



Numis Securities Limited

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NUMIS SECURITIES LIMITED

RETAIL CLIENT AGREEMENT

PRIVATE AND CONFIDENTIAL

RETAIL CLIENT AGREEMENT

1. INTRODUCTION

- 1.1 This Agreement (as defined below) sets out the contract between you and us and sets out details of the services we will provide to you and the rights and obligations that will apply in our relationship.
- 1.2 We assume no greater responsibility or fiduciary duty other than that imposed by the express terms of this Agreement.
- 1.3 The signed statement of consent ("**Consent Statement**") sent with this Agreement details items which need your express or specific consent - if you do not consent to them, we may be unable to act for you.
- 1.4 The terms of this Agreement, excluding any covered by 1.3 above where a signed Consent Statement has not been received, will be binding from the date of first instruction and by placing a trade with us you are deemed to have accepted them.
- 1.5 Where references are made in this Agreement to instances in which we can exercise discretion, or exercise our rights (for example, see Clauses 8.3 - 8.5), these will be exercised in a commercially reasonable manner and consent will not be unreasonably withheld.

2. ABOUT NUMIS SECURITIES LIMITED

- 2.1 Numis Securities Limited ("**Numis Securities**") is authorised and regulated by the Financial Conduct Authority (the "**FCA**") (Financial Services Register number 144822). The FCA's registered address is 25 The North Colonnade, London, E14 5HS. As such, we are subject to the FCA Rules (as defined below) in our dealings with you.
- 2.2 The registered office and business address of Numis Securities is: 10 Paternoster Square, London EC4M 7LT. The telephone number is +44 (0)20 7260 1000. The web-site address is www.numis.com.
- 2.3 Numis Securities is a member of the London Stock Exchange plc.

3. DEFINITIONS

- 3.1 Any defined terms not defined herein are as defined in the FCA Handbook Glossary (a copy of which can be found on the FCA's website [here](http://www.fca.gov.uk)).
- 3.2 **Agreement** means these terms of business, together with: (i) any schedule(s); (ii) the Consent Statement (iii) our execution policy; (iv) our conflicts policy (as amended from time to time); and (v) any accompanying documents, including, but not limited to, any applicable cover letter, research subscription agreement, and custody services agreement.
- 3.3 **Applicable Law** means all applicable laws, rules and regulations, as well as any guidelines and codes (whether or not having the force of law) issued by a regulator, and the rules and customs of the exchange or market and/or any clearing house through which the transactions are executed. For the avoidance of doubt, this shall expressly include laws, rules and regulations relating to financial crime, market abuse and market manipulation, prevention of terrorism, bribery and anti-money laundering.
- 3.4 **Client Money Bank Account** means the account at an approved bank or CRD Credit Institution that contains Client Money in accordance with the FCA Handbook of rules and guidance;
- 3.5 **Client Money** means money that belongs to our clients and is segregated from our own firm's money in accordance with the FCA's CASS Rules (as defined below). The rules ensure a clear separation between money that belongs to our customers and money that belongs to the firm;
- 3.6 **Delivery Versus Payment** means the settlement procedure in which the buyer and the seller of a security agree that the seller will pay the buyer upon the delivery of the security to the seller;
- 3.7 **FCA Rules** means the guidance, rules and regulations of the FCA made pursuant to its powers under the Financial Services and Markets Act.
- 3.8 **FCA CASS Rules** means the rules of the FCA relating to the protection of client money and assets as defined in the FCA Handbook of rules and guidance. Such definition is available from us on request or can be found on the FCA's website (www.fca.gov.uk);

- 3.9 **Force Majeure** means any cause or event beyond our reasonable control including without limitation: any breakdown, malfunction or failure or transmission, communication or computer facilities, industrial action (whether involving our workforce or the workforce of any other party), unavailability of the internet or any other utility, acts and regulations or any governmental or supra national bodies or authorities, or the failure of any relevant third party or body (e.g. broker, agent, exchange, clearing house, dealer or custodian) for any reason to perform its obligations.
- 3.10 **Omnibus Account** means an account in which designated investments belonging to more than one client are held together in a single account which, as such, may not be separately identifiable.
- 3.11 **Research Facilities** means research reports, research communications, research dialogues, sales ideas, research commentary, research portals and any and all information platforms or access to research specialists which we will send or make available to you in whatever form or format on a periodic or ad hoc basis, as we see fit.
- 3.12 Unless the context requires a different interpretation or a different rule of construction is imposed in respect of a particular section of this Agreement, "you", "your" and "yourself" in this Agreement will include any principal on whose behalf you are acting.

4. **CLIENT CATEGORISATION**

- 4.1 On the basis of the information that we have about you, we have categorised you as a Retail Client for the purposes of the FCA Rules.
- 4.2 Under the FCA Rules you have a right to request a different categorisation. However, it is not our normal policy to agree to re-categorisation, and in such circumstances we may not be able to act for you.
- 4.3 You agree you are responsible for keeping us informed of any changes that could affect your categorisation.
- 4.4 If you act as an agent, we will for the purposes of the FCA Rules treat only you as the client of this firm.

5. **SERVICES**

- 5.1 Numis Securities mainly provides services to corporate and institutional clients. These services consist of a full range of corporate finance, institutional stockbroking, market making and research services. It provides only very limited services to individual Retail Clients. We will therefore only provide you with execution only services, and will not provide you with advisory or research related services.
- 5.2 We will provide you with execution only services and we will only execute transactions for you in respect of non complex products, for example, shares in British or foreign companies or debenture stock, loan stock, bonds and notes. We are therefore not required to assess the suitability or appropriateness of the investments and you will not benefit from the protection of the FCA Rules on suitability and appropriateness. Please see clause 5.6(b) below.
- 5.3 In providing these services, we may act as principal or as agent, and we do not provide safe custody, nominee or valuation services unless specifically and separately agreed otherwise.
- 5.4 This Agreement shall not cover any transaction in which we are providing a corporate client with corporate finance services where we have made it clear, to the extent you are involved in the transaction, that we are not acting for you.
- 5.5 Further information on our services and the risks attached to these are set out at Schedule 1.

Execution Only

- 5.6 Where we deal on an execution only basis (which will always be the case where you are a Retail Client):
- (a) we will not advise on the merits of a transaction; and
 - (b) in relation to non-complex instruments, we are not required to assess the suitability or appropriateness of the order and therefore you will not benefit from the protection of the FCA Rules on assessing appropriateness or suitability. We therefore will not assess whether: (i) the product/service meets your investment objectives, (ii) whether you will be able financially to bear the risk of any loss caused, or (iii) you have the necessary knowledge and experience to understand the risks involved.

