R.C. BROWN
investment management plc

TERMS OF BUSINESS WITH AUTHORISED INTRODUCERS

These Terms of Business set out the nature of the relationship between the Company and the Introducer and the terms on which the Company will accept business from the Introducer. These terms of business shall come into effect either upon receipt by the Company of a copy of these terms duly signed by the Introducer or, if earlier, upon the introduction of business to the Company by the Introducer.

1. DEFINITIONS

1.1 "Act" means the Financial Services and Markets Act 2000 as from time to time amended or re-enacted.
1.2 "Business Day" means any day excluding Saturdays, Sundays and public holidays.
1.3 "Client Agreement" means each individual agreement between the Company and its Client. The effective date of the Client Agreement is the date as at which the initial valuation/composition of the Client's portfolio is compiled by the Company.
1.4 "Client Money" has the same definition as that in the FCA Conduct of Business Rules, as amended from time to time.
1.5 "Company" means RC Brown Investment Management PLC.
1.6 "FCA" means the Financial Conduct Authority.
1.7 "Introducer" means a person authorised and regulated by the FCA to advise on and/or arrange transactions in investments under the Act.
1.8 "RCBIM ISA" means an Individual Savings Account managed by the Company.
1.9 "RCBIM's Service" means a discretionary portfolio management service provided by the Company in accordance with each individual Agreement between RCBIM and its Client.
1.10 "Regulated Activity" means the business of engaging in one or more of the regulated activities described in Section 22, Part 11 and Schedule 2 of the Act in relation to units or shares.
1.11 "Regulator" means any regulatory body set up under the Act.
1.12 "Unit" means either a unit in an authorised unit trust or a share in an open-ended investment company where such shares are available for investment by retail investors in the UK.
1.13 "RDR" means the FCA's Retail Distribution Review.

2. SCOPE

2.1 This document sets out the terms of business relevant to Introducers who introduce Clients to the Company to utilise RCBIM's services. By introducing a Client to RCBIM an Introducer agrees that these Terms of Business apply to the transaction(s) concerned, and undertakes to the Company to perform the obligations set out in these Terms of Business.
2.2 The Company will not accept business from an Introducer within the UK who is not, or ceases to be, authorised under the Act and reserves the right to cease to accept business from, or to refuse any particular business proposed by, an Introducer.
2.3 The Introducer undertakes to notify the Company promptly should its authorization to carry on the Regulated Activity be suspended, modified or terminated, or if it becomes aware of any material breach of FCA rules or other relevant legislation, or if it becomes subject to investigation or enforcement action by the FCA for any action which has material bearing on its agreement with the Company.
2.4 The Introducer acknowledges that no fees or Adviser Charges can be paid to it until it has signed and returned the Company's Introducer Application Form. Where this form is signed by an Appointed Representative, it undertakes to inform its Principal or Network of the agreement that has been entered into. Where the form is signed by a Principal or Network on behalf of an Appointed Representative, it undertakes to inform its Appointed Representative of the Terms of Business and ensure they are adhered to.
2.5 Should the Introducer change its name or status, e.g. on acquisition by another firm, it undertakes to inform the Company and complete a new Introducer Application Firm if requested to do so.

3. INTRODUCER AS AGENT OF THE CLIENT

3.1 The Introducer shall be the agent of its Client, save in respect of its obligations hereunder.
3.2 The Introducer may act as principal if so authorised pursuant to the Act.
3.3 The Introducer may not act as the agent of the Company and will not circulate any promotional material or literature about the Company unless it has been provided by the Company.
3.4 The Introducer's Client shall become a Client of the Company and will sign the Company's Client Application form.
3.5 Where, following an introduction, the Introducer provides instructions to the Company in relation to a Client's portfolio, the Introducer undertakes that it has obtained the Client's authority to provide such instructions. The Introducer undertakes to provide all such instructions in writing. The Company may require the Client's verbal or written confirmation of certain instructions.
3.6 RC Brown values its reputation and is committed to maintaining the highest level of ethical standards in the conduct of its business affairs. Intermediaries are key to maintaining these standards. The firm prohibits the offering, giving, solicitation or the acceptance of any bribe or corrupt inducement, whether in cash or in any other form in order to gain any commercial, contractual, or regulatory advantage for the firm in any way which is unethical or to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

