



TERMS OF BUSINESS

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1.0 How to Read These Terms of Business

This document describes the way that we do business with you. It sets out your rights and our obligations to you, and also our rights and your obligations to us. It also sets out the role and responsibilities of the firm that will hold your investments, and your obligations to that firm. It is an important document - you should read it before completing the Vertem Asset Management account form or online client onboarding. If you have any questions about it, please speak to your Investment Adviser.

The document is divided into different sections. There is a summary at the beginning of each section to draw your attention to the most important points, but you should not rely on reading this summary as it does not contain all of the information that you need to know.

There are a number of defined words in the document. “Your adviser” refers to your adviser at Vertem. “You”, “your”, “account holder”, “client” and “customer” refer to all parties described in the “account” section of the account form/online client onboarding. Other words will be defined in the course of the document.

If you are an existing client of us, these terms of business (these ‘Terms’) replace all of our existing terms of business, and any communication that you may have received from us in connection with such terms. These Terms are effective from February 2021.

1.1 Legal structure

Vertem Asset Management is a trading name of WealthTek LLP, a Limited Liability Partnership registered in England and Wales, which is authorised and regulated by the Financial Conduct Authority (“FCA”) No 832264.

1.2 Your Right to Cancel

You have the right to cancel our agreement. You can cancel within 14 days from the date on which we confirm to you that we have accepted your Account Opening Form/online client onboarding and (ii) the date on which you receive these Terms, our rate card(s) and any relevant supplementary terms (the “cancellation period”).

To exercise your right to cancel you must write to your account executive or Client Services, Vertem Asset Management, Cobalt 8, 14 Silverfox Way, Cobalt Business Park, Newcastle upon Tyne, NE27 0QJ within the cancellation period and notify us of your cancellation.

2.0 What Are Our Services and Who Provides Them?

2.1 Summary

- We offer three different service levels. Our services include management of individual savings accounts ('ISAs')
- We offer investment products from the whole of the market
- We have agreements with other firms to provide execution, settlement, administration and safe custody services to your account

We provide portfolio management and investment advice services. We offer products from the whole of the market, which means that we are not tied to a single group of companies, or only offer products from a limited range of companies. If your adviser has completed some or all of the account form/online client onboarding for you, it is important that you review it carefully before signing it.

We will not give you any financial planning advice (including advice on taxation). This means that we do not accept any responsibility for the consequences of our investment advice or management, or of any transactions that we execute for you, in respect of financial planning or taxation. We urge you to take professional financial planning and tax advice before proceeding with any investment. If you ask us to give you financial planning advice your adviser will refer you to a qualified financial planner.

We will treat you as a retail client, in accordance with the categorisation criteria of our regulator, the Financial Conduct Authority ('FCA'). This means that you will be given the highest level of investor protection. There may be circumstances where it is more appropriate to categorise you as a professional client or an eligible counterparty. If this is the case, your adviser will write to you and explain the reasons why. Your adviser will also inform you of any loss of protection or variation in these terms that may result from being categorised as anything other than a retail client. In some circumstances, you may ask us to treat you as a professional client or an eligible counterparty. We will always consider your request, but we are not bound to agree to it.

Here is a description of our different service levels:

2.2 Execution-Only Service

Through this service we will execute your orders without providing you with any advice.

At our discretion, we may ask you about your knowledge and experience of dealing in investments so that we can determine whether or not you understand the risks involved with the transaction, but we will not consider whether the transaction is suitable for you.

2.3 Advisory Dealing Service

Through this service you will receive, from time to time, investment recommendations and proposals from your adviser, in the form of trade ideas.

We will gather information about your knowledge and experience of investments, your financial situation and your investment objectives so that we can ensure that our recommendations are suitable for you at the time that the recommendation is made. If you do not provide this information, your adviser will not be able to offer you this service. Our recommendations will be

limited to trade ideas: we will not be advising you on the overall structure of your portfolio or monitoring the ongoing suitability of our recommendations. If you give us a specific instruction to deal and we have not provided you with any advice, we will treat it as an execution-only trade (see above) and will limit our assessment to whether we believe that you understand the risks associated with the trade.

Your adviser will typically charge you commission on the deals that we execute for you and will provide you with an annual statement.

2.4 Managed Discretionary Service

Through this service, we will manage your portfolio for you on a discretionary basis. This means that we will monitor your portfolio on an ongoing basis and make decisions about the composition of your investments without prior reference to you, to ensure that it remains suitable for you.

In order to do so, we will gather information about your knowledge and experience of investments, your financial situation, and your investment objectives. If you do not provide this information, or do not keep us informed about material changes to your circumstances, your adviser will not be able to offer you this service. We will provide you with a comprehensive valuation report on a quarterly basis.

We can also act as the manager of your ISAs using any of the service levels described above.

2.5 Your Investment Objective and Risk Classification

For our Discretionary Managed Services and Advisory Dealing Services, we will conduct a suitability exercise with you, to determine a risk profile suitable to your circumstances and your portfolio with and to determine the desired and suitable return objective. This exercise will help determine the mandate for our subsequent management of your investments and will include factors such as your capacity for loss, changing needs and your time horizon.

For performance comparisons we will also agree with you a suitable benchmark, which would typically be based upon the agreed level of risk being taken or your target asset allocation.

We operate our services on the basis that the selected investment objective and risk classification category of your account(s) will be assessed over the entire account and not just on the level of risk of each individual investment. This will mean that investments which on their own would have a higher or lower level of risk than specified by you may be included in your account(s) or recommended to you but will form part of a portfolio which as a whole will meet your requirements.

For a low-risk client this would typically mean that any of our individual investments perceived as high risk would only be held in relatively low amounts versus the size of your overall portfolio.

If you have been introduced to us by a financial advisor or other intermediary (such as an accountant or solicitor) we may rely upon them to gather and provide suitability information on your behalf.

