accordance with the Investment Management Agreement which purport to have been given (and which are reasonably accepted as having been given) by or on behalf of any person authorised to instruct FAML in respect of the Portfolio as being received from the Customer, or an authorised person who has been nominated and notified by the Customer to instruct FAML with regard to Investment Management Services to be provided to the Customer even if such instructions were not given by the Customer because of the wrongdoing or fraud of a third party provided such third party is not an agent or employee of FAML and FAML has not failed to comply with a requirement of the FCA Rules in relation to that matter. FAML shall not be liable to the Customer for any loss arising from it relying on any such instruction to the extent it is subsequently determined that any such communication was not made or given by the Customer.

Instructions or notification received from the Customer will take effect upon receipt by FAML.

If FAML requests the Customer to respond to a communication within a specified time frame, FAML shall not be responsible for the consequences of any failure of the Customer to respond within the specified time frame.

In the event of the death of the Customer who is the sole account holder, following receipt of the death certificate, FAML shall only provide administration services until:

- a) FAML receives a copy of the Customer's Will identifying the Customer's executors, whereupon FAML may sell assets in the Portfolio; or
- b) FAML receive instructions from the persons who have been granted probate or letters of administration or to the extent the assets can pass under law without such grant of representation such appropriate documentation as FAML may require whereupon FAML may buy and sell assets in the Portfolio.

FAML will be entitled to continue receiving fees accrued fees and expenses and sums owing in accordance with Schedule 1 and FAML shall be allowed to sell investments in the Account to raise any amount owing.

In the event that a Customer is made up of more than one joint account holder and one of such joint account holders dies, FAML will act on the instructions of the remaining account holder(s) once it has received a copy of the death certificate for the joint account holder who has died.

## 13. Execution of Orders

FAML does not execute orders itself and will delegate the execution of orders on the Customer's behalf to such duly authorised broker as FAML considers appropriate in managing the Portfolio.

FAML may aggregate orders from different customers to comprise one transaction so that following the execution of the transaction assets are allocated to the customers' accounts at an average price. FAML shall only aggregate orders from different customers where it reasonably believes that by doing so it will obtain a better price for the Customer. The effect of such aggregation may on some occasions work to the disadvantage of the Customer and FAML shall not be responsible to the Customer for any loss that the Customer may suffer as a result.

## 14. Unsolicited Real Time Financial Promotion

FAML, its representatives or employees may call upon the Customer by telephone or in a personal visit or otherwise communicate with the Customer without invitation from the Customer during normal office hours. If the Customer enters into an agreement in the course of the unsolicited real time financial communication, then the Customer will not be able to render the agreement so entered into as unenforceable.

## 15. Conflict of Interest/ Material Interest

FAML shall take all reasonable steps to identify conflicts of interest that may arise in its provision to the Customer of Investment Management Services. A summary of FAML's conflicts of interest policy is set out for the Customer's information in Annex 2 to these Terms of Business. This policy summarises how FAML deals with conflicts of interest that arise within its business. Examples of the type of situation that could give rise to a conflict include FAML or one of its associates:

- a) buying or selling investments for other customers;
- b) entering a transaction in relation to an investment in respect of which FAML or an Associate may benefit from a commission or fee payable otherwise than by the Customer;
- c) dealing with an Associate on behalf of the Customer;
- d) acting as agent for the Customer in a transaction where it is also acting as agent for the account of other clients and Associates; or
- e) acting as the manager, operator, banker adviser or trustee of the funds in respect of which a transaction is to be entered into.

## 16. Right to realise Customer's Assets

The Customer agrees that all assets in the Portfolio will constitute a continuing security for the payment of all sums due from the Customer to FAML. The Customer agrees that FAML may take action to realise the Customer's assets in such manner and at such price as FAML in its absolute discretion determines in order to apply the proceeds of such realisation to set off any obligations owed by the Customer to FAML, any broker, custodian or in relation to the provision of the services under the Investment Management Agreement if the Customer fails to pay any such sum that is due, within three business days of notice having been given to it by FAML.

## 17. Liability

17.1 FAML shall act in good faith and with due diligence. Neither FAML nor any agent employed by FAML shall be liable for any loss to the Customer, however arising, except to the extent that such loss is due to the negligence, wilful default or fraud of FAML or its respective employees. For the avoidance of doubt FAML shall not be liable for:

- a) indirect or consequential loss (including loss of profit);
- b) any adverse tax implications of any transaction arising under the Investment Management Agreement; or

c) any delays or changes in market conditions before any particular transaction is effected.

17.2 FAML shall not be liable for any default of any counterparty, bank, custodian, sub-custodian or other person or entity which holds money, investments or other documents of title on behalf of the Customer.

17.3 No warranty or representation is given by FAML as to the performance or profitability of the Portfolio or any part of it.

17.4 Subject to sub-clause 17.6 below the Customer shall indemnify and keep FAML and its agents indemnified against all losses, damages, costs and liabilities incurred by FAML or its agents as a direct or indirect result of FAML acting under the Investment Management Agreement, except to the extent that the losses, damages, costs and liabilities arise or result from FAML's negligence, wilful default or fraud.

17.5 Except to the extent required by rules of the FCA, the Financial Services and Markets Act 2000 or any regulations issued under that Act, FAML shall not be liable for its non-performance hereunder, if such delay is caused by circumstances beyond its reasonable control including acts of God, terrorism, fire, floods or power failure. FAML will take reasonable steps to try and bring those circumstances to an end.

