



# Retail Client

## Terms and Conditions



## Retail Client Terms and Conditions

**THIS IS AN IMPORTANT DOCUMENT, PLEASE READ IT CAREFULLY.**

**Together with the completed Application Form these Terms and Conditions constitute the agreement between you and Dowgate Capital Stockbrokers Limited ("DCS", "us", "we" or "our") and Pershing Securities Limited ("PSL"). These documents are referred to below collectively as the "Agreement".**

**The Agreement sets out the terms on which we will provide services to you and by signing the Application Form you have confirmed that you, the company or trust on whose behalf you are signing, accept these terms and will be bound by the Agreement.**

If you are new to DCS, the Agreement will come into effect on the date that we acknowledge receipt of a satisfactorily completed and signed Application Form from you. If you are an existing client you will be advised separately of the Agreement start date.

### 1 Relationship with Pershing Securities Limited

- 1.1 We have entered into an agreement with Pershing Securities Limited ("PSL") on behalf of DCS and each of our clients whereby PSL has agreed to provide clearing and settlement, safe custody, and associated services for clients whom we introduce to them. PSL may also provide additional services such as investment dealing services as we may from time to time agree with PSL.
- 1.2 The current terms and conditions of PSL and the principal terms of the agreement with them as applicable to our clients including you ("the Pershing Agreement") are set out or summarised below.
- 1.3 By acceptance of this agreement, you agree that:
  - i) we are authorised to enter into the Pershing Agreement on your behalf as your agent on the terms summarised below;
  - ii) acceptance of these terms will constitute the formation of a contract between you and ourselves and also between you and PSL and that you will be bound by the terms of the Pershing Agreement and the terms and conditions of PSL (as set out or summarised below) accordingly;
  - iii) we are authorised to give instructions (as provided for in these Terms of Business and the Pershing Agreement) and provide information concerning you to PSL and PSL shall be entitled to rely on any such instructions or information without further enquiry;
  - iv) PSL is authorised to hold cash and investments on your behalf and is authorised to transfer cash or investments from your account to meet your settlement or other obligations to PSL.
- 1.4 Under the Pershing Agreement you will remain a customer of ours but will also become a client of PSL for settlement and safe custody purposes only. We retain responsibility for compliance and regulatory requirements regarding our own operations and the supervision and operation of your account and generally for our on-going relationship with you. In particular, we remain responsible for approving the opening of accounts, money laundering compliance and to the extent required by applicable rules, explaining to you the types of investments covered and the nature and risks of investments and investment transactions and investment strategy, accepting and executing orders in investments, assessing the suitability or appropriateness of transactions and investments or, where permitted, warning you of their possible inappropriateness, providing any investment advice to you and generally for our on-going relationship with you. PSL is not responsible to you for those matters and in particular neither provides investment advice nor gives advice or offers any opinion regarding the suitability or appropriateness of any transaction or order and relies on information provided to it by us in respect of all such matters.

### 2 Regulatory Status

- 2.1 DCS is registered in England, company number 2474423, and has registered office and principal place of business at Talisman House, Jubilee Walk, Three Bridges, Crawley, West Sussex, RH10 1LQ. Our telephone number is 01293 517744. DCS is authorised and regulated by the Financial Services Authority ("FSA") which is at 25, The North Colonnade, Canary Wharf, London E14 5HS. DCS is a member of the London Stock Exchange ("LSE") and a broker dealer member of PLUS markets. Our details can be found on the FSA website, [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register)

- 2.2 PSL is registered in England, company number 2474912, and has its registered office at Capstan House, One Clove Crescent, East India Dock, London E14 2BH. PSL is authorised and regulated by the Financial Services Authority ("FSA") which is at 25, The North Colonnade, Canary Wharf, London E14 5HS. PSL is a member of the London Stock Exchange.

### 3 Classification and Capacity

- 3.1 On the basis of the information you have provided to us on your Application Form, we have classified you as a retail client for the purposes of the FSA rules. This provides the highest level of protection available to you under those rules.
- 3.2 For the purposes of the FSA rules, PSL shall (unless otherwise separately notified to you by them) adopt the same client classification provided to them by us as to that classification.
- 3.3 The following provisions shall apply to you if you fall within the categories specified below:
  - i) joint account holders shall be jointly and severally liable to us and PSL and we may discharge our obligations to make any payment or account to all such holders by making such payment or account to any one or more of them;
  - ii) the trustees of any trust shall be regarded as the client (as opposed to any beneficiary) and shall be jointly and severally liable to us and PSL; and all the partners of any partnership which is our or PSL's client shall be jointly and severally liable to us or PSL.

- 3.4 Where you are acting as agent on behalf of another (whether disclosed to us or not) you will be, and at all times remain, liable to us and PSL as principal in relation to any transactions which are to be performed under these terms and we and PSL will treat you as our client under the FSA rules. You agree that you will be liable to us and PSL jointly and severally with any such underlying person in respect of all obligations and liabilities arising from instructions given to us or PSL.[RTF bookmark start: }\_DV\_M32[RTF bookmark end: }\_DV\_M32

### 4 Communication on Joint Accounts

- 4.1 Where you have entered into this Agreement jointly with another person or other people, we are entitled to deal with you on the basis that you are the joint holders of all the cash and investments to which these terms relate, however lodged with us or registered, and to act on instructions given by any one of you or the survivor of you.
- 4.2 These terms will remain in force notwithstanding the death or other incapacity of any one or all of you until we confirm in writing that we have received either:
  - i) Written notice of the death or legal incapacity of one or all of you; or
  - ii) Written notice of termination from any one of you.
- 4.3 Notice issued by us will be effective in relation to each of you if served on any one of you.
- 4.4 Unless we are instructed otherwise, all communications that we send to you such as contract notes, statements and valuations will be sent only to the first-named client in a joint account.

### 5 Trustees

- 5.1 Where you are acting as trustees you will be exclusively responsible for compliance with the Trustee Act 2000. If we are to exercise our Discretionary function, the act requires you to prepare and regularly review an appropriate policy statement. If you do not provide us with a policy statement of your own, you agree that we shall be entitled to treat your instructions and investment objectives as set out on the Application Form, as your policy statement.
- 5.2 If you provide us with a policy statement of your own we draw your attention to the possibility that matters defined in it such as risk categories, portfolio composition and investment objectives may differ from our own definitions as set out in this Agreement. The Act requires you to ensure that we comply with the policy statement and that you keep under review the terms under which we provide our service. The

effect of these obligations under the Act is that, as the contractual basis of the relationship between us is contained exclusively in our client Agreement, it is your responsibility as trustees to set out, review and where necessary amend your instructions and investment objectives on the Application Form or otherwise to ensure that they are, and remain, in conformity with your policy statement.

- 5.3 We will accept instructions on behalf of the account from one or more individual nominated trustees or their agent, provided that all the trustees, signing jointly, authorise us to accept instructions given in this manner, either on our Application Form or by way of an original or certified copy of a mandate to this effect.

## 6. PSL Client Accounts

- 6.1 PSL shall open and maintain one or more account(s) on its books in your name in connection with the services to be provided by PSL under these terms. Any cash and investments delivered by you or held for your account shall be recorded in such account(s).
- 6.2 PSL may, in its absolute discretion, cease to provide any services under these terms and close any such account(s) opened in your name. PSL will advise us of its decision and the reasons for its decision unless PSL is precluded from doing so owing to any legal or regulatory constraints.

## 7. Our Services

- 7.1 Our services are focused on stocks and shares, together with related securities and derivatives such as warrants, contracts for difference, options and collective investment schemes. We do not offer a full financial planning service or give advice or execute transactions in any other type of investments such as savings, pensions and life products. Our advice to you will therefore be restricted accordingly.
- 7.2 If you want us to provide services in relation to derivatives, these will be subject to supplementary terms and risk warning notices which form part of this Agreement and you will be required to confirm that you have read and understood the relevant application form statements and the risk warnings in this document.
- 7.3 We may provide services in relation to underwriting commitments or similar obligations in connection with a new issue, rights issue, takeover or similar transaction.
- 7.4 We may execute transactions for you in relation to any of the types of investments set out above. By signing the Application Form you confirm that you have read and understood the risk warnings set out in the Appendix in relation to certain kinds of investments, including non-readily realisable investments, Regulation S securities and investments that may have been subject to stabilisation.
- 7.5 You agree that we may combine (aggregate) any orders for your account with orders received from other customers or our own orders. We will only aggregate your orders with other orders where we reasonably believe that it will not be detrimental to your order. On some occasions, aggregation may result in you obtaining a less favourable price, but we will not be liable to you for the difference.
- 7.6 We will provide best execution as required by the FSA rules. Information on DCS's execution policy is set out in Appendix III to these terms and you hereby consent to that policy as amended from time to time including the possibility that it will execute some transactions otherwise than on an EEA regulated market or multilateral trading facility.

