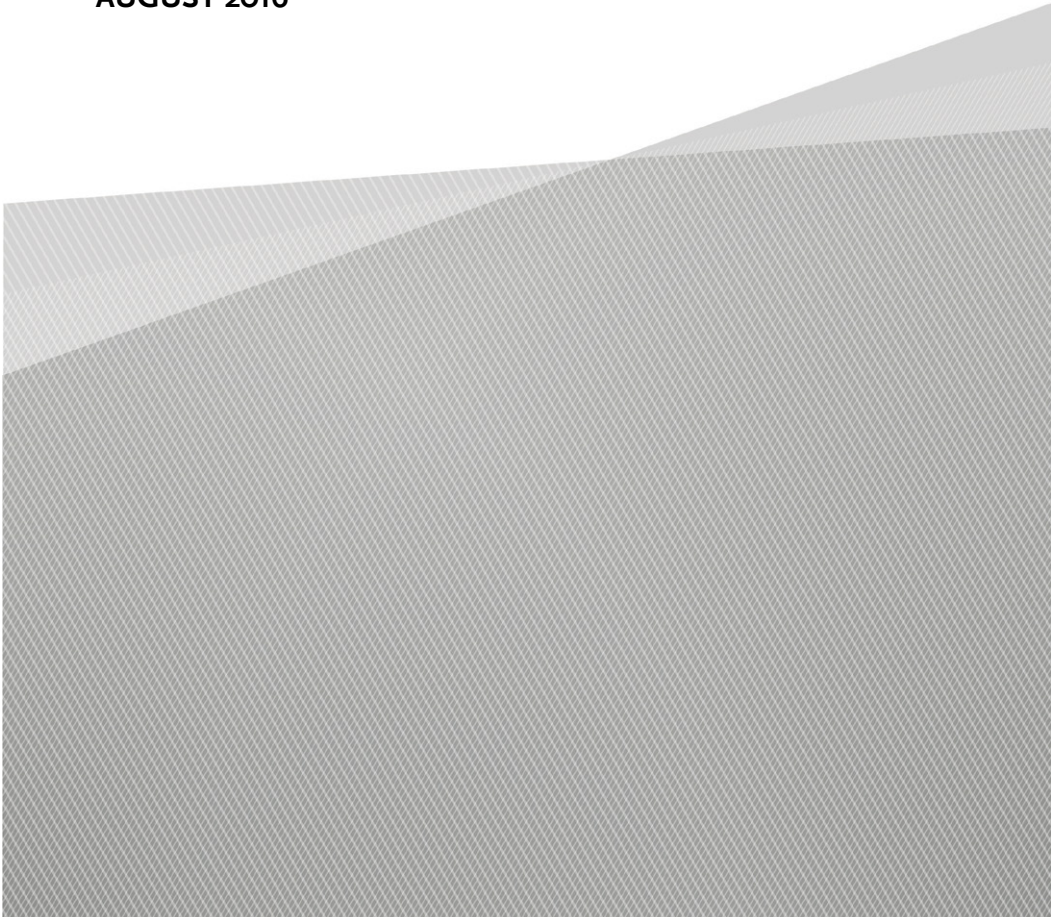




UK Terms and Conditions of Business

AUGUST 2016



Welcome to Davy

Thank you for choosing Davy. We look forward to working with you to achieve your objectives.

These terms and conditions of business ('Terms') apply to all Services, Advisory Stockbroking, Wealth Management, Financial Planning, Transactional Financial Planning and other ancillary services which we provide to you. These Terms should be read in conjunction with the relevant Service & Fees Schedule and Schedule of Trading Charges (where applicable), which together constitute the entire agreement between us pursuant to clause 6.14, 'Entire Agreement'. The entire agreement takes effect on the date of signature and shall remain in force until changed in accordance with clause 6.13, 'Changes' or until terminated in accordance with clause 6.16, 'Ending this relationship'.

It is important that you read these Terms carefully as they set out the basis on which Davy will act and our aims in acting for you. You and we are bound by these Terms; they apply to our relationship and services generally.