17.6 Nothing in these Terms of Business shall exclude or restrict the liability of FAML to the Customer under the FCA rules or any duty of FAML to the Customer under the FCA rules or require it to indemnify FAML in respect of any such liability.

17.7 FAML does not accept any responsibility for any advice including investment advice that may have been given to the Customer by any third party including advice given to the Customer by a financial adviser who may have introduced the Customer to FAML. FAML shall not perform any monitoring role in relation to any functions performed by such financial adviser.

## 18. Risk warnings

FAML may invest in investments which are not readily realisable, which means that there is no recognised market for such investments and it may therefore be difficult to deal in any such investment or to obtain reliable information about its value or the extent of the risks to which it is exposed. The Customer should note the risk warnings set out in Section 8 of the Account Application and the information about investing set out in that section.

## 19. Custody

Custody services for the Portfolio shall be provided for the Customer by the custodian as FAML may appoint for the Customer (**Custodian**). All fees in relation to custody are set out in Schedule 1.

FAML has taken due skill and care in selecting and appointing the custodian and in agreeing on behalf of the Customer the terms on which the custodian has been appointed and on which it may appoint a sub-custodian.

Investments within the Account shall at all times following settlement be beneficially owned by the Customer.

FAML shall be liable for the fraud, wilful default and negligence of itself any nominee company controlled by FAML or any affiliated company. FAML shall not otherwise be liable to the Customer for any losses arising from any default or failure by the Custodian or itself though it shall use reasonable endeavours at the cost of the Customer to mitigate any losses for which liability is excluded under this Clause 20.

In the unlikely event of any nominee company of a custodian in whose name the Investments of the Customer are registered becoming insolvent, the Customer's Investments should not be affected and should not be subject to the insolvency. Nominee companies should be non-trading companies and should not therefore incur any liabilities.

The UK investments will normally be registered and held in the name of the Custodian's wholly owned nominee company, as part of an unallocated pool. Individual entitlements held in an unallocated pool may not be distinguishable from the entitlements of other clients. There are no separate certificates, other physical documents of title or equivalent electronic records. In the event of an irreconcilable shortfall after the failure of a custodian, clients may have to share in that shortfall in proportion to their original share of the assets in the pool.

**The Customer authorises FAML to give and receive instructions on behalf of the Customer without limitation in respect of the custody of any of the assets in the Portfolio held by any Custodian under any custody arrangement put in place by FAML on behalf of the Customer pursuant to this Investment Management Agreement.**

In relation to any investments in the Portfolio held by any such Custodian as referred to in the previous paragraph of this clause, the Customer authorises FAML on their behalf to:

- a) exercise any voting rights;
- b) exercise any rights in relation to takeovers, consolidations, conversion rights or rights issues;
- c) exercise any elections or other rights whatsoever; in such manner as FAML in its discretion sees fit.

Without prejudice to its general periodic reporting obligations, FAML shall not pass on to the Customer any information that it receives from the Custodian of any assets in the Portfolio that such Custodian has received from the companies in which the Portfolio is invested including any information relating to benefits for shareholders or voting.

Dividends, interest payments and cash entitlements due to the Customer will be paid promptly to the Customer's Account. FAML will only accept dividends in cash unless FAML agree otherwise.

Unless FAML agree otherwise, dividends, interest payments and cash entitlements received in a currency other than sterling may be converted to sterling.

Where as a result of any corporate action the denomination, type, issuer or any other characteristic of any security shall be altered in any way FAML shall not be responsible for any suspension of trading of such securities nor a refusal registration of any Transaction in such securities.

Where applicable, currencies may be converted to sterling based on the house rate at the time of execution. The house rate is based on the currency market when entered by the broker, and will include a spread, or charge, which can vary from time to time.

## 20. Complaints Procedure

All formal complaints should in the first instance be made in writing to the Compliance Officer at Fundamental Asset Management Limited, Cardinal Point, Park Road, Rickmansworth, Herts WD3 1RE.

FAML will acknowledge complaints received from the Customer within 5 business days of receiving the complaint. FAML will review the complaint and ensure that the subject-matter of the complaint is addressed. FAML will endeavour to resolve the complaint within 4 weeks of receiving the complaint.

The Customer may, if it is not satisfied with the response it receives from FAML, complain to the Financial Ombudsman Service, details of which are available from FAML on request.

## 21. Financial Services Compensation Scheme

FAML is covered by the Financial Services Compensation Scheme (the 'Scheme'). If FAML cannot meet its obligations the Customer may be entitled to compensation from the Scheme. Whether the Customer is entitled to compensation or not will depend on the type of business and the circumstances of the claim. The maximum level of compensation for claims against firms declared in default on or after 1st January 2017 is up to £85,000 per eligible person, per firm.

## 22. Termination

The Customer has a statutory right to terminate the Investment Management Agreement within a period of 14 days from the date on which the contract was concluded (the "Cancellation Period"). If the Customer wishes to cancel the Investment Management Agreement within the Cancellation Period, it should notify FAML within the Cancellation Period and the Customer will not incur any additional charge thereafter. The Cancellation of the Investment Management Agreement will not result in the unwinding of transactions effected on the Customers behalf during the Cancellation Period and the Customer agrees that FAML may begin to provide Investment Management Services under the Investment Management Agreement notwithstanding the Customer's right to cancel the Investment Management Agreement. The Customer agrees to pay for the services FAML has actually provided in connection with the Investment Management Agreement pro rata notwithstanding such cancellation which shall include the full amount of the account opening fee (as defined in Schedule 1) which is incurred in full immediately on receipt by FAML of the FAML Account Application from the Customer.

