

7IM PLATFORM SERVICE TERMS OF BUSINESS FOR INTERMEDIARIES



JULY 2017

1 Application

- 1.1 These Terms of Business set out the basis on which we accept business from you in relation to the 7IM Platform Service, and govern the use of services we provide to you in connection with such business. These Terms of Business supersede any terms of business in relation to the 7IM Platform Service previously provided to you.

2 Definitions and interpretation

- 2.1 In these Terms of Business:

'7IM', 'our', 'us' or 'we' refers to Seven Investment Management LLP;

'7IM Internet Services' means the 7IM Platform and any and all web services provided by 7IM, and includes all websites provided and/or hosted by 7IM and all web services and applications made available by 7IM, including the 7IM website at www.7im.co.uk and all such web services and applications through which 7IM web pages or the 7IM Platform are accessed;

'7IM Platform' means the '7IM platform' system operated by 7IM;

'7IM Platform Client' means a client who has nominated you or any of your Advisers as their financial adviser and/or for whom you or any of your Advisers act as agent, and with whom we have entered into an agreement for the provision of the 7IM Platform Service;

'7IM Platform Service' means the 7IM Platform service provided by 7IM, as detailed in our applicable client terms and conditions relating to the service;

'Adviser' means any person registered with the FCA as an approved person, and who conducts business on your behalf from time to time, whether directly or through or as an appointed representative, as such terms are defined in the FCA Rules;

'Applicable Law and Regulation' means all applicable statutes, statutory instruments, regulations and other legislative provisions, regulatory rules and guidelines, and regulatory permits and licences which are in force from time to time during the term of our relationship under these Terms of Business (including FSMA, the FCA Rules, the Money Laundering Regulations 2007, the Joint Money Laundering Steering Group Guidance Notes, and the Data Protection Act 1998) and the directions or requests of any regulatory authority or body to which a party is subject from time to time, including the FCA;

'Authorised User' means any individual you or any of your Advisers have authorised or permitted to access any 7IM Platform Client's portfolio, and/or 7IM statement of Adviser payments that we facilitate, through any 7IM Internet Service;

'Custodian' means the entity appointed to provide custody and settlement and other associated services for 7IM Platform Clients from time to time, as set out in our applicable terms and conditions with 7IM Platform Clients;

'FCA' means the UK Financial Conduct Authority, or any other regulatory body which assumes its responsibilities from time to time;

'FCA Rules' means the principles, rules, regulations and guidance published by the FCA as part of the FCA Handbook of rules and guidance from time to time;

'FSMA' means the Financial Services and Markets Act 2000;

'Intellectual Property Rights' means all copyright (including rights in software), patents, rights in designs, trade marks, service marks, trade secrets, logos, get-up, trade names, internet domain names, moral rights, database rights, rights to data, utility models, rights in know-how and other intellectual property rights, in each case whether registered or unregistered and including applications for registration, renewals or extensions and all rights or forms of protection having equivalent or similar effect anywhere in the world;

'Security Details' means any user name, password or other 7IM Internet Service access, permission and/or security details provided by 7IM to you or any of your Advisers and Authorised Users from time to time;

'Terms of Business' means these Terms of Business for Intermediaries in relation to the 7IM Platform Service, as amended from time to time by notice to you; and

'you' or **'your'** refers to the financial adviser or intermediary firm, partnership, company or other entity on whose behalf these Terms of Business have been signed, and who is authorised by the FCA to carry on regulated activities relevant to our relationship under these Terms of Business or an appointed representative of such an authorised person (as such terms are defined in the FCA Rules).

2.2 In these Terms of Business, headings do not affect interpretation and, unless the context otherwise requires:

2.2.1 words denoting the singular include the plural (and vice versa), other grammatical forms of a defined term have a corresponding meaning, and an expression denoting a person includes a partnership, or any corporation or unincorporated body or association, as well as an individual;

2.2.2 a reference to any statute, statutory provision or regulation is a reference to it as it is in force for the time being (including any amendment or re-enactment of it, or any subsequent statute, statutory provision or regulation which replaces it), and includes any subordinate legislation or instrument in force for the time being made under it;

2.2.3 a reference to **'in writing'** or **'written'** includes where effected by post, fax, email or other form of electronic communication;

2.2.4 a reference to **'month'** or **'quarter'** shall be to a calendar month or a calendar quarter respectively; and

2.2.5 **'including'**, **'for example'**, **'in particular'**, **'such as'** or any similar words or expressions shall be construed as being by way of illustration or emphasis only, and do not limit the generality of any preceding words.

3 7IM Platform Clients

3.1 Once we accept your application to use the 7IM Platform, we will provide you with access to the 7IM Platform in accordance with our procedures. We reserve the right to decline an application to use the 7IM Platform at our discretion. You acknowledge and agree that these Terms of Business shall apply in respect of all your 7IM Platform Clients and use of the 7IM Platform.

3.2 You and your Advisers shall not be 7IM's agent for any purpose, and shall have no authority to make representations for, act in the name or on behalf of or otherwise bind, 7IM in any way.

3.3 We do not undertake to accept all clients introduced by you or your Advisers, and reserve the right at our discretion not to accept business.

3.4 Notwithstanding that you and your Advisers shall retain your client relationship with and associated duties to 7IM Platform Clients, you acknowledge and agree that we will treat 7IM Platform Clients as clients in respect of services we provide for the purposes of the FCA Rules.

3.5 You are responsible for ensuring that each 7IM Platform Client's authority in respect of any dealing or other instruction given to us has been validly obtained. We will not be responsible for deals we place, or other instructions we carry out, on any 7IM Platform Client's behalf if you and/or the relevant Adviser does not have the 7IM Platform Client's authority to either place deals on instruction from them or act in a discretionary capacity on their behalf. You and your Advisers should only instruct transactions for a 7IM Platform Client if you have no reason to consider that they are likely to become insolvent. You are responsible for ensuring that you and

your Advisers are acting, at all times, in accordance with these Terms of Business and your or their agreement with each 7IM Platform Client, and that we are notified as soon as possible if you or any of your Advisers cease to have authority to act as agent in respect of any 7IM Platform Client.