Certain products and services will have their own additional and specific terms and conditions. These Terms should be read in conjunction with any other product/service documentation provided to you. Where additional and specific terms apply to a particular investment or product, and there is any inconsistency between these Terms and such specific terms and conditions relating to a particular investment or product, the provisions of those specific terms and conditions will apply. This does not affect the application of clause 6.23, 'Limitation of liability', which will always apply.

If you do not understand any point covered within these Terms, please contact us for further assistance.

Any advice from Davy on Retail Investment Products will be Restricted Advice. Advice can be restricted in different ways. The advice from Davy is restricted because we will only consider a limited range of Retail Investment Products and from a limited range of providers. You may ask us for a list of the types of Retail Investment Products and providers we consider. Unless it would be deemed unsuitable, your investments will be managed in-house by Davy.

We would ask you to read this booklet carefully and retain it for your records.

EFFECTIVE AUGUST 2016

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Terms & Conditions

Section 1: Definitions

In these Terms:

Account Opening Agreement means the application form you complete in relation to one or more accounts which Davy may manage on a discretionary or advisory basis.

Advisory means whereby Davy provides investment advice to its clients in accordance with clause 4.1 of these Terms.

Agreement means these terms and conditions of business together with the relevant Service & Fees Schedule and Schedule of Trading Charges (where applicable).

Alternative Investments means investments other than cash, fixed income, equities and includes hedge funds, private equity, structured products, property related investments and investments in certain other asset classes.

Central Bank of Ireland means the Irish financial regulator and any successor body.

Client means persons who have signed up to the Entire Agreement, as outlined in the 'Welcome to Davy' section above.

Client Assets means client funds and client financial instruments/investment instruments as defined in the Central Bank of Ireland's Client Asset Requirements as amended from time to time.

Close of Business means 5:30pm Monday to Friday inclusive (other than a public holiday or bank holiday in UK or Ireland).

Complex Financial Instrument means any Financial Instrument other than a non-complex instrument as defined in the MiFID Regulations. Further details are contained in Appendix 1, 'Risk Disclosure Statement'.

Corporate Events means elective rights issues, calls, conversions, subscription or redemption rights or take-overs or other offers arising from capital reorganisations attaching to your investments.

Davy Portfolio means the portfolio of assets and cash held in your Davy account(s) which Davy may manage on a discretionary or advisory basis.

Davy Related Party means each of Davy's shareholders, subsidiaries, affiliated entities or any person, firm or body corporate under its control or under common control or their respective directors, officers, agents, employees, advisers, representatives or any associated entities.

Discretionary means whereby Davy manages the assets in a client's Davy Portfolio on the basis of an agreed investment strategy with each client and as provided for in clause 4.2 of these Terms.

Event of Default means one of the events listed in clause 6.19 of these Terms.

FCA means the Financial Conduct Authority, the UK's financial regulator and any successor body.

FCA Rules means the rules, principles and guidance made by the FCA or any successor body.

Financial Plan means a document which provides an analysis of your personal situation, your stated objectives, any recommendations made to you and the costs associated with the advice.

Financial Planning Questionnaire means the document we will complete with you to gather information upon which we will base our advice to you.

Intermediary means a third party who advises you to invest in a Davy Portfolio.

Introducer means a third party, including but not limited to an Accountant or Solicitor, who introduces you to Davy for the provision of services.

Investor Policy Statement means the document which outlines the investment strategy and service relating to your Davy Portfolio.

ISA Manager means persons authorised by HM Revenue and Customs as managers of Individual Savings Accounts under the Individual Savings Account Regulations 1998 (SI 1998 No.1870), as amended.

Limit Orders means an instruction to either buy or sell a security at a specified price. In the case of a purchase order, investors typically use limit orders to enable the purchase of the security at or below the desired price. In the case of a sale order, investors typically use limit orders to prevent the security selling below the desired price. As set out in clause 6.3.5 below, there is no guarantee that a Limit Order will be executed.

Market Order means an instruction to buy or sell a security at the current market price.

MiFID means the Markets in Financial Instruments Directive (Directive 2004/39/EC)

MiFID Regulations means the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007).

Non-Complex Financial Instrument means a financial instrument as specified in the MiFID Regulations.

