

DEALING & CUSTODY SERVICE AGREEMENT



This document provides You with the Terms of our Dealing and Custody Service.

(The table at the end of these Terms sets out various expressions used with special meanings in these Terms and the meaning attributable to each of them. These expressions are used with capital letters in these Terms).

1. Appointment

- 1.1) These Terms set out the basis on which We agree to provide custody services to You, and constitutes a separate legal agreement between Us and You.
- 1.2) These Terms take effect between Us and You from the point when We first receive Your Client Assets and/or Your Client Money to hold on Your behalf.
- 1.3) These Terms will continue to apply in relation to You until terminated in accordance with section 16.
- 1.4) Where Your consent is required in order to provide certain services under these Terms, We will explain the position to You and obtain the necessary consent.
- 1.5) You provide Your consent by submitting Your Account Application.

2. Responsibilities of TPI as Custodian

- 2.2) We will provide the following services (the "Services"):
 - 2.2.1) holding all Client Assets or arranging for them to be held in safe custody
 - 2.2.2) collecting all distributions and other entitlements arising from Client Assets and accounting for them to You,
 - 2.2.3) settling transactions to acquire or dispose of Client Assets and using funds provided for the purpose by You,
 - 2.2.4) informing You of corporate actions and other events affecting Clients Assets
 - 2.2.5) holding money on Your behalf where required for the purpose of providing the above services; and
 - 2.2.6) transferring all Client Assets and Client Money held on Your behalf to You or as You may direct on termination of the appointment pursuant to these Terms.
- 2.3) The Service does not provide investment advice or give a personal recommendation and therefore We will not advise You on any existing investments You may hold, Your approach to paying off any debts, tax efficiency or whether any income needs will be met. We will not provide You with any taxation, legal or accounting services.
- 2.4) We will use reasonable care and due diligence in providing the Services.
- 2.5) We will comply with the FCA rules that apply to it as holder of Client Assets and Client Money. Nothing in these Terms will override its obligations under the FCA rules.



3. Responsibilities of the Client

- 3.1) You are responsible for ensuring that all of the Client Assets are, at all times when they are held in the custody or under Our control, free from any rights in favour of any third party (including but not limited to rights of security granted to a creditor or beneficial interests under a trust), except for:
 - 3.1.1) rights in favour of Us, or any third party engaged by Us under these Terms;
 - 3.1.2) rights of beneficiaries under an express trust that are notified to and acknowledged by Us; and
 - 3.1.3) rights in favour of a third party arising in the normal course of a transaction settled by Us pursuant to these Terms.
- 3.2) You will pay or will reimburse Us for any liability to a third party which we may suffer or incur as a result of a breach of these Terms by You, except if and to the extent that the relevant expenses or liabilities arise from any negligence or breach of duty or these Terms by Us.
- 3.3) You shall deliver to Us any necessary documentation to ensure timely processing of Securities transactions as We may reasonably require
- 3.4) The payment of cash or release or delivery of Securities shall be made upon receipt of instructions where relevant, and i) in accordance with the customary or established practices and procedures in the relevant jurisdiction or market or ii) in the case of a sale or purchase made through a Securities System, in accordance with the rule, regulation and conditions governing the operation of the Securities System.
- 3.5) We shall not be obliged to accept Securities under these Terms which in Our opinion as Custodian are not in good deliverable form. We are not responsible for checking or otherwise responsible for the title or entitlement to, validity or genuineness, including good deliverable form, of any property or evidence of title to property received by Us under these Terms.

4. Custody of Investments

- 4.1) You authorise Us to arrange for title to Client Assets to be registered or recorded in the name of: i) You (the Client), ii) a UK nominee company controlled by Us; an affiliated company of Us or; a third party with whom financial instruments are deposited; as bare trustee for each Client, or iii) We or one or more sub-custodians chosen by Us, provided We or the sub-custodian are prevented from registering or recording legal title as set out in i) or ii).
- 4.2) Client Assets will be held in omnibus accounts and be registered collectively in the same name for all Clients and therefore the individual entitlements of each Client may not be identifiable by separate certificates or other physical documents of title. If We were to become insolvent, any shortfall in securities so registered would be shared pro rata among the Clients concerned.
- 4.3) Where instructed to do so, or where We consider it to be in Your best interests to do so, We may arrange for a third party to provide custody and/ or settlement services in relation to certain Client Assets. Where the third party is an Affiliate of Us, We will be responsible for the service provided by the third party to the same extent as if the service had been provided by Us.
- 4.4) Where services are provided by a third party which is not an Affiliate of Us, We will exercise reasonable care and due diligence in selecting them and monitoring their performance, but do not guarantee proper performance by the third party and We will not be responsible if the third party fails to meet its obligations. This means that if the third party defaults or becomes insolvent, You may lose some or all of Your assets and will not necessarily be entitled to compensation from Us. Including, in circumstances where it is not possible under the relevant national law and



the registration under clause 4.1 to identify the Client Assets from the proprietary assets of the third party firm. We will inform You and provide further details if a third party is to be used in this way.