4 The 7IM Platform Service

4.1 Suitability and appropriateness

4.1.1 The 7IM Platform Service is provided on an execution-only basis. The 7IM Platform Service does not offer financial or investment advice or any personal recommendations, and we will not therefore consider the suitability or appropriateness of any transactions entered into. This means that you, as the 7IM Platform Client's agent, are responsible for compliance with the FCA Conduct of Business Rules regarding suitability and appropriateness. If you do not accept this responsibility, you must ensure that the client is warned appropriately in accordance with the FCA Rules.

4.2 Instructions

- 4.2.1 We will only accept instructions received through the 7IM Platform. We will not accept instructions via telephone, email or fax. This is with the exception that, where an instruction is not able to be received through the 7IM Platform, for any reason, we may accept instructions in such form as we may advise is satisfactory to us for this purpose from time to time. Any standing instruction received will remain in effect until a cancellation or replacement instruction is received. We may require any such cancellation or replacement instruction to be in writing and signed by an authorised signatory.
- 4.2.2 We will be entitled to rely and act on any instruction or communication reasonably accepted as having been given by or on behalf of you or your Advisers or any person notified to us from time to time as being authorised to give instructions in respect of a 7IM Platform Client account, and by whatever means transmitted, and (unless written notice to the contrary has been received by us) whether or not the authority of any such person has been terminated.
- 4.2.3 We reserve the right, at our discretion, to require confirmation of any instructions. We further reserve the right to, acting in good faith, refuse to accept instructions without any liability on our part. In no circumstances will we be required to act in accordance with any instruction received where the instruction was not received in time for the required action to be taken, we reasonably believe that carrying out such instruction may not be possible or practical or might involve any party in a breach of any law or regulation, or we reasonably believe such instruction to be unclear or ambiguous or inaccurately transmitted or not to be genuine, or we do not have all of the necessary information or documentation to carry out the instruction. We will inform you as soon as is reasonably practicable where we are unable to act on any instruction received.
- 4.2.4 You shall be responsible for ensuring that all instructions given are correct. No liability can be accepted for any loss arising as a result of any instruction given or omitted to be given to us. You indemnify us in respect of any losses or claims we may incur or suffer as a result of our acting in accordance with instructions given by or on behalf of you or your Advisers.

4.3 Execution-only system & best endeavours

4.3.1 The decision to buy, sell and hold investments is your (or your 7IM Platform Client's) decision – the 7IM Platform Service will not assist you or comment in any way regarding the choices made. Once a decision has been made and you have told us which transaction to carry out, you may not be able to change it in any way if you have changed your mind or for any other reason. We will carry out instructions on an execution only and a best endeavours basis. Any transaction carried out for a 7IM Platform Client portfolio will be valid and binding.

4.4 Transactions

4.4.1 You are responsible for ensuring that all trade details are correct at the time of dealing and that 7IM Platform Clients' portfolios are monitored on an ongoing basis. You will be able to see details of every transaction that we carry out for your 7IM Platform Clients on the 7IM Platform. It is your responsibility to check that all transactions have been correctly carried out, and that all transaction details made available on the 7IM Platform are correct. If you become aware of a

failed trade or an error, or the 7IM Platform does not display trade details for an instruction placed or indicates that an instruction has been executed which you did not authorise, you must raise this with us by telephone immediately and in any event within 5 business days of the transaction taking place, and ensure that corrective action is taken as soon as possible in accordance with the trading procedures available via the 7IM Platform from time to time. We will not be responsible for an error that you do not report within this timeframe, and will assume that you are in agreement with the relevant details shown on the 7IM Platform.

- 4.4.2 Without limiting any other provision of these Terms of Business, where we are able to facilitate trade amendments, you acknowledge and agree that any trade amendment which is requested by or on behalf of you or your Advisers for any reason (other than as a result of an error by 7IM), including where required as a result of an error by you or any of your Advisers, may be subject to a trade amendment fee payable by you to 7IM of £10 per trade. This fee is in addition to any applicable fees or charges that will be collected from your 7IM Platform Client's portfolio in connection with such trading. You agree to indemnify 7IM against any loss, damage, cost, expense, liability or payment incurred or suffered, including any compensation payment made to the relevant 7IM Platform Client, in connection with any such trade amendment or error.

4.5 Order minimums and cash balances

- 4.5.1 Orders will be subject to fund manager minimums and lot sizes and 7IM Platform minimum transaction limits. Due consideration should also be given to any 7IM Platform Client fees and charges which may apply, and these are detailed on our applicable current fees and charges sheet, together with the minimum portfolio size.
- 4.5.2 At any one time there must always be a minimum cleared cash balance of 2% of the value of the 7IM Platform Client's portfolio. This cash buffer will be calculated by the 7IM Platform as deals are placed. Please note that this cash buffer is not applied to portfolios invested in model portfolios, and cash in these portfolios may be periodically rebalanced to the cash allocation of the relevant model portfolio. It is the responsibility of the relevant Adviser to monitor each 7IM Platform Client's portfolio so as to ensure that a sufficient cash balance is maintained and to take appropriate action in the event of insufficient cash balances or failed trades. If cleared cash does fall below the required minimum cash balance, or an account does become overdrawn, for any reason (including, for example, as a result of the deduction of any fees or charges, or the failure of a sell trade to settle), we reserve the right to refuse to accept any instruction and to sell any assets held by the 7IM Platform Client, in any portfolio, so that the minimum cash balance is restored or the account ceases to be overdrawn. We shall have no liability in respect of any choice made in selecting investments sold. We will inform the relevant Adviser when we plan to exercise these rights. We also reserve the right to realise assets held by a 7IM Platform Client in order to discharge any fees and charges due under our applicable client terms and conditions.

4.6 Securities available

- 4.6.1 The actual holdings in respect of which you may transact will depend on your level of FCA authorisation.
- 4.6.2 The open architecture of the 7IM Platform means that there is a wide range of investments available, including equity securities, fixed interest securities, and funds (unit trusts, OEICs, collective investment schemes). We may modify the range of available investments at our discretion.
- 4.6.3 There may be occasions when a security in which you wish to trade is not set up on the 7IM Platform. In these instances we may have to ask you for more detail in connection with the instrument to be traded. Trading cannot take place until the security is set up on the 7IM Platform and, following receipt of the first order, a dealing account is set up between 7IM and the relevant security manager.