3.0 Risk Warnings

3.1 General Risks

Past Performance

Past performance is not a guide to future performance. Our services relate to investments whose price depends on fluctuations in financial markets outside our control. Please note you may not get back the amount you originally invested.

Volatility and Capital Losses

All investments can be affected by a variety of factors, including macro-economic market conditions such as the interest or exchange rate environment, or other general political factors in addition to more company or investment specific factors. Investments and the income from them may go down and you may get back less than the amount you invested.

Liquidity and Non-Readily Realisable Investments

Some investments may be very illiquid, meaning that they are infrequently traded, and it may be difficult to sell them within a reasonable timeframe or at a price which reflects “fair” value. In extreme cases an investment may be non-readily realisable. This means that the investment is neither a major government security, nor a listed investment, nor an investment that regularly trades on an exchange. In this case there may be no secondary market available, and it may be difficult to obtain any reliable independent information about the value and risks associated with such an investment. If you are an Execution Only client, we will require you to complete an appropriateness test form as these are “complex” instruments.

Investment Leverage of Gearing

Use of borrowing to invest increases both the volatility and the risk of an investment. This applies if a company has significant borrowings, or if an investment vehicle otherwise allows an investor to gain much greater economic exposure to an asset than is paid for at the point of sale. It also applies if an investor borrows money for the specific purpose of investing. The impact of leverage can be as follows: (i) movements in the price of an investment lead to much greater volatility in the value of the leveraged position, and this could lead to sudden and large falls in value; (ii) the impact of interest costs could lead to an increase in any rate of return required to break even or (iii) a client may receive back nothing at all if there are significantly large falls in the value of the investment.

Foreign Exchange

Investments denominated in foreign currencies have additional risks related to the relevant exchange rate. Movements in exchange rates may cause the value of an investment to fluctuate either in a favourable or unfavourable manner.

3.2 Specific Risks

Equity Securities and Equity Funds

Ownership of an equity security represents a direct stake in the company concerned. Such an investment will participate fully in the economic risk of the company and its value can therefore fall as well as rise. The price volatility of equity markets can change quickly and cannot be assumed to

follow historic trends. In adverse market conditions, irrecoverable capital losses could be incurred. In the worst case, a company could fail and, if this happens, its equity can become worthless. Equity securities are commonly used by investors seeking longer term capital growth. Examples of typical company characteristics which could heighten equity investment risks are:

- (a) a low market capitalisation;
- (b) a product set that is undiversified or reliance on single markets as a major source of income;
- (c) a significant reliance on borrowing as a source of finance;
- (d) a significant level of fixed costs to pay, irrespective of output, production of turnover levels;
- (e) major income sources which are seasonal or “cyclical” in nature; and
- (f) companies trading primarily in emerging markets, particularly during poor market conditions, or in countries where legal property rights may be difficult to enforce.

The equity of some smaller companies may trade in very small sums per share, and an investment into this kind of equity will usually involve a proportionately large difference between the market buying and selling price. The effect of this difference means that an immediate sale may realise significant losses.

Equity shares may not be readily sold, and it could be difficult to realise or to value them independently due to the lack of a secondary trading market.

Investment Trusts

Investment companies (which includes investment trusts) use or have the ability to use gearing as an investment strategy or may invest in other companies that may use gearing as an investment strategy. Movements in the price of the securities may be more volatile than the movements in the price of the underlying investment. The investments may be subject to sudden and large falls in value and you may get back nothing at all if the fall in value is sufficiently large.

Debt Securities and Fixed Income Funds

The value of debt investments (or “bonds”) can generally be expected to be more stable than that of equity investments. However, in some circumstances, particularly when interest rate expectations are changing, the value of most bonds is also volatile. The most common use of a bond is to provide a reliable yield, or source of income until maturity. The value of a bond can be adversely affected by a number of factors, such as:

- (a) the issuer’s credit rating, which reflects their ability to repay the amounts payable when they fall due;
- (b) the market expectations about future interest and inflation rates;
- (c) amount of interest payable (the coupon);
- (d) the length of time until the debt falls due for repayment; or

(e) the seniority of a bond within the capital structure of a company, and the quality of any security available.

The factors which are likely to have a major impact on the value of a bond are the perceived financial position of the issuer and changes to market interest rate expectation. Bonds issued by major governments or supranational bodies tend to be lower risk investments, while the risks of other debt securities (such as those with emerging market or corporate issuers) can vary greatly. For example, if an issuer is in financial difficulty, there is an increased risk that they may default on their repayment obligations. In this event, little or no capital may be recovered and any amount repaid may take a significant amount of time to obtain.

Structured Products

“Structured products” is the generic phrase for products which provide economic exposure to a wide range of underlying asset classes. The level of income and/ or capital growth derived from a structured product is usually linked to the performance of the relevant underlying assets. However, the potential return from a structured product may be different to that which may be achieved by the underlying assets. Certain structured products provide capital protection such that an investor will not have economic exposure to performance of the underlying assets below a certain level. Other structured products may put your capital at risk (these are sometimes known as Structured Capital At Risk Products or SCARPs). You should also be aware that if the underlying asset moves closer to the conditions that would trigger a loss of capital protection, then this will also have a negative impact on the price.

Similar to bonds and debt instruments, most structured product strategies are exposed to the credit risk of the product issuer, meaning that investments could be entirely lost if the issuer is not able to repay the sums due under the terms of the product. However, some products may include a guarantee to mitigate these potential credit risks. You should be aware that the return of capital invested at the end of the investment period is not guaranteed, and there you may get back less than was originally invested.