Portfolio Valuation means a periodic transaction statement sent to you. The contents of this report may vary depending on the service provided or if you hold leveraged products.

Professional Client means a client that has been categorised as a professional client by us and who meets the criteria set out in the FCA Rules.

Restricted Advice means advice that does not meet the FCA definition of independent advice and as described in Section 4, 'Our Services'.

Retail Client means a client that has been categorised as a retail client by us and who is not a Professional Client.

Retail Investment Product means retail investment products within the meaning given to that term in the glossary of the FCA Rules, which includes the following: a life policy; a unit in a collective investment scheme; an interest in an investment trust savings scheme; a security in an investment trust; a structured capital-at-risk product; and any other investment which offers exposure to underlying financial assets, in a packaged form which modifies that exposure when compared with a direct holding in the financial asset.

Risk Disclosure Statement means the document appended to these terms containing details on the nature and risks of different categories of investments.

Schedule of Trading Charges means the document that outlines the trading charges which may apply, depending on the nature of your account, and which should be read in conjunction with these Terms.

Suitability Report means the document in which we will summarise our analysis of your personal situation, your stated objectives, any personal recommendations made to you, along with the reasons why they are suitable. We will outline the costs and any possible disadvantages associated with our advice and personal recommendation in this report.

Third Party Nominee Company means an external custodian selected by Davy.

Service or Services means any of the services outlined in the relevant Service & Fees Schedule.

Service & Fees Schedule means the document supplied to you outlining the services and fees agreed between you and Davy, and which should be read in conjunction with these Terms.

Any reference in these Terms to **'you'** and **'your'** includes any joint account holder and includes your personal representatives, permitted assigns, novatees and successors.

Any reference to **'Davy'**, **'we'**, **'us'** and **'our'** means J&E Davy acting through its Northern Ireland Branch and, in relation to custody services only, J&E Davy in Ireland, and includes our successors and assigns.

These Terms apply to our services as set out in the Service & Fees Schedule selected by you, which outlines the specific services we will provide and should be read in conjunction with these Terms.

Section 2: About Davy

2.1 OUR REGULATORY STATUS

J&E Davy is a wholly owned subsidiary of J&E Davy Holdings. J&E Davy, trading as Davy (Registration number 106680), is regulated by the Central Bank of Ireland, PO Box 559, Dame Street, Dublin 2. In the UK, Davy acting through its Northern Ireland Branch at Donegall House, 7 Donegall Square North, Belfast, BT1 5GB, is authorised by the Central Bank of Ireland and authorised and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request. We are listed on the UK Financial Services Register. You can check this and our address by visiting the FCA's website at <https://register.fca.org.uk/> (our firm reference number [FRN] is 211884) or by contacting the FCA on 0800 111 6768. The FCA can also be contacted at the following address: 25 The North Colonnade, Canary Wharf, London, E14 5HS. We are also approved by HM Revenue & Customs as an ISA Manager. In the UK, Davy's VAT number is 911 7020 68. None of the insurance undertakings which have appointed Davy to act as an intermediary, holds, directly or indirectly, more than 10 per cent of the voting rights or the capital of Davy. Similarly, Davy does not hold, directly or indirectly, more than 10 per cent of the voting rights or of the capital of these insurance undertakings. These Terms cover certain services that we provide from the UK and Ireland. Our advisory and wealth management services are provided by Davy acting through its Northern Ireland Branch at Donegall House, 7 Donegall Square North, Belfast BT1 5GB and our custody services are provided by Davy in Ireland; each has a direct agreement with you under these Terms for the relevant services.

2.2 CONTACT DETAILS

You may contact Davy by calling us at +44 28 90 310655. Our offices are located at the following addresses:

Belfast Office: Donegall House, 7 Donegall Square North, Belfast BT1 5GB

London Office: Dashwood House, 69 Old Broad Street, London EC2M 1QS

Dublin & Registered Office: Davy House, 49 Dawson Street, Dublin 2

Cork Office: Hibernian House, 80A, South Mall, Cork

Galway Office: 1 Dockgate, Dock Road, Galway

To find out more about Davy please visit our website at www.davyprivateclients.co.uk.