4.7 Settlement

- 4.7.1 You will be aware that not all instruments in all markets are readily tradable and should bear this in mind when carrying out transactions. We will not carry out any dealing instructions unless the money to pay for purchases, or the stock to settle sales, is available in respect of the relevant 7IM Platform Client's portfolio at the time. No short sales will be allowed – i.e. you will not be able to sell shares that a 7IM Platform Client does not already own.

4.7.2 You acknowledge and agree that, under the terms of our agreements with 7IM Platform Clients, 7IM Platform Clients are also clients of the Custodian for clearing and settlement, and custody and nominee purposes. We will only carry out trades in respect of 7IM Platform Client portfolios once assets are registered in the name of the Custodian's nominee. In addition, the Custodian reserves the right, in its absolute discretion, to refuse to accept any order or other instruction. If this happens, the Custodian will advise us of its decision and the reason for its decision unless precluded from doing so owing to any legal or regulatory constraints.

4.7.3 Transactions undertaken will be due for settlement in accordance with market requirements. These settlement terms will vary depending on the market and securities dealt in. We will not accept any instructions for non standard settlement or for extended settlement.

4.8 Best Execution

4.8.1 We are obliged by the FCA's Conduct of Business Rules to take all reasonable steps to provide best execution for clients. Our policy in this respect is available via the 7IM website at www.7im.co.uk.

4.9 Stop loss / limit orders

4.9.1 We will not take instructions for stop loss or limit orders.

4.10 Timings

4.10.1 It is our policy to deal with all instructions received in a prompt and fair manner. We operate an order execution policy which sets out how we deal with investment instructions and the price we obtain for clients when executing orders. A copy of our execution policy is available on our website at www.7im.co.uk.

4.11 Order priority, aggregation and allocation

4.11.1 If more than one order is received in any security, the orders will be executed in the order in which they were received. On occasions we may aggregate such orders with the orders of other clients and / or persons connected to us if we believe this to be appropriate. On occasions this may result in a less favourable price. In the event that we are unable to fully execute all transactions, we will allocate between clients on a fair and consistent basis.

4.12 Contract notes

4.12.1 A contract note for every transaction will be made available to the 7IM Platform Client by the close of business on the day after we have carried out the transaction, except where you have instructed otherwise for portfolios managed by you or your Advisers on a discretionary basis (and in which case we will only make contract notes available where specifically requested by the 7IM Platform Client to do so) or the 7IM Platform Client has requested otherwise.

4.12.2 You will be able to see details of every transaction that we carry out for each of your 7IM Platform Clients on the 7IM Platform, but will not receive a paper confirmation.

4.13 Cancellation rights

4.13.1 7IM does not offer cancellation rights on trades executed via the 7IM Platform as we do not make personal recommendations in respect of such transactions. For products to which a right of cancellation applies under applicable regulation, we will, however, use reasonable endeavours to facilitate cancellation requests made under the terms of your or your Adviser's (as the case may be) agreement with the 7IM Platform Client if they are advised to us within the timescales and circumstances described within the FCA's Conduct of Business Rules.

4.14 Third party products

4.14.1 A range of third party provided products (e.g. tax wrappers, pension or bond products, loans) ('**third party products**') may be accessed via the 7IM Platform Service. Third party product fees are payable direct to the provider. If you choose to use the 7IM ISA, there is no wrapper fee.

4.14.2 Third party product providers will have additional terms and conditions that apply to their products and services. By accepting these Terms of Business, you are also accepting and agreeing to comply with those third party terms and conditions applicable to third party products accessed via the 7IM Platform. In particular, you acknowledge and agree that you shall be responsible for ensuring that all instructions given and investments held comply with the permitted investments and restrictions applicable to such products and all applicable provider, 7IM and regulatory requirements from time to time, and that in the event of any breach of such restrictions or requirements corrective action is taken as soon as possible in accordance with the trading procedures available via the 7IM Platform from time to time.

4.15 Direct debit and regular investment instructions

4.15.1 7IM Platform Client payments to their portfolio made by direct debit will be processed by GoCardless Limited (**GoCardless**) and paid to the Custodian. This is with the exception that direct debit instructions signed by 7IM Platform Clients authorising the Custodian to collect direct debit payments from their bank account will continue to be processed by the Custodian, unless otherwise agreed. GoCardless is authorised by the FCA to provide payment services. Payments made by direct debit will take at least two business days to reach the Custodian. Money held on 7IM Platform Clients' behalf by GoCardless will be held in a client money account with Royal Bank of Scotland. With regard to a direct debit instruction, please be aware that the first direct debit payment will not occur until, once we have opened the 7IM Platform Client's account, the direct debit arrangement has been set up which can take up to 5 business days. The first direct debit will be collected on the next collection date after the direct debit has been set up. If the collection date falls on a weekend or bank holiday, the direct debit will be collected on the next business day.

4.15.2 Where we receive direct debit instructions for 7IM Platform Clients through the 7IM Platform from or on behalf of you or your Advisers, you accept that you are responsible for ensuring that such instruction has been authorised by the relevant 7IM Platform Client and that you or your Adviser (as applicable) has acted in accordance with our 'Direct Debit Guide' available on the 7IM Platform and all applicable direct debit scheme rules and guidance. You will maintain records evidencing compliance with this clause 4.15.2, and provide us access to such records as and when required by us. You agree to make good and reimburse (indemnify) 7IM against any loss, damage, liability, cost or expense that we suffer or incur, including any payment made to the relevant 7IM Platform Client, as a result of your failure to comply with this clause 4.15.2.

4.15.3 Where we have been instructed to use regular payments to arrange the purchase of investments on a 7IM Platform Client's behalf, these investment instructions will only be carried out where (if a direct debit payment to the 7IM Platform Client's portfolio has been set up) the payment has been received, and provided that sufficient cash is available in the portfolio. We shall not be responsible for losses arising from any failure or delay in the receipt of monies except to the extent that such loss arises directly from our negligence, breach of regulation or fraud. We will continue to carry out these investment instructions each month, normally within 5 business days of the payment being credited to the 7IM Platform Client's portfolio, until our receipt of a cancellation or replacement instruction. Please be aware that if a cancellation or replacement instruction is not made in time to cancel the next direct debit collection, then it may still be collected and the monies invested in accordance with the existing instruction.