You should understand both the nature of the underlying assets and the extent of the economic exposure to those assets. In some cases, structured products may offer high income or a high level of participation to the capital growth experienced by the underlying assets. These products generally do not incorporate capital protection, and any that is provided is dependent on a financial index or basket of indices meeting certain conditions during the product life (such as a minimum value). Such products generally include leverage (i.e. borrowing or agreeing to incur potential liabilities in an attempt to boost investment returns), and their value can be subject to sudden and large falls if the condition which disapply protection arise.

You should review product term sheets and other literature carefully for details of any factors which might impact on how the payoff from a product may change with different economic or market conditions. In particular, where the payoff from a product may change with different economic or market conditions. In particular, where the payoff from a product incorporates conditional protection, if the protection barrier is breached the capital value of an investment will be exposed to the full risk of the underlying assets.

You should be aware that the product terms described only apply to investors who invest at launch and who hold the product until final maturity. You should be aware that early redemption or secondary market purchase could result in a capital loss, even where the product terms protect, or guarantee return of the nominal amount purchased. These products may also not be readily realisable, which means that it may be difficult to liquidate or sell a product of this type.

You should only invest in products which have either conditional or no capital protection if you are prepared to sustain a total or substantial loss of the money you have invested, plus any commission or other transaction charges. Furthermore, in their own right, some structured products may not be covered by the Financial Services Compensation Scheme or the Financial Ombudsmen Service.

Alternative Investments

Alternative investments may be used by some clients to further diversify the investment risks present within their portfolio of assets. These investments are bespoke in nature and may involve unique or unusual risks as a result of providing alternative sources of return for a portfolio. It is important that you understand the properties of the type of assets before making such an investment.

Many alternative investments are structured as unregulated funds. This means that standards of operation, administration and management are determined privately by the operator of the fund, rather than by force of regulation.

It is important to understand that it may be difficult to liquidate or sell an investment of this type, or to identify an independently determined fair valuation for an interest in this kind of vehicle. In addition, you may not be protected by certain regulatory protections or compensation schemes in the event that a scheme operator acts unlawfully and causes a loss to you when managing fund assets. Such risks can be mitigated through the performance of extensive due diligence prior to investment, or through investment via a professional managed fund of funds.

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

The phrase “alternative investments” can cover a very wide range of investment products, and the major classes of these products are set out below:

(a) Hedge Funds

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

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

(b) Private Equity and Private Equity Funds

Private equity funds commonly invest in any form of equity in a company that is not openly traded via a public investment exchange. The companies concerned will therefore raise finance privately and will not be subject to stringent listing rules or filing requirements as a result. This factor means that private equity funds may invest in a wide range of unlisted companies. They may be small start-up companies with little or no proven track record and range up to firms which are of a significant size with a long and established trading history. A number of attributes of private equity investment give rise to unique risk factors such as:

- (a) non-transferable investments, or a long “lock up” period during which the investment cannot be sold. Even if a buyer is found, it may not be possible to sell and any sale which is permitted may not occur at a price which reflect fair value;
- (b) the committed capital may be drawn down during a capital commitment period. You must be capable of making payments to satisfy the capital calls made throughout the commitment period;
- (c) a focused portfolio of investments, which could lead to exposure to an undiversified economic exposure to the underlying assets;
- (d) possible use of significant leverage or borrowing, which amplifies possible risks;
- (e) a possible lack of scrutiny of accountability of management to shareholders for decisions they make; and
- (f) distributions are generally made in cash, however if a fund is unable to sell its interest in a private company, it may distribute minority interests in these companies to fund investors.

It is important that you are familiar with the terms of, and risks associated with, any fund that you invest in.

(c) Property or Property Development Funds

Investment in real property or property funds involves a number of risks particular to this class of asset. Notably, fixed property is immovable and might not be easy to sell or to value independently. As a result of the illiquid nature of property it may take time to realise any investment made even when participating in a property fund. There is no guarantee that the underlying properties will remain occupied, or that they might not incur significant maintenance or restoration costs which may impact on the returns available. All property is subject to local risks which may be unique in nature, which may be caused by factors such as the prevailing legal, economic, environmental or political circumstances.

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

Commercial property is also subject to risks related to the type of use associated with the property, and the prosperity of the local or national economy relevant to the tenants and their business.

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

In order to maintain fairness and equity between unitholders remaining in an unitholders leaving a fund, in exceptional circumstances, there may be a delay switching or encashing all of part of unit holding in the funds for typically up to one month or, in the case of units of a fund which invests directly or indirectly in buildings or land, for up to six months, if there is delay, the switch or encashment will generally use the unit prices that apply on the day on which the switch actually takes place.

(d) Commodities Linked Products

Commodity based investments may be impacted by a variety of political, economic, and environmental and seasonal factors. These related to real world issues that impact either on demand or on the available supply of the commodity in question. Their value can fall as well as rise, and in some cases may be mean reverting in nature.

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

Stabilisation

We may deal for you in securities subject to stabilisation. Stabilisation is a price-supporting process that very often takes place in the context of new issues, including rights issues and, in particular, privatisations. It only takes place for a specified period. There are limits on the price at which shares, warrants or depository receipts may be stabilised but none in respect of loan stock or bonds. Stabilisation can affect the market price of investments whose price affects the price of the new issue. It takes place in order to ensure that an issue price and/ or the price of associated investments is not artificially depressed as a result of the increase in supply.

4.0 Administration of Your Account

4.1 Summary

- Opening your account
- How we treat joint and trust accounts
- Subscribing to ISAs
- How we keep you informed about your investments
- How we charge you for our services
- How this agreement terminates

4.2 Commencement

We will open your account once we have received all of the relevant documentation from you and undertaken our identification checks in accordance with UK anti-money laundering legislation; these Terms will commence from the date that your account is open. We reserve the right to decline to open an account for you without giving a reason.

Your Adviser may have given you some investment advice in advance of your account being opened. Any advice given before the commencement of these Terms is indicative, and you should not rely on it.