4. SUITABILITY

4.1 The Company acknowledges its obligations to its Clients under COBS 9A of the FCA Handbook in relation to suitability. However the Company does not provide a general financial planning service or carry out a review of the client's circumstances except in relation to the investments it has been appointed to manage. The Company will, and is entitled to, rely on any information provided by the Introducer about the Client, or about the Client's investments, when fulfilling its obligations under COBS 9A. The Company is entitled to assume that such information is complete and accurate and that it remains so unless the Introducer advises otherwise.
4.2 The Introducer undertakes to carry out an assessment of the suitability of the Company's service and the particular investment strategy for its Client in accordance with COBS 9A of the FCA Handbook. In making this assessment the Introducer will take into account all necessary "Know Your Client" information, including the Client's knowledge and experience, financial situation, investment objectives and attitude to investment risk, and will provide the Company with all such information as is relevant to its management of the Client's investments. The Company shall only accept introductions from the Introducer on the basis that this assessment has been carried out

and that the Introducer has made a personal recommendation to the Client to proceed. The Company is entitled to rely on this assessment and information when fulfilling its own obligations under COBS 9A.

4.3 The Introducer undertakes to periodically review and update the information it holds for its Clients, and its assessment of the suitability of the Company's service and particular investment strategy in the light of that information. The Introducer will, upon request, reconfirm the suitability of the portfolios managed for its Clients by the Company and provide any further information as the Company may reasonably require in order to demonstrate suitability. The Company may, under certain circumstances, require this information to be confirmed by the Client.

4.4 It is the Introducer's responsibility to select an appropriate investment strategy for the Client and to ensure that the risk profile thereof is consistent with its assessment and personal recommendation. The Introducer undertakes to inform the Company immediately if it has any reason to believe that the Client's circumstances have changed and that any particular investment or investment strategy is no longer suitable for the Client.

4.5 It is the Company's responsibility to act as portfolio manager and select the investments in the portfolio.

4.6 The Introducer undertakes to explain to the Client its and the Company's respective roles and responsibilities as set out in 4.2 – 4.4 above.

4.7 The Introducer undertakes to maintain a full understanding of the investments and services offered by the Company including its Advice Status Disclosure under COBS 6.

5. PAYMENTS

5.1 Unless the Introducer informs us otherwise, we will assume that the Introducer is not authorised to hold Client Money. If the Introducer is authorised to hold Client Money:

- the Introducer is responsible for informing the Company that it is so authorised;
- the Introducer is responsible for handling Client Money strictly in accordance with the FCA's Conduct of Business Rules in relation to Client Money as amended from time to time;
- the Introducer is responsible for ensuring that payment in respect of any ISAs effected by or through the Introducer is received by the Company with the Client's signed application form in the relevant tax year;
- where the Company facilitates a payment from the Client to the Introducer, such payment will discharge the Company's obligations to the Client and the Introducer shall indemnify and keep indemnified the Company against all loss, costs, claims, expenses and demands arising from payment to the Introducer.

5.2 If the Introducer has undertaken to a Client to pass on monies to the Company, the Introducer shall do so promptly.

5.3 The Introducer shall indemnify the Company against all loss or claims incurred directly or indirectly by the Company by reason of the Introducer's failure to pass on monies or applications promptly. For the purpose of this provision, loss shall include any loss resulting from the cancellation of the contract or application and, without limitation to the foregoing, any other loss or expense caused to the Company directly or indirectly by a failure of the Introducer to pass on monies or applications promptly.

5.4 The Company shall not be responsible for any applications for ISAs for which payment is not received by the end of the relevant tax year and shall be entitled to cancel in whole or in part any contract or application in respect of which payment is not made, or which is found to be ineligible for ISA status for any other reason.

5.5 Cheques and monies in favour of partial or full liquidation of investments under RCBIM's management will be drawn in favour of the Client unless the Company is instructed otherwise in writing by the Client (in accordance with the Customer Agreement) and subject to any regulatory requirements to the contrary. Cheques in favour of the Client will be made payable to the Client and crossed 'Account Payee'.