- 4.5) Where We provide services in respect of Securities which are held by a third party in, or which are subject to the law or market practice of, a country outside the United Kingdom, the settlement, legal and regulatory requirements in the relevant overseas jurisdiction may be different from those in the United Kingdom and there may be different practices for the separate identification of securities.
- 4.6) We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme up to a maximum of £85,000 (or such other value covered from time to time by the FSCS) for investment claims We cannot meet Our obligations. Further information about compensation arrangements is available from the FSCS directly.

Website: www.fscs.org.uk

Telephone: 0800 678 1100 / 020 7741 4100

Address: Financial Services Compensation Scheme PO Box 300 Mitcheldean GL17 1DY

5. Right of Lien Sale, Set Off and Unclaimed Assets

- 5.1) You hereby grant Us a security interest in and a lien on any Client Asset and Client Money to facilitate the clearing and settlement of transaction and for debts related to the provision of Services under these Terms. You further agree to grant a security interest to third parties over Client Assets in order to recover debts where the debts relate to (i) You, and (ii) the provision of service by that third party to You.
- 5.2) We may divest Ourselves of unclaimed Client Assets in accordance with the requirements as set out in FCA Rules. Under the FCA Rules the Custodian may either (i) liquidate an unclaimed Client Asset it holds, at market value, and pay away the proceeds or (ii) pay away an unclaimed Client Asset it holds, in either case, to a registered charity of its choice provided it has held that Client Asset for at least 12 years; in the 12 years preceding the divestment of that Client Asset it has not received instructions relating to any Client Asset from or on behalf of the Customer concerned; and it has taken reasonable steps to trace the Customer concerned.

6. Client Money

- 6.1) Subject to the following paragraphs, We will hold Client Money in one or more client bank accounts with one or more deposit takers in accordance with the FCA Rules. We will not pay credit interest on that money to You.
- 6.2) We do not allow Your cash accounts to be overdrawn. Where overdrawn accounts occur, We may at Our discretion charge an overdraft rate at the appropriate Central Bank official interest rate.
- 6.3) In the event of a charge being incurred by Us for holding a cash balance (a negative interest rate) in Our client bank accounts, We reserve the right to pass such charges to You.
- 6.4) We may hold Client Money with a third party deposit taker in an unbreakable time deposit account up to the maximum allowed by the FCA Rules. Each Client's cash may be placed on a mix of terms – between instant access and unbreakable term deposit up to 90 days (or the maximum). The mix of terms will be balanced by Us to deliver an appropriate combination of interest, diversification of risk and timely access to cash at the individual Client level. In the event that We place too much money on a time deposit it may take longer to return some cash to Clients.
- 6.5) In the event of an insolvency of a third party deposit taker, any shortfall in Client Money will be pooled with other client money of the deposit taker and then distributed proportionately. Any subsequent shortfall may be covered by the Financial Services Compensation Scheme for bank deposits up to a value of £85,000 (or such other value covered from time to time by the FSCS), depending on the individual circumstances for each Client. (See FSCS contact information in clause 4.6 above).