4.16 Model portfolios

4.16.1 In relation to model portfolios of investments available through the 7IM Platform Service from time to time, please refer to Appendix 1 to these Terms of Business.

4.17 The 7IM Platform Service

4.17.1 For details of the 7IM Platform Service we will provide to 7IM Platform Clients, please refer to our applicable client terms and conditions. For details of our fees and charges to 7IM Platform Clients, please refer to our applicable current fees and charges sheet.

4.17.2 You are responsible for ensuring your Advisers disclose all fees and charges arising in respect of the 7IM Platform Service and transactions carried out to 7IM Platform Clients in accordance with FCA Rules, including Adviser charges as well as 7IM's fees and (if applicable in respect of third party products) any third party's fees, and that the authority of 7IM Platform Clients for these

amounts to be deducted and paid from their 7IM Platform portfolio has been validly obtained and submitted to us in accordance with our relevant procedures.

5 Promotion of 7IM services

- 5.1 Other than materials made available by us for distribution, you shall not, and shall ensure that your Advisers do not, use, distribute or publish any literature or marketing or promotional materials for 7IM services, or any other materials containing any name, logo or trade mark of 7IM, whether in print, electronic or other form or medium, without our prior review and written approval of such materials.

6 7IM Internet Services

6.1 The services

- 6.1.1 7IM Internet Services enable your Authorised Users to, amongst other things, access details of your 7IM Platform Clients' portfolios.
- 6.1.2 7IM Internet Services do not offer any specific advice or recommendation on any particular investments, either within your 7IM Platform Clients' portfolios or otherwise. Any general advice which may be contained within any 7IM Internet Service is non-specific and of a generic nature only. Any reliance on any such advice is entirely at your and your Advisers' own risk.
- 6.1.3 Any prices made available via any 7IM Internet Service are either indicative at the time or the previous business day's closing price. Live market prices are subject to constant change.
- 6.1.4 Nothing on any 7IM Internet Service constitutes an offer for sale or subscription of, or any invitation to offer, to buy or subscribe for, any securities, nor constitutes any financial or investment advice or recommendation.

6.2 Access and Authorised Users

- 6.2.1 Advisers and other client managers within your practice may be authorised as Authorised Users to access your 7IM Platform Clients' portfolios and place deals on behalf of your 7IM Platform Clients, and/or to access 7IM statements of Adviser payments that we facilitate, provided that we receive from you the authorisation to set them up with the relevant Security Details. You are responsible for ensuring the initial and ongoing accuracy of details provided to us for each Authorised User's Security Details, and for ensuring that we are notified of any changes to the details or permitted level of access of an Authorised User. If at any point their access and/or permissions should be removed – for example if they leave your practice - it will be your responsibility to ensure that we are advised as soon as possible so that we can disable the relevant Security Details.
- 6.2.2 We will allocate Authorised Users with Security Details. You shall be fully responsible for the use of any Security Details, and shall ensure that Security Details are kept confidential and not disclosed or otherwise made available to any person other than the relevant Authorised User. To avoid accidental disclosure, Security Details should not be recorded in any form by which they could be recognised as such by any other person. If you or any Adviser or Authorised User becomes aware that any Security Details have been disclosed to or known by any other person, you shall be responsible for ensuring that we are notified immediately. Access to 7IM Internet Services may be suspended until we have allocated new Security Details.
- 6.2.3 You shall ensure that all Authorised Users are aware of and comply with all applicable provisions of these Terms of Business.
- 6.2.4 You acknowledge and agree that wherever any request or instruction is communicated to us by a person using Security Details allocated to any of your Authorised Users, that request or instruction shall be considered to have been made by or on behalf of you or the relevant Adviser and with all requisite authority, and you agree to be bound by such request or instruction and any resulting transaction. You agree that we may act on such request or instruction without further confirmation. Notwithstanding this, we may, in our discretion, refuse to act on or effect any request or instruction which we believe or suspect not to have been validly authorised, or require confirmation of any particular request or instruction.

6.2.5 7IM Internet Services must not be used for any unlawful or improper purpose. We may suspend access to any 7IM Internet Service that we believe you or any of your Advisers or Authorised Users may be using in an unauthorised or improper manner.

6.2.6 You acknowledge that access to all or part of the 7IM Internet Service may be restricted or prohibited by law in jurisdictions outside England and Wales. You are solely responsible for ensuring that any access and use of the 7IM Internet Services by Authorised Users is in full compliance with applicable law and regulation.

6.3 Security and availability

6.3.1 You acknowledge the electronic nature of 7IM Internet Services. We will use reasonable endeavours to ensure that 7IM Internet Services are secure, and that 7IM Internet Services remain accessible during normal business hours, but accept no liability for any loss or damage suffered by any person as a result of any lack of security, or non-availability, of any 7IM Internet Service (howsoever this may arise), including in connection with any computer virus or malicious or disabling code, communications failure, breakdown or other malfunction, planned or emergency maintenance, or certain market conditions.

6.3.2 You acknowledge that we may vary the mode of operation of, or the facilities comprising, any 7IM Internet Service from time to time, or withdraw or terminate any 7IM Internet Service without you having any recourse to us. We shall endeavour, but without having any obligation to do so, to give six months' notice of any withdrawal or termination of any 7IM Internet Service, notified to you in accordance with these Terms of Business. In any event, we reserve the right to suspend any 7IM Internet Service at any time at our sole discretion and without notice.

6.4 Intellectual Property Rights

6.4.1 All Intellectual Property Rights in and to all elements of 7IM Internet Services, including software, databases, model portfolios, data and other information used or accessed through 7IM Internet Services, shall remain vested in 7IM and/or our licensors, and you and your Advisers and Authorised Users will not acquire or retain any proprietary right, title or interest in such elements. You may use the 7IM Internet Services to which we grant you access from time to time, but solely to the extent necessary for the use of the 7IM Internet Services in accordance with these Terms of Business. In particular, other than to the extent incorporated within materials made available by us for distribution to 7IM Platform Clients and prospective 7IM Platform Clients, you and your Advisers and Authorised Users must not copy, reproduce, redistribute, publish or commercially exploit any software, database, model portfolio, data or other information accessed, and must not remove any copyright or other proprietary notices from such information. This licence is non-transferable and shall automatically terminate on the termination of our relationship under these Terms of Business. You are responsible for obtaining the relevant third party licences for reproduction and/or extraction or redistribution of any third party data contained within our products or services.