6. **CONFLICTS OF INTEREST**

- 6.1 Numis Securities and its associates or some other person connected with it may have an interest, relationship or arrangement that is material to a transaction effected or arranged on behalf of a client ("**Interest**"). For example, Numis Securities may sell securities whilst also having a relationship with the issuer of those securities.
- 6.2 Except as imposed by Applicable Law we shall be under no duty to disclose to you, or account to you for, any such Interest including any benefit, profit, commission or remuneration made or received in relation to any transaction.
- 6.3 We have in place a number of internal policies and arrangements to help manage any conflicts, and restrict access by our employees to information relating to areas of our business with which they are not directly concerned.
- 6.4 Accordingly, the employee who undertakes services for you must be unaware of the Interest concerned, or comply with our independence policy which requires employees to disregard this Interest when advising, or dealing for, you. If these are not sufficient, the employee must disclose to you the Interest or, if this is still not sufficient, decline to act for you.
- 6.5 Please refer to our conflicts policy for further information on potential conflicts and how these are managed. This is available on our website: www.Numis.com/x/regulatory.html

7. **INDUCEMENTS AND PAYMENTS TO THIRD PARTIES**

- 7.1 Except as set out in Clause 11 and Schedule 1, we do not pay or receive fees, commissions or non monetary benefits unless they fall within the exceptions set out in COBS 2.3.1 of the FCA Rules. Accordingly, such arrangements will be disclosed to you.
- 7.2 We may share dealing charges with our associated companies or receive remuneration from them in respect of transactions carried out on your behalf. Details of such remuneration or sharing arrangements will be available to you on request.

8. **INSTRUCTIONS, AUTHORITY AND BASIS OF DEALING**

Authority

- 8.1 We shall be entitled to act for you on instructions given, or purporting to be given, by you or any person authorised on your behalf without further enquiry as to the genuineness, authority or identity of the person giving the instructions. We may rely on any instructions, notices or requests of any person who is, or whom we believe in good faith to be, a person designated or authorised by you.

Cancellation or amendment of orders

- 8.2 Instructions may only be cancelled or amended with our consent and provided that they have not already been acted on.

Right not to accept orders/act on instruction

- 8.3 We reserve the right to decline to carry out any transaction which you have instructed us to effect for you, and will promptly notify you accordingly where we do so. In such an instance, we will not be obliged to give a reason.
- 8.4 We reserve the right to refrain from effecting any transaction until we have received written instructions from you and/or recorded any telephone conversation with you.
- 8.5 We reserve the right to refrain from effecting any transaction before we have received from you appropriate documents of title or any appropriate payment of cash on account.

Placing instructions

- 8.6 You may give dealing instructions to us by telephone, fax, email, Bloomberg message or any similar system, by mail or in person, but in any communication (whether a dealing instruction or otherwise), which is not in the form of an interactive dialogue, we accept no responsibility for any failure to receive it or for its being received by the addressee later than expected.

- 8.7 We accept no responsibility for any delays or inaccuracies in the transmission of orders relating to exchange traded transactions or other information or the execution of orders due to any cause whatsoever beyond our reasonable control.

Settlement

- 8.8 Unless otherwise agreed, all amounts and, where applicable, stock deliverable will be settled on a Delivery Versus Payment basis.
- 8.9 Where transactions are conducted on a Delivery Versus Payment basis, you will promptly deliver any instructions, money, documents or property due from you under a transaction for the purpose of enabling us to perform our obligations. We shall not be obliged to deliver or make payment until we have received such delivery.
- 8.10 Where share or stock certificates are to be delivered under the above clause, we reserve the right to reject that delivery if the certificates are not in the name of the vendor or if they are in a number or amount different from the number or amount of the bargain being settled.
- 8.11 We reserve the right at any time to request: (i) documentary proof of identity or documentary evidence of ownership (and if you are acting on behalf of another party documentary proof of your authority); and/or (ii) evidence of the underlying constitution of your company, trust or other entity. In the absence of acceptable documentation, we reserve the right to retain assets until adequate evidence is supplied or until an acceptable indemnity has been provided.
- 8.12 In the absence of any external requirement or of any alternative prior agreement between us, we shall assume that:
- (a) in the case of a purchase of securities all costs will be added to the cash consideration payable by you to us; and in the case of a sale all costs will be deducted from the cash proceeds payable by us to you; and
 - (b) you will settle your accounts with us under the settlement arrangements of the relevant stock exchange and/or clearing house. The settlement date will be shown on your contract note, and payment must be received on the settlement date, unless prior settlement arrangements are made with us.
- 8.13 You agree that whenever you place an order with us to purchase securities, during the period between execution or the order and settlement, you shall be solely responsible for instructing us to take up any rights, exercise any conversion or subscription rights, deal with take-over or other offers or capital re-organisations or exercise any voting rights or affect any other corporate actions with respect to such securities and that we shall have no obligations to notify you of any such rights nor shall we be obliged to take any action in respect of such rights unless and until we receive timely instruction from you.

Confirmations and Reporting

- 8.14 We shall send you confirmations for any transactions we have executed on your behalf at the end of that trading day. Confirmations of orders executed in tranches may give the unit price as an average price.
- 8.15 Confirmations shall, in the absence of manifest error, be conclusive and binding on you unless we receive an objection from you in writing within 10 business days of dispatch or unless we notify you, in the same period, of an error in the confirmation.

Intermediate Brokers and Other Agents

- 8.16 On your instructions or where it is market practice to do so we may arrange for any transaction to be effected with or through the agency of an intermediate broker or settlement agent, who may be an associate of ours, and may not be in the United Kingdom.
- 8.17 In the event of your money being passed to such an intermediate broker, settlement agent or OTC counterparty outside of the United Kingdom, the legal and regulatory regime applying to the intermediate broker, settlement agent, or OTC counterparty may be different to that of the United Kingdom. In the event of default of that entity, your money may be treated differently to the way it would be treated if it were held in the United Kingdom.
- 8.18 Neither we nor our respective directors, officers, employees or agents will be liable to you for any act or omission of such an intermediate broker or settlement agent.

- 8.19 No responsibility will be accepted for such intermediate brokers or settlement agents selected by you or used by us where it is market practice to do so.