Any cash and investments that are delivered by you will be recorded in your account. Whilst we will make every effort to ensure that the transfer of any cash or investments to the Custodian is carried out promptly, most of this process depends on the third party delivering the assets. Therefore, neither we nor the Custodian can accept responsibility for any loss that you may suffer as a result of being unable to deal during the re-registration process, and any advice that your Adviser has given you regarding the assets will be dependent on the transfer process being completed. Similarly, we cannot accept any dealing instructions from you during the re-registration process. Your Adviser will tell you when this process is complete.

Your assets will be held by our custodian CACEIS (formally KAS Bank). CACEIS Bank is authorised and supervised by the Financial Conduct Authority (reference number 622691). By holding an account with us you also become a client of CACEIS for settlement and safe custody services only. Additionally, you authorise us to give instructions to the custodian on your behalf.

4.3 Acting on Your Instructions

You can give us general instructions (including dealing instructions) in writing or by telephone. Our telephone lines that are used for receiving and transmitting orders may be recorded (for further details about this, please see the section 'Your Information' later in this document). Because of the risk of impersonation and fraud, we will not usually accept instructions from you by e-mail or fax. We will only act on such instructions at our discretion, where we believe that the instruction is genuine, and on the basis that you agree to indemnify us for any losses we incur as a result of responding to instructions given in this way.

You authorise us to give instructions to the Custodian on your behalf. Both we and the Custodian may refuse to accept a dealing order or other instruction from you (or, in the case of the Custodian, from us on your behalf) at its or our discretion. We and the Custodian also reserve the right to refuse instructions on your account in the event of a breach or anticipated breach of these Terms or any agreement with the Custodian.

4.4 Trust Accounts

All trustees of a trust account are customers under these Terms. Due to the impracticality of contacting all trustees, we will hold all trustees jointly and severally liable for all customer obligations under these Terms. We will ensure that any instructions are carried out in accordance with the authorisations that the trustees provide when they complete the Account Form.

You must inform us promptly when a trustee dies or retires. In this event, the remaining trustees remain bound by these Terms. You must also inform us promptly when a new trustee is appointed and provide us with any documentation that we require to evidence such appointment.

4.5 ISAs

For any given UK tax year, you may subscribe into a Vertem Stocks & Shares ISA up to the statutory limit as defined by the HMRC for that year, providing you have not subscribed to a Stocks & Shares ISA elsewhere that year.

4.6 Reporting to You

All accounts will receive, on a quarterly basis, a statement prepared by us detailing any cash balances and all investments that are held at the Custodian on your behalf.

Holdings are reported on a 'trade date' basis. This means that, for securities that require pre-payment before the stock is delivered, you may occasionally see the expression 'money out' followed by the stock name. This will be the case if the security has been purchased prior to the date of the statement but has not yet been delivered.

4.7 Dividends and Corporate Actions

Dividends, interest and other rights and payments are usually received by the Custodian or its agents and paid to your account net of local withholding taxes or similar deductions. The Custodian may also withhold or deduct other amounts in order to comply with legal or regulatory requirements.

The Custodian tells us about any rights issues, take-over offers, capital reorganisations and conversion or subscription rights that affect any investments held in your account. If you have selected the Managed Discretionary service level, your Adviser will take any necessary action on your behalf. Otherwise, we will be responsible for giving you the information as soon as practicably possible, and you will be responsible for giving us your instructions so that we can inform the Custodian of your wishes by the stated date and time. The consequences of a failure to provide us with instructions in good time before such stated time are entirely your responsibility.

4.8 Fees and Charges

Your Adviser will give you a Fee Card before your account is opened and we begin providing our services. This schedule includes all fees and charges that may be applied by us, the Custodian or any third-party providing services on our behalf. It will also tell you whether or not you have to pay VAT.

Your Adviser will tell you if any initial and/or ongoing commission that we may receive from collective investment scheme companies or other product providers (such as insurance companies and pension trustees) will be refunded to your account or retained by your Adviser.

All such fees and charges will be deducted from your account. The amount and description of any fees and charges taken will be shown on your statement.

For discretionary accounts, your Adviser will always ensure that there are sufficient funds on the account to cover fees and you authorise us to deduct these without further authorisation. For all other accounts, we will deduct any fees due and it is your responsibility to ensure that there are sufficient funds to cover them. Your account may be subject to debit interest in the meantime and, if we do not receive any such amount due to us within 14 days of notification, we may sell securities at our discretion, and at your cost, to cover the amount due.

If any of our fees and charges change, we will write to you and give you 10 business days' notice before such changes take effect. The only exception to this is where we may make a separate administration charge where investments are being transferred out of your account or where the Custodian amends its charges, in which case we will give you as much notice as possible.

4.9 Termination

Please be aware that any transactions already initiated before we receive your instructions will be completed, and that the Custodian cannot transfer the assets it holds until all amounts due to the Custodian or us have been paid, you appoint a new custodian, and that custodian provides us with relevant transfer instructions.

Should we or the Custodian wish to amend or terminate these Terms or change the level of service to you, we or it may do so by giving you not less than 28 days' notice of intention to do so.

Neither we nor the Custodian can accept responsibility for any loss that you may suffer as a result of you being unable to deal with your assets during the transfer and re-registration process with the new custodian. You accept responsibility for appointing a new custodian able and willing to accept a transfer of the assets in your account within 30 days of the notice from us to you. If you fail to do so, we may certificate your assets and forward the certificates to you at your risk and cost.

5.0 General Terms

5.1 Key Features or Similar Documents

We will provide key features documents, key investor information documents or simplified prospectuses prepared by the product provider to you if you are an Execution Only client or a Financial Planning Services client. If you are a Discretionary Managed client or an Advisory Managed client, you agree that we will not provide key features documents or simplified prospectuses. However, should you require such documents then please request a copy from us.