FAML or the Customer may terminate the Investment Management Agreement at any time by giving written notice to the other party.

Termination shall be without prejudice to the completion of any transaction or transactions already initiated. FAML shall complete expeditiously all transactions in progress at termination.

## 23. Client Money

FAML does not handle client money. The Customer shall pay all funds, to be invested or otherwise payable in relation to investments, directly to the Custodian as FAML shall direct in writing.

Funds paid into the Custodian by the Customer to be managed by FAML under this Investment Management Agreement will after verification by FAML be credited to an Account with the

Custodian in the name of the Customer Account money accepted by the Custodian will be segregated from the Custodian's other monies and held in a designated client bank account. All payments from the Customer may be made by a cheque drawn on a UK bank account, electronic funds transfer or by debit card registered in the same name and address as the Account holder. The Custodian is not able to accept payments by credit card. FAML will only manage cleared funds. For this purpose a cheque payment will require 4 business days to clear and debit card payments take 2 business days. Acceptance of funds directly from the Customer and any payments out to the Customer will be subject to:

- a) The Customer providing details of its UK bank account which is in the name of the Customer (the 'Nominated Bank Account');
- b) The Customer warranting to FAML that it will ensure that no funds will be paid to the Custodian from, nor will the Customer instruct the Custodian to pay any funds to, any bank accounts in the names of:
  - i) politically exposed persons; and/or
  - ii) Persons resident in jurisdictions that are subject to United States Treasury Department Office of Foreign Assets Control ('OFAC') sanctions; and/or;
  - iii) Persons that are designated as 'Special Designated Nationals' by OFAC.

Once funds are received from a nominated bank account all subsequent payments must be received from or paid to that nominated bank account save to the extent provided otherwise herein.

The Customer may instruct FAML to amend its nominated bank account.

## 24. Order Execution

A summary of FAML's Retail Client order execution policy is attached as Annex 1. The policy is not a contractual document and may be varied by FAML from time to time. The Retail client order execution policy applies where FAML is providing portfolio management services to its client and summarises FAML's policy in relation to taking all sufficient steps to obtain the best possible result for the Customer when placing orders with other entities for execution that result from decisions by FAML to deal in financial instruments on behalf of FAML's clients.

By signing the Account Application the Customer consents to:

- a) FAML's Retail client order execution policy; and
- b) FAML arranging for execution of orders placed by FAML on behalf of the Portfolio outside regulated Markets or MTFs when FAML believes this to be in the best interest of the Customer. In the event that FAML carries out orders outside regulated Markets or MTFs the Customer should be aware that the Customer is subject to the risk of the counterparty becoming insolvent during the carrying out of the order.

FAML will monitor the effectiveness of FAML's Retail Client order execution policy and will notify the Customer of any material changes that it makes to such policy or arrangements for execution of orders.

## 25. Extent of discretion

FAML shall have discretionary management powers to manage the Portfolio under the terms of the Investment Management Agreement.

Save to the extent any such restrictions are set out in the Investment Management Agreement there are no restrictions on the extent of that discretion.

### 26. Contract Notes and Periodic statements

In accordance with clauses 10 and 13 FAML shall provide the Customer with contract notes and periodic reports on the Customer's Portfolio (including valuations) or procure that they are provided to the Customer. The Customer shall be responsible for checking contract notes, periodic valuations, reports and other documents as soon as possible and informing FAML in the event there appears to be any error or inaccuracy.

FAML shall retain records of Transactions for six years.

### 27. Underwriting Commission

FAML is not entitled to commit the Customer to underwrite or sub-underwrite any issue or offer of securities.

### 28. Exchange rate risk

A movement of exchange rates may affect unfavourably as well as favourably any gain or loss on an investment.

### 29. Joint Accounts

If the Customer is more than one person, the Customer's obligations under the Investment Management Agreement shall be joint and several.

Unless FAML is notified to the contrary, FAML will assume that all client assets held in respect of joint Accounts are held as joint tenants and upon the death of one or more joint accounts holders, the assets shall pass to the surviving account holders.

ISA accounts cannot be held jointly.

### 30. Customer's Warranties

The Customer represents and warrants that:

- a) it has full power to employ FAML on the terms of the Investment Management Agreement;
- b) that where the Customer is an individual person he is over 18 years old;
- c) that it acts as principal and sole beneficial owner in entering into the Investment Management Agreement and it is the sole beneficial owner of all the sums or assets invested in the Portfolio;
- d) the Portfolio is free from all liens and charges. The Customer undertakes not to deal with any assets in the Portfolio except through FAML or to authorise anyone other than FAML so to deal.

### 31. Confidentiality

The parties to the Investment Management Agreement will at all times keep confidential information acquired in consequence of it, except for information which they may be entitled or bound to disclose under compulsion of law, or as required by applicable regulations or requested by regulatory agencies, or to their professional advisers where reasonably necessary for the performance of their professional services. The Customer agrees and acknowledges that any and all proprietary rights in any transaction information are owned by the broker that undertakes the trade.

### 32. No Assignment

The Investment Management Agreement is personal to the parties hereto and neither party shall be entitled to assign the whole or any part of its rights hereunder.

### 33. Regulatory Provisions

These Terms of Business are subject to the Rules of the particular Market in which any order is placed, which shall apply to the execution of any order and to the extent any such Market Rules conflict with these Terms of Business, the provisions of the Market Rules shall prevail.

If any regulatory entity or a Market makes an enquiry about an order that relates to the Portfolio, the Customer agrees to co-operate with FAML and to promptly supply any information FAML reasonable requests in connection with the enquiry.