9. WHERE YOU ACT AS AGENT OR TRUSTEE

- 9.1 You undertake that, whenever you act for a counterparty, you have express authority from the counterparty to deal with us on the terms of this Agreement and have full power and capacity to perform all transactions entered into under these terms, including confirmation that you:
- (a) are, or are acting on behalf of, the beneficial owner of any securities free of mortgage, charge, pledge, lien, right of set-off or any security;
 - (b) have obtained and will maintain any authorisations that may be necessary for you so to act;
 - (c) have verified the identity of each counterparty and maintain and will continue to maintain all necessary records in relation to verification of identity and confirm that you will continue to comply with all applicable regulations including money laundering and terrorist financing laws and regulations and that you will provide such records to us upon request;
 - (d) know of no reason why we would be prohibited from, or avoid entering into, any transaction with you for and on behalf of a counterparty;
 - (e) will notify us immediately if any two or more counterparties accounts relate to the same counterparty; and
 - (f) are aware that we are relying on these warranties in entering into the transaction with the counterparty, and that the warranties are true accurate and complete in all respects.
- 9.2 Where you are acting as agent or trustee you must inform us of the capacity in which you are dealing at the time of giving the instruction to us and of the identity of the counterparty.
- 9.3 If you fail to inform us of the identity of the counterparty, you will be fully liable in respect of any failure by the counterparty to fulfil any obligation related to a transaction.
- 9.4 Where you act as agent or trustee, you retain full responsibility for making all investment decisions with respect to any counterparty. We shall not be responsible for judging the merits or suitability of any transaction to be entered into on behalf of a counterparty. We shall have no responsibility for your or any counterparty's compliance with any laws or regulations governing or affecting conduct or compliance with any laws or regulations governing or affecting transactions.
- 9.5 You represent, warrant and undertake that you either are a firm or an overseas financial services institution and that we shall therefore be entitled to treat you alone as our client in accordance with the FCA Rules. No counterparty shall be treated as our client or indirect client.
- 9.6 You undertake to provide us with all assistance and cooperation necessary in order to enable us to take any action(s) and/or exercise any rights or remedies we may have against a counterparties (including recovery of sums that may be due and owing to us).
- 9.7 Where we exercise any right of set-off, security or lien against an individual underlying counterparty of yours we will only do so in respect of liabilities due to us by that underlying counterparty.

10. EXECUTION POLICY AND ORDER EXECUTION

- 10.1 The FCA Rules require us to ensure best execution on behalf of our clients. This means that the price will almost always likely be the most important factor in executing a transaction, absent a specific instruction otherwise.
- 10.2 We will execute orders in accordance with our Execution Policy. You have read and consent to our Execution Policy, a copy of which forms part of this Agreement and is available on our website: www.Numis.com/x/regulatory.html. We will inform you of any material changes to our order execution arrangements or policy and post an updated version on our website.
- 10.3 Our Execution Policy provides that client orders may be executed outside a regulated market or an multilateral trading facility ("MTF"). You agree that we may, if we reasonably believe that it is in your interest, deal in securities otherwise than on a Regulated Market or a MTF.

- 10.4 In some cases, and only where we reasonably believe it is in the overall best interest of all our clients, we may combine your order with our own orders or those of other clients. Aggregation of orders may result in your obtaining on some occasions more favourable terms and on others less favourable terms than if your order had been executed separately.

11. CHARGES AND PAYMENTS

- 11.1 Our charges will be subject to negotiation and agreement as agreed from time to time. Our charges will be subject to any applicable tax, levy, fee or other liabilities, charges, costs and expenses payable in connection with the transactions effected on your behalf. Further details of charges are set out in Schedule 1.
- 11.2 You will pay any amount owed to us upon demand in freely transferable, cleared and available same day funds in the currency and to the accounts that we specify and without making any set-off, counterclaim, deduction or withholding for any tax.
- 11.3 If you default in paying any amount owed to us when it is due, interest may, at our discretion, be payable by you at a rate not exceeding the base rate from time to time in force, of Barclays Bank plc, plus 4% per annum. Interest will accrue on a daily basis and will be due and payable by you as a separate debt. Interest will begin to accrue 30 days after a demand for the sums has been given and where the sums due remain outstanding after this period.
- 11.4 You will be responsible for the payment of any applicable tax and any brokerage, transfer fees, registration fees and all other liabilities, charges, costs and expenses payable or incurred by us and / or a custodian in connection with your instructions. We may deduct or withhold any such estimated or actual charges at our discretion. Any difference between such estimated amounts and the final confirmed liability shall be credited or debited to your account as quickly as practicable.
- 11.5 Where we make any amendments to, or in accordance with, this Clause 12, we will provide you with at least 15 days' notice of the change, and to the extent that you do not agree with these changes, you will be entitled to terminate this Agreement, without penalty.

12. TRADE AND TRANSACTION REPORTING

- 12.1 Under Applicable Law, we may be obliged to make information about certain transactions public.
- 12.2 Where such an obligation to make public post trade information relating to a bargain arises, provided you are not also a member of any exchange on which a bargain is executed, we will meet any obligation to make public the relevant information relating to that bargain.
- 12.3 A copy of Numis' standard trade and transaction reporting letter can be found on Numis' website at www.Numis.com/x/regulatory.html.

13. CLIENT MONEY

FCA Client Money Rules

- 13.1 We will normally settle transactions on a Delivery Versus Payment basis, which means that any money received by us in relation to this Agreement will therefore not be eligible to be treated as client money under the FCA CASS Rules and will therefore not be segregated from our own accounts. In entering into this Agreement and placing orders with us, you agree that we may, at our discretion, fully utilise the Delivery Versus Payment exemption as permitted by the FCA Rules.
- 13.2 To the extent that we do hold money of yours (for example, money returned to us as a result of settlement failure, or as a result of incorrect instructions), we shall treat it as client money under the FCA CASS Rules which impose certain responsibilities on us to ensure that your money is protected. In such circumstances:
- (a) We do not pay interest on client money unless we specifically agree to do so in advance, in which case we shall then separately agree the terms and frequency of payment;
 - (b) Any third party bank who we authorise to hold your money, may hold it in a general Client Money bank account, alongside that of our other clients. This means that money is held as part of a common pool of money, so in the event of our insolvency or other such event, your money will be protected in accordance with the FCA CASS Rules. Any claim by you is against the pool of money in general. This means that the

balance on the account will be divided proportionately between all clients who have a valid claim against the sum held in the general pool and this may or may not be equal to the individual sum owing to you;

- (c) We may hold your money with a bank which is not an "approved bank" (as defined by the FCA) in certain circumstances and in accordance with Applicable Law. In such circumstances the legal and regulatory regime applying to the bank with which the client money is held will be different from that of the United Kingdom and in the event of a failure of the bank, your money may be treated differently from the treatment which would apply if the money were held by an approved bank in the United Kingdom; and
- (d) We will ensure that any third party who we arrange to hold your money is selected and appointed by us specifically for this purpose and we will exercise all due skill, care and diligence in the selection and monitoring of such agents. However, in the event of their default or their insolvency, this may lead to the loss of your money, for which we take no responsibility.