- 6.6) We will hold qualifying money market funds You elect to purchase as safe custody assets and not as Client Money. As a result, the qualifying money market funds will not be held in accordance with the client money rules but instead in accordance with the custody rules as set out by the FCA.
- 6.7) We may allow another person such as an exchange, a clearing house or an intermediate broker, to hold or control Client Money, but only where this is required for the purpose of a transaction for the Client through or with that person or to meet an obligation of the Client to provide collateral for a transaction. In the event of a shortfall following any default of such person, You may not receive your full entitlement and may share in that shortfall pro rata. We will inform You and provide further details if this is to occur.
- 6.8) We may arrange for Client Money to be held in a bank outside the United Kingdom. Where we do so, Your rights in relation to that money will differ from those applicable under the United Kingdom regulatory regime.
- 6.9) To the extent that an amount is due from You to Us or a third-party provider under clause 5 in connection with these Terms, We may use Your Client Money or Client Assets to pay that amount.
- 6.10) In the event that We determine that there is a legal and/or regulatory requirement for Us to rebate You any commission received, then the rebate will become due and payable to You at such time as is determined by Us in accordance with Our internal procedures.
- 6.11) Where We transfer any part of the custody services We provides to You to another appropriately authorised institution chosen by Us, You authorise Us to transfer any Client Money held for You to that appropriately authorised institution provided the transferee agrees to hold the Client Money in accordance with the FCA Rules
- 6.12) We may cease to treat any unclaimed balance allocated to You as Client Money in accordance with the requirements as set out in the FCA Rules. We may pay away to a registered charity of Our choice a Client Money balance which is allocated to You and if We do so the released balance will cease to be Client Money provided We have held the balance concerned for at least six years following the last movement on Your account (disregarding any payment or receipt of interest, charges or similar items); and We have taken reasonable steps to trace You to return the balance.

7. Contractual Settlement

- 7.1) We may make available a provisional credit of settlement, maturity or redemption cash proceeds, or income and dividends on a contractual settlement basis or predetermined income basis, as the case may be ("Contractual Settlement"), in markets and for Securities deemed appropriate for that practice by Us and agreed with You.
- 7.2) Where Contractual Settlement is extended on a sale, redemption or maturity event, the corresponding Securities shall be debited from the securities account and held by Us or sub-custodian pending settlement. Securities purchased will not be available for use until actual settlement.
- 7.3) We reserve the right to reverse any such credit at any time before actual receipt of the item associated with the credit when We determine in Our reasonable judgement that actual receipt may not be received for that item. Where it is possible We will give advance notice of the reversal (but it shall not be obliged to do so where We determine We need to act sooner or where Our ability to recover may be compromised). Where there is any requirement of reversal of previously advanced cash We may charge the appropriate Client Money account for the expense of providing funds associated with the advance pursuant to clause 6.2 and 6.3 of these Terms.
- 7.4) Any provisional credits provided under these Terms shall be considered as cash advance for the purposes of clause 5 of these Terms to the extent they cannot be reversed in accordance the preceding clauses.



8. Conflicts of Interest

- 8.1) We have adopted a formal policy with a view to ensuring that in any situation in which Our interests conflict with Yours, all parties receive fair treatment. A summary of that policy is available upon request.

9. Custody Fees

- 9.1) You will not have to pay any specific fees to Us for the provision of the Services.

10. Reporting & Valuation/Pricing

- 10.1) We will provide You with periodic statements of Your Client Assets and Client Money held by Us at least once per quarter in accordance with the FCA Rules.
- 10.2) To the extent We provide values of, and pricing information in relation to Securities, We may use generally recognised pricing services including brokers, dealer and market makers. We shall not be liable for, and makes no assurance or warranties in relation to, the accuracy or completeness of such value or information.

11. Limits on Liability

- 11.1) Neither Us nor You will be liable to the other under or in connection with these Terms for any of the following;
- a) loss of profit;
 - b) loss of revenue, loss of production or loss of business (in each case whether direct, indirect or losses that are not directly associated);
 - c) loss of goodwill, loss of reputation or loss of opportunity; or
 - d) loss of anticipated savings or loss of margin.
- 11.2) Both Us and You will only be liable for costs which are incurred as a direct consequence of the event which led to the other making a claim under these Terms.
- 11.3) We will not be liable to You for any inaccurate, misleading or unfair information issued or produced by fund managers under these Terms.
- 11.4) Nothing in these Terms will exclude or limit a party's liability that:
- a) Neither Us nor You may incur to the other in respect of death, personal injury, fraud, under the FCA rules or any other kind of liability that by law cannot be excluded; or in the case of
 - b) any failure by Us or an Affiliate to account for assets or cash to the person entitled to them under these Terms or otherwise to comply with its obligations under the FCA Rules, unless any such failure by Us or an Affiliate is the result of the acts or omissions of You.
- 11.5) Both Us and You will take reasonable steps to mitigate any loss for which the other may be liable under these Terms.
- 11.6) Neither Us nor You will be liable under or in connection with these Terms for any breach of these Terms resulting from any reason or circumstances beyond Our reasonable control or, as the case may be, You.