### Our services: Execution Only

- 7.7 You agree that all investment decisions are your own and you are not expecting any advice from us. DCS will not advise whether any transaction you instruct us to execute on your behalf is suitable for you, responsibility for suitability of investment decisions remains with you at all times. Accordingly, you will not be entitled to the protections afforded to retail clients under the FSA rules as regards to the suitability of any investment transactions.

- 7.8 We may provide dealing services in relation to mutual funds which may include funds which are unregulated collective investment schemes for the purposes of the Financial Services and Markets Act 2000.

### Our Services: Advisory

- 7.9 We will provide investment advisory services in relation to:
- i) shares in British or foreign companies;
  - ii) debenture stock, loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments including government, public agency, municipal and corporate issues;
  - iii) warrants to subscribe for investments falling within (i) or (ii) above;
  - iv) depository receipts or other instruments relating to investments falling within (i), (ii) or (iii) above;
  - v) investments similar or related to any of the above.
- 7.10 Any advice which we give you will be based on the investment objectives you have set out in the Application Form. We may provide both verbal and written advice. In advising you we will not give any warranty as to the performance or profitability of any investment or transaction that we may recommend. Please note that we will not be responsible for monitoring or managing your investments on an ongoing basis.
- 7.11 We are not obliged to provide you with any advice about the merits of a particular transaction if when you give the order for that transaction, we reasonably believe that you are not expecting any advice and are dealing on an execution only basis. When this is the case, the fact will be stated on the relevant contract note. You agree that when acting in these circumstances, we will not be subject to any of the restrictions set out in the Application Form and that we will not be required to ensure that the transaction is suitable for you or in accordance with your investment objectives. At our discretion, we may refuse to execute such transactions for you. We may also require you to make any such requests for us to execute such a transaction in writing and will inform you at the time of the instruction if this is the case.
- 7.12 In order to provide this service, it is important that we are made aware of any changes to your personal circumstances, as these may affect how we aim to achieve your investment objectives. You agree to notify us immediately of any change in your financial circumstances, investment objectives, tax status or any other personal circumstances which may be relevant to our performance of the advisory service.

## 8 PSL Dealing Service

- 8.1 Unless otherwise agreed with PSL, we shall be responsible for the execution of any transactions on your behalf. PSL shall not owe you any duty of best execution under the FSA rules or otherwise with respect to any such transactions executed by us.
- 8.2 In some circumstances we may transmit orders to PSL for it to execute for your account. If PSL provides dealing services for your account and in doing so executes a transaction on your behalf the following provisions shall apply:
- i) all such transactions shall be executed by PSL subject to applicable FSA rules and the rules of any relevant investment exchange;
  - ii) instructions from us in relation to such transactions will be regarded by PSL as specific instructions from you;
  - iii) information on PSL's execution policy for such transactions is set out in Appendix IV to these terms and you hereby consent to that policy as amended from time to time including the possibility that it will execute some transactions otherwise than on an EEA regulated market or multilateral trading facility;
  - iv) PSL may combine orders that are received for your account with orders that are received for the accounts of its other clients or with its own orders. You acknowledge that aggregation of such orders may operate on some occasions to your advantage and on some occasions to your disadvantage;
  - v) following the execution of any transactions by PSL, PSL shall, unless you have otherwise instructed us, either directly or through us, send a contract note to you. The terms of any contract note shall be conclusive as to any matter contained or provided in such note unless PSL is notified in writing by you forthwith or, in any event, prior to the settlement date for such transaction.

## 9 DCS Charges & Fees

- 9.1 The fees and charges for our services are set out in the accompanying Schedule of Charges which we may amend at any time in accordance with this Agreement.
- 9.2 Where we are in receipt of a share of commission, fees or other benefit from third parties we will disclose this to you prior to us carrying out the transaction.
- 9.3 You agree that you will be responsible for any other fees or charges that may be incurred as a result of our provision of services to you. You agree that you will also pay any Value Added Tax, or any other applicable tax or levy that is due or chargeable in relation to any charges and fees.
- 9.4 We will normally set out any fees and charges due in relation to a particular transaction on the relevant contract note and will add or deduct them from the costs or proceeds of the transaction as appropriate.
- 9.5 You agree that we may deduct any sums that you owe us in relation to fees and charges directly from any funds held on your behalf by us or PSL.
- 9.6 In order to meet any liabilities that you may have to us regarding outstanding or unpaid fees and charges, you agree that we are entitled to use any money held by us or PSL on your behalf or to instruct PSL to sell any investment held on your behalf.

## 10 PSL Charges

- 10.1 Any fees or charges payable by you in relation to the services provided by PSL and taxes payable via PSL will be set out in our charging schedule as notified to you from time to time. PSL is entitled to pay such charges out of assets and money held for you or by set off under Clause 17 Security and Default or to require you to pay them direct or via us. You may be liable for other taxes or charges not payable via PSL.

## 11 DCS Conflict of Interests

- 11.1 When we provide services to you, we or an associate of ours may have a material interest or a conflict of interest in relation to the investment, transaction or service concerned. We have in place arrangements to manage conflicts of interest that arise between ourselves and our clients and between our different clients. Where we do not consider that the arrangements under our conflicts of interest policies are sufficient to manage a particular conflict, we reserve the right to decline to act for you.
- 11.2 All DCS employees are required to comply with a policy of independence, requiring them to disregard or act independently of any interest, conflicting or otherwise, when recommending or arranging for the execution of transactions on your behalf.
- 11.3 We may advise you or deal for you in circumstances where we, or our associates, are involved in advising on a rights issue, takeover or merger, or any other corporate action to which the advice or transaction may relate.
- 11.4 We may effect transactions for you with or through financial institutions which are associated companies, provided that we comply with our obligations to obtain best execution and otherwise deal with them on terms which are as good as those which would apply if negotiated on an arm's length basis.
- 11.5 A summary of DCS's conflicts policy is set out in Appendix V. A copy of the full policy is available to retail clients on request.

## 12 PSL Conflicts of Interest

- 12.1 PSL or its associates may provide services or enter into transactions in relation to which PSL or its associates has, directly or indirectly, a material interest or a relationship of any description with a third party which may involve a conflict of interest or potential conflict of interest with you. PSL or any of its associates may, for example:

- i) be the counterparty to a transaction that is executed by PSL (whether or not involving a mark-up or a mark-down by PSL or its associates);
- ii) be the financial adviser to the issuer of the investment to which any instructions relate;
- iii) have a (long or a short) position in the investments to which any instructions relate; or
- iv) be connected to the issuer of the investment to which any instructions relate.

- 12.2 PSL may receive remuneration from fund managers in connection with PSL providing services to them through the PSL Nexus Funds platform. These payments are calculated by reference to the value of assets that PSL holds in custody for its clients.
- 12.3 PSL may place money held for your account with a bank (in accordance with FSA rules) and earn and retain interest payments from such bank.
- 12.4 A summary of PSL's conflicts policy is set out in Appendix VI.
- 12.5 You acknowledge that neither PSL nor any of its associates is required to disclose or account to you for any profit made as a result of acting in any manner described above.

## 13 Contract Notes

- 13.1 We will provide to you:
- i) A contract note following each transaction showing full details including our remuneration and any remuneration received from any third party in respect of that transaction; and
  - ii) Regular statements of account, which will show the transactions entered into by us together with income and other payments received from or on your behalf during the relevant period. The frequency of these statements will be decided between you and us with the minimum requirement being that you receive at least one every year.
- 13.2 Where a transaction in a SETS stock is subject to a special condition, for example it has been carried on non-standard terms, and thereby incurs an additional charge or a difference in price, this will be shown on the contract note.
- 13.3 It is your responsibility to check the accuracy of the information given in our contract notes and to notify us immediately if you believe anything to be inaccurate. In the absence of manifest error, such contract notes will be conclusive and binding on you unless immediately following receipt, you give us notice in writing of any objections.

## 14 Settlement of Transactions

- 14.1 All transactions will be due for settlement in accordance with market requirements and the relevant contract note or advice. You undertake to ensure that all investments and other documents of title and/or transfer forms that are required and or/any relevant cash balance are delivered, transferred or paid to PSL (or to PSL's order) in reasonably sufficient time on or before the contractual settlement date to enable PSL to settle the transaction and that all cash and investments held by, or transferred to PSL will be and remain free from any lien, charge or encumbrance. All payments due to PSL will be made without set-off, counterclaim or deduction.
- 14.2 You acknowledge that in settling transactions on your behalf, PSL is acting as agent on your behalf and that PSL will not be responsible for any default or failure on the part of any counterparty to a transaction or of any depository or transfer agent and delivery or payment will be at your entire risk.
- 14.3 You acknowledge that you shall not have any rights in respect of any cash or investments that are due to be received pursuant to a transaction and that PSL shall have no obligation to account to you for any such cash or investments until you have performed your obligations in relation to such transactions and PSL, as your agent, has been able to settle the transaction. PSL shall, without further notice to you, be entitled to sell or otherwise dispose of any such investments and apply any proceeds or any such cash received by PSL under a relevant settlement in discharge or reduction of any of your obligations in relation to such transactions.