Passing money to third parties to effect transactions

- 13.3 On your express instructions or where it is market practice to do so, we may pass money received from you to a third party (e.g. an exchange, intermediate broker, settlement agent or clearing house) to hold or control in order to effect a transaction through or with that party or to satisfy your obligation to provide collateral in respect of a transaction. If we do this, we will endeavour to ensure your money is held as Client Money under the FCA CASS Rules. We have no responsibility for any acts or omissions of any such third party to whom we pass money received from you in these circumstances.

Overseas counterparties

- 13.4 On your instructions or where it is market practice to do so and unless you have notified us in writing to the contrary, we may hold client money on your behalf with an approved bank in a client bank account located outside the EEA or pass money held on your behalf to an intermediate broker, settlement agent or OTC counterparty located outside the EEA, provided that the overseas bank is governed by the rules of another country which specifically regulates and supervises the safekeeping of client money and/or assets.
- 13.5 The legal and regulatory regime applying to any such approved bank will be different from that of the United Kingdom and in the event of the insolvency or any other equivalent failure of that approved bank or person, your money may be treated differently from the treatment which would apply if the money was held with an approved bank in an account in the United Kingdom. We will not be liable for the solvency, acts or omissions of any third party in these circumstances.

Unclaimed money

- 13.6 Where, for a minimum period of six years, your account has been dormant, and, notwithstanding our reasonable efforts to trace you (which will include at least three attempts to contact you, at least two of which will be in writing), we are unable to contact you to obtain your instructions, you agree that we may, where the amount is over £25 and in accordance with the FCA Rules, cease to hold your money as client money and donate it to a registered charity of our choice. Where we subsequently obtain your instructions, we undertake unconditionally to make good any valid claim and we shall make repayment to you from our funds of the sum previously held by us as client money.

14. CUSTODY

- 14.1 We will normally settle transactions on a Delivery Versus Payment basis, which means that any assets received by us in relation to this Agreement will therefore not be eligible to be treated as client assets under the FCA CASS Rules and will therefore not be segregated from our own accounts. In entering into this Agreement and placing orders with us, you agree that we may, at our discretion, fully utilise the Delivery Versus Payment exemption as permitted by the FCA Rules.
- 14.2 We shall not ordinarily be responsible to you for the safe custody of your investments. However, there may be circumstances in which we do hold client assets on your behalf, such as:
 - (a) where we have specifically agreed to do so in writing. Where we do agree in writing to act as custodian in relation to your investments, or arrange for a third party to act as custodian, custody services shall be provided to you by the relevant person ("**Custodian**") in accordance with the terms set out in our full safe custody services agreement, which will form part of this Agreement; or

- (b) on your request, and where agreed in writing, we may hold in our possession share certificates registered in your name at your address. Where we do so, this service is for your convenience only and is not a full safe custody service. We will not be responsible for administering any of the rights attached to those shares; or
- (c) we may hold client assets in exceptional circumstances, for example, in the case of a settlement failure where we end up holding assets on your behalf. Where we do hold client assets in exceptional circumstances, custody services shall be provided to you by the Custodian in accordance with the terms below.

Registration and holding of safe custody investments

14.3 The Custodian may arrange the registration of your safe custody investments in any name permitted by the FCA CASS Rules. In particular, but without limitation:

- (a) Registration in the name of a person nominated by you. In such situations you instruct us that documents of title to your safe custody investments may be held in the name of a person nominated by you, as long as such person is not one of our group companies. Please note that the consequences of so holding will, unless we have otherwise agreed, be at your own risk.
- (b) Registration in the name of the Custodian. Normally, legal title to safe custody investments in registered form will be registered or recorded in your name or that of an appropriate nominee. However, due to the nature of the applicable law or market practice in certain jurisdictions outside the United Kingdom, we believe that either:
 - (i) it is in your best interests for your safe custody investments to be registered or recorded in the name of a person who is a Custodian for the purposes of the FCA CASS Rules; or
 - (ii) it is not feasible to do otherwise because of the nature of the applicable law or market practice.

14.4 In such cases, your investments may be registered in the name of the Custodian and the safe custody investments may not be segregated and separately identifiable from the designated investments of the Custodian. We may hold physical possession of safe custody investments in accordance with your specific written instructions. Please note that the consequences of so holding will, unless we have otherwise agreed, be at your own risk.

Extent of our liability for the Custodian

14.5 Any third party selected to hold your assets, where applicable, will be selected and appointed by us specifically for this purpose, and we will exercise due skill, care and diligence in the selection and monitoring of such agents.

14.6 We shall not have any liability for the failure of the Custodian or any sub-custodian where we are not providing that service.

Realisation of your safe custody assets held as collateral

14.7 Your safe custody assets and investments may be subject to a lien in favour of the Custodian, any nominee or agent only in respect of charges properly incurred and liabilities arising from the provision of custody services.

Custodian actions

14.8

- (a) The Custodian will use reasonable efforts to claim dividends and interest payments on your safe custody investments but will not have any duty to take steps to recover any amounts due in respect of defaults of the issuer or its registrar, paying agent or other agent.
- (b) The Custodian will use reasonable endeavours to exercise any voting or other rights (including subscription, conversion rights and rights relating to takeovers or other offers or capital reorganisations) relating to your investments held by it or under its control only upon your clear and timely instructions except that it may exercise such rights in the absence of such instructions from you where it believes you would be materially prejudiced by non-exercise.
- (c) Where corporate events (such as partial redemptions) affect some but not all of safe custody investments held in a pooled account, the Custodian shall allocate the investments so affected to particular customers in such fair and equitable manner as it considers appropriate.

Pooling of investments with those of other customers

- 14.9 The Custodian intends, where it considers it usual or appropriate, to pool your safe custody investments with those of one or more other customers of the Custodian. This means that:
- (a) Your individual entitlements may not be identifiable by separate certificates, either physical documents or equivalent electronic records; and
 - (b) in the event of the Custodian's insolvency or other such default event, you will have a general claim on the assets alongside other clients, which in the event of any shortfall, may result in a proportionate distribution of such assets to you that are less than your recorded holding

Use of overseas custodians

- 14.10 The Custodian may, where it considers it appropriate, arrange for your safe custody investments to be held overseas, which may also be outside the EEA. Where we do this we will endeavour to ensure that such investments will not be held with any third party in another country which does not regulate the safekeeping of financial instruments unless the nature of the financial instrument requires it. There may be different settlement, legal and regulatory requirements in overseas jurisdictions from those applying in the UK together with different practices for the separate identification of your investments.