Section 3: Investment strategy, research and other investment related information

3.1 INVESTMENT STRATEGIES

Investment Strategy considers the overall macro-economic and market environment to formulate our investment outlook, providing our view on each of the respective asset classes and our assessment of the major issues impacting the markets. Global Investment Selection then implements our desired exposure - for example, deciding whether we should invest through a low-cost passive option, through an active manager who has particular expertise in the area in question, or through a bespoke instrument structured to reflect our specific views. Portfolio Construction brings together the views of Investment Strategy and the investments identified by Investment Selection to work with the Asset Management team in adjusting allocations while maintaining the risk objective of each strategy.

3.2 INVESTMENT RESEARCH

Our in-house research department issues research across a range of sectors. Depending on your Service, you may have access to such research reports and other market analysis information that may be available. Such reports are available solely for information purposes and the provision of them does not constitute an offer or solicitation to buy or sell securities. Such research does not constitute investment advice and has been prepared without regard to your individual financial circumstances and objectives. The securities and/or investment strategies discussed in the reports may not be suitable or appropriate for all investors. Information about how we manage any conflicts in relation to research is provided on www.davyprivateclients.co.uk. You agree that we will not be liable where you rely in whole or in part on any statements, representations or other contents of such research reports and other market analysis information in connection with any investment decision made by you.

3.3 OTHER INVESTMENT RELATED INFORMATION

Our Private Client department issues investment recommendations across a range of sectors. As a Davy client, you may have access to this information and other market and/or investment analysis information. You understand that, while we may provide such reports or analysis to you, or otherwise make this information available to you, this is solely for information purposes and does not constitute an offer or solicitation to buy or sell securities. Such information does not constitute investment advice and has been prepared without regard to your individual financial circumstances and objectives. The securities and/or investment strategies discussed in the reports may not be suitable or appropriate for all investors. Such information is not 'investment research' as defined in the FCA Rules but is classified as a 'marketing communication'. This means that (a) it has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and (b) it is not subject to any prohibition on dealing ahead of the dissemination of investment research. You agree that we will not be liable where you rely in whole or in part on such investment recommendations and/or investment analysis information in connection with any investment decision made by you.

Section 4: Our Services

Davy offers four main services:

- ▶ Advisory Stockbroking;
- ▶ Wealth Management: Integrated Financial Planning and Investment Management;
- ▶ Financial Planning; and
- ▶ Transactional Financial Planning.

Details of these services, which we may provide to you, are set out below and further details of the services and costs are set out in the Service and Fees Schedule for each service. We will always obtain your confirmation before any services commence.

Any advice from Davy on Retail Investment Products will be Restricted Advice. Advice can be restricted in different ways. The advice from Davy is restricted because we will only consider a limited range of Retail Investment Products and from a limited range of providers. You may ask us for a list of the types of Retail Investment Products and providers we consider. Unless it would be deemed unsuitable, your investments will be managed in-house by Davy.

4.1 ADVISORY STOCKBROKING SERVICE

As part of our Advisory Stockbroking Service you appoint us to provide you with advice on purchasing stocks and shares or developing investment portfolios and, where you instruct us, to carry out transactions. In all circumstances, you will make the final investment decision, whether we have given you investment advice or not, and you will instruct us accordingly.

We may contact you from time to time to bring suitable investment opportunities to your attention or send you information about other products and services offered by Davy. In addition, as part of our ongoing service, we will provide you with a Portfolio Valuation of all your investments at least once every six months or you may request to be provided with a Portfolio Valuation every three months. We will also contact you annually to offer a full review of your Davy Portfolio and make recommendations based on your objectives and strategy. The decision to implement these recommendations rests with you, therefore you are ultimately responsible for the performance of your portfolio. Where you do not follow our advice or do not follow our advice in a timely fashion, we do not take any responsibility for the outcome. Our service will be limited to advice relating to your portfolio or, upon request, your portfolio manager can work with a Wealth Manager to ensure that your portfolio is managed in the context of your broader financial circumstances. As a consequence, you should consider whether you require any additional advice or specific tax planning advice, to help you assess your financial circumstances or ability to bear investment risk before taking this service from Davy.