14.4 Any transactions undertaken on your behalf on non-UK markets shall be subject to the rules of the relevant overseas exchange, clearing system or depository and any terms of the foreign agent or custodian employed by PSL, including but not limited to, any right of reversal of any transaction (including any delivery or redelivery of any investment and any payment) on the part of any such entity or person.

## 15 Client Money

- 15.1 PSL shall hold any money it receives for your account in accordance with the FSA client asset rules (to the extent it is required to do so in accordance with such rules), which, inter alia, require PSL to hold your money in a client bank account segregated from PSL's own funds. PSL will exercise due skill, care and diligence in the selection, appointment and periodic review of any credit institution or bank (other than a central bank) where your money is deposited and for the arrangements for holding your money but PSL shall not be responsible for any acts, omissions or default of any such credit institution or bank.
- 15.2 Your money may be pooled with money belonging to other clients which means that you do not have a claim against a specific sum in a specific account; your claim is against the client money pool in general.
- 15.3 PSL may use a bank which is affiliated to PSL to hold client money on your behalf.
- 15.4 Any uninvested client money, i.e. money not immediately required to settle an investment transaction, will attract interest at a rate no lower than the relevant bank's or depository's minimum deposit rate. Interest, calculated on a daily basis, will be credited to your account every six months, but sums of less than £20 will not be distributed.
- 15.5 You agree that PSL will cease to treat as client money any unclaimed balances after a period of six years and PSL has taken reasonable steps to trace you and return any balance to you. PSL will nevertheless make good any subsequent valid claim against such balances.
- 15.6 We or PSL may undertake a transaction for you that involves your money or investments being passed by us or PSL to any third party in connection with that transaction or to meet obligations to provide margin or collateral, including (but not exclusively) an exchange, clearing house, intermediate broker, settlement agent or OTC counterparty located either in the UK, or in a jurisdiction outside the United Kingdom, which may also be outside the EEA. In such circumstances your money or investments may be at risk in the event of the insolvency of such third party.
- 15.7 Where your money is held in a credit institution or bank outside the UK or EEA or your money or investments are passed to such a third party, the legal and regulatory regime applying to such person may be different to that of the United Kingdom or the EEA and your rights in relation to it may therefore differ, particularly in the event of a default of such person.

## 16 Custody

- 16.1 Investments which are held by PSL for your account will be registered either:
- in your name where this has been requested by and agreed with you;
  - in the name of a nominee company controlled by PSL, a member of its group or by a recognised or designated investment exchange ; or
  - in the name of a third party (or its nominee) selected by PSL in accordance with the FSA rules (an "Eligible Custodian").
- 16.2 If any investments are registered in your name, you will bear the risks and obligations in relation to such registration, PSL shall, where it has agreed to do so, administer any such investments in accordance with the provisions of these terms. Any bearer investments shall not be held by PSL, but may be held by an Eligible Custodian.
- 16.3 Overseas investments may be registered or recorded either in the name of PSL (and by agreeing in writing to these terms you consent to such registration) or in the name of an Eligible Custodian but only where PSL has taken reasonable steps to determine that it is in your best interests to do so or it is not feasible to do otherwise because of the nature of the applicable law and market practice. As a consequence

of this, your investments may not be segregated from investments belonging to PSL or the relevant Eligible Custodian and therefore, your protection may be less should a default occur on the part of the person in whose name the investments belonging to you are so recorded because your investments will not necessarily be separately identifiable and may be subject to third party claims (including claims by general creditors) made against PSL or the relevant Eligible Custodian.

- 16.4 Investments belonging to you which are held overseas may in any event be subject to different settlement, legal and regulatory requirements than those that apply in the United Kingdom or the EEA and your rights in relation to them may therefore differ.
- 16.5 You acknowledge that any investments held with an Eligible Custodian or depository may be subject under the applicable laws to a right of security, lien, set-off, retention or sale or other encumbrance in favour of such custodian or depository.
- 16.6 Investments registered or recorded in the name of PSL or an Eligible Custodian or a relevant nominee company may be held in an omnibus account and/or will otherwise be pooled with those of one or more of our or PSL's other clients. Accordingly, your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register. In the event of an irreconcilable shortfall following any loss by or default of the custodian responsible for such pooled investments, you may not receive your full entitlement and may share in that shortfall pro-rata. A further effect of pooling can be that following an allocation or share issue that favours the small investor, your allocation may be less than it otherwise would have been, had your investments been registered in your own name.
- 16.7 PSL uses a wide range of Eligible Custodians globally to hold your investments which may include an associate of PSL.
- 16.8 PSL will exercise due skill, care and diligence in the selection, appointment and periodic review of any Eligible Custodian and the arrangements for holding and safekeeping of your investments but PSL shall not be responsible for any acts, omissions or default of any such Eligible Custodian save where such a default is caused by negligence, fraud or wilful default on the part of PSL or its nominee company. Although PSL will seek to ensure that adequate arrangements are made to safeguard your ownership rights, especially in the event of its own insolvency, your investments may be at risk if an Eligible Custodian becomes insolvent.
- 16.9 All instructions regarding the administration of investments held by PSL on your behalf should be made in writing, to us, for onward transmission to PSL. We do not accept from, or send instructions to third parties, unless a valid power of attorney has been established for this purpose.
- 16.10 PSL will inform us of any rights issues, take-over offers, capital reorganisations, conversion or subscription rights that affect any investments that are held for your account by PSL or any Eligible Custodian as soon as reasonably practicable after receiving notice of those events.
- 16.11 PSL will be responsible for claiming and receiving dividends, interest payments and other entitlements accruing but is not responsible for taking any decisions in relation to any rights. We will be responsible for instructing PSL to:
- exercise conversion and subscription rights
  - deal with takeovers or other offers or capital reorganisations
  - exercise voting rights (where PSL exercises such rights)
- 16.12 The consequences of a failure on your part to provide instructions to us by the stated time once notification has been given are entirely your own responsibility.
- 16.13 Dividends, interest and other rights and payments may be received by PSL or any Eligible Custodian net of local withholding or similar taxes or deductions and PSL or any Eligible Custodian may, if required to do so to comply with legal or regulatory requirements, itself withhold or deduct tax or other amounts from dividend or interest payments received. You shall reimburse to PSL any costs incurred by PSL or any Eligible Custodian in complying with its obligations to apply withholdings or deductions. For the avoidance of doubt, responsibility for reclaiming amounts withheld or deducted shall remain with you and not PSL or any Eligible Custodian.

- 16.14 If PSL receives any investments for the account of more than one client, PSL may in accordance with FSA rules allocate such investments between clients on whatever basis it considers fair and reasonable in accordance with its allocation policy in force from time to time.
- 16.15 As your investments are held on a pooled basis, from time to time various amounts may arise in relation to your investments (for example, following certain corporate actions) that would not otherwise have arisen if the investments had been registered in your own name. You may not be entitled to any such additional amounts.
- 16.16 On an annual basis, PSL will provide you with a statement detailing any cash balances and all investments held on your behalf by PSL. Holdings are reported on a trade date basis.
- 16.17 PSL reserves the right to refuse to hold any investments on your behalf but PSL will advise of its decision to do so and the reasons for such decision unless precluded from doing so owing to any legal or regulatory constraints.
- 16.18 PSL may enter into arrangements for securities lending or financing transactions in relation to investments it holds for you or otherwise use such investments for its own account.