6. ADVISER CHARGING AND REMUNERATION

6.1 The Introducer is responsible for ensuring that it complies with the FCA's rules on Adviser Charging and Remuneration, Clients' Best Interests, Inducements and Treating Clients Fairly.

6.2 Where it is agreed between the Introducer and the Client that:
(a) the Client shall pay the Introducer a charge(s) for its services; and (b) the charge(s) shall be deducted out of the Client's portfolio (the "Charge" or "Charges", as the context requires), the Introducer shall notify the Company of the amount of any Charges to be deducted and shall provide the Company with the Client's written instructions to deduct such Charges.

6.3 Upon verifying the Client's instructions, the Company will, where required, debit such Charges from the Client's portfolio and will pay them over to the Introducer in accordance with the Client's instructions.

6.4 Any initial Charge will be deducted as soon as is practicable following receipt of the client's funds and will be based on the value shown in the initial valuation.

6.5 Where it is agreed between the Introducer and the Client, Charges may be structured so that they are deducted from the Client's portfolio over a period of time (an "Ongoing Charge").

6.6 Ongoing Charges shall be deducted from the Client's portfolio and paid to the Introducer quarterly in arrears when the Company's management fees are debited. For the first period of investment the payment is made in arrears from the effective date of the Customer Agreement to the first period end date.

6.7 Ongoing charges will normally be paid to the Introducer within 25 business days of the valuation date of the Client's portfolio.

6.8 The Introducer undertakes to promptly notify the Company of any change to the Ongoing Charges as agreed from time to time with the Client and shall provide the Company with the Client's written confirmation of the change.

6.9 In the event of two or more Introducers claiming payment of an Adviser Charge in respect of the same Client or transaction, the decision of the Client as regards the payment of the Adviser Charge shall be final.

6.10 The Introducer is responsible for determining the correct VAT status of its services and will notify the Company of its VAT registration details and the correct VAT treatment of the Charges and Ongoing Charges to be deducted from the Client's portfolio.

6.11 All such Charges and Ongoing Charges shall be governed by such of the FCA's Rules as may be applicable.

7. DOCUMENTATION AND COMMUNICATION

7.1 The Introducer shall pass to a Client immediately, and without any amendment, any documents supplied by the Company for the information of, or completion by, the Client and shall pass to the Company immediately any documents provided by the Client for that purpose.

7.2 The Introducer shall ensure that prior to subscribing to an ISA, the Client has received the current documentation and application forms, and undertakes to pass on promptly to the Client such statements, and other information supplied by the Company for that purpose.
7.3 The Introducer undertakes to comply with any other disclosure requirements in force at the time of recommending or effecting a transaction.
7.4 The Company may owe an obligation to send certain documents and communications and reserves the right to send such documents and communications direct to the Client.
7.5 The Company may, where requested by the Client, provide the Introducer with copies of reports and valuations sent to Clients introduced by that Introducer.
7.6 The Company may record and monitor telephone calls for regulatory and quality control purposes.

- where the Company facilitates a payment from the Client to the Introducer, such payment will discharge the Company's obligations to the Client and the Introducer shall indemnify and keep indemnified the Company against all loss, costs, claims, expenses and demands arising from payment to the Introducer.

8. INDEMNITY

8.1 The Introducer shall indemnify and keep indemnified the Company against any direct losses, liabilities, costs, claims and expenses reasonably incurred by the Company arising directly from:
(a) any negligence, fraud, wilful default or material breach of these Terms of Business by the Introducer;
(b) any breach by the Introducer of applicable laws, regulations or FCA requirements;
(c) the provision by the Introducer of inaccurate, incomplete or misleading information upon which the Company has reasonably relied; or
(d) any complaint, claim, regulatory investigation or regulatory sanction arising from advice, recommendations or services for which the Introducer is responsible under these Terms of Business.
The Introducer shall have no liability under this clause to the extent that any loss arises from the negligence, fraud, wilful default, breach of contract or breach of regulatory obligations by the Company.