12. Disputes

- 12.1) If You have any questions or comments in relation to the Services, these should be raised with TPI at the address detailed in clause 13.2. If You wish to make a formal complaint about the Services, this should be sent to TPI at the following address:

*Complaints Management Team
True Potential Investments LLP Newburn House
Newburn Riverside,
Newcastle upon Tyne,
NE15 8NX*

- 12.2) If We do not deal with Your complaint about the Services to Your satisfaction, You may be able to refer the matter to the Financial Ombudsman Service at:

*The Financial Ombudsman Service
Exchange Tower
London
E14 9SR*

Telephone: 0800 023 4567
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

- 12.3) Subject to the above, any dispute or difference arising out of or in connection with these Terms or the provision of the Services will be subject to the jurisdiction of the English courts.

13. Regulatory Information

- 13.1) TPI is authorised and regulated by the Financial Conduct Authority ("FCA") and entered on the FCA's register with number 527444. The FCA's address is *12 Endeavour Square, London E20 1JN*.
- 13.2) TPI will by default treat each Customer as a Retail Client under the FCA Rules, giving them the greatest level of protection under the FCA Rules.
- 13.3) TPI's contact details are:

*True Potential Investor
Newburn House
Newburn Riverside,
Newcastle upon Tyne
NE15 8NX*



14. Law and Language

- 14.1) These Terms are governed by and shall be construed in accordance with the laws of England.
- 10.3) All communications from Us to You under these Terms will be in English.

15. Variation

- 15.1) We may change these Terms by giving You at least 30 days' written notice, unless shorter notice is required in order to comply with the FCA Rules. This would be for reasons such as:
 - a) to take account of changes in legal, tax or regulatory requirements;
 - b) to fix any errors, inaccuracies or ambiguities we may discover in the future;
 - c) to make these Terms clearer; and/or
 - d) to provide for the introduction of new or improved systems, methods of operation, services or facilities.
- 15.2) If You do not agree with any change that We propose to make, You should inform Us of Your concerns via post to Our address detailed in clause 13.2.

16. Termination

- 16.1) We may terminate these Terms at any time by giving You 30 days' written notice (subject to applicable law and regulatory requirements). There is no minimum duration of these Terms.
- 16.2) We may also terminate these Terms with immediate effect by written notice if required to do so for legal or regulatory reasons.
- 16.3) On termination, You will instruct Us where to transfer Your Client Assets and Client Money. We will transfer Client Assets and Client Money in accordance with the relevant instruction or, if We are unable to obtain instructions, We will transfer them to You.
- 16.4) You can withdraw Your Client Assets and Client Money from Us at any time.



17. Interpretation and Table of Defined Expressions

- 17.1) Our duties and responsibilities are those expressly set out in these Terms and are limited to those set out in these Terms unless agreed otherwise in writing.
- 17.2) The headings in these Terms are only for convenience and do not affect its meaning.
- 17.3) The singular shall include the plural and vice versa.
- 17.4) In these Terms, each of the expressions defined below has the meaning set opposite it.

Expression	Definition
"Account Application"	means the paper and/or online application forms used by TPI to open each Account
"Affiliate"	means any body corporate in the same group (as defined in the Financial Services and Markets Act 2000) as TPI.
"Central Bank"	a central bank, reserve bank, or monetary authority managing the relevant currency, money supply, and interest rates.
"Contractual Settlement"	As defined in clause 7.1
"Client Assets"	means Securities held by TPI on behalf of the Client from time to time in accordance with these Terms
"Client Money"	means cash in any currency held by TPI on behalf of the Client from time to time in accordance with these Terms
"FCA"	means the Financial Conduct Authority of the United Kingdom and any its successor to all or part of its functions
"FCA Rules"	means the Handbook of Rules and Guidance of the FCA as amended from time to time
"Securities"	means securities, financial instruments and such other similar assets as the Custodian may from time to time accept into custody under these Terms and shall, where appropriate to the context, include certificates evidencing title to Securities.
"Securities System"	means a generally recognised book-entry or other settlement system or clearing house or agency, acting as a securities depository, or transfer agent, the use of which is customary for securities settlement activities in the jurisdiction(s) in which the Custodian carries out its duties under these Terms and through which the Custodian may transfer, settle, clear, deposit, or maintain Securities whether in certificated or uncertificated form and shall include any services provided by any network service provider or carriers or settlement banks used by a Securities System.
"Us", "We", "Our"	True Potential Investments LLP
"You", "Your", "Customer", "Client"	means each individual or legal entity that enters into a Account Application with True Potential Investments LLP and receives account management and dealing and custody services



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