## 17 Security and Default

- 17.1 You hereby grant to PSL a first fixed charge (with full title guarantee) and a general lien and right of set-off with respect to all cash, investments or other assets of any description paid or delivered (or which are due to be paid or delivered) to PSL for your account in settlement of any transaction. You warrant that all such cash, investments or other assets are beneficially owned by you or are paid or delivered to PSL with the beneficial owner's consent and free and clear of any charge, lien or encumbrance and that you will not charge, assign or otherwise dispose of or create any interest in such cash, investments or other assets other than in accordance with these terms without PSL's prior consent.
- 17.2 You agree, at PSL's request, to take such action as PSL may require to perfect or enforce any security interest referred to above and you hereby irrevocably appoint PSL as your attorney to take any such action on your behalf. You acknowledge and agree that if you fail to comply with any of your obligations under these terms, the security interests referred to above shall be enforceable and the powers conferred by Section 101 of the Law of Property Act 1925 (as varied and extended by these terms) shall be exercisable. Section 103 of the Law of Property Act 1925 shall not apply to these terms.
- 17.3 In the event that we or PSL do not receive cash or investments when due (as shown in the relevant contract note or advice) or in the event of you not taking all such steps as may be necessary to secure the due and prompt settlement of any such transaction (or if we or PSL reasonably consider that you have not or are unlikely to perform your obligations under these terms), we or PSL may, inter alia, without further notice to you, enforce security and/or cancel, close out, terminate or reverse all or any contracts or transactions and sell, charge, pledge or otherwise dispose of any investment or other assets held by us or PSL at such time for the purposes of settlement at whatever price and in whatever manner we or PSL, acting in good faith, sees fit in its absolute discretion (without being responsible for any loss or diminution in price) and may enter into any other transaction or do or not do anything which would or could have the effect of reducing or eliminating liability under any transaction, position or commitment undertaken for you.
- 17.4 For the avoidance of doubt, any asset held for you can be realised in order to discharge any obligation you have to PSL, including any investments held in safekeeping by PSL and any investments held in the course of settlement.
- 17.5 PSL shall not be liable to you in respect of any choice made by PSL in selecting the investments to be sold. The proceeds of sale (net of costs) will be applied in or towards the discharge of your liabilities and PSL will account to you for any balance. In the event that such proceeds are insufficient to cover the whole of your liabilities, you will remain liable to PSL for the balance.

- 17.6 You hereby authorise PSL to set-off, transfer or apply (without prior notice) any indebtedness, liabilities or obligations of PSL to you in or towards the satisfaction of any indebtedness, liabilities or obligations or any sum that is due from you to PSL in any respect whatsoever (whether or not expressed in the same currency and including, without limitation, any payment of fees or charges due to us or PSL and payments pursuant to any indemnity).
- 17.7 In exercising any right or remedy pursuant to these terms, PSL is authorised to effect such currency conversions and enter into such foreign exchange transactions with, or on behalf of you, at such rates and in such manner as PSL may, in its absolute discretion, determine. You acknowledge and accept that in exercising any right or remedy pursuant to these terms PSL will be acting on its own behalf rather than executing your orders.

## 18 Data Protection and Confidentiality of Information

- 18.1 DCS or PSL may use, store or otherwise process personal information provided by you or us in connection with the provision of the services for the purposes of providing the services, administering your account or for purposes ancillary thereto, including, without limitation, for the purposes of credit enquiries or assessments. In the UK DCS and PSL operate, and have made all appropriate notifications in accordance with, applicable data protection legislation.
- 18.2 The information we and PSL hold about you is confidential and will not be used for any purpose other than in connection with the provision of the services. Information of a confidential nature will be treated as such provided that such information is not already in the public domain. We and PSL will only disclose your information to third parties in the following circumstances:
- i) where required by law or if requested by any regulatory authority or exchange having control or jurisdiction over us or PSL (or any respective associate);
  - ii) to investigate or prevent fraud or other illegal activity;
  - iii) in connection with the provision of services to you by us or PSL;
  - iv) for purposes ancillary to the provision of the services or the administration of your account, including, without limitation, for the purposes of credit enquiries or assessments;
  - v) if it is in the public interest to disclose such information;
  - vi) at your request or with your consent. This is of course subject to the proviso that DCS and PSL may disclose your information to certain permitted third parties, such as members of its own group and its professional advisers who are bound by confidentiality codes.
- 18.3 We and PSL do not sell, rent or trade your personal information to third parties for marketing purposes.
- 18.4 Please be advised that, by signing or otherwise consenting to this agreement, you agree that PSL may send your information internationally including to countries outside the EEA, including the United States of America. Some of these jurisdictions offer differing levels of protection of personal information, not all of which may be as high as the UK. However, PSL will always take steps to ensure that your information is used by third parties in accordance with its policy from time to time.
- 18.5 In accordance with data protection laws you are entitled to a copy of the information we or PSL hold about you. In the first instance, you should direct any such request to us and we will pass your request on to PSL. We and PSL are entitled by law to charge a fee of £10 to meet costs in providing you with details of the information we or PSL holds about you. You should let us know if you think any information we or PSL holds about you is inaccurate and we will correct it or ask PSL to correct it, as appropriate.

## 19 Instructions

- 19.1 We will accept dealing instructions by verbal instruction, post, telephone, facsimile or via electronic media. Please note that we will treat the instruction as being received at the time that the intended recipient opens it. Hence for postal, e-mail and facsimile instructions this may be some time after the instruction is sent. We will not be liable for such delays. We will also not be liable for any delays in or failures of electronic communications. We may, at our discretion, require any instructions given verbally to be confirmed in writing.

- 19.2 We will act on and treat as binding, any instruction that we have accepted on good faith, and which we reasonably believe to be from you or someone entitled to instruct us on your behalf. If you wish your solicitor, accountant or some other person to act as your agent, you must complete the relevant section on the Application Form. You agree that we will not be held liable to you in any way for acting on instructions given to us by your agent. If your agent receives a share of the charges which you pay to us then this will be shown on your contract note.
- 19.3 We may at our discretion and without giving any reason thereof accept or reject any instruction to carry out any transaction, but shall notify you as soon as reasonably practicable if any instruction is rejected.
- 19.4 We may at our discretion accept limit orders from you. We may accept such orders on a "fill or kill" basis or a "good for day" basis. We will use our reasonable endeavours to execute such orders; however, we do not guarantee that they will be executed even if the relevant price is met.
- 19.5 You agree to accept partial completion of orders unless it expressly agreed otherwise. We accept no liability for the non-completion of or delay in completing orders where this has been caused by systems failure, market closure or other exceptional circumstances.
- 19.6 If you wish to cancel an order which has not yet been fully or partially executed we will, without liability, seek to cancel it with the market or agents to whom we have passed it, but we can give no assurance that we can effect such cancellation. In placing any order with us, you accept full liability for its completion unless we confirm to you cancellation of the order, and you further accept that you are liable for any costs arising from such cancellation.

## 20 Telephone Calls and Other Communications

- 20.1 You agree that we may record all telephone calls between DCS and you without your specific consent. The recordings shall remain the sole property of DCS and you agree that they will be conclusive in the case of any dispute that you may have with us.
- 20.2 You agree that we may telephone you to discuss investments and offer investment services to you which we think may be suitable for you. We will not normally telephone you on a Sunday or before 8 a.m. or after 9 p.m. on any other day unless previously agreed with you.
- 20.3 Any communications (whether written, oral, electronic or otherwise) between you, us and/or PSL shall be in English.

## 21 PSL Communication and Instructions

- 21.1 PSL shall only accept instructions concerning your account(s) from us and not directly from you. In the absence of actual notice in writing to the contrary received from us in sufficient time to prevent the processing of any instructions, PSL shall be entitled to rely upon and act in accordance with any instruction which PSL believes in good faith to have been given by us or our representatives. PSL reserves the right to take such action as it considers appropriate in the event that it has sought instructions from us and we have failed to respond within a reasonable time. PSL will not be responsible for any delays or inaccuracies in the transmission of any instructions or other information due to any cause outside PSL's reasonable control.
- 21.2 PSL may, in its absolute discretion, refuse to accept any order or other instruction for your account(s). PSL will advise us of its decision and the reason for its decision unless PSL is precluded from doing so owing to any legal or regulatory constraints.
- 21.3 You should direct all enquiries regarding your account to us and not to PSL.
- 21.4 Any communications (whether written, oral, electronic or otherwise) between you, us and/or PSL shall be in English.

## 22 Complaints & Compensation

- 22.1 Any complaint you may have about the provision of our services to you, should be directed in the first instance to: The Compliance Officer, Dowgate Capital Stockbrokers Limited, Talisman House, Jubilee Walk, Three Bridges, Crawley, West Sussex, RH10 1LQ.
- 22.2 If however, your complaint concerns an aspect of the service provided to you by PSL and you wish to copy your complaint to PSL directly, copies should be sent to: The Compliance Officer, Pershing Securities Limited, One Clove Crescent, East India Dock, London, E14 2BH.
- 22.3 We and PSL will endeavour to resolve your complaint as quickly as possible, but in any event, will acknowledge receipt of your letter within five business days. The acknowledgement will include a full copy of our or PSL's internal complaints handling procedure as appropriate. Upon resolution of your complaint, we or PSL will send you a final response letter, which sets out the nature of that resolution and any applicable remedy. If for any reason you are dissatisfied with our or PSL's final response and you are a retail client, please note that you may be entitled to refer your complaint to the Financial Ombudsman Service. A leaflet detailing the procedure will be provided in our or PSL's final response.
- 22.4 DCS and PSL are both covered by the Financial Services Compensation Scheme. Compensation may be available from that Scheme if we and / or PSL cannot meet our obligations to you. This depends on the type of business and the circumstances of the claim. Most types of business are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation payable currently is £48,000. Further information about the compensation arrangements is available from the Financial Services Compensation Scheme.