### 34. Data Protection

34.1 FAML shall treat Customer information as confidential and will not disclose it to any person, except with the consent of the Customer. That Customer information which is considered personal data shall be processed as provided for in this Clause 34.

34.2 FAML may process personal data about the Customer provided by the Customer. Such data may include information about the Customer and its investments and information about the beneficial owner of the Portfolio where the Customer is a trust or a similar entity. FAML may process Customer personal data obtained from third parties including, for example, financial and other information obtained from credit reference and fraud prevention agencies and public registers.

- a) Where the Customer provides FAML with the personal data it shall ensure that it is correct and shall promptly inform FAML in writing of any change that would make that data incorrect.
- b) Where personal data is obtained from a third party FAML will notify the Customer about the categories and source of that data as soon as it first contacts the Customer following the data being supplied, unless prohibited or not required by law to do so.

34.3 FAML will process personal data about the Customer for the following purposes:

- a) in order to perform the Investment Management Services;
- b) in order to comply with overriding legal obligations;
- c) in the pursuit of legitimate business interests;
- d) in order to provide information about additional FAML products or services.

34.4 FAML will process personal data about the Customer on the following bases:

- a) **Contract:** FAML will process Customer personal data necessary to perform the Investment Management Services. This processing includes, among others, disclosing personal data relating to the Customer and or its investments to any broker executing orders for the Customer pursuant to this Investment Management Agreement and/or any custodian of the Customer;
- b) **Compliance:** FAML will process Customer personal data necessary to comply with the law applicable to the Investment Management Services. This processing includes, among others, disclosing personal data relating to the Customer or its investments to the FCA, and other regulatory bodies including the Panel on Takeovers

and Mergers to the extent that FAML considers it is desirable for it to comply with its regulatory obligations. FAML or the appointed Custodian shall maintain all records relating to the Customer's Account, make such returns to HM Revenue & Customs for the purposes of taxation as are required to do by HM Revenue & Customs, and provide all taxation details to the Customer, as may be required under the Rules and Regulations. The Customer shall provide FAML with such information as it reasonably requests from time to time to enable it to comply with FCA Rules and provide the Investment Management Services.

- c) **Legitimate interests:** FAML may use the information about the Customer in order to provide, administer, tailor and improve the Investment Management Services, its relationship with the Customer and its business generally; to carry out credit, anti-money laundering and fraud prevention checks; to exercise and/or defend its rights; and to comply with FCA rules and the requests of regulatory and enforcement authorities in any jurisdiction.
- d) **Consent:** FAML may contact the Customer by telephone, email or post to tell the Customer about products or services offered by FAML in which the Customer may be interested. FAML will not contact the Customer for this purpose if the Customer has told FAML that it does not wish to receive such communications, either by so indicating on the Account Application or by otherwise notifying FAML in writing.

34.5 FAML may further disclose Customer personal data to FAML's professional advisors and other service providers including to such persons as may be necessary to provide the Investment Management Services (such as brokers and custodians), credit reference and fraud prevention agencies and other financial institutions for credit checking, anti-money laundering purposes; to any person to whom FAML transfers its rights under the Investment Management Agreement; to or as requested by regulatory and enforcement authorities, courts and similar bodies in any jurisdiction.

34.6 The Customer acknowledges by indicating on the Account Application that its personal data may be transferred to countries outside the European Economic Area, which may not have data protection laws as stringent as those in the United Kingdom;

34.7 The Customer has a set of qualified rights under data protection law. Should the Customer wish to exercise any of these rights, it can contact FAML at [enquiries@fundamentalasset.com](mailto:enquiries@fundamentalasset.com). These include the right to be informed; the right of access; the right to rectification; the right to erasure; the right to restrict processing; the right to data portability; the right to object; the right to lodge a complaint with the Information Commissioner's Office; and rights in relation to automated decision making and profiling. Further information on these rights can be obtained on the Information Commissioner's Office website: <https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulation-gdpr/individual-rights/>.

34.8 If the Customer provides FAML with any personal data in relation to another person, the Customer in providing that information:

- a) accepts and consents on behalf of such person to the use of such information in accordance with these provisions;

- b) warrants that such person has given the Customer his authority to give such acceptance and consent on his behalf;
- c) agrees to provide a copy of these provisions to that other person; and
- d) agrees to indemnify FAML in respect of any loss, damage, cost or liability it may incur as a result of a breach by the Customer of this clause 34.8.

34.9 The Customer's personal data shall be retained by FAML for as long as necessary to deliver the Investment Management Services. After the termination of the Agreement, the personal data shall be archived in accordance with FAML's applicable statutory data retention obligations. After the expiry of this period the personal data shall be deleted.

### 35. Notices

All notices and instructions under the Investment Management Agreement shall be deemed duly given when delivered in writing to the appropriate party at the address appearing at the front of the Investment Management Agreement for each signatory hereto, or to such other address as shall be notified in writing by that party to the other party from time to time or, if sent by email upon transmission. Notices and documents sent to the Customer shall be posted to the last address of the Customer notified to FAML by the Customer and shall be deemed to have been received seven days after they are posted. Unless the Customer requests otherwise, in relation to the situation where the customer is a number of trustees, partners or joint clients, FAML shall normally only send such notices to the client that is named first in the Account Application.

### 36. Contracts (Third Party Rights) Act 1999

No person who is not a party to the Investment Management Agreement shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Investment Management Agreement.