7 Payment of Adviser charges

7.1 Initial charges

7.1.1 Where the Adviser has agreed an initial charge with the 7IM Platform Client which the 7IM Platform Client has confirmed to us by completion of the relevant 7IM account opening documentation signed by the 7IM Platform Client, we will deduct and pay that amount from the assets transferred to 7IM portfolios. The initial charge may be up to a maximum of 3% of the value of assets transferred to 7IM Platform portfolios (whether expressed as a percentage of the assets transferred or as a fixed amount). Initial charges will not be paid on assets transferred between 7IM portfolios, any monies credited to a 7IM portfolio under a loan arrangement, or (unless otherwise agreed) regular contributions.

7.1.2 7IM does not itself charge an initial fee. Nor do we retain any of the initial charge agreed by the Adviser.

7.2 Ongoing service charges

7.2.1 Where the Adviser has agreed an ongoing service charge with the 7IM Platform Client which the 7IM Platform Client has confirmed to us in accordance with our relevant procedures, we will deduct and pay those amounts as follows:

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- (a) ongoing service charges shall be calculated at the rate(s) per annum specified in the relevant 7IM account opening documentation signed by the 7IM Platform Client in respect of the relevant portfolio(s) or product(s), up to a maximum of 1% per annum (unless otherwise agreed by the 7IM Platform Client and 7IM); and
- (b) ongoing service charges shall be calculated and paid monthly, based upon the average daily value (using closing mid-market prices) of the assets in the relevant portfolio(s) of the 7IM Platform Client during the relevant month excluding, unless otherwise agreed by the 7IM Platform Client or a portfolio linked to a model portfolio, cash.

7.3 Dealing charges

7.3.1 7IM shall calculate per trade dealing charges in respect of each month.

7.3.2 The charge per trade shall be calculated based on the percentage amount indicated at the time the trade is instructed via the 7IM Platform dealing screens, multiplied by the value of the investment transaction. The maximum per trade dealing charge payable is 3%.

7.4 Payment and exclusions

7.4.1 Subject to this clause 7, the above payments shall be made as follows:

- (a) within 15 business days after the end of each month, we will pay initial charges due in respect of assets transferred during the preceding month, but if the amount calculated is less than £50 it will be carried forward until the next time for payment when the amount due exceeds £50;
- (b) within 20 business days after the end of each month, we will pay ongoing service charges due in respect of the preceding month; and
- (c) within 15 business days after the end of each month, we will pay per trade dealing charges due in respect of trades carried out during the preceding month.

7.4.2 Payment of initial and ongoing service charges will only be made where there are sufficient cleared monies in the relevant 7IM Platform Client portfolio(s), and it is the responsibility of the relevant Adviser to monitor each 7IM Platform Client's portfolio so as to ensure that a sufficient cash balance is maintained and to take appropriate action if not. You further acknowledge and agree that we are entitled to sell or otherwise realise any assets held in a 7IM Platform Client's portfolio, without further notice, to discharge any fees and charges (including Adviser charges) due in accordance with our disinvestment procedure as detailed in our terms and conditions with 7IM Platform Clients. If there are insufficient cleared monies:

- (a) initial charges due shall be carried forward until the next time for payment when there are sufficient cleared monies to make the payments in full; and
- (b) on a monthly basis, 7IM shall review whether outstanding ongoing service charges due can be collected from available cleared monies in the relevant 7IM Platform Client portfolio(s), and if so pay such due amounts.

7.4.3 Any amounts that are due to you pursuant to this paragraph 7 in respect of an Adviser are referred to as '**Facilitated Payments**'. We will make statements of Facilitated Payments available on the 7IM Platform where they will be accessible by your Authorised Users, or via such other method as we may deem appropriate from time to time. You are responsible for ensuring your Advisers inform 7IM Platform Clients of all Facilitated Payments and obtain the agreement of each 7IM Platform Client to the deduction of these amounts from their 7IM Platform account. You must ensure that all Facilitated Payments deducted correspond both in amount and frequency with what has been agreed between the Adviser and the 7IM Platform Client. All Facilitated Payments deducted from the account of a 7IM Platform Client from time to time that are not immediately paid to you will be held by 7IM as your agent in a 7IM corporate bank account. You acknowledge and agree that, as soon as any Facilitated Payments are deducted from the account of a 7IM Platform Client, that 7IM Platform Client will have fully discharged their obligations to pay those amounts to you or any Adviser (irrespective of when payment is subsequently made to you by 7IM). You further acknowledge and agree that neither you, nor any Adviser, will have a right to claim, or will take any action to claim, those amounts from a 7IM Platform Client, as only 7IM will have an obligation to pay you or any Adviser any amount in respect of Facilitated Payments that have been deducted from a 7IM Platform Client's account.