## 23 Notices

- 23.1 We will send any notices that we are required to send to you to the address shown on the Application Form. This is also the address to which any statements or valuations provided by PSL will be sent.
- 23.2 You must send any notices for us to our address as shown above, or to any other address as requested by us.
- 23.3 You agree to notify us of any change of address immediately.

## 24 Liability and Indemnity

- 24.1 Neither PSL, nor any of its directors, employees or agents, shall be liable for any loss or damage sustained by you as a direct or indirect result of the provision by PSL of its services, save that nothing in these terms shall exclude or restrict any liability of PSL resulting from the negligence, fraud or wilful default of PSL or any contravention by PSL of the FSA Rules. PSL shall not, in any event, be liable for any indirect or consequential loss (including any loss of profit), or for any losses that arise from any damage to your business or reputation.
- 24.2 You undertake to indemnify PSL and each of its directors, employees and agents ("Indemnified Persons") on an after-tax basis, against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than our corporation tax) which are caused by:
  - i) the provision by PSL of its services to you;
  - ii) any material breach by you of any of these terms;
  - iii) any default or failure by you in performing your obligations to make delivery or payment when due; or
  - iv) any defect in title or any fraud or forgery in relation to any investments delivered to PSL by or on your behalf or in relation to any instrument of transfer in relation to such investments (including any electronic instruction) purporting to transfer such investments.
- 24.3 PSL shall not be entitled to be indemnified against the consequences to PSL of its own negligence or wilful default or any contravention by PSL of any provision of FSA rules.
- 24.4 PSL shall have no liability for any circumstance or failure to provide any of the services if such circumstance or failure results wholly or partly from any event or state of affairs beyond PSL's reasonable control (including, without limitation, any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action,

the suspension or limitation of trading by any exchange or clearing house or any fire, flood or other natural disaster) and, in such circumstances, any of PSL's obligations shall be suspended pending resolution of the event or state of affairs in question.

- 24.5 The provisions of this clause shall continue to apply notwithstanding the fact that we or PSL cease to provide services and shall be in addition to any other right of indemnity or claim of any Indemnified Person whether pursuant to these terms or otherwise and shall not be affected by any forbearance, whether as to payment, time, performance or otherwise.

## **25 Delegation and Assignment**

- 25.1 We may delegate any function that we are required to provide under this Agreement to a third party, including our associates. Any such delegation will not affect our liability to you or our obligation to provide any services under this Agreement.
- 25.2 We will not be required to provide you with any notice of any arrangements that we may make to delegate any function.
- 25.3 We may assign any part of our rights or obligations under this Agreement to any of our associates without your consent. However, should we do so, we will provide you with written notice of any assignment. You agree that you will enter into any documentation that we may require you to enter into in order to facilitate such an assignment.
- 25.4 You may not assign or transfer any rights or obligations under the Agreement without our prior consent.

## **26 Entire Agreement**

- 26.1 The Agreement sets out all of the terms and conditions relating to our provision of these services to you.

## **27 Invalidity of Terms**

- 27.1 If any provision or term of the Agreement is declared to be illegal, invalid or unenforceable for any reason, that term or provision shall be treated as though it had never been part of the Agreement and will be ineffective without prejudice to the remainder of the term or any other term or provision thereof. Any deletion shall be considered not to materially affect the Agreement.

## **28 Contracts (Rights of Third Parties) Act 1999**

- 28.1 You agree that our associated companies and PSL's associated companies may enforce this Agreement against you as if they were a party to this Agreement. Otherwise, a person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of the Agreement.

## **29 Governing Law and Jurisdiction**

- 29.1 The Agreement is subject to English Law and you agree to submit to the exclusive jurisdiction of the English courts in the case of any dispute regarding the Agreement.

## **30 General**

- 30.1 PSL's obligations to you shall be limited to those set out in these terms and PSL shall, in particular, not owe any wider duties of a fiduciary nature to you.
- 30.2 No third party shall be entitled to enforce these terms in any circumstances.
- 30.3 Any failure by PSL (whether continued or not) to insist upon strict compliance with any of these terms shall not constitute nor be deemed to constitute a waiver by PSL of any of its rights or remedies. The rights and remedies conferred upon PSL shall be cumulative and the exercise or waiver of any part thereof shall not preclude or inhibit the exercise by PSL of any other additional rights and remedies.

## **31 Record Retention**

- 31.1 In accordance with legal and regulatory requirements, we or PSL will retain your records, for a minimum period of six years following the termination of any relationship between us. This period may be extended by force of law, regulatory requirement or agreement between us.

## **32 Amendment**

- 32.1 We and PSL reserve the right to alter the terms of this Agreement at any time; upon giving prior notice to us unless it is impracticable in the circumstances to give such notice. You are deemed to have consented to any alteration that may be effected to these terms and conditions if we do not receive notification otherwise from you, in writing, within the time that the changes were notified to you and their coming into effect.
- 32.2 You may not amend the terms of the Agreement unless we provide you with written notice that any proposed amendment is acceptable to us. Any such notice will also set out details of the date from which such an amendment will become effective.
- 32.3 You may amend your investment objectives at any time by giving us details in writing; such changes will not be effective until we have confirmed them in writing to you.

## **33 Termination**

- 33.1 We reserve the right to terminate this Agreement for whatever reason by notice in writing to you. If we do so we shall not enter into any new transactions on your behalf. We also reserve the right to terminate this Agreement without notice to you if no transactions have been executed on your account for a period of no less than one year.
- 33.2 You may terminate this Agreement at any time by giving at least ten business days' written notice to us at our registered office.
- 33.3 This Agreement will be only be terminated following satisfactory settlement of any open positions and all amounts owing to us have been paid. Termination will be without prejudice to the completion of any transactions already initiated.
- 33.4 Upon termination, unless you provide us with specific instructions, any money owing to you will be sent by cheque to your correspondence address and securities held on your behalf will be re-registered in your own name and title documents issued to you. You agree that you remain responsible for ensuring that any fees or costs associated with termination may be deducted from your account or paid to us before this Agreement is terminated.
- 33.5 In addition to your rights of termination you also have the right to cancel this agreement within 14 days of it coming into effect. In order to cancel this agreement you must write to us notifying us of your wish to cancel at our address referred to in paragraph 2.1.

## APPENDIX I RISK WARNINGS

Please read the following risks carefully.

Investing in stocks and shares always carries some element of risk; the risks detailed below are specific to certain types of investments and are generally agreed to be standard risks

### 1 Non-Readily Realisable Investments

- 1.1 We may enter into transactions on your behalf in non-readily realisable investments. You may have difficulty selling this type of investment at a reasonable price, and, in some circumstances, it may be difficult to sell it at any price or to obtain reliable information about its value. Do not invest in these types of investments unless you have carefully thought about whether you can afford it and whether it is right for you.
- 1.2 When recommending to you a transaction in non-readily realisable investments, we will disclose to you any position which we or any of our associated companies knowingly holds in such investments or in related investments. Please inform us if you do not wish us to recommend to you or undertake for your transactions in such shares.

### 2 Penny Shares and Investment Trusts

- 2.1 There is an additional risk of losing money when shares are bought in some smaller companies including penny shares. Usually, there is a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them. The price, may change quickly and it may go down as well as up. Please inform us if you do not wish us to recommend to you or undertake for your transactions in such investments.
- 2.2 Investment trusts are companies which are listed on stock exchanges and whose main business activity is investing in other companies. Most investment trusts can, and some do, borrow money to make investments. This can increase the volatility of the price of the shares of the investment trust itself, and can increase the risk investing in such shares. The strategy which the issuer of the securities uses or proposes to use may result in:
  - i) movements in the price of the securities being more volatile than the movements in the price of the underlying investments;
  - ii) the investment being subject to sudden and large falls in value; and
  - iii) the customer getting back nothing at all if there is a sufficiently large fall in the value of the underlying investment.
- 2.3 Advisory accounts: if you wish us to exclude investment trusts from any investment advice we give you please inform us in writing on your Application Form.
- 2.4 If you do not inform us to the contrary in writing we will assume that you understand and accept these risks and there are no restrictions relating to investment trusts or investment companies.

### 3 Stabilisation

- 3.1 We or our representatives may, from time to time, recommend transactions in securities to you, or carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise it.
- 3.2 You should read carefully the explanation below relating to stabilisation. This is designed to help you judge whether you wish to invest at all in such securities.
- 3.3 What is Stabilisation?  
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 relating to it. The FSA 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.

- 3.4 Stabilisation is carried out by a "stabilisation manager" (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising 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 maybe to keep the price at a higher level than it would otherwise be during the period of stabilisation.

- 3.5 The stabilisation rules:

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

- 3.6 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.