### 37. General

37.1 Should any part of the Investment Management Agreement be held by any Court of competent jurisdiction to be unenforceable or illegal or contravene any rule, regulation or bylaw of any Market or regulator, that part will be deemed to have been excluded from the Investment Management Agreement from the beginning, and the Investment Management Agreement will be interpreted and enforced as though the provision had never been included.

37.2 Any failure by FAML to seek redress for violations, or to insist upon strict performance, of any condition or provision of the Investment Management Agreement or failure by FAML to exercise any right or remedy to which it is entitled under the Investment Management Agreement, shall not constitute a waiver thereof.

37.3 If a situation arises which is not expressly covered by a term of the Investment Management Agreement, FAML and the Customer agree to try to resolve the matter on the basis of good faith and fairness and by taking such action as is consistent with market practice.

37.4 The Customer confirms that the Customer has regular access to the internet and consents to FAML providing the Customer with information, including, without limitation, information about the nature and risks of investments by posting such information on its Website.

### **38. Governing Law**

These Terms of Business will be governed by and construed in accordance with English law. The English courts are to have exclusive jurisdiction to settle any disputes or claims which may arise out of or in connection with the Investment Management Agreement for which purpose all parties agree to submit to the jurisdiction of the English courts.

## Supplemental Terms and Conditions for Stocks and Shares ISAs

### 1. Introduction

1.1 These Supplemental Terms and Conditions for Stocks and Shares ISAs apply only to the ISAs FAML provide to The Customer.

1.2 These Supplemental Terms and Conditions for Stocks and Shares ISAs form part of the Terms and Conditions, as described in Section 1 of the General Terms and Conditions.

1.3 The Customer appoints the Custodian to act as ISA Manager in respect of the ISA detailed on the Account Application or Transfer Form.

### 2. Application

2.1 Provided that the application is approved by FAML and the Custodian, the Customer's ISA will open upon receipt by FAML and the Custodian of a duly completed application together with payment of The Customer initial subscription.

2.2 Subject to the ISA Regulations, FAML may open an ISA provisionally where the information the Customer has supplied is insufficient. Where FAML opens an ISA provisionally the Customer shall supply us with the missing information within 30 days, otherwise the Account will be voided in accordance with HM Revenue & Customs' requirements with the relevant assets held in the Customer's name outside the Account.

2.3 The Customer's Account application will cover the current tax year and each subsequent tax year until FAML receives no subscription for a full tax year. The Customer shall inform us immediately if the Customer ceases to be a UK resident for tax purposes, or if being a non-resident the Customer ceases to either perform duties which, by virtue of Section 28 of Income Tax (Earnings & Pensions) Act 2003 (Crown employees serving overseas), are treated as being performed in the UK, or be married to, or in civil partnership with, a person who performs such duties. In the case of an ISA transfer, FAML will commence management of the Customer Account upon receipt by the Custodian of the proceeds from the Customer's previous ISA manager.

2.4 Subscriptions may be made at any time to the Customer's Account subject to the maximum annual subscription permitted by the ISA Regulations.

2.5 If the Customer does not make any subscription to the Customer's ISA within 3 months of registering, FAML reserve the right to close the ISA without further notice.

### 3. Account Investments

3.1 The Customer authorises the Custodian to recover from HM Revenue & Customs such tax credits on dividends that are reclaimable for the credit of the Account.

3.2 Dividends, tax reclaimed and other income that the Custodian collects for the Customer will be credited to the Customer ISA as soon as is practicable. We will not be responsible for any loss of interest due to any delay outside of our control in crediting income received to the Customer ISA.

3.3 Any interest paid on cash held in The Customer's ISA will be subject to a non-reclaimable flat rate charge imposed by HM

Revenue Customs. In accordance with HMRC rules, foreign currency cannot be held in an ISA. If the base currency of a stock is not sterling, an FX must be done at the time of trade.

### 4. Fees and Charges

4.1 Commission on all transactions effected on the Customer's behalf under this Agreement, together with stamp duty reserve tax, PTM levy and any other associated charges where appropriate will be charged at the rates currently applicable. These charges must be met from within the Customer's ISA.

4.2 Management fees will be collected in accordance with Section 9 – Payment for Services of these terms and Schedule 1. These fees, at the discretion of FAML, may be met from inside or outside of the ISA and may be paid by sterling cheque drawn on a UK bank account, debit card or by transferring funds from another Account in the Customer's name held at the Custodian.

### 5. Termination, withdrawals, transfers and death investor

5.1 Subject to the ISA Regulations, the settlement of outstanding investment transaction(s), and any tax liabilities, charges and expenses, the Customer may transfer their ISA or withdraw part or all of the investments in their Account at any time by giving FAML written instructions. Such transfer or withdrawal will take place as soon as reasonably practicable and in any event within 30 days of receipt of the Customer's request.

5.2 In the event of a withdrawal, termination or transfer of the Customer's Account, any annual charges paid to FAML or the Custodian will not be repaid to the Customer whether in whole or in part.

5.3 The Customer shall be entitled to transfer their ISA or make withdrawals without restriction.

5.4 FAML shall be entitled, in the case of the Customer's discretionary ISA Account, to make purchases and sales without restriction.

5.5 FAML may terminate the ISA with immediate effect by providing the Customer with written notice of termination if, in our reasonable opinion, it is impossible to Administer the ISA in compliance with the Regulations.

5.6 If the Customer reduces or gives instruction to reduce the level of cash and/or investments in the Customer's ISA to a value below the closure fee or to such an extent that FAML, in their reasonable discretion, believe the Customer is maintaining the ISA solely to avoid closure charges, then FAML may terminate the ISA with immediate effect and charge the Customer the normal closure fee.