- 7.4.4 7IM will pay Facilitated Payments to your nominated bank account. You are responsible for notifying us in writing of your nominated bank account, and of any requirement to change any of your nominated bank account details held by us from time to time. We accept no responsibility for Facilitated Payments being paid to a bank account which is no longer current where you have failed to keep us up to date of your nominated bank account details.
- 7.4.5 Nothing in these Terms of Business requires 7IM to pay any amount to the extent that it relates to a period during which the Adviser was not the servicing financial adviser of the 7IM Platform Client, and in such circumstances we will look to the 7IM Platform Client for instructions as to any payments. 7IM will only be required to make payments to you or any Adviser to the extent that we have received the appropriate authority of the relevant 7IM Platform Client. We shall not be required to pay any amount where the 7IM Platform Client (which shall include, for the avoidance of any doubt, the relevant trustee or product provider in the case of a wrapper account) instructs us not to pay or to cease paying such amount, or to the extent that payment would be inconsistent with these Terms of Business or Applicable Law and Regulation. You shall be responsible for ensuring that all payments which are requested to be made by 7IM by or on behalf of you or your Advisers are in full compliance with your obligations under these Terms of Business, Applicable Law and Regulation and any relevant third party terms and conditions in respect of third party products (if applicable), and agree to provide all co-operation and information reasonably requested by us in order to confirm such compliance.
- 7.4.6 If there is a dispute about whether any amount is payable under these Terms of Business, we may withhold payment of the amount in dispute until the dispute is resolved.
- 7.4.7 Any Value Added Tax ('VAT') liability is your responsibility. We are not VAT experts, nor hold ourselves out to be, so we cannot accept any liability for acting on any instruction we receive in relation to whether to collect VAT in respect of Facilitated Payments. If you are in any doubt, you should consult appropriately qualified professional advisers in relation to your specific circumstances. You shall be responsible for confirming to 7IM whether, in respect of Facilitated Payments, an additional amount should be deducted from the relevant portfolio and paid to you for VAT by completing and returning to us the form attached to these Terms of Business or such other form of instruction as we require for this purpose from time to time, and for informing us promptly if your instruction changes. You acknowledge and agree that you (or the relevant Adviser, as applicable) shall be responsible for accounting for VAT to HM Revenue & Customs as required under Applicable Law and Regulation. No liability can be accepted by us for any loss occasioned as a result of any instruction (including within any 7IM client account opening documentation) given or omitted to be given to us in relation to whether VAT should be deducted from a 7IM Platform Client's portfolio in respect of Facilitated Payments.
- 7.4.8 We shall have the right to set off any amount(s) due to us against any amount(s) due to you. Without limiting the foregoing, we shall be entitled to demand from you repayment of any payment we have made to which you are not entitled, and you shall promptly repay such amount as directed.

8 Applicable Law and Regulation

8.1 Authorisation

- 8.1.1 You represent, warrant and undertake, and it is a fundamental term of these Terms of Business, that you are and shall at all times remain duly authorised by the FCA to carry on regulated activities relevant to our relationship under these Terms of Business or exempt as an appointed representative of such an authorised person (as such terms are defined in the FCA Rules), and that you and your Advisers have obtained all relevant regulatory authorisations, permissions, approvals or exemptions and will take all steps necessary to obtain any further authorisation, permission, approval or exemption which may be required from time to time. You shall notify us immediately of any relevant changes in regulatory status of, or of any relevant disciplinary or enforcement action taken by any regulatory body against, you or your Advisers. You shall indemnify 7IM for any loss, damage, cost, expense, liability or payment incurred or suffered as a result of accepting business from you or any of your Advisers whilst not so authorised or exempt.

8.2 Anti-money laundering and other Applicable Law and Regulation

- 8.2.1 We acknowledge our own responsibility for complying with our obligations under applicable anti-money laundering requirements and all other Applicable Law and Regulation in carrying out activities relevant to our relationship under these Terms of Business.
- 8.2.2 You shall, and shall ensure that your Advisers, at all times comply with all Applicable Law and Regulation in carrying out activities relevant to our relationship under these Terms of Business, and not do or omit to do anything that would cause 7IM to be in breach of Applicable Law and Regulation. Without limiting the foregoing, you shall be responsible for:
- (a) procuring to be done all acts reasonably necessary to assist us in meeting our anti-money laundering requirements, including obtaining and recording evidence of the identity of any client in accordance with Applicable Law and Regulation and providing to us such information and written confirmations in relation to any client as we reasonably require to comply with Applicable Law and Regulation; and
 - (b) if you or your Advisers communicate any personal data to us, ensuring that the relevant individual's consent to this disclosure and our processing of such personal data has been validly obtained, and all appropriate notifications have been made, to the full extent required by the Data Protection Act 1998.

9 Termination

- 9.1 We may terminate our relationship under these Terms of Business at any time by giving you notice. In such cases ongoing service payments will continue to be paid subject to and in accordance with these Terms of Business.
- 9.2 Our relationship under these Terms of Business will be terminated automatically, and no further payments will be payable by us, if:
- 9.2.1 you cease to hold any relevant authorisation, permission, approval or exemption; or
 - 9.2.2 you become bankrupt or insolvent, or unable or reasonably deemed unable to pay your debts when they become due, or cease or threaten to cease to carry on business, or have appointed a liquidator, administrator, receiver, administrative receiver, trustee or similar officer in respect of all or any part of your assets, or a petition is presented to you or an order is made or a resolution is passed or you are the subject of analogous proceedings for the appointment of such official or your administration, winding up or dissolution, or a meeting is convened for the purpose of considering such a resolution, or you enter into compulsory or voluntary liquidation, or take or suffer any similar action in consequence of debt.
- 9.3 Notwithstanding anything to the contrary in these Terms of Business and for the avoidance of any doubt, all business between us and you and your Advisers will be subject to Applicable Law and Regulation, so that we may take or omit to take any action (including varying or terminating our relationship under these Terms of Business by giving you notice) which we reasonably consider appropriate in order to ensure compliance with Applicable Law and Regulation.
- 9.4 Termination of our relationship under these Terms of Business will not affect any accrued rights or liabilities at the date of termination, nor the coming into or continuance in force of any provision which is expressly or by implication intended to come into or continue in force on or after termination.

10 Communications and notices

- 10.1 We may contact you using the details you have provided to us. You should inform us promptly if these details change.
- 10.2 Our contact details are:
Seven Investment Management
55 Bishopsgate, London EC2N 3AS
Telephone: 020 7760 8777
Fax: 020 7760 8799

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10.3 We may communicate with you by post, email, fax and through 7IM Internet Services. We are entitled to rely on any communication from you which we receive. You acknowledge the inherent risk that electronic communications may not be received, or may be delayed, altered or intercepted during transmission, and we accept no liability for any loss or damage that you or others may incur as a result. You agree that we may monitor and/or record telephone calls and electronic communications which we receive or send.

11 Changes to these Terms of Business

11.1 We may vary these Terms of Business from time to time by giving you notice, including by making a revised version available to you or notice on the 7IM Platform. Changes that are outside our control (including, for example, changes required as a result of a change in relevant FCA Rules) may take effect immediately or as notified to you. Where reasonably practical, all other changes will be notified to you at least 14 days in advance of taking effect.