5.2 Disclosures of Interests in Shares

If you are an Advisory or Execution Only client, you are responsible for monitoring the level of your shareholdings and making the relevant disclosures when your shareholding in any company reaches/exceeds/falls below certain threshold levels in accordance with the current legislation. This applies to all your investments whether held through our nominee company or otherwise. If we

notify you that we believe you should make a disclosure in respect of your investments in our nominee company this does not mean that we accept any responsibility to you to monitor your holdings.

For Discretionary Managed clients we will be responsible for monitoring your shareholdings and making the relevant disclosures on your behalf about your investments whether held with us or with another custodian based on the information that you have provided to us.

5.3 Research

We may provide you with research which we reasonably believe to be reliable and accurate, but we cannot guarantee the accuracy or completeness of the research. The information and recommendations are subject to change without notice. We will not be responsible for any loss arising from the use of our research. We or a connected person may have positions or options on the securities mentioned or may, subject to the Rules, buy, sell, or offer to make a purchase or sale of such securities before or after our recommendation is published. We normally act as agent with regard to the sale or purchase of any security mentioned in our research, but in exceptional circumstance may act as principal.

5.4 Tax and Legal Advice

You have sole responsibility for the management of your tax and legal affairs including making any applicable filings and payments and complying with applicable laws and regulations. We have not and will not provide you with tax or legal advice and we recommend that you obtain your own independent tax and legal advice tailored to your individual circumstances. The tax treatment of investment products can be complex, and the level and basis of taxation may alter during the term of any product. You should therefore obtain professional tax advice appropriate to your own circumstances before investing.

5.5 The Financial Services Compensation Scheme

Vertem and the Custodian are both participants in the Financial Services Compensation Scheme ('FSCS') which provides compensation in certain circumstances if we or the Custodian are in default. Not every investor is eligible to participate in this scheme: for more details, please refer to your Adviser, or directly to the FSCS website (www.fscs.org.uk)

6.0 Regulatory Considerations

6.1 Using Your Personal Information

In the UK, Vertem and the Custodian are registered as Data Controllers with the Information Commissioner's Office under the General Data Protection Regulation (GDPR) and the Data Protection Act ("DPA") 1998. By accepting these terms, you agree that we and the Custodian may collect, use, store and otherwise process the personal information you provide. This is for the purposes of providing the services to you under these Terms, administering your account, and related purposes. Such purposes include, for example, verifying your identity.

The implementation of GDPR affected every organisation which holds or processes personal data. It introduced new responsibilities, including the need to demonstrate compliance, more stringent enforcement and substantially increased penalties than the current ("DPA") which it superseded. Vertem Asset Management places a high priority on protecting and managing data, especially that of its clients and employees. The firm complies with applicable GDPR regulations.

The information that we and the Custodian hold about you is confidential and will not be used for any purpose other than in connection with the provision of services to you, unless it is information that is already publicly available. This confidential information will only be disclosed to third parties outside the groups of companies of the Custodian and Vertem (a trading name of WealthTek LLP) in the circumstances described below:

- Where required by law, or if requested by any regulatory authority or exchange having control or jurisdiction over the Custodian, Vertem or any of their respective group companies;
- To investigate or prevent fraud, money laundering, terrorism or other illegal activity;
- To any third party in or outside the European Union ('EU') or EEA in connection with our services or those of the Custodian;
- For identity checks and credit assessments;
- If it is in the public interest to disclose such information, and
- At your request or with your consent.

"Personal information" means information or pieces of information that could lead to your identification. When you fill out the application to open an account with Vertem or otherwise engage with us (through email, phone call, in person or making a transaction with us), you provide us with your personal information (this would typically include your name, contact details, address, email), your financial information and various other necessary information to complete your investment (for example, ID documents, date of birth, tax identification number(s) and bank details).

We may receive the above-described information from third parties for example, your wealth or financial advisor in order to comply with our anti-money-laundering requirements. The third party in this case will be the data controller but the information received by us will only be used as per the terms of this policy.

In order to provide the services under our Agreement, we may also process personal information which you have supplied to us or which has been supplied to us by a third party (such as, for example, a pension provider) relating both to you and to other individuals, such as your spouse. Where you provide us with information about another individual you confirm that you have obtained their prior consent to provide this information to us and for us to process it in order to provide our services. Records of your personal information will be held in accordance with GDPR and shall not be kept for longer than is necessary.

You confirm that we may use or disclose your personal information for the purposes of providing our services, administering your account, confirming your identity to meet the requirements of anti-money laundering legislation and regulation, carrying out credit checks, advising you about our services or for other marketing purposes, recovering a debt and preventing fraud. By completing the relevant section in the Account Opening Form you consent to us doing so and also allow us to share your personal information within our group structure for these purposes.

Credit checks are normally not performed. We do, however, reserve the right to do so. If we carry out a credit check, the check will be undertaken by a licensed credit referencing agency, which will retain a record of that check. This information may be used by other stockbrokers, financial institutions and other retail businesses in assessing applications for credit by you and members of your household and for occasional debt tracing and fraud prevention purposes. By signing the Account Opening Form you consent to these checks being undertaken. Details of the credit check service we use are available upon request.

We will keep your personal information confidential and only disclose it to our agents, business partners and contractors, as well as to regulatory authorities, stock exchanges, clearing houses, share registrars, statutory and government bodies, and to persons who provide us with services in connection with credit checking and anti-fraud controls. We may also disclose it by order of a competent court of if the law otherwise permits disclosure.

In certain circumstances, and to the extent necessary to provide our services, we may need to process information about you which the GDPR classes as “special categories of personal data”, such as your medical status, and by signing the Account Opening Form you consent to us doing this.