5.7 Subject to a written instruction, FAML will arrange for all or part of the Customer's Investments or the proceeds arising from those Investments, to be transferred or paid to the Customer, or another ISA Manager, within a period not exceeding 30 days from the time stipulated by the Customer.

5.8 An ISA will terminate automatically on the Customer's death.

5.9 Should the Customer die, the Customer's Account will cease to be exempt from tax, and the assets will be held by us awaiting instruction from the Customer's personal representatives, who may direct that investments be sold or registered in the names of the appropriate beneficiaries, subject to any restrictions relating to

minimum holdings. Administration fees will continue to be due until such time that all Administration on the ISA is complete.

## **Supplemental Terms and Conditions for SIPP Sharedealing Accounts**

### **1. Introduction**

1.1 These Supplemental Terms and Conditions for SIPP Dealing Accounts form part of the Terms and Conditions, as described in Section 1 of the General Terms and Conditions.

1.2 Each SIPP Dealing Account is held by a SIPP Trustee in respect of a SIPP Member.

### **2. Definitions**

“Member” means an individual who has beneficial ownership of pension assets belonging to the SIPP.

“Operator” means the SIPP Trustees or SIPP Administrator of the SIPP opened by the SIPP Trustees in respect of the SIPP Member.

Pension Scheme Rules means any statutory provisions, regulatory requirements and the specific rules of the relevant SIPP from time to time in force.

“You” and “Your” – references to “you” and “your” in these Supplemental Terms and Conditions include references to SIPP Members, SIPP Managers and SIPP Administrators where the context requires.

### **3. Provision of Services**

3.1 FAML and the Custodian provides SIPP Dealing Accounts to the SIPP Trustees, and where the SIPP Trustees have given authority to the SIPP Member, to enable the SIPP Member (and where a SIPP Manager is appointed, the SIPP Manager) to buy or sell investments through them. FAML and the Custodian are not responsible for the maintenance and running of the SIPP, which is the responsibility of the Operator in accordance with the Pension Scheme Rules and the SIPP Regulations.

3.2 The SIPP Trustees, and not the SIPP Member or the SIPP Manager, will be treated as the Client and will be classified as a Retail Client in respect of the SIPP Dealing Account for the purposes of the FCA Rules. The SIPP Trustees may not necessarily have rights under the Financial Ombudsman Service or the Financial Services Compensation Scheme.

### **4. Your application**

4.1 Each SIPP Member must be eligible to hold a SIPP and must have earnings in respect of which contributions to a SIPP can be made, in accordance with the SIPP Regulations. In addition, a SIPP Member must have established a SIPP under the terms of which a SIPP Dealing Account may be operated.

4.2 The SIPP Trustees acting on behalf of the SIPP Member will act as trustees and legal owner of the Account Investments.

4.3 In order to open a SIPP Dealing Account, the SIPP Member, and if relevant the SIPP Manager, and the SIPP Trustees and, if separate, the SIPP Administrator, must complete an Application Form in full.

4.4 The SIPP Dealing Account will be subject to the conditions set out in the Terms and Conditions and to the SIPP Regulations.

4.5 A SIPP Dealing Account will be opened when an application is accepted by us. FAML have the right to reject any application without specifying the reason to any person for doing so.

### **5. Instructions**

5.1 FAML will accept instructions to transfer funds to and from the SIPP Dealing Account only from the SIPP Trustees. Any instructions received to transfer funds will be treated as acceptable by the SIPP Member.

### **6. Account Investments**

6.1 Investments will be held in the name of the Nominee of the Custodian on trust on behalf of the SIPP Trustees.

6.2 Only Investments permitted under the SIPP Regulations may be held in the SIPP Dealing Account. The choice of SIPP Investments is restricted to stocks and shares only.

### **7. Limitations of FAML responsibilities to The Customer**

FAML are not responsible to the SIPP Trustees, SIPP Member or the SIPP Manager for any loss caused by a breach of the SIPP Regulations arising from any SIPP Member’s instructions to purchase inappropriate investments for the SIPP Dealing Account or to make purchases which do not meet the requirements of the SIPP Regulations.

## Annex 1 – Retail Client Order Execution Policy

### Objective

To put in place an order execution policy to enable FAML when it is providing portfolio management services to retail clients to comply with the obligation in the Conduct of Business Rules COBS 11.2A of the Financial Conduct Authority. The obligation is to take all sufficient steps to obtain the best possible result for its retail clients (taking into account the execution factors) when placing orders with other entities for execution that result from decisions by FAML to deal in financial instruments on behalf of its retail clients.

### Policy

Identify in respect of each class of instruments, for each entity with which orders are placed and confirm that such entity has execution arrangements that enable the firm to comply with its best possible result obligation.

FAML has put in place this policy in order to consistently achieve the best possible result across all orders when placing orders for execution in respect of financial instruments covered by MIFID II. FAML shall monitor and review the effectiveness of this policy and update it to ensure FAML continues to achieve such results.

FAML's obligation to achieve the best possible result under MIFID II does not relate to a transaction by transaction analysis but to a requirement to take all reasonable steps to achieve the best possible result overall when placing orders for execution on the Customer's behalf including having regard to the following execution factors:

- a) Price;
- b) Costs;
- c) Speed to execute order;
- d) Likelihood of execution or settlement;
- e) Size and nature of the order; and
- f) Any other considerations.

The weight given to any of these factors will be affected by reference to the client's characteristics, the nature of the order, the financial instrument in question and the possible execution venue. Price will normally be the most important of these factors for obtaining the best possible result though for example when trading an illiquid financial instrument certainty of execution may be more important than price.