12 General

12.1 Except as specifically provided for in clause 7.4.3, nothing in these Terms of Business is intended to be construed as constituting or evidencing any partnership, or relationship of principal and agent, or any other fiduciary relationship, of any kind between the parties.

12.2 These Terms of Business set out the entire agreement of the parties in relation to its subject matter. Neither party has relied on any statement or representation by the other not expressly included in these Terms of Business.

12.3 Nothing in these Terms of Business is intended to confer on any third party any right to enforce any provision of these Terms of Business under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

12.4 These Terms of Business shall be binding on each party's successors or permitted assignees. You agree that we may assign or novate our rights and obligations under these Terms of Business to a purchaser of all or substantially all our assets or business involved in the performance of these Terms of Business, or another appropriately authorised member of our corporate group from time to time, by giving you notice. You shall not assign or otherwise transfer any of your rights or obligations under these Terms of Business without our prior written consent (not to be unreasonably withheld or delayed).

12.5 No delay or failure to exercise or enforce any rights under these Terms of Business will operate as a waiver of such rights. No waiver of any rights under, or breach of any provision of, these Terms of Business will be deemed to be a waiver of any other right or of any later breach.

12.6 An obligation on a party to do, or to refrain from doing, any act or thing shall include an obligation on the party to procure that its relevant employees, agents and sub-contractors also do, or refrain from doing, such act or thing.

12.7 The rights and remedies provided by these Terms of Business are cumulative and are not exclusive of any rights or remedies provided at law or in equity.

12.8 If any provision of these Terms of Business is held or made invalid, unenforceable or illegal by a court or other authority of competent jurisdiction or legislative instrument, the remainder of these Terms of Business shall remain unaffected and in force.

12.9 These Terms of Business shall be governed by and interpreted in accordance with English law, and the parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction in relation to any disputes which may arise out of or in connection with these Terms of Business.

APPENDIX 1: MODEL PORTFOLIOS ON THE 7IM PLATFORM

1. Application

- 1.1 This Appendix 1 to these Terms of Business sets out additional terms and conditions applicable to access to and use of model portfolios available on the 7IM Platform from time to time. This Appendix 1 is supplemental to and forms part of these Terms of Business.

2. Access to model portfolios

- 2.1 Once we accept your application to use any model portfolios available on the 7IM Platform, we will provide your relevant Advisers and Authorised Users with access to the relevant model portfolios in accordance with our access procedures. We reserve the right to decline any application at our discretion.
- 2.2 You acknowledge and agree that:
- (a) you are responsible for ensuring that each 7IM Platform Client's authority in respect of any investment within a portfolio linked to a model portfolio has been validly obtained, and that you and your Advisers are acting in accordance with your or their agreement with the 7IM Platform Client (as the case may be) and, in respect of any model portfolio provided by a third party, your or their agreement with the third party provider (as the case may be);
 - (b) before you will be permitted access to any model portfolio provided by a third party, you and/or your relevant Advisers and/or your relevant 7IM Platform Clients (as applicable depending on the requirements of the third party provider) will need to have entered into an agreement with the third party provider in relation to the terms and conditions applicable to access and use of the model portfolio and each party's responsibilities, and we may require confirmation of this from the third party provider; and
 - (c) you shall procure that any form of instruction, 7IM Platform Client authority or other documentation which we require in connection with model portfolios is submitted to us in accordance with our relevant procedures as notified to you from time to time.

3. Model portfolios

- 3.1 A 7IM Platform Client's portfolio may only be invested into a model portfolio available on the 7IM Platform upon an instruction submitted on behalf of you or any of your Advisers to link your 7IM Platform Client's portfolio to the model portfolio. We will not provide advice to you or your 7IM Platform Clients in relation to any model portfolio. We will not therefore consider the suitability or appropriateness of any transactions entered into. You acknowledge and agree that you are responsible for:
- (a) advising 7IM Platform Clients in relation to the suitability and appropriateness of any model portfolio in compliance with FCA Rules, and monitoring portfolios linked to a model portfolio and continuing to assess the suitability and appropriateness of all transactions entered into, including those resulting from changes to the model portfolio and rebalancing of portfolios linked to the model portfolio, on an ongoing basis; and
 - (b) compliance with FCA Rules and other Applicable Law and Regulation in respect of business conducted by you or your Advisers in relation to model portfolios.
- 3.2 The dealing terms, fees and charges which may apply to investments included within a model portfolio, will be those applicable to dealing in those investments via the 7IM Platform from time to time.
- 3.3 Any portfolio linked to a model portfolio and its performance may vary from that of the model portfolio due to, for example, differences resulting from the timing of investment or rebalancing, minimum transaction size limits, insufficient cash to pay for purchases, or the realisation of assets and/or withdrawals. We do not accept liability for any such discrepancies in performance.

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- 3.4 You undertake to procure that you and your Advisers, whether through placing any dealing instruction or otherwise, shall not do anything to interfere with or prejudice the application of the model portfolios or any rebalancing to your 7IM Platform Clients' linked portfolios, and shall take all steps necessary to ensure that at all times the model portfolios and rebalancing are correctly applied to your 7IM Platform Clients' relevant portfolios in order to maintain their investment objectives and risk profile. This will include, in the event of any failed trades, taking corrective action as soon as possible in accordance with the trading procedures available via the 7IM Platform from time to time.
- 3.5 You and your Advisers may agree fees with 7IM Platform Clients in respect of services provided in relation to model portfolios. You are responsible for ensuring your Advisers disclose all fees and charges to 7IM Platform Clients in respect of portfolios linked to model portfolios, including the provider's fees as well as any Adviser payments agreed with 7IM Platform Clients, and ensuring that the authority of 7IM Platform Clients for these amounts to be deducted and paid from their relevant portfolio(s) on the 7IM Platform has been validly obtained and submitted to us in accordance with our relevant procedures. For further details in relation to Adviser payments, please refer to clause 7 above of these Terms of Business headed "Payment of Adviser charges".