a Description of the Service

The Advisory Stockbroking Service may include, but is not limited to, investment advice on the following transactions, where the transaction type is suitable for you and in line with your Investor Policy Statement and/or Suitability Report. Unless you have written to us and provided us with confirmation of any additional restrictions that must be applied to your Davy Portfolio and we have accepted that request and reflected the restrictions in your Investor Policy Statement and/or Suitability Report, we will assume that no specific restrictions apply in providing you with advice. We can advise you on Retail Investment Products and other investments. Our Advisory Stockbroking Service includes the following:

- i We may provide you with advice in relation to, or recommend, collective investment schemes including collective investment schemes that are managed by Davy.
- ii We may provide you with advice in relation to, or recommend, spot and forward foreign exchange contracts, where Davy acts as principal, in order to hedge currency exposures that may arise where you hold investments in your Davy Portfolio denominated in currencies other than your base currency.
- iii If we determine that Alternative Investments would form a suitable part of your portfolio, we may provide you with advice in relation to, or recommend such investments. There may be difficulties in establishing a price for, or in selling, such investments. Please refer to clause 6.6.2 which provides a specific risk warning in respect of Alternative Investments.
- iv We may provide you with advice in relation to, or recommend you commit to underwriting or other similar obligations in connection with a rights issue, takeover or other transaction. In such cases, you will incur obligations as underwriter or sub-underwriter. You agree that we may provide advice where we or an associated company have been involved as sponsor, financial adviser, underwriter, lending bank or in any other role in such transactions.
- v We may provide you with advice in relation to, or recommend, investments that are sourced from other third party specialist firms.
- vi We may provide you with advice in relation to, or recommend, all forms of options or transactions in other derivatives.
- vii We may provide you with advice in relation to, or recommend, futures and other derivatives that may result in you having to make margin payments out of your Davy Portfolio. This means that you may have to make further variable payments against the purchase price of the investment instead of paying or receiving the entire purchase or sale price immediately. The movement in the market price of your investment will affect the amount of margin payment you will have to make. If you fail to make margin payments on or by the due date, we will be

entitled to close the position and use any investments or cash we hold for that purpose. We reserve the right to close the position in any event if you fail to pay margin payments after one business day.

It is important that you read the specific terms and conditions applicable to any such products which might require a margin payment.

- viii We may provide you with advice in relation to, or recommend, structured products, where swaps, options, other derivatives or securities are embedded in the product and the return may be linked to the performance of an underlying security or basket of securities. Such products may be designed by Davy in conjunction with a specialist third party firm. Where such products are designed by us, this will be disclosed to you.
- ix We may provide you with advice in relation to, or recommend, Retail Investment Products. Examples of these include:
- ▶ life policies with an investment element including onshore and offshore bonds;
 - ▶ investment trusts and unit trusts (including when held within an ISA),
 - ▶ pension schemes.

Our advice may include higher risk investments such as warrants and derivatives, structured products and investments that are not readily realisable. The relevant risk warnings for these investments will be set out in your Investor Policy Statement and/or Suitability Report. We may, if deemed appropriate for you following a suitability assessment, taking into account your resources, objectives and attitude to risk, and if permitted under FCA Rules, provide you with advice in relation to unregulated collective investment schemes and other non-mainstream pooled investments. These investments do not carry the protection usually provided by the UK regulatory system, and may involve additional risk.

b Financial Planning Questionnaire

We are required to obtain as much investment-related information from you as is necessary to ensure that we can provide you with suitable investment advice. The information we may require includes details of your investment objectives, your ability to bear any related investment risks, your financial resources and your investment knowledge and experience. We will collect this information by asking you to complete a Financial Planning Questionnaire or other similar form. It is your responsibility to notify us of any investment restrictions you have. We take no responsibility for advising you in respect of restricted investments where you have not explicitly notified us of such restriction(s) in writing and where we have not agreed to this restriction by referring to it in the Investor Policy Statement and/or Suitability Report (see below). If you fail to complete the Financial Planning Questionnaire in a manner that is satisfactory to us, we may decline to provide you with advice.