FAML transmits orders for all types of financial instruments its appointed brokers for execution.

FAML has reviewed the appointed brokers order execution policy and is satisfied that the necessary arrangements in place to enable it to achieve the best possible result for the client as described in this policy.

The appointed brokers will save in exceptional circumstance place orders that FAML places with them with particular execution venues; a regulated market or a multilateral trading facility.

FAML considers that the execution services that its specialist execution brokers provides are keenly priced and efficiently provided both online and by telephone.

FAML is required by the FCA to obtain each client's prior consent to its Order Execution Policy which shall be given if a client appoints FAML to

manage funds on its behalf on the Terms of Business to which this policy is attached.

### Monitoring of the Policy

FAML will monitor on a regular basis the effectiveness of this policy.

FAML shall review the policy regularly and in any event at least annually.

FAML shall review the policy whenever a material change occurs that affects FAML's ability to obtain the best possible result for its clients.

In conducting such reviews FAML shall explore the execution services that are available from other execution brokers.

## Annex 2 – Conflict of Interest Policy

### 1. Background

The aim of this conflict of interest policy is to ensure that FAML's clients are treated fairly and that any conflicts of interest that may arise in the carrying out of FAML's business are managed appropriately.

Key areas are conflicts that arise (i) between FAML or a worker of FAML and its clients; and (ii) when the duties FAML owes one client conflict with the duties it owes to another client.

FAML's Directors are responsible for maintaining systems, controls and procedures to identify and manage conflicts of interest which might arise in relation to the business of FAML.

If a situation arises where FAML identifies a conflict of interest or potential conflict of interest which relates to a particular client and cannot manage it to its satisfaction, FAML shall disclose the nature of the conflict of interest to that client before providing any further services to that client in relation to any matter that might be affected by that conflict.

This policy takes into consideration the small size of FAML's organisation and the investment management services it provides to its clients.

As part of monitoring and identifying conflicts of interest, FAML shall pay careful attention to identifying situations where FAML, a worker or another client:

- a) is likely to benefit financially (whether by making a financial gain or not making a loss), at the expense of a client
- b) has a different interest in the outcome of a service which FAML is providing to the client from the client's interest in that outcome
- c) has an incentive (whether financial or otherwise) to favour the interests of one client over the interests of another client

### 2. Overview of circumstances which may give rise to conflicts in FAML's business

FAML's business is predominantly that of a discretionary investment manager.

FAML has identified the following areas as being areas in which potential conflicts of interest could arise:

- a) A FAML worker is dealing on his or her personal account in a way that might give rise to a conflict of interest with the investment

- management services being provided to a client of FAML (**'Personal Account Dealing'**);
- b) FAML is engaged in proprietary trading in a way that might give rise to a conflict of interest with the investment management services being provided to FAML (**'Proprietary Trading'**);
  - c) Other business interests outside FAML;
  - d) Where two clients of the client have competing interests in relation to the investment management services being provided by FAML (**'Competing Interests'**);
  - e) Inappropriate exchanging or disclosure of information (**'Inappropriate Exchange of Information'**);
  - f) Use and distribution of investment research (**'Investment Research'**)

FAML does not undertake the following business activities, and conflicts of interest are therefore not able to arise in relation to them:

- Corporate Finance
- Underwriting
- Advising on mergers and acquisitions

#### 2.1 Proprietary Trading

FAML maintains procedures for avoiding and managing conflicts of interest when undertaking proprietary trading activities.

When placing orders FAML does not prioritise FAML orders over orders it is considering placing for a client. Where there is any conflict between orders it is placing for itself and orders it is placing for a client, FAML will prioritise the order for the client.

#### 2.2 Personal account dealing

FAML maintains a personal dealing policy which all people working in investment management at FAML are required to comply with. This policy places requirements such workers to ensure that all personal dealing activity is appropriate and does not create an actual or potential disadvantage or loss to a client. All personal dealing requires pre-approval. The pre-approval process requires FAML to make an assessment as to whether FAML is or may be trading, on behalf of a client or clients, in the instrument for which a worker at FAML is seeking permission to deal. If FAML is trading or may trade in the same instrument on behalf of a client or clients, a worker at FAML shall not be permitted to trade in that financial instrument until all orders placed for clients have been satisfied in full.

#### 2.3 Other business interests outside FAML

FAML workers shall not whether directly or indirectly, undertake any other business activities without the prior written approval of FAML. The Compliance Officer shall maintain a register of all business interests disclosed and requested by FAML's workers. The register shall be reviewed regularly by the Compliance Officer in order to ensure that there is no evidence of any undue influence or conflict due to workers' 3rd party business interests.

#### 2.4 Use and distribution of investment research

FAML does not produce investment research

#### 2.5 Inducements

FAML shall not pay or be paid any fee or commission, or provide or be provided with any non-monetary benefit in connection with the provision of an investment service or an ancillary service provided hereunder, to or by any party except the customer or a person on behalf of the Customer, other than where the payment or benefit:

- a) is designed to enhance the quality of the relevant service to the Customer; and
- b) does not impair compliance with FAML's duty to act honestly, fairly and professionally in accordance with the best interest of its Customer.

Workers, their families and any personally connected individuals are not allowed under any circumstances to offer or give, solicit or accept any inducement which causes, is likely to cause, or is perceived as likely to cause conflict with any duties owed by themselves or FAML to clients.

FAML shall not offer entertainment to a client where the client is not accompanied by a FAML worker. FAML shall not receive entertainment whereby the worker is not accompanied by the donor.