4. Responsibilities of the model portfolio provider

- 4.1 Where 7IM decides both the asset allocation and the investments held within a model portfolio, then our role is to construct the model portfolio with asset allocations designed to represent certain investment objectives and risk profiles, and select the investments to populate each model portfolio, at our discretion and in line with the principle of prudent diversification. We will review a model portfolio where we select the investments periodically as we consider appropriate. As a result of these reviews, we may instruct changes to the model portfolio. We may also periodically instruct a rebalancing of portfolios linked to the model portfolio, which will result in transactions being applied to linked portfolios to reflect the model portfolio.
- 4.2 Where a third party provider or you or any of your Advisers decides the asset allocation and/or the investments held within the model portfolio, then we will take instructions from the third party provider or you and your Advisers (as the case may be) as to the creation of these model portfolios and changes to them, and rebalancing of portfolios linked to these model portfolios. Where the third party provider or you or your Adviser instructs a rebalance of portfolios linked to these model portfolios, this will result in transactions being applied to linked portfolios to reflect the relevant model portfolio. For details of a third party provider's responsibilities, please refer to their agreement with you and/or your Adviser and/or 7IM Platform Client, as the case may be. Where you or your Adviser has entered into an agreement in relation to model portfolios with a third party provider on your 7IM Platform Client's behalf as their agent, you are responsible for ensuring that this arrangement and each party's respective responsibilities are explained to your 7IM Platform Client.
- 4.3 You acknowledge and agree that:
- (a) our role does not extend to providing investment advice or personal recommendations in relation to the model portfolios, or compliance with Applicable Law and Regulation in relation to such activities, which are your responsibilities;
 - (b) we shall not be responsible for any loss arising from the choice of any model portfolio, or any reliance placed upon any third party's services. We do not accept liability for any action or failure to take action on the part of a third party provider, their contractors or agents; and
 - (c) we do not provide any express or implied warranty as to the performance or profitability of any model portfolio.

5. Model portfolio fees

- 5.1 Our fee in respect of model portfolios provided by 7IM shall be calculated at the rate per annum specified in our applicable 7IM schedule of fees and charges, which you should disclose to your 7IM Platform Clients.
- 5.2 Fees payable to a third party provider of a model portfolio shall be set by the third party provider from time to time, and you and your Advisers shall be responsible for disclosing these fees to

your 7IM Platform Clients.

- 5.3 We shall calculate these model portfolio fees based upon the average daily value of assets in 7IM Platform Client portfolios linked to model portfolios. Fees shall be deducted from relevant 7IM Platform Client portfolios, and in the case of model portfolios provided by a third party, paid to the third party provider.
- 5.4 These model portfolio fees apply to all portfolios on the 7IM Platform which are linked to a model portfolio, and irrespective of whether such portfolio varies from the model portfolio due to, for example, differences resulting from the timing of investment or rebalancing, minimum transaction size limits, insufficient cash to pay for purchases, or the realisation of assets and/or withdrawals.
- 5.5 You and your Advisers shall be responsible for ensuring that a sufficient cash balance is maintained in relevant 7IM Platform Client portfolios in order for all fees to be paid when due, and acknowledge and agree that we may realise any assets held to discharge amounts due in accordance with our applicable client terms and conditions for the 7IM Platform Service.

6. Ending access to model portfolios

- 6.1 If any 7IM Platform Client no longer wishes to use a model portfolio, the relevant Adviser is responsible for instructing us to delink their portfolio from the model portfolio via the 7IM Platform.
- 6.2 You must ensure that you or your relevant Adviser promptly notifies us if:
- (a) you or an Adviser to whom we have granted access to model portfolios ceases to have authority to act as agent in respect of any 7IM Platform Client;
 - (b) you or an Adviser to whom we have granted access to model portfolios ceases to hold any authorisation, permission or approval required to conduct investment business relevant to model portfolios; or
 - (c) your or an Adviser's and/or 7IM Platform Client's relationship under their agreement with a third party provider (as the case may be) of a model portfolio ends.
- 6.3 We reserve the right to withdraw the availability of any model portfolios from the 7IM Platform at our discretion if their continued availability becomes impossible or impractical in our opinion, including as a result of our relationship with any third party provider of a model portfolio ending, a change in legal or regulatory requirements, or any circumstance beyond our reasonable control. If this happens, we will notify you of the removal of the model portfolios and when such removal will occur.
- 6.4 In the circumstances described in paragraphs 6.2 and 6.3 of this Appendix above, we may delink the relevant portfolios from the model portfolios and withdraw the relevant Adviser permissions to access the relevant model portfolios and/or portfolios. We shall not be liable for any loss that results. Where a portfolio is delinked from a model portfolio and you or your Adviser continues to have authority to act for the relevant 7IM Platform Client, you shall be responsible for continuing to provide advice in relation to the portfolio.
- 6.5 If you are in breach of your obligations in relation to model portfolios under these Terms of Business or Applicable Law and Regulation, and we suffer loss or are required to make a payment to a 7IM Platform Client or other third party (including a regulatory fine) as a result, you shall make good such loss or payment if we ask you to do so.

7. Licence to use model portfolios

- 7.1 The Intellectual Property Rights in model portfolios available on the 7IM Platform are owned by 7IM, the relevant provider, or our or their licensors. Once we accept any application to access model portfolios and for the duration of such access, you and your Advisers shall be permitted to access and use the model portfolios via the 7IM Platform solely for the purpose of investing (on behalf of 7IM Platform Clients) in products or services on the 7IM Platform which are linked to the model portfolios in accordance with these Terms of Business. You shall not, and must procure that your Advisers and Authorised Users do not, use or replicate all or a significant portion of any model portfolio for any other purpose.

PLEASE COMPLETE THE FOLLOWING

Please provide bank account details for receipt of payments:

Bank name:

Account name:

Sort code:

Account number:

Please confirm the following in relation to VAT on ongoing service payments by ticking one box below: (if we receive no instruction from you, we will not apply VAT to your fees)

You confirm that ongoing service payments should be subject to VAT

You confirm that ongoing service payments should be exempt from VAT

Please provide contact details for queries in relation to statements of Adviser payments:

Name:

Email address:

Please ensure that you have also completed our separate user set up form for access to Adviser payment statements online on the 7IM Platform.

YOU CONFIRM YOUR AGREEMENT TO THESE TERMS OF BUSINESS.

SIGNED FOR AND ON BEHALF OF:

Print the full name of your legal entity (e.g. partnership, company)

Print the FCA register number of the above named entity

BY:

Signature of authorised signatory

Print name of authorised signatory

Date signed