c Investor Policy Statement and/or Suitability Report

We will use the information you provide to us in the Financial Planning Questionnaire to formulate an Investor Policy Statement and/or Suitability Report. This sets out our understanding of your investment objectives and your attitude to risk. It serves to outline the key information upon which we will base our investment advice to you and details the risks associated with the various asset classes that we may recommend to you.

d Strategic Asset Allocation

As part of this Service, we may also recommend a personal investment strategy, containing a strategic asset allocation. The strategic asset allocation is the asset allocation designed to meet your investment objectives. There may be material deviation between your Davy Portfolio and the strategic asset allocation detailed in the Investor Policy Statement (or otherwise agreed with us in circumstances where an Investor Policy Statement has not been provided) due to fluctuations in market conditions, prices, or other reasons outside of our control ('market variations').

You should also be aware that following initial investment, further investment or because of market variations, it may take time to achieve or re-establish your strategic asset allocation. We shall not be in breach of the Investor Policy Statement as a result of these deviations.

You acknowledge that you are the party with responsibility for making all investment decisions on your Davy Portfolio and therefore you will be responsible for the implementation of your personal investment strategy and the strategic asset allocation (where one is recommended to you). Other than as described above, any deviation between your Davy Portfolio and your strategic asset allocation is your responsibility.

e Importance of the Investor Policy Statement

The Investor Policy Statement, based on the Financial Planning Questionnaire, forms the agreed basis upon which we will provide you with advice. In the event of any inconsistency between the Investor Policy Statement and other documentation, the Investor Policy Statement will prevail.

You are responsible for ensuring the Investor Policy Statement is accurate at all times and reflects your current situation, needs and attitude to risk.

f Existing Clients

For existing clients as at the date of implementation of these Terms, we will continue to follow the current investment approach for your Davy Portfolio, unless you contact your Davy adviser and agree otherwise in writing.

g Changes to your Financial Planning Questionnaire/Investor Policy Statement

In the event that any of the information in your Financial Planning Questionnaire or Investor Policy Statement changes, for example where you experience a change in your personal circumstances, or


otherwise in the event that you wish to amend your Financial Planning Questionnaire and/or your Investor Policy Statement, you should inform your Davy adviser immediately so that we can take this into account. These changes may result in a new Investor Policy Statement, which will be sent to you.

It is important that the Financial Planning Questionnaire or Investor Policy Statement are fully and accurately completed. If you do not advise us in writing of changes to the information contained in the Financial Planning Questionnaire or Investor Policy Statement or you do not provide us with complete and/or accurate information, we shall have no liability to you if any of our investment decisions are subsequently found to be unsuitable for you.

h Suitability of Advice

We have a duty to take reasonable care when determining the suitability of the recommendation and in advising clients generally, based on information that has been disclosed to us by them. We will consider the suitability of the investments recommended by us based on the information you provide to us in the Financial Planning Questionnaire and the agreed Investor Policy Statement and/or Suitability Report.

i Investment Performance

 **IMPORTANT NOTE:** We make our investment decisions in good faith based on information that is available to us at the time an investment decision is made. We do not give any assurances whatsoever that the investments we make as part of your Davy Portfolio (whether individually or collectively) will be profitable or perform as expected, and you should be aware that the value of investments may fall as well as rise for numerous reasons, including prevailing market conditions existing at the time. We take no responsibility for the poor performance or profitability of any investment made by us. Please note that your capital may be at risk and that you may not receive back the amount of your original investment.

j Disclosure Obligations

You are responsible for ensuring that all applicable legal, tax or regulatory requirements for disclosure or reporting as to holding, control, beneficial ownership or the granting of security are met in respect of investments or cash standing to the credit of your Davy Portfolio.

4.2 WEALTH MANAGEMENT SERVICE: INTEGRATED FINANCIAL PLANNING AND INVESTMENT MANAGEMENT SERVICE

If you have chosen our Wealth Management Service then you have appointed us to provide the Integrated Financial Planning and Investment Management Service. This means that, following our Financial Planning

Service (outlined below), you have granted us authority to exercise full discretion over your investments in your Davy Portfolio. We will manage your investments, enter into transactions and take any other actions as outlined in these Terms (including, for the avoidance of doubt, your Investor Policy Statement) at our discretion without any obligation to consult with you first.