- 3.7 Please inform us if you wish to be consulted before we carry out any transaction where the investment concerned may be subject to stabilisation or if you do not wish to be advised in respect of the purchase of such investments, or if you do not wish us to enter into transactions in such investments.

### 4 Foreign Markets

- 4.1 Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. On request, we will provide an explanation of the relevant risks and protections (if any) which operate in any foreign markets. DCS does not accept liability for any default of a foreign firm through whom we deal. The potential for profit or loss from transactions on foreign currency markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

### 5 Suspensions of Trading

- 5.1 Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of a rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. DCS does not accept a stop-loss order because market conditions may make it impossible to execute such an order at the stipulated price.

### 6 Regulation S Securities

- 6.1 We may if requested by you purchase securities for your account which are exempt from the requirement of registration in the United States pursuant to Regulation S of the Securities Act 1933, as amended. These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act 1933, as amended, and the applicable state securities laws, pursuant to registration or exemption therefrom. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.
- 6.2 Regulation S Securities can only be held by non-US residents and citizens and cannot be registered in the United States for twelve months from date of issue. The effect of this is that you can only sell these securities off-exchange during the twelve month period and only to non-US persons. Thereafter the securities can be sold into US markets pursuant to securities registration or an applicable exemption from registration. No hedging transactions with respect to the securities may be conducted unless in compliance with US securities laws.
- 6.3 Consequently, in addition to the high risks inherent in dealing in small capital market securities, you run an extra risk of losing money when you buy shares in "restricted" or "non-readily realisable" securities due to the difficulties in selling such securities.

## **APPENDIX II SUPPLEMENTAL TERMS FOR SERVICES IN RELATION TO DERIVATIVES AND WARRANTS**

### **1 Introduction**

- 1.1 The terms set out below (the "Supplemental Terms") relate to margined transactions effected or arranged by Dowgate Capital Stockbrokers Limited ("we" or "us") and Pershing Securities Limited ("PSL") and are supplemental to, and shall form part of, your Agreement with us. In the event of any inconsistency between these Supplemental Terms and the Agreement, these Supplemental Terms shall prevail in relation to margined transactions.
- 1.2 Margined transactions are transactions relating to warrants and derivatives (such as futures, options and contracts for differences) which may render you liable to make additional payments or make margin payments when the transaction fails to be completed or upon the earlier settlement or closing of your positions. Providing margin payments means that you will be required to make further variable payments against the purchase price of the investment instead of paying the whole purchase price immediately. The movement in the market price of your investment will affect the amount of margin payment you will be required to make.
- 1.3 You acknowledge that prior to us or PSL effecting or arranging transactions in derivatives or warrants for you, you must sign the relevant section of the Application Form to confirm that you have read the Derivatives and Warrants Risk Warning Notice set out in this appendix.

### **2 Margin Arrangements**

- 2.1 In relation to margined transactions, you undertake to pay or deliver to PSL, on demand, such sums or property by way of deposit or margin as PSL may from time to time require. In relation to exchange traded transactions, such deposit or margin shall be of such amount or value as shall be determined by PSL (which may exceed but shall not be less than that required under the rules of the relevant exchange or clearing house). PSL reserves the right to vary its margin requirements at any time. PSL shall generally call such deposit or margin from you through us, but reserves the right to call any deposit or margin from you directly.
- 2.2 Deposits or margin shall be provided to PSL in such manner and in such form as PSL may request. Acceptable deposits or margin may include cash or securities or other collateral approved by PSL.
- 2.3 You are responsible for maintaining appropriate arrangements with us or PSL at all times for communication of margin calls. If we or PSL are unable to contact you or if you fail to provide margin to us or PSL in the required time, we or PSL may, without prejudice to any other rights or remedies available to it, exercise its rights under paragraph 6 below.

### **3 Holding of Collateral**

- 3.1 Securities provided as collateral will not be registered in your own name but will be registered, while held by PSL, in the name of PSL's nominee company or custodian in accordance with FSA Rules. PSL will exercise reasonable prudence in the selection of such persons but, in the absence of negligence, fraud or wilful default by PSL, PSL does not accept responsibility for the default of any such nominee company or custodian (other than where such nominee company or custodian is an associate of PSL).
- 3.2 Securities provided as collateral will be held by PSL on a pooled basis, which means that they will be pooled with the securities of other customers, and your individual entitlements may not be identifiable by separate certificates, physical documents or entries on the register. In the event of a shortfall, which cannot be reconciled after any default, you may not receive your full entitlement, but may suffer a pro rata share in that shortfall. Securities held as collateral by PSL will be separately identifiable from other securities held by PSL for your or its own account.

- 3.3 In relation to securities or other assets deposited as collateral:
- i) PSL will assume responsibility for claiming and receiving dividends and interest payments and will inform us of any rights issues, take-over offers, capital reorganisations, company meetings, conversion or subscription rights as soon as reasonably practicable after receiving notice of these events;
  - ii) we will be responsible for notifying you of any rights issues, take-over offers, capital reorganisations, company meetings, conversion or subscription rights and for obtaining your instructions in respect of such events; and
  - iii) PSL shall not exercise any voting or other rights unless it is instructed to do so by us on your behalf. The consequences of a failure on your part to provide instructions to us by the specified time once notification is given to you are entirely your responsibility.

### **4 Pledging and Transfer of Collateral**

- 4.1 PSL shall have the right (subject to an obligation to account to you for property of the same nature and description but not necessarily identical to the property originally delivered to PSL and subject to PSL's other rights under the Agreement and these Supplemental Terms) to pledge, charge, loan or otherwise use or dispose of all or part of any deposit, margin or other property provided to PSL as if PSL were the beneficial owner thereof. This may result in securities delivered to PSL being registered other than in the name of PSL's nominee company or custodian.
- 4.2 Any cash, securities or other assets delivered to PSL by way of deposit or margin may be deposited with and/or pledged or charged to or otherwise placed as security with an intermediate broker, clearing house or exchange upon such terms as PSL may agree with such person or persons in respect of your or PSL's obligations and liabilities to that intermediate broker, clearing house or exchange.
- 4.3 If securities are deposited with and/or pledged or charged to or otherwise placed as security with an intermediate broker, clearing house or exchange as aforesaid and if such securities are, in the unlikely event of the default of PSL, subsequently realised, the proceeds of sale, to the extent that they exceed any amount owed to PSL and to the extent that they are returned to PSL will be subject to the FSA's pooling rules. The effect of this is, broadly, that such sale proceeds may be used to meet the claims of other segregated customers in the event of an overall deficiency in client money held for segregated customers of PSL. In the event of any shortfall which cannot be reconciled you may not receive your full entitlement and may share in that shortfall pro rata.

### **5 Disclosure of Commissions and Rebates**

- 5.1 PSL and any associate of PSL's shall be entitled to receive and retain any benefit, including any commission, rebate or reduction (whether from standard rates of commission or otherwise) received in connection with any service or transaction provided or entered into by PSL or such associate hereunder. Details of such arrangements will be made available to you on request.

### **6 Powers to Close Out or Apply Collateral**

- 6.1 We or PSL may without further notice to you and without prejudice to any additional rights it may have under the Agreement take such steps and exercise such rights as we consider necessary to protect our or their position (including without limitation closing out or liquidating transactions or positions or otherwise settling early any transaction or realising any collateral or cash held by it on your behalf or terminating its relationship with you) in any of the following circumstances: (a) if you fail to meet a call for margin payments made on you; (b) if you breach any of the provisions of the Agreement, these Supplemental Terms or any market or regulatory requirements; (c) if we or PSL reasonably consider that you have not performed or are unlikely to perform your obligations under the Agreement or these Supplemental Terms or that you may otherwise jeopardise our or PSL's position in any respect; (d) if action is taken against us or PSL by any counterparty or intermediate broker; or (e) if we or PSL reasonably deem it necessary for any other reason.

## 7 Closing Out of Transactions

- 7.1 When open positions are to be closed, either in the normal course of business, or in the event of default, the sequence of closing transactions will be entirely at our or PSL's discretion.

### DERIVATIVES AND WARRANTS RISK WARNING NOTICE

Retail clients are afforded greater protections under FSA rules than other customers. This notice cannot disclose all the risks and other significant aspects of warrants and derivative products such as futures, options, and contracts for differences. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position. Certain strategies, such as a 'spread' position or a 'straddle', may be as risky as a simple 'long' or 'short' position.

Although warrants and derivative instruments can be utilised for the management of investment risk, some of these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points.

#### 1 Warrants

- 1.1 A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile.
- 1.2 It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time-scale then the investment becomes worthless.
- 1.3 You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.
- 1.4 Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a 'covered warrant').

#### 2 Futures

- 2.1 Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The 'gearing' or 'leverage' often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements, which are set out in paragraph 6 of this Appendix.