9. SERVICE OF DOCUMENTS

9.1 Any letter or other document shall be deemed to have been duly served upon the Introducer if it is sent by post to, or left at, the address last notified by the Introducer to the Company in writing. Any letter or other document sent by first class post shall be deemed to have been served on the Business Day following that on which the envelope containing the same is posted and in proving such service it shall be sufficient to prove that such envelope was properly addressed, stamped and posted.
9.2 All correspondence served by the Introducer on the Company must be sent to its registered address.

10. USE OF INFORMATION

10.1 The Introducer warrants that:

- It has in place all necessary notifications in respect of its processing of personal data as required by the General Data Protection Regulation 2018 (GDPR) / Data Protection Act 2018, as amended from time to time; and
- it has obtained all appropriate consents from the Client to provide the Company with personal data.

10.2 The Introducer acknowledges that the Company will be a Data Controller under the GDPR in respect of the information provided to it and shall be entitled to use and disclose such information according to the business requirements of the Company and in order to fulfill its obligations under any contract entered into with, by or on behalf of the Client, to the extent necessary to perform the services for which the Company has agreed to be responsible under these Terms of Business.
10.3 Information about the Introducer and the Introducer's dealings with the Company may be processed and disclosed for the purposes described in 10.2 above and as required by the rules of a relevant Regulator or any other law or regulation to which the Company is subject.

11. MONEY LAUNDERING

11.1 The Introducer, as agent of the Client, will verify the identity of the Client in accordance with the Proceeds of Crime Act 2002, the UK Money Laundering Regulations, the relevant FCA Rules and the Joint Money Laundering Steering Group Guidance Notes, currently in force and as amended from time to time.
11.2 The Introducer will provide certified copies of this identification documentation, when legally applied for, to law enforcement or similar status authorities (HMRC, DWP etc) or the Company's Money Laundering Reporting Officer upon request.
11.3 The Introducer undertakes to comply with the provisions of the Bribery Act 2010, as amended from time to time.
11.4 The Introducer shall give written assurance to the Company that it has verified the identity of its Client, in the format requested by the Company, and will supply the Company with any information it may reasonably require to demonstrate compliance with the various Acts and Regulations referred to in 11.1 above, including the source of wealth.
11.5 The Introducer is responsible for maintaining records relating to both verification of identity and transactions, in accordance with the provisions of the various Acts and Regulations referred to in 11.1 above and with regard to the time limit set out in those Acts and Regulations. This will include the screening of clients against the HM Treasury UK Consolidated Financial Sanctions List and ongoing monitoring for suspicious transactions.
11.6 The Introducer undertakes, subject to any legal constraints, to inform the Company immediately it becomes suspicious of any activities or transactions carried out by the Client.

12. VARIATION

12.1 The Company reserves the right to vary these Terms of Business at any time in so far as required by the Act or any regulations made thereunder or any rules of a relevant Regulator or any other law or regulation to which the Company and/or business is subject.
12.2 The Company may vary these Terms of Business for reasons other than those mentioned in 12.1 above, provided that not less than 28 days' notice shall be given to the Introducer of, and prior to, a variation.
12.3 The Introducer shall not be entitled to sub-contract, transfer or assign any of his rights and obligations under these Terms of Business without the prior written consent of the Company (such consent not to be unreasonably withheld).

13. GOVERNING LAW AND THE EFFECT OF REGULATIONS

13.1 These Terms of Business shall be governed by and construed in accordance with English law.

13.2 If, in any case, the provisions of any law or regulation which applies to the Company conflict with the obligations expressed to be assumed by the Company hereunder, such provisions shall prevail.

14. COMPLAINTS

14.1 Any complaints or grievances arising under these Terms of Business should be addressed in writing to the Director of Compliance at the Company's registered address.

14.2 In the event of either party receiving a complaint about a service provided by the other party, each party undertakes to send the complaint to the other party within 5 working days.

15. TERMINATION

15.1 Either party may terminate this Agreement by not less than 21 days written notice to the other party.

15.2 Either party may terminate this Agreement immediately in the event of:

- instructions from the FCA;
- material breach by the other party of these Terms of Business which cannot be rectified within 30 business days;
- the insolvency, liquidation or winding-up of the other party.

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