Unclaimed Assets

- 14.11 Where for a minimum period of twelve years, your account has been dormant, and, notwithstanding our reasonable efforts to trace you (which will include at least three attempts to contact you, at least two of which will be in writing), we are unable to contact you to obtain your instructions, you agree that we may, in accordance with the FCA CASS Rules, cease to hold your assets as client assets and donate them (or the relevant proceeds arising from their transfer) to a registered charity of our choice. Where we subsequently obtain your instructions, we undertake unconditionally to make good any valid claim and we shall make repayment to you from our funds of the sum previously held by us as client assets.

15. CLIENT REPRESENTATIONS AND WARRANTIES

- 15.1 You, whether you are acting as principal or as agent (disclosed or otherwise), warrant and represent, having made all due and careful enquiry (in each case to the extent necessary), that on the date of this Agreement and as of every transaction carried out hereunder:
- (a) you and in addition, if you are acting as agent, your principal ("**you**"): (i) have all necessary authority, consents and powers in your constitution and authorities to enter into this Agreement (including, where you act as agent on behalf of a principal, that your principal has all such consents, powers and authorities); (ii) are under no legal disability with respect to, and (iii) are not subject to any law or regulation which prevents your/its performance of this Agreement;
 - (b) no Event of Default or any event which is likely to become an Event of Default has occurred or is continuing with respect to you;
 - (c) all information provided by you to us is complete, accurate and not misleading, and that you will promptly notify us in the event of any change to that information or your circumstances;
 - (d) except where otherwise agreed, you are the sole beneficial owner of all margin you transfer under this Agreement;
 - (e) you are willing and financially able to: (i) meet all obligations and liabilities that may arise under this Agreement (including settlement obligations); and (ii) sustain a total loss of funds resulting from transactions and trades carried out in relation to this Agreement;
 - (f) whether acting as principal or on behalf of another, that you believe, having made due and careful enquiry in each particular case, that you will be able to settle or arrange settlement of the transaction on the due date, whether settlement entails payment of cash or delivery of title to securities;

- (g) you are, and will be at all times in the future, in compliance with all Applicable Law to which you are subject, including, without limitation, tax laws and regulations, and exchange control requirements and registration requirements;
- (h) you have undertaken, or will undertake, to provide to us satisfactory evidence of identity, both of yourself and of any underlying clients for whom you act as agent, within a reasonable time period and immediately to notify us of any material changes and if you fail to do so, we reserve the right to cease to deal with you;
- (i) evidence of the identification of any underlying client(s), and, if applicable, their beneficial ownership, has been or will have been obtained and recorded under proper procedures maintained by you in accordance with Applicable Law. If you are unable at any time to provide us with such assurance, you undertake immediately to notify us, and we reserve the right to cease to deal with you;
- (j) your investments and other property to which this Agreement applies are at all times free from any charge, lien, pledge or encumbrance and, unless you or your principal is a trustee, shall be beneficially owned by you as appropriate; and
- (k) you are now and will be at all times in the future in compliance with all Applicable Law applicable to you concerning the detection of financial crime, prevention of terrorism and anti-money laundering and you acknowledge that any transaction dealt with by us on your instructions will be covered by statutory and other requirements relating to money laundering and combating terrorist financing.

15.2 Further, you covenant to us that you will:

- (a) take all reasonable steps to comply with all Applicable Law in relation to this Agreement;
- (b) whenever you act as disclosed agent for another, in doing so, have express authority to instruct us under the terms of this Agreement;
- (c) upon demand, provide us with such information, including financial information, as we may, at our discretion, reasonably require to comply with any Applicable Law; and
- (d) promptly notify us of the occurrence of any Event of Default or potential Event of Default.

16. **EVENT OF DEFAULT**

16.1 The following events will result in you being in breach of this Agreement and are each an "Event of Default":

- (a) you default in any payment or other obligation you may have to us;
- (b) any bankruptcy, winding-up, administration or similar petition be filed by or against you;
- (c) notice be given of a general meeting of your creditors or any similar event;
- (d) you die or become of unsound mind;
- (e) any event of default (howsoever described) occurs under any other agreement between us;
- (f) any event beyond our control occurs in the country in which the client is normally resident which, at our sole discretion, makes it desirable the protection of Numis Securities to treat the same as an Event of Default;
- (g) any termination or suspension or loss of any relevant regulatory authorisation;
- (h) any representation or warranty made under this Agreement proves or becomes false or misleading in any material respect;
- (i) we consider it necessary or desirable for our own protection or to prevent what we consider is or might be a violation of any Applicable Law or good standard of market practice or any action is taken or event occurs which we consider might have a material adverse effect on your ability to perform your obligations under this Agreement;

16.2 On the occurrence of an Event of Default that remains outstanding for more than 3 business days, or for any reason where we reasonably deem it necessary for our protection, you agree that we are authorised in our discretion to undertake one or more of the following acts:

- (a) instead of returning to you investments equivalent to those credited to your account, to pay you the fair market value of such investments at the time we exercise such right;
- (b) sell or charge in any way any or all of your assets and property which may be in our possession or control (including any assets held by way of safe custody), without being responsible for any loss or diminution in price;
- (c) buy any investment or other property of which you may be short or which you have failed to deliver;
- (d) deliver such investment or other property to any company or entity, or otherwise take any action we see fit in order to close-out your positions in whole or in part;
- (e) enter into any foreign exchange transaction, at such rates and times as conclusively determined by us as is appropriate, in order to meet obligations incurred on your behalf;
- (f) to treat any transactions then outstanding as having been repudiated by you; and/or
- (g) to take such action as we consider necessary to cover or reduce our potential loss or liability in respect of your transactions, contracts, positions or commitments.

16.3 For any of these purposes, we may convert any amount into the currency in which the other amount is denominated at the rate of exchange and at the time as conclusively determined by us.

17. COMPLAINTS PROCEDURE AND COMPENSATION SCHEME

17.1 Should you have any cause for complaint regarding our services you should raise the matter in the first instance with a member of our staff with whom you normally have dealings. Alternatively, you can make your complaint by email (compliance@numis.com) or by post, for the attention of Michael Lee to the address provided at the beginning of this Agreement. Further information, and a copy of our complaints policy is available to you at www.Numis.com/x/regulatory.html.