We are required to describe the lawful basis under which we hold and process your personal information. Your personal information will broadly be collected so either we can perform a contract with you, for legal and regulatory compliance or some will be for the purposes of our legitimate business interests (such as to carry out and improve our business and to support our clients). Where you have consented to receiving Vertem news, information and updates, we may use the data that we have collected, or otherwise where we have the right to do so, we may use your information to let you know about our products and services that might be of interest to you and to inform you of any changes or developments as well as sending out investment related newsletters and reports. We will only ever do so using emails unless you specifically request us to contact you by any other means including telephone, post etc.

The information we hold about our clients also allows us to better understand our clients’ needs and we may use it for future research and analysis. This will assist us in, for example:

- (a) Understanding our clients' preferences and behaviour;
- (b) Enhancing the performance of our services; and
- (c) Enabling us to make better and more relevant offers of products and services to our clients.

We may pass on personal information about you to parties who may be based outside of the EU and EEA. Before doing so we will take reasonable steps to enter into a suitable agreement with the relevant parties and/ or adopt any necessary measures in order to ensure an adequate level of protection of your personal information.

If you have any questions, comments or concerns about Vertem's or the Custodian's handling of your personal data, you may contact us by email at info@vertem.co.uk, by writing to us directly at our business address: The Compliance Officer, Cobalt 8, 14 Silverfox Way, Cobalt Business Park, Newcastle upon Tyne, NE27 0QJ.

or by calling us at 0191 341 0289. To expedite any such requests please provide us with your full name and email. You have the right to tell us if:

- You do not wish for us to contact you in future
- You would like to know the details of personal information we hold on you
- You would like us to correct, update or delete your personal information held in our records
- You wish to report any misuse of your personal information

We and the Custodian are required for legal and regulatory reasons to keep certain documents relating to your account for at least five years following the termination of your relationship with us. You will not be at liberty to request the destruction or deletion of any record relating to you unless we or the Custodian are required to do so by law or other regulatory requirement. We may also be unable to inform you what action we or the Custodian have taken including whether we have deleted or destroyed records. We have access to telephone recordings for up to five years.

For further information please refer to Vertem's Privacy Policy available at www.vertem.co.uk.

6.2 Record Keeping and Recording of Calls

We record all telephone conversations and retain copies of them, any transcripts and any written or electronic communication we have with you. These will be used for the purpose of administering your account, training purposes, to evidence compliance with regulatory requirements, in the event of a dispute or as evidence in court.

6.3 Anti-Money Laundering

We have certain responsibilities to verify the identity and permanent address of our clients under UK anti-money laundering legislation.

If you are resident in the UK, we may undertake an electronic anti-money laundering check of the personal information you have provided. The check will be undertaken by a reputable referencing agency, which will retain a record of that check. This information may be used by other stockbrokers,

financial institutions, etc. for fraud prevention purposes. Details of the service we use are available upon request.

When an electronic check of personal information is not appropriate or acceptable you will be asked to provide documents to establish the correctness of your personal details. These will generally be a certified copy of your passport or photocard driving licence and a copy of a recent bank statement or utility bill or other acceptable documents, but other documents may be required by us depending on the circumstances.

You agree that we may verify the identity and permanent address of any third party of beneficial owner connected to your account and that if we ask you for information to perform the verification you will provide it to us promptly and it will be accurate.

We reserve the right not to make payments to or to receive payments from third parties and not to make payments to or receive payments from bank accounts not in your name or held in a jurisdiction outside of the EU. In any case we only make such payments on an exceptional basis rather than on a regular basis.

If you invest in some products such as OEICs or unit trusts, we may be requested by the product provider to forward them copies of any verification of identity and address documents that we have obtained from you. You agree that we have your permission to forward these documents to such persons if so requested. We may also be required to pass these documents to our bank or another institution where we have a client account with them. You confirm that we have your permission to forward these documents to such persons if so requested.

We are subject to legal requirements to make reports if we know, suspect or have grounds to suspect money laundering, terrorist and related activities. We may also have to cease to act without explanation in certain circumstances. We are not normally permitted to inform anyone (including you) of the fact that we may have made such a report. We will not be liable to you for any liabilities, losses, costs or expenses suffered by you that arise out of our compliance with these legal requirements.

We will not accept cash from you or on your behalf, whether in payment of our fees or otherwise.

For further information you can ask your advisor for a copy of the WealthTek LLP AML policy.

6.4 Anti-Bribery and Corruption

Vertem values its reputation and is committed to maintaining the highest level of ethical standards in the conduct of its business affairs. The actions and conduct of the firm's staff as well as others acting on the firm's behalf are key to maintaining these standards.

Vertem will not tolerate bribery or corruption in any form.

The firm prohibits the offering, giving, solicitation or the acceptance of any bribe or corrupt inducement, whether in cash or in any other form:

- to or from any person or company wherever located, whether a public official or public body, or a private person or company;

- by any individual employee, director, agent, consultant, contractor or other person or body acting on the firm's behalf;
- in order to gain any commercial, contractual, or regulatory advantage for the firm in any way which is unethical or to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

If you are in any doubt as to whether a possible act might be in breach of the law, the matter should be referred to the Compliance Officer. The firm will investigate thoroughly any actual or suspected breach of Anti-bribery and corruption. For further information please request a copy of WealthTek's Anti-Bribery and Corruption Policy.

6.5 Disclosure of Information

You acknowledge that we may disclose information arising from or in connection with our relationship with you to any court or tribunal, government, regulatory, fiscal or monetary authority or agencies, where reasonably requested to do so or if required by applicable law, regulations or guidelines.

7.0 Other Matters

7.1 Instructions and Communication

We may accept information relating to your account and instructions from you to deal in person, in writing, by telephone or email. We will agree with you as part of the account opening process how your valuations, statements and contract notes will be delivered to you.

7.2 Email Instructions

If you wish to communicate with us by email, then you should indicate this by providing your email address in the Account Opening Form or by writing to us to confirm that you wish to communicate with us by this method. If you have any doubt as to whether we have received any email from you, or you have not received confirmation of receipt of your instruction, you should contact your Account Executive.