#### 3 Options

- 3.1 There are many different types of options with different characteristics subject to the following conditions.
- 3.2 Buying options

Buying options involves less risk than writing options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the future. This will expose you to the risks described under 'futures' and 'contingent liability investment transactions'.

#### 3.3 Writing options

If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset which you have contracted to sell (when the options will be known as 'covered call options') the risk is reduced. If you do not own the underlying asset ('uncovered call options') the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

#### 3.4 Options Margins

Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

## 4 Contracts For Difference

- 4.1 Futures and options contracts can also be referred to as a contract for difference. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps and securities in general. However, unlike some other futures and options, these contracts can only be settled in cash. Investing in a contract for difference carries the same risks as investing in a future or an option and you should be aware of these as set out in paragraphs 2 and 3 respectively. Transactions in contracts for difference may also have a contingent liability and you should be aware of the implications of this as set out in paragraph 6.

## 5 Off Exchange Transactions in Derivatives

- 5.1 While some off-exchange markets are highly liquid, transactions in some off-exchange or 'non transferable' derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

## 6 Contingent Liability Investment Transactions

- 6.1 Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.
- 6.2 If you trade in futures, contracts for differences or sell options you may sustain a total loss of the margin you deposit with us to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit.
- 6.3 Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.
- 6.4 Save as specifically provided by the FSA, we may only carry out margined or contingent liability transactions with or for you if they are traded on or under the rules of a recognised or designated investment exchange. Contingent liability investment transactions which are not so traded may expose you to substantially greater risks.

## 7 Limited Liability Transactions

- 7.1 Before entering into a limited liability transaction, you should obtain from us a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you prior to entering into the transaction.
- 7.2 The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

## 8 Collateral

- 8.1 If you deposit collateral as security with us, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral depending on whether you are trading on a recognised or designated investment exchange, with the rules of that exchange (and the associated clearing house) applying, or trading off exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets, which you deposited and may have to accept payment in cash. You should ascertain from us how your collateral will be dealt with.

## 9 Commissions

- 9.1 Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

## 10 Clearing House Protections

- 10.1 On many exchanges, the performance of a transaction by us (or any third party with whom we are dealing on your behalf) is 'guaranteed' by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the customer; and may not protect you if we or another party defaults on our obligations to you. On request, your firm must explain any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing. There is normally no clearing house for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange.

## 11 Insolvency

- 11.1 Our insolvency or default, or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash. On request, we must provide an explanation of the extent to which it will accept liability for any insolvency of, or default by, other firms involved with your transactions.

## APPENDIX III DCS EXECUTION POLICY

### 1 Scope

- 1.1 Our Execution Policy is applicable to DCS clients where we have received an order which we execute or where we pass this order to a third party for them to execute.

### 2 Best Execution Obligation

- 2.1 When we execute orders for you in relation to securities we will take all reasonable steps to achieve what is called 'best execution'. This means that we have in place policies and procedures which are designed to obtain, on a consistent basis, the best possible result taking into account the nature of your order, the nature of the markets and products involved and any specific instructions we have received from you.

### 3 Execution Factors

- 3.1 In determining the relative importance of these factors, we will use our own commercial experience and judgement, as well as take into account how we have categorised you (e.g. as retail client), together with the size and nature of the order, the characteristics of the financial instruments to which the order relates, as well as the possible execution venues to which that order can be directed.
- 3.2 In practice, for the majority of retail clients, the main focus will be on price, size and, where pertinent, speed of execution. However, if for some clients, particular instruments or markets there are other factors of importance, we shall use our reasonable endeavours to take these into account.

### 4 Execution Venues

- 4.1 The majority of DCS business is conducted in UK equities and in this instance the execution venues are likely to be the London Stock Exchange (including AIM) and UK Market Makers. For other business, we may use other venues we consider appropriate, including the following venue types: Regulated Markets, Multilateral Trading Facilities, Systematic Internalisers, Third Party Investment Firms (and / or affiliates acting as market makers or other liquidity providers) and Internal Sources of Liquidity (i.e. where we match client orders).
- 4.2 Some orders may be executed on a venue which is not a Regulated Market or a Multilateral Trading Facility where we believe that this will result in the best possible result being obtained for you.
- 4.3 We may transmit client orders to another broker or dealer (including a retail service provider ("RSP")) for execution. In such cases we may:
  - determine the ultimate execution venue ourselves by accessing specific execution venues through such third parties; or
  - instruct this other broker or dealer accordingly. We will satisfy ourselves that they have arrangements in place to enable them to offer the best execution.Where we direct an order to an RSP, then the RSP and not DCS may be executing the order.

### 5 Specific Instructions

- 5.1 Where you provide us with specific instructions in relation to your order, (for example selecting to execute on only one specific execution venue), we will execute that order in accordance with those instructions if we can. This may have an effect on whether we are able to achieve the best possible result for the execution of your order. Please also note that if we do not have access to a specific venue we may have to refuse your order.

### 6 Consent

- 6.1 Regulations require that we must obtain clients' prior consent to this Execution Policy. We will deem that you have provided such consent when we receive an order for your account on or after 1 November 2007.
- 6.2 We must also obtain consent, prior to executing an order in an instrument admitted to trading on a Regulated Market or a Multilateral Trading Facility where we choose to execute, the order elsewhere.

## APPENDIX IV PSL EXECUTION POLICY

### 1 Introduction

- 1.1 From 1 November 2007, and in accordance with regulatory requirements set out by the Financial Services Authority ("FSA"), we are required to provide clients with information about the steps we take to obtain the best possible result where we are executing their order. These are set out in our 'Execution Policy', a summary of which is shown below.

### 2 Scope

- 2.1 Our Execution Policy is applicable to underlying Pershing clients, and where we have received an order from DCS:
- to execute on their behalf in respect of financial instruments covered by the Markets in Financial Instruments Directive<sup>11</sup> - EU Directive 2004/39/EC, dated 21 April 2004. (Annex 1, Section C - see also our website for a list of these); or
  - which we pass on (i.e. transmit) at our discretion to another broker or dealer ("third party") for execution

### 3 Execution Factors

- 3.1 In considering how we might achieve the best possible result for an underlying client order, we will take a number of factors into account, including price (or total consideration in the case of retail clients), costs, speed, likelihood of execution and settlement, size, nature of the order or any other considerations relevant to the execution of that order.
- 3.2 In determining the relative importance of these factors, we will use our own commercial experience and judgement, as well as take into account how DCS and PSL have categorised you (e.g. as retail client or as a professional client), together with the size and nature of the order, the characteristics of the financial instruments to which the order relates, as well as the possible execution venues to which that order can be directed.
- 3.3 In general, we will regard price as the most important of these factors for obtaining the best possible result. However, we recognise that there may from time to time be circumstances for some clients, particular instruments or markets where other factors may be deemed to have a higher priority. In the case of retail clients, we will always regard the most important factors as those which result in the best total consideration in terms of the price combined with the costs of execution.

### 4 Execution Venue

- 4.1 In establishing our Execution Policy, we have identified a variety of different execution venues that we intend to use as we consider these enable us to obtain the best possible result on a consistent basis when executing orders on behalf of clients. It is therefore possible that client orders may be executed on a venue which is not a Regulated Market or a Multilateral Trading Facility ("MTF"). You should also note that some financial instruments may only be traded on one venue (notably if we execute a trade for units in a fund, the venue will be the fund manager or the fund itself).
- 4.2 A list of the execution venues on which we place significant reliance can be found on our website (). It will also be available from DCS. We will regularly assess the execution venues available so that we can continue to include those which enable us to obtain the best possible result on a consistent basis. You should, from time to time, refer to our website or ask DCS for the current list of principal execution venues, as changes will not be separately notified.
- 4.3 We may transmit client orders to another broker or dealer (including a retail service provider ("RSP")) for execution. In such cases we may:
- determine the ultimate execution venue ourselves by accessing specific execution venues through such third parties; or
  - instruct this other broker or dealer accordingly (having already satisfied ourselves that they have arrangements in place to enable us to comply with our execution obligations to you).

Where we direct an order to an RSP, then the RSP and not PSL may be executing the order.

### 5 Specific Instructions

- 5.1 Where we receive specific instructions from DCS, we shall follow those instructions and to the extent they apply we may not be able to apply our Execution Policy and this may have an effect on whether we can obtain the best possible result for the execution of your order.

### 6 Limit Orders

- 6.1 If an order has been placed with us with a limit on the price for execution, we may not be able to execute it immediately. Consequently, in accordance with regulatory requirements and unless otherwise specifically instructed, we will publicly disclose details of any unexecuted part of such "limit" order.

### 7 Monitoring and Review

- 7.1 We will monitor regularly our order execution arrangements, as well as the quality of both our execution and that of third parties to whom we have passed orders. Such review will enable us to identify and implement changes to our Execution Policy and execution arrangements as necessary. You should note that it may not always be possible to make an effective comparison of execution performance because reliable data is not always available for some markets.
- 7.2 Clients will be advised of any material changes to our policy as necessary.