17.2 As eligible complainants, Retail Clients have the right to refer their complaint to the Financial Ombudsman Service, which is an independent dispute resolution service. You can do this if we do not provide you with a final response within eight (8) weeks from the date we receive your complaint, or if you do not agree or are dissatisfied with the outcome of the response. The Financial Ombudsman Service can be contacted at: The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR. The relevant website can be found here: <http://www.financial-ombudsman.org.uk/>

17.3 Numis Securities is covered by The Financial Services Compensation Scheme which can, in certain cases (depending on the type of business and the circumstances of the claim) give compensation. In relation to investments such compensation is limited to £50,000. For cash, the FSCS can pay, to certain eligible claimants, a maximum of £75,000 per claimant, and for other certain eligible claimants, a maximum of £85,000 per claimant until 31 December 2015 (and thereafter, £75,000 per claimant) . Further information is obtainable from Numis Securities on request.

17.4 The actual level of compensation paid depends upon the basis of each claim, but a customer's entitlement to compensation from the scheme will depend on the type of investment made and the circumstances of the claim. The FSCS only pays compensation for financial loss. Compensation limits are per person, per firm and per claim category and are on the FSCS website at www.fscs.org.uk, along with additional information about compensation arrangements at www.fscs.org.uk or you can refer in person to the FSCS by calling 0800 678 1100. We will provide, on your request, information concerning the conditions governing compensation and the formalities which must be completed to obtain compensation.

18. EXCLUSIONS AND LIMITATIONS

18.1 Neither we nor our directors, employees, agents and delegates shall be liable for any losses, damages, costs or expenses incurred or suffered by you under this Agreement unless arising directly from our or their negligence, breach of contract, bad faith, wilful default or fraud. In no circumstances shall we be liable for consequential loss or special damage. Nothing in this Agreement will limit our liability in respect of death or personal injury caused by our negligence. The parties agree that this provision will survive any termination of this Agreement.

18.2 If you are a party to this Agreement jointly with another person(s), your liability to us will be joint and several, and any notice given by us under this Agreement will be treated as given to you if it is given to the other person, or if there is more than one other person, to any of the other persons. In the event of death, winding up or dissolution of any such person(s), the obligations and rights of all other such persons under this Agreement shall continue.

18.3 Without limitation, we do not accept liability for any adverse tax implications of any transaction. We will not provide any tax advice unless specifically mandated to do so, and we will not at any time be deemed to be under any duty to provide such advice.

18.4 Without limitation, we do not accept any liability by reason of any delay or change in market conditions before any particular transaction is effected.

19. **TERMINATION**

19.1 We may terminate this Agreement if you fail to observe or perform any provision of this Agreement, or in the event of your insolvency (or any similar such proceedings), or any Event of Default. Where we serve notice to terminate this Agreement under this Clause 19.1, we will provide you with at least 30 days' notice.

19.2 Unless otherwise required by Applicable Law, either party may terminate this Agreement by giving written notice of termination to the other. Termination will be effective as of the date set out in that notice.

19.3 Upon termination of this Agreement, all amounts payable by you to us will become immediately due and payable. Termination will not affect any outstanding transaction or any legal rights or obligations which may already have arisen.

19.4 Termination will be without prejudice to the completion of transactions already initiated, which will be settled in the normal way notwithstanding the termination.

19.5 Where you opt to terminate this Agreement in accordance with Clause 19, no penalty will be imposed and no charge will be made for associated costs.

20. **DATA PROTECTION, CONFIDENTIALITY AND RECORDING**

20.1 You irrevocably and unconditionally consent to and authorise us to collect, use, disclose, process and/or transfer your confidential information and personal data where required by Applicable Law (whether in the UK or elsewhere) or where we have a duty to do so, or where we, in good faith, deem it in our interest to make such a disclosure.

20.2 You authorise us to disclose confidential information and personal data to any other Numis group company or to our or their professional advisers and to any applicable regulator in accordance with Applicable Law.

20.3 Where we are required to disclose such information to third parties, we will use reasonable endeavours to confirm the recipients of the information will also maintain its confidentiality.

20.4 We may also monitor telephone calls and electronic communications in order to ensure we comply with our internal policies (including training policies and quality control) and our legal and regulatory obligations.

20.5 We are committed to processing your data in accordance with the Data Protection Act 1998 as adopted in the United Kingdom. We may use your personal data to provide you with services you request from us, manage your accounts, make decisions, detect and prevent fraud, for analysis and assessment, and to ensure that we comply with legal and regulatory requirements. For further details of how we use your information, please read our Data Protection Statement on our website www.Numis.com/x/regulatory.html or ask for a printed copy. By placing orders with us you agree that we can use and disclose your information in the ways described in our Data Protection Statement, as amended or updated from time to time. If you do not wish to receive marketing information by post or telephone, please let us know by contacting us in writing or by telephone.

21. **ASSIGNMENT**

21.1 We may, at any time, assign any or all of our rights and/or obligations under this Agreement by giving you reasonable notice, at our sole discretion. The notice will specify a date upon which the assignment will become effective.

21.2 Where we assign this Agreement under clause 21.1 above, no charge will be made for any associated costs and you will be entitled to terminate this Agreement in accordance with Clause 20 above, without penalty.

21.3 You shall not assign, charge or otherwise transfer (or purport to do any of these) your rights or obligations in this Agreement, or any interest in this Agreement, without our prior written consent (which will not unreasonably be withheld).

21.4 Where we assign this Agreement in accordance with clause 21.1 above, you authorise us to transfer any of your money or assets held by us or on our behalf to that person, or someone nominated by that person. We will only transfer your money and/or assets to: (i) another person who will hold them in accordance with the FCA Client Asset Rules or (ii) another person that we have exercised all due skill, care and diligence in assessing whether that person will apply adequate measure to protect it. Where we intend to do this, we will provide you with confirmation of transfer no later than 7 days following transfer.

22. **AMENDMENTS TO THIS AGREEMENT**

22.1 We may amend this Agreement at any time by sending written notice to you of the relevant changes. Such changes will become effective 30 days after the notice was sent to you (or on such later date as may be specified in the notice), unless you consent to the amendment within a shorter period. Reasons for the relevant amendment will be included in with this notice.

22.2 Any other amendment must be agreed in writing between us. Unless otherwise agreed, an amendment will not affect any outstanding order or transaction or any legal rights or obligations which may have already arisen.

22.3 We are required to disclose to you various information relating to us and to our services as set out in this Agreement. You confirm that you have access to the internet and you specifically consent to our informing you of these matters or of any updates to these matters through our web site: <http://www.numiscorp.com/x/client-agreements.html>.

23. **SANCTIONS**

23.1 **Definitions**

"Restricted Person" means a person that is: (i) listed on, or owned or controlled by a person listed on, any Sanctions List or a person acting on behalf of such a person, (ii) located in, incorporated under the laws of, or owned or controlled by a person located in or organised under the laws of a country that is the target of country-wide Sanctions; or (iii) otherwise a target of Sanctions.