7.3 Risks of Using Email and Fax Communication

By their nature, email communications are not entirely reliable media. Delivery times for messages sent using email vary considerably. For reasons beyond your or our control, orders, messages, or instructions sent using email may not arrive or be delayed.

7.4 Online Access to your Account

Where we provide you with access to our online valuation service, we will provide you with a username, password and any other access details. We refer to this information as your “Personal Security Data”.

You must take all reasonable precautions to keep safe and prevent fraudulent use of your Personal Security Data. You must take reasonable care not to disclose, or to allow the disclosure of, your Personal Security Data to any third party whom you have not authorised to act on your behalf. Please note we will never ask for your Personal Security Data over the telephone. You should not respond to any unsolicited emails which look as if they originate from us which ask you to enter your Personal Security Data. We will never issue emails of this type unless specifically requested by you to do so.

The general precautions you should take to keep safe and prevent fraudulent use of your Personal Security Data include (but are not limited to) never writing these details down in a way this is recognisable, avoid choosing a password or other security details that are easy to guess such as your date of birth, and making sure that the arrangements for receipt of post addressed to you are secure.

You should change your details and contact your Account Executive immediately if you know or suspect that any of your Personal Security Data has been disclosed to, or obtained by, an unauthorised third party or if their security of these details may be in jeopardy.

7.5 Liability for Telephone or Electronic Instructions

You will be responsible for (and we shall be entitled to rely upon) any instruction given to us by telephone or in electronic form (a “relevant instruction”):

(a) by you;

(b) by any person you have authorised to give any such instruction on your behalf; or

(c) by any person you have told us is authorised to give such instruction on your behalf. (Any such relevant instruction is an “authorised instruction”).

If we act on a relevant instruction which is not an authorised instruction, you will not be responsible for that instruction or any resulting transaction unless the instruction or transaction arose because you did not take reasonable care to keep the details of your account, your Personal Security Data or other access information secure.

7.6 What to Do if You Have a Complaint?

We pride ourselves on delivering first-class service to its clients, but we recognise that there are times when things go wrong, and we may fall short of your expectations.

If you are dissatisfied with the service you have been provided by us or the Custodian, please let us know by addressing your complaint to us at the following address:

The Compliance Officer, WealthTek LLP, Cobalt 8, 14 Silverfox Way, Cobalt Business Park, Newcastle upon Tyne, NE27 0QJ.

Or call us on 0191 341 0289 and ask to speak to the Compliance Department.

We will acknowledge your complaint and do our best to resolve it promptly and fairly, liaising with the Custodian where appropriate, and always bearing in mind our obligation to act in our clients’ best interests. At the time that we acknowledge your complaint we will provide you with a copy of our complaints-handling procedures, and we will keep you appropriately informed during our investigations. You can ask your Adviser to give you a copy of our complaints- handling procedure at any time.

Once we have investigated and assessed your complaint, we will tell you whether or not we have upheld it, take remedial action and/or offer you redress where appropriate. If you do not agree with our resolution, you may refer your complaint to the Financial Ombudsman Service. We will provide you with full details of this when we write to you with our conclusions.

7.7 Conflicts of Interest

Conflicts of interest may occur in the following five circumstances:

- Where Vertem or the Custodian are likely to make a gain (or avoid a loss) at the expense of one of our clients;
- Where Vertem or the Custodian’s interest in an outcome is different to our client’s;
- Where Vertem or the Custodian may have an incentive to favour the interests of one of our clients over another;
- Where Vertem or the Custodian carry out the same business as our client; and
- Where Vertem or the Custodian receive an inducement from one client in relation to the services provided to another client.

Both Vertem via its parent company WealthTek and the Custodian have in place a policy that identifies the circumstances which may give rise to a conflict of interest, and sets out how we and

they manage those potential and actual conflicts. For Vertem, these measures include preventing exchanges of information between relevant persons, ensuring that the remuneration of Vertem advisers is not linked to different relevant persons and activities, and ensuring that different activities within Vertem are not linked by supervision, remuneration or control arrangements.

7.8 Liability and Indemnity

Neither Vertem or the Custodian will be liable to you if we fail, interrupt or delay in carrying out our obligations under these Terms, or for any losses you may have which arise from the acts or omissions of any person beyond our control or that of the Custodian. This includes, but is not limited to, natural disasters, fire, industrial disputes, the actions or regulations of any governmental or other person, civil commotion, acts of terrorism, failure or incorrect working of any computer or telecommunications equipment or programme or the suspension of trading or settlement by any traditional or electronic exchange or clearing system. We will also have no responsibility to you under these Terms if we or the Custodian fail, interrupt or delay in providing the services hereunder to you in order to avoid damage or injury to the employees, property or reputation of Vertem or the Custodian.

Neither Vertem nor the Custodian is entitled to be indemnified against the consequences to us or the Custodian of our or its own negligence or wilful default or any contravention by us or the Custodian of any FCA rules. However, in any event, neither we nor the Custodian will be liable for any indirect or consequential loss (including loss of profit). Neither we nor the Custodian will be responsible for any market or trading losses you may incur. The Custodian is responsible for the acts of its nominee to the same extent as for its own acts including, for the avoidance of doubt, for losses arising from fraud, wilful default or negligence.

Subject as provided for in the section headed "Trust Accounts", you undertake to indemnify us and the Custodian against any liability (including legal costs) that we or it may incur arising from the provision of services in relation to your account, any breach by you of the provisions of these Terms or any failure to make delivery or payment when due, and any defect in title or any fraud or forgery in relation to any investments delivered to the Custodian by you or on your behalf, or in relation to any instrument of transfer in relation to such investments (including any electronic instruction) purporting to transfer such investments.