FAML's entertainment policy requires workers to notify Compliance in advance of any entertainment which might give the impression of influencing a worker's judgement or behaviour in the performance of their duties to FAML and its clients. Any invitation or entertainment that could be construed to be unusual or appear to create a sense of obligation to the host or bias in their favour must be refused. This should be assessed in the context of the nature of the invitation, including cost or rarity value and any other relevant factor.

Regardless of value, workers should ensure that no gift or series of gifts be accepted which might appear to create a conflict of interest.

The gifts policy also applies to all suppliers and service providers as well as potential suppliers and service providers.

In considering whether a gift or form of entertainment is excessive or inappropriate, the Compliance Officer will consider the nature of the business relationship and whether it could be regarded as an improper inducement by the employer of the recipient or donor or by any other relevant party.

When in doubt whether a gift or entertainment is appropriate, all workers are required to consult the Compliance Officer.

#### 2.6 Competing client interests

FAML places orders with execution brokers on behalf of Customers portfolios in such a way as to ensure that one client will not be treated in such a way so as to create a disadvantage or loss to another client. This includes policies and procedures which include (but are not limited to) the following business activities:

- a) Placing of orders with execution brokers on behalf of Customers portfolios fairly
- b) Maintaining confidential information
- c) Fair placing of orders when placing orders on behalf of multiple Customers' portfolios
- d) Equal disclosure of relevant information to Customers

FAML has procedures and security measures in place to ensure that confidential information regarding one client orders is not inadvertently disclosed to another third party.

#### 2.7 Inappropriate exchange of information

Our insider dealing policy requires workers to notify Compliance of all situations whereby a worker becomes aware of inside information. Workers are also required to notify Compliance of any situation where information received might constitute inside information. Compliance

will record the circumstances of the situation and take such action as is necessary and appropriate. This may include (but is not limited to):

- a) Requiring the worker not to disclose the inside information to any other party
- b) Requiring the worker to desist from any activities whereby the knowledge of the inside information will or might create a conflict of interest

### 3. Operational process for managing conflicts of interest

FAML will manage conflict of interest situations in accordance with the steps set out below:

- a) Identify conflicts
- b) Notification of conflicts
- c) Assess conflicts
- d) Resolve conflicts
- e) Report/keep record in respect of conflicts

#### 3.1 Identify conflicts

Identification of conflicts is the responsibility of all workers at FAML. All workers are aware of their responsibilities to identify situations which give rise to a conflict or which might give rise to a conflict under FAML's conflict of interest policy.

In the event that a worker is unsure as to whether a situation represents a potential conflict of interest or not, the worker is required to raise the issue immediately with the Compliance Officer.

#### 3.2 Notification of conflicts

The worker is required to immediately raise any conflict or potential conflict of interest that comes to his or her attention to the Compliance Officer, shall assess and monitor all conflict of interest situations.

#### 3.3 Assess

The Compliance Officer shall assess all conflict of interest situations. Such assessment shall include (but is not limited to) assessing:

- a) Whether the situation represents an actual or potential conflict of interest;
- b) How the conflict of interest can be appropriately managed;
- c) The materiality of the conflict of interest;
- d) Whether the conflict of interest requires immediate notification to senior management for further assessment;
- e) Whether it is necessary to disclose the conflict of interest to the client(s) whose assets are at risk to agree on a course of action with the client or resolve the matter via another route.

#### 3.4 Resolution

FAML will take the necessary actions to resolve and/or manage conflicts of interest/potential conflicts of interest. This may include (but is not limited to):

- a) Managing the situation so as to prevent the conflict of interest arising;
- b) Managing the situation so as to ensure the interests of FAML or its workers are not permitted to disadvantage or lead to a loss for the client(s);
- c) Notifying the conflict of interest to the client(s) so that either a satisfactory course of action may be decided on or the client may elect not to use the service in so far as there is a conflict.

#### 3.5 Reporting/record keeping

The Compliance Officer shall maintain a register of all circumstances in which a conflict of interest or potential conflict of interest has been

identified as having arisen. The register shall also contain the measures that FAML takes to mitigate conflicts of interest that do arise or to manage them. The register shall be updated each time a conflict of interest or potential conflict of interest is identified as having arisen and shall be kept for a minimum of five years.

The register shall contain a description of the circumstances which constituted or may have constituted a conflict of interest, names of the persons involved, the name of the person responsible for the mitigation of the conflict, a description of the steps taken in order to mitigate the conflict – including client disclosures and subsequent instructions.

### 4. Senior management control

The Compliance Officer is responsible for the identification and management of conflicts of interest on a daily basis according to the policy as described above and given the small size of the firm he shall bring any conflict of interest to the attention of the Directors as soon as it is brought to his attention including in particular any conflict or potential conflict of interest involving him.

The Compliance Officer shall provide senior management with regular reports of any conflicts of interest/potential conflicts of interest that may arise including details of the situation giving rise to the conflict or potential conflict, the assessment analysis and the measures taken to mitigate the conflicts.

Periodically (no less than annually) senior management shall analyse the cases of conflicts of interest that have arisen as well as potential conflicts of interests and review the systems and controls that are in place for preventing and mitigating the conflicts of interests in order to ensure that they continue to be effective and relevant for dealing with conflict of interest situations.

### 5. Remuneration

Our employees are remunerated by a combination of salaries and discretionary bonuses. There is no sales-linked element. Introductory agents are remunerated on a shared fee basis and they are monitored and supervised in all aspects of the client relationship.