"Sanctions" means any trade, economic or financial sanctions laws, regulations or embargoes enacted or enforced by: (i) the United States; (ii) the United Nations; (iii) the European Union; (iv) the United Kingdom; or (v) the respective governmental institutions and agencies of any of the foregoing, including without limitation, the Office of Foreign Assets Control ("**OFAC**") of the US Department of Treasury, the US Department of State, and Her Majesty's Treasury.

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list publicly issued by OFAC, the "Consolidated List of Financial Sanctions Targets in the UK" publicly issued by Her Majesty's Treasury, or any similar list issued or maintained and made public by, or any public announcement of a Sanctions designation made by, any of the authorities.

23.2 **Representation**

You represent that you, and anyone on whose behalf you act, are not:

- (i) a Restricted Person and are not acting (directly or indirectly) on behalf of a Restricted Person;
- (ii) engaging in any transaction or conduct that could result in you or any other person becoming a Restricted Person;
- (iii) subject to any ongoing claim, proceeding or formal investigation with respect to Sanctions;
- (iv) engaging in any transaction that evades or avoids , or has the purpose of evading or avoiding, or breaches or attempts to breach, directly or indirectly, any Sanctions;
- (v) engaging in, directly or indirectly, any trade, business or other activities with or for the benefit of any Restricted Person; or
- (vi) in violation of any Sanctions.

You represent that you will:

- (vii) comply in all respects with all applicable Sanctions both now and at all times in the future; and
- (viii) to the extent permitted by law, promptly upon becoming aware of them supply to us details of any violation of any Sanction or any claim, action, suit, proceedings or investigation against you with respect to Sanctions by any authority.

23.3 Sanctions Compliance

You shall comply with any trade, financial or other sanctions regime which applies in relation to your business including, without limitation, sanctions and embargos imposed by: (i) the United Nations, European Union, United Kingdom or United States (including regimes administered by the United States Department of the Treasury, OFAC and Her Majesty's Treasury); and (ii) any other such regime which applies in relation to your business

23.4 Termination right

Numis Securities shall be entitled, without notice, to terminate this Agreement with immediate effect, and immediately cease to act in respect of any instruction, where you are in violation of any Sanctions.

24. MISCELLANEOUS

- 24.1 **Unsolicited Calls:** We may call you without specific invitation where we reasonably believe that the call is necessary for the purpose of this Agreement or will be to your advantage in connection with the investment which is the subject of the call. We shall ensure that the call is at an appropriate time of day.
- 24.2 **Regulations and their status -** All transactions between us will be subject to Applicable Law and Regulations. To the extent there is any conflict with this document, the Applicable Law and Regulations shall prevail. All Applicable Law and Regulations shall be binding on you. We may take or omit to take any action we consider fit in order to ensure compliance with any Applicable Law and Regulations.
- 24.3 **Force Majeure -** without prejudice to any other section in this Agreement, we shall not be liable to you for the partial or non-performance of any obligations hereunder or under any agreement supplemental hereto, by reason of Force Majeure.
- 24.4 **Third Party Rights:** no term of this Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a third party.
- 24.5 **Notices:** Unless otherwise agreed, all notices under this Agreement shall be given to the address specified in the information provided to us in respect of you and vice versa. You will notify us of any change of your address or contact details. Notices shall be effective if given by electronic mail. Any notice given by post will be deemed to take effect 2 business days after dispatch.
- 24.6 **Governing Law and Jurisdiction:** This agreement, and any contractual and non-contractual obligations arising from or relating to it, shall be governed by and construed in accordance with English Law. The Courts of England shall have exclusive jurisdiction.
- 24.7 **Language:** English shall be the contractual language and shall be used in all communications between us. Further, all instructions must be given in English.
- 24.8 **Time of the Essence:** Time shall be of the essence in respect of all obligations of yours under this Agreement.
- 24.9 **Telephone Recording:** We may monitor and/or record telephone communications (and are obliged by Applicable Law to take reasonable steps to do so) to ensure a prompt and accurate record of transactions and/or to conduct our business more efficiently. You accept these as evidence of the orders or instructions given, and accept that these calls may be used as evidence in the event of a dispute.
- 24.10 **Money Laundering:** Our dealings with you will be covered by the various requirements under Applicable Law relating to the prevention of money laundering. We are required to follow Applicable Law in relation to anti-money laundering relating to the identification of our clients and, where the client acts as agent, the underlying principal(s).
- 24.11 **Capacity:** You acknowledge that the transactions contemplated hereunder are commercial transactions and that in entering into, and performing, the obligations hereunder, you are acting in a wholly commercial capacity and you

explicitly waive, disclaim and renounce any and all rights, privileges and immunities to which you might otherwise have been entitled, whether under any sovereign immunity law or principle or otherwise, in relation to (a) any and all claims and actions we may assert under or in relation to this Agreement and (b) the execution or enforcement of any order arising from any such action.

24.12 **FATCA:** Numis has registered with the US Internal Revenue Service (IRS) in accordance with Foreign Tax Compliance Act ("**FATCA**"). FATCA legislation affects both personal and business customers who are treated as a 'US Person' for US tax purposes. The term US person includes the following (but is not limited to):

- (a) a citizen of the US, including an individual born in the US but resident in another country (who has not given up their US citizenship);
- (b) a person residing in the US, including US green card holders;
- (c) certain persons who spend a significant number of days in the US each year; and
- (d) US Corporations, US Partnerships, US estates and US trusts.

If you fall within the criteria of a 'US person' for US tax purposes, you undertake to provide us with all information and documentation Numis requires for FATCA purposes. This may include a US tax form or self-declarations of FATCA status. You must also promptly notify us of any future material changes affecting your US tax status or any other relevant information concerning you to enable us to comply with all requirements under FATCA.

24.13 **Severability:** Each provision of this Agreement is severable and if any provision of this Agreement is or becomes invalid or contravenes the prevailing rules of the regulatory authorities the remaining provisions shall not be affected.

24.14 **Record Retention:** In accordance with legal and regulatory requirements, we will retain your records for a minimum period of 6 years following the termination of any relationship between us. This period may be extended by Applicable Law or agreement between us in writing.

24.15 **Bribes:** Numis Securities will not tolerate bribery of any sort, either in the form of offering an illegal inducement to others or being in receipt of same. If Numis Securities becomes aware of any such activity that: a) has taken place; or b) is currently taking place; or c) is likely to take place in the future, either within and affecting Numis Securities or any other organisation of which it becomes aware, then the appropriate authorities will be notified immediately. Numis Securities will forego business rather than pay bribes and will support employees when faced with losing business owing to refusal to pay bribes.