In accepting these Terms you agree to pay to and indemnify us and the Custodian and its respective directors, officers, employees, consultants and agents against all costs either we or the Custodian may incur directly or indirectly in connection with or as a result of the provision of services under these Terms in relation to your account, from any breach of these Terms or the agreements between us and the Custodian or any failure to make payment or provide documents when due. Such costs will include, without limitation, any claims and expenses, including legal costs, demands and losses.

7.9 Interpretation

In our Agreement unless the context requires otherwise:

(a) headings are inserted for convenience only and will not affect the construction or interpretation of our Agreement;

(b) words importing the singular include the plural and vice versa;

(c) any reference to a statute, statutory instrument, the Rules or other regulation includes all provisions, rules and regulations made under it and will be construed as a reference to such statute, statutory instrument, the Rules or regulation as amended, consolidated, re-enacted or replaced from time to time;

(d) a reference to any party shall include the party's personal representative, successor or permitted assigns;

(e) in the event of any conflict between these Terms and any other document (other than any Supplementary Terms), these Terms shall prevail;

7.10 Legal Matters

These Terms are governed by and shall be interpreted under English law. You expressly submit to the non-exclusive jurisdiction of the English courts.

These Terms, together with the Account Form and the document Your Investment Strategy constitute the entire agreement between you and us and the Custodian with respect to the matters dealt with in those documents and replace any previous agreement between you and us and the Custodian in relation to such matters. You accept that no representations may be relied upon other than those contained in the entire agreement and that, except in respect of fraudulent statements, you, Vertem and the Custodian have no rights or liabilities in respect of any statements made before you complete the Account Form (or such other Custodian's new account agreement as the case may be) and accept these Terms.

These Terms describe the relationship between you and Vertem. With this exception and that of companies associated with or connected to these three parties, these Terms are not intended to give any rights to third parties, and the Contracts (Rights of Third Parties) Act 1999 does not apply to the rights set out in these Terms.

There are circumstances in which we or the Custodian may change or add to any of these Terms. In this event, we (or such other Custodian where appropriate) will write to you explaining the changes or additions and notifying you of the effective date, which will be no shorter than 10 business days from the date of the letter (unless it is impractical for us to do so). Unless not permitted by law, any revised or additional terms will have been deemed to have been accepted by you unless we hear from you in writing before the effective date.

The failure of Vertem or the Custodian to exercise or delay in exercising a right or remedy provided by these Terms or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies.

These Terms are personal to you and your personal representatives. Your rights and obligations may not be transferred or assigned to any third party without our advance written agreement. We or the Custodian may transfer or assign our rights and obligations under these Terms and our agreement with the Custodian to any person connected by share capital or business with us or the Custodian, or to any person who takes over our respective business if (in the case of Vertem only) we reasonably believe that it will not materially adversely affect the services provided to you under these Terms. In this event either Vertem or the Custodian (or their respective successors) will give you written notice as set out above.

If any part or wording of these terms will become or is declared to be illegal, invalid or unenforceable for any reason, such part or wording will be deleted and will be divisible from the rest of these Terms, which will continue in full force.

This document is published by Vertem Asset Management Limited, a trading name of WealthTek LLP, a Limited Liability Partnership registered in England and Wales, which is authorised and regulated by the Financial Conduct Authority (FCA No. 832264).

WealthTek LLP is registered in England, company number OC355200, and has its registered office at Cobalt 8, 14 Silverfox Way, Cobalt Business Park, Newcastle upon Tyne, NE27 0QJ.

8.0 Glossary

ACCOUNT OPENING FORM

The relevant account opening form(s) or application form(s) for a service. Please note they may be in electronic or paper form.

BUSINESS DAY

A day on which banks are open for business in the City of London except Saturdays or Sunday.

COLLECTIVE INVESTMENT SCHEME

A system for pooled investment in securities where investors combine their resources to buy investments together, achieved typically through the medium of unit trusts or OEICs of SICAVs.

DERIVATIVE

A financial instrument whose value is derived from an underlying asset, index or value. Investors enter into an agreement to exchange cash or assets over time based on the change in the value of the underlying asset.

FCA

The Financial Conduct Authority.

HEDGE FUND

An investment vehicle investing in stocks, bonds, or other financial instruments with its own strategy. It may seek to hedge some of the risks inherent in the investment by employing techniques such as short selling or leveraging.

OEIC

Open ended investment company.

OUR AGREEMENT

This agreement between you and us relating to our provision of services to you.

RATE CARD(S)

Those document(s) that set out our transaction charges, our fees and other charges for our services.

REGULATOR

The Financial Conduct Authority or any successor body.

RETAIL INVESTMENT PRODUCT

Any of the following:

(a) a life policy;

- (b) a unit in a Collective Investment Scheme;
- (c) a stakeholder pension scheme;
- (d) a personal pension scheme;
- (e) an interest in an investment trust savings scheme;
- (f) a security in an investment trust;
- (g) other investments which offer exposure to underlying financial assets in a packaged form which modify the exposure when compared to a direct holding in the financial asset;
- (h) a structured capital at risk product.

RULES

The rules contained within the FCA Handbook of rule and guidance or (as appropriate) the rules of any successor to the Financial Conduct Authority.

SERVICE CATEGORY

Any or all of the categories of services that we may provide to you under our Agreement.

SICAV

An investment company with variable capital.

SUPRANATIONAL ORGANISATION

An international organisation, or union, usually governments or quasi-governments to which certain powers are delegated by governments of member states. Examples include The European Union and The United Nations.

SWITCH DATE

The point where we will cease to provide you with our Financial Planning, Discretionary Managed or Advisory Managed services.

THESE TERMS

These Terms and Conditions (as varied from time to time).

UCITS

Undertaking for collective investment in transferable securities that are established under the European Union's UCITS Directive.

VCTs

Venture capital trusts, which are similar in constitution to an investment trust and invest in shares or lend money to very small companies.