If you have chosen our Wealth Management Service we may, from time to time, send you information about other products and services offered by Davy.

a Description of the Service

Davy will have complete authority to buy, sell, retain, exchange or otherwise deal in any investments set out in section 6, clause 6.6, Financial instruments, risk warnings and important notes in accordance with the mandate contained in your Investor Policy Statement and undertake such other actions as contemplated by these Terms. Unless you have written to us and provided us with confirmation of any additional restrictions that must be applied to your Davy Portfolio and we have accepted that request and reflected these restrictions in your amended Investor Policy Statement, such specific restrictions shall not apply in managing your Davy Portfolio.

Where you have chosen the Wealth Management Service and because you have appointed us your discretionary investment manager, we are not obliged to execute orders given by you to us. The transaction type that Davy may enter into on your behalf may include, but is not limited to, the following transactions, where the transaction type is suitable for you and in line with your Investor Policy Statement:

- i We may deal in collective investment schemes including collective investment schemes that are managed by Davy.
- ii We may deal in spot and forward foreign exchange contracts, where Davy may act as principal, in order to hedge currency exposures that may arise where you hold investments in your Davy Portfolio denominated in currencies other than your base currency.
- iii If we determine that Alternative Investments would form a suitable part of your portfolio, we may deal in such investments. There may be difficulties in establishing a price or in selling such investments. Please refer to clause 6.6.2 which provides a specific risk warning in respect of Alternative Investments.
- iv You authorise us to enter into transactions for you that commit you to underwriting or other similar obligations in connection with a rights issue, takeover or other transaction. In such cases, your Davy Portfolio will incur obligations as underwriter or sub-underwriter. Unless you write and tell us otherwise, any underwriting we carry out will be as we decide. You agree to give us this authority including in the case of transactions where we or an associated company have been involved as sponsor, financial adviser, underwriter or in any other role in such transactions.

- v We may source investments from other third party specialist firms.
- vi We may enter into transactions in all forms of options or transactions in other derivatives.
- vii We may deal in futures and in other derivatives that may result in us having to make margin payments from your Davy Portfolio. This means that your Davy Portfolio may have to make further variable payments against the purchase price of the investment instead of paying or receiving the entire purchase or sale price immediately. The movement in the market price of the investment will affect the amount of margin payment which will have to be made.
- viii We may deal in structured products, where swaps, options, other derivatives or securities are embedded in the product and the return may be linked to the performance of an underlying security or basket of securities. Such products may be designed by Davy itself and/or otherwise, in conjunction with a specialist third party firm.
- ix Where permitted under FCA Rules, we may invest in unregulated collective investment schemes. These investments do not carry the protection usually provided by the UK regulatory system, and may involve additional risk. While we shall take reasonable steps to obtain from you sufficient investment-related information to enable us to give you suitable advice (including details of your resources, objectives, attitude to risk and investment preferences), should this information change, you have a responsibility to inform us so we can ensure that your portfolio remains suitable at all times. If you do not do so, this may mean that our advice and your Davy Portfolio are no longer suitable.

b Financial Planning Questionnaire

We are required to obtain as much investment-related information from you as is necessary to enable us to make suitable investments on your behalf. The information we may require includes details of your investment objectives, your ability to bear any related investment risks, your financial resources and your investment knowledge and experience. We will collect this information by asking you to complete a Financial Planning Questionnaire or other similar form. Where you are subject to any legal, regulatory or other restrictions in any asset class(es) or individual investment or instrument, it is your responsibility to detail this in the Financial Planning Questionnaire. We take no responsibility for investing in respect of restricted investments where you have not explicitly notified us of such restriction(s) in writing. If you fail to complete the Financial Planning Questionnaire in a manner that is satisfactory to us we may decline to provide you with our services.

c Investor Policy Statement and/or Suitability Report

We will use the information you provide to us in the Financial Planning Questionnaire to formulate an Investor Policy Statement and/or Suitability Report. This sets out our understanding of your investment requirements, including your attitude to risk, and the means by which we intend to fulfil those requirements. It serves to outline the key information upon which we will base the management

of your Davy Portfolio and details the risks associated with the various asset classes that may be included in your Davy Portfolio