### 8 Consent

- 8.1 Regulations require that we must obtain clients' prior consent to this Execution Policy. We will deem that you have provided such consent where we receive an order for your account on or after 1 November 2007.
- 8.2 We must, however, obtain your express consent, prior to executing an order in an instrument admitted to trading on a Regulated Market or an MTF outside of such a Regulated Market or MTF. Your consent in the form of a telephone conversation, e-mail, facsimile or other form of correspondence must be sent to DCS, since we will otherwise be prevented from achieving the best possible result where this is achieved by executing your order outside of a Regulated Market or MTF. DCS will then hold a record of your consent to our order and inform us that you have consented to this Execution Policy.

## APPENDIX V DCS CONFLICTS POLICY

### 1 Introduction

- 1.1 Dowgate Capital Stockbrokers Limited ("DCS") is bound by the FSA Principles for Business, and in particular Principle 8: "A firm must manage conflicts of interests fairly, both between itself and its customers and between a customer and another client." This is supplemented by further detailed rules on managing conflicts of interest.
- 1.2 Our main business and principal sources of income are the provision of corporate broking services to small AIM and PLUS listed companies and the provision of agency broking services to retail clients. In this context a variety of conflicts may arise between the interests of DCS and its clients, or between the duties owed by DCS to different clients. Therefore we must:
- take all reasonable steps to identify conflicts of interest between (i) the firm and its clients, and (ii) one client and another;
  - maintain and operate effective organisational and administrative arrangements in order to take all reasonable steps to prevent such conflicts from giving rise to a material risk of damaging clients' interests. Within DCS these arrangements include a formal policy of independence, and detailed Chinese wall procedures. However, if the conflicts of interest are so great that they cannot reasonably be managed by a combination of these and/or other steps in such a way as to ensure fair treatment for a client, then we will decline to act for that client;
  - disclose any conflicts that cannot be managed effectively by our organisational and administrative arrangements to ensure that clients' interests will not be damaged; and
  - keep records of the firm's services and activities in which conflicts may arise.

### 2 Identifying Conflicts of Interest

- 2.1 To identify the types of conflicts of interest that may arise, and which may entail a material risk of damage to clients' interests, we take into account whether we, or an associate or employee of ours:
- is likely to make a profit or avoid a loss at the expense of the client;
  - has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of a client, which is distinct from the client's own interest in that outcome;
  - has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
  - carries on the same business as the client;
  - receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies goods or services, other than the standard fee or commission for that service.
- 2.2 Our procedures for approving new business activities or methods also include consideration of any new conflicts that may arise as a result.

### 3 Methods of Managing Conflicts

- 3.1 We operate a formal policy of independence which stipulates that whenever an employee gives advice or recommends a transaction to a client, that employee must disregard any relationship, arrangement or interest of his or her own, or of the firm, or of any other group company which might influence the advice or recommendation. Those staff responsible for advising corporate clients (the Corporate Broking Department) is separated from those responsible for advising investing clients (the Private Client Department).

#### 3.2 Chinese Walls

Chinese walls are formal arrangements that require information held by a person in one part of the business to be withheld from, or not to be used for, people in another part of the business. We have detailed Chinese wall procedures in place to prevent flows of information from the Corporate Broking Department to the other parts of our business. The Chinese walls consist of the following elements:

- A strict prohibition on staff within the Corporate Broking

Department disclosing any non-public information about corporate clients, or potential corporate clients, to any other member of staff or any other third party, except as permitted under these procedures;

- Physical segregation of the Corporate Broking Department from the rest of the firm;
- Formal documented procedures when non-public information is to be passed to employees on the other side of the Chinese wall - any such movements have to be authorised and recorded by the Compliance Department;
- Policies and procedures to control the security of data held within the firm, including restrictions on access to data held by the Corporate Broking Department and policies and procedures for the confidential destruction of records that are no longer required.

### 4 Personal Conduct

#### 4.1 P.A. Dealing

Employees' and agents' personal interests in holdings of securities, or in dealing in securities, may conflict with their obligations to either corporate or investing clients. We have detailed policies and procedures in place to monitor employees' personal account dealing and to restrict it in certain circumstances.

#### 4.2 Inducements/Gifts and Hospitality

Our employees and agents do not solicit or accept inducements that could conflict with our obligations to our clients, nor offer or give inducements which could conflict with the recipient's obligations to its own clients. Gifts, corporate hospitality and similar benefits could fall within this category and we have detailed policies and procedures in place on the giving and receiving of gifts and hospitality.

#### 4.3 External Business Interests

Our employees and agents may not accept any employment or business interest outside DCS without the prior written approval of our Chief Executive Officer or Deputy Chairman, who consider the potential for conflicts of interest before granting permission for any such interest. The Compliance Department maintains a register of all employees' external business interests, which is monitored for conflicts.

### 5 Monitoring and Management Information

The Compliance Department is responsible for monitoring our policies and procedures for identifying and managing conflicts of interest, and for ensuring that any significant issues identified as a result of this monitoring are reported to senior management and handled appropriately.

Further details of our Conflicts Management Policy are available on request.

## APPENDIX VI PSL CONFLICTS POLICY

- 1.1 In accordance with regulatory requirements, we have taken reasonable steps to identify conflicts of interest that exist, or may exist, between Pershing Securities Limited and its clients or between one client and another.
- 1.2 We have also reviewed the organisational and administrative arrangements in place to manage such conflicts and are of the view that, save for the matters outlined below, they are sufficient to ensure with reasonable confidence, that risk of damage to clients' interests will be prevented.
- 1.3 From our Conflicts of Interest Policy, we have identified the following areas where we are not certain that we can manage the conflict (or potential conflicts) fully and thus we hereby advise our clients of this fact: The general nature and/or source of these conflicts are:
  - Pershing Europe provides integrated execution, clearing, settlement and custody services to a number of financial services organisations and therefore has potentially competing client interests.
  - Pershing Europe entities hold positions and/or provide transactional related services for more than one client and such clients may have competing objectives in relation to a position or transaction.
  - Pershing Europe entities may enter into a transaction in relation to which a Pershing Europe entity has indirectly or directly, a material interest or relationship.
  - Pershing Europe entities may combine orders received from one client with those received for the accounts of other clients (and exceptionally may combine with its own orders). Such aggregation may operate on some occasions to a client's advantage and on some occasions to their disadvantage. Where orders have been aggregated, they will be allocated out to clients on a pro-rata basis.
  - Pershing Securities Limited may pass orders to an affiliated company for execution. This will, however, be done in accordance with its Execution Policy.
  - Where Pershing Europe entities exercise a right to vote in relation to a corporate action, it will do so in accordance with clients' instructions and these may reflect competing interests.
  - Pershing Europe entities may place money held on behalf of clients and/or their underlying clients with a bank (in accordance with the relevant regulatory requirements) and earn and retain interest payments from such bank.
  - Pershing Europe entities may have other business relationships with a company in relation to whose securities you are entering into a transaction e.g. as a client, supplier, custodian or banker.
  - As a result of Pershing Europe's relationships with its customers and with customers across the Bank of New York Mellon Corporation ("BNYM") Group, there may be circumstances in which we are unable to execute transactions with or for clients, in relation to particular counterparties or in particular investments and we shall not be obliged to disclose the reason why or provide any further information thereto.
  - It is possible that an affiliate and member of BNYM Group may have a material interest or a conflict of interest in the service or transactions we carry out with or for you. While there may be some cross-board memberships, the day-to-day management of Pershing Europe act independently.
  - In carrying out Pershing Europe's business, employees may learn confidential or proprietary information about its clients, their underlying clients, prospective clients and underlying clients or other third parties. Employees are required to maintain the confidentiality of all such information entrusted to them, except where disclosure is otherwise authorised or legally mandated. Further, employees are not permitted to use such information for their personal gain.
  - Pershing Europe employees are not permitted to trade in the shares of its clients unless the client's shares are widely traded on a regulated market and where the service provided by Pershing Europe represents a very small fraction of the client's total business.
  - Pershing Europe employees are required to disclose and in most cases must obtain approval for any outside business interest or employment.

This conflicts disclosure is not intended to, and does not, create rights or duties that would not exist if the disclosure had not been made available, nor does it form part of any contract between Pershing Europe entities and any Client.



Dowgate Capital Stockbrokers Limited  
Talisman House, Jubilee Walk  
Three Bridges, Crawley  
West Sussex RH10 1LQ

Telephone: 01293 517744  
Facsimile: 01293 521093  
Email: [broker@dowgate.co.uk](mailto:broker@dowgate.co.uk)

Dowgate Capital Stockbrokers Limited is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange and PLUS Markets.

Registered in England No. 2474423.