For and on behalf of Numis Securities Limited



.....
Michael Lee

Managing Director, General Counsel
Head of Legal, Risk & Compliance

Date:

SCHEDULE 1

Information on Numis and risk warnings

Numis & its services

Numis Securities Limited ("Numis") is an integrated securities firm. Numis is the principal trading subsidiary of Numis Corporation Plc, whose shares are quoted on the Alternative Investment Market of the London Stock Exchange. Further information about the Numis Group is available on the web-site at www.numis.com.

Numis provides services to corporate and institutional clients. (It provides only very limited services to individual Retail Clients). These services consist of a full range of corporate finance, institutional stockbroking, market making and research services. In the area of institutional stockbroking it provides dealing clients with general investment advisory and dealing services in the following investments, together with, at our discretion, related research facilities:

- a) stock or shares in British or foreign companies;
- b) depositary receipts or warrants or other types of instrument relating to investments falling within (a).

We may also provide services if agreed orally or in writing between us in the following instruments:

- c) debenture stock, loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments, including government, public agency, municipal and corporate issues;
- d) unit trusts, mutual funds and similar schemes in the United Kingdom; and
- e) options, futures and contracts for differences on, or relating to the items listed above.

Numis may also provide additional services as agreed from time to time.

In certain instances (for example, depositary receipts or contracts for differences) Numis reserves the right to use the services of another firm to execute an order.

Warnings on risks associated with investments

Clients should note the risks attaching to investments of the kind outlined above.

Fluctuations and past performance

The price of investments will usually depend on fluctuations in financial markets outside the control of Numis or of the client. Clients are reminded that the past performance of an investment is no indicator of future performance. When clients make an investment, they are not certain to make a profit and may make a loss. They may not get back the full amount of the sum invested and on occasion may lose the entire sum originally invested.

Dividend or other income

In many cases, especially ordinary shares, the income produced by the investment is not fixed and may fluctuate. There may be no such income.

Non readily realisable investments

In certain cases Numis will be asked to deal in non readily realisable investments. These are investments in which the market is restricted or could become so. It may be difficult to deal in them or to obtain reliable information about their value.

Transactions not on Regulated Markets

Certain stock exchanges or investment exchanges in the EEA are designated as Regulated Markets or as Multilateral Trading Facilities. Investments bought or sold on these are subject to a regulatory regime imposed by EU directives. If investments are bought or sold on other markets or over-the-counter, there may be a greater risk especially in relation to the quality of the investment or in relation to the settlement of the bargain.

Penny shares

There is an extra risk of losing money when shares are bought in some smaller companies including some which are designated penny shares by the FCA. These are shares where the price of an individual shares is no more than a few pence. There is usually a big percentage difference between the buying price and the selling price of such shares. If the client has to sell them immediately, he may get back much less than he paid for them. The price may change quickly and it may go down as well as up.

Foreign exchange fluctuations

If the client deals in foreign investments or investments denominated in a foreign currency, there may be foreign exchange fluctuations which may alter the value of the investment.

Stabilisation

Numis may deal on a client's behalf in investments that may be subject to on-going stabilisation or may have been the subject of recent stabilisation. Where Numis provides advice on or recommends transactions in such securities, the price may have been influenced by measures taken to stabilise it. Such stabilisation may be or may have been carried out by Numis or by another party.

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities related to it. The regulatory system allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

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

The Stabilisation Rules:

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

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

Leverage or gearing

The price of certain investments (for example certain derivatives, warrants or options) is dependent on the price of an underlying investment. Accordingly a small movement in the price of the underlying investment can cause a disproportionate movement (whether favourable or unfavourable) in the price of the derivative instrument. This makes such investments more volatile.

Terminal dates

Certain investments (for example certain derivatives, warrants or options) may be linked to the performance of an underlying investment and may be valid for a limited duration. If the client has invested in such an instrument and at the terminal date does not choose to exercise that instrument (because its original price plus the exercise price is greater than the market price of the underlying investment), then the client will lose the amount that he originally invested.

Settlement

In many market places (for example shares traded on the London Stock Exchange) settlement takes place by the counterparties simultaneously matching shares traded with cash being given. In other market places (for example those where derivatives are traded), the client, on making an initial investment, puts up a sum of cash (the margin) which represents a percentage of the value of the investment. If the price of the investment subsequently fluctuates, the client may be called upon to put up extra cash (a margin call).

Costs & associated charges

The total cost of an investment will normally be the unit price of the investment multiplied by the number of units bought or sold. This price will need to be adjusted for costs as set out in the following paragraph.

The client agreement sets out a rate of commission that will apply in default of any other agreement between Numis and the client. Numis may agree with the client, either generally, or specifically for a particular bargain, that a rate other than the default will apply. The client will additionally be responsible for the payment of any transfer tax (whether stamp duty in the United Kingdom or similar imposts elsewhere) and any brokerage, transfer fees, registration fees and all other liabilities, charges, costs and expenses payable or incurred by Numis and / or a custodian in connection with the client's instructions. When dealing in shares on the London Stock Exchange, the only material cost is normally stamp duty on the purchase but not the sale of shares.

Numis may share dealing charges with its associated companies or receive remuneration from them in respect of transactions carried out on the client's behalf.

If the client deals in foreign investments or investments denominated in a foreign currency, there may be foreign exchange costs associated with converting that foreign exchange into sterling.

In the case of a purchase of securities all costs will be added to the cash consideration payable by the client to Numis; and in the case of a sale all costs will be deducted from the cash proceeds payable by Numis to the client. Numis may deduct or withhold any estimated or actual charges at its discretion. Any difference between such estimated amounts and the final confirmed liability shall be credited or debited to the client's accounts as quickly as practicable.

The nature of settlement differs in different marketplaces. In the case of shares traded on the London Stock Exchange, settlement normally takes place on a Delivery Versus Payment basis – that is, by the counterparties simultaneously matching shares traded with cash being given. This normally happens on the second business day following the bargain (T+2), but other dates, known as bargains for special settlement, may be agreed in advance of execution. In the case of purchases, by the settlement day the client must provide Numis with the cash value; in the case of sales, by the settlement day the client must deliver the stock by delivering it electronically through the Crest system or by delivering to Numis a physical share certificate.

In connexion with a bargain the client may, depending on such matters as his domicile or residence and his individual circumstances, further incur a tax liability that is not paid via Numis. For example, on the sale of shares, the client may incur tax on any capital gain which has crystallised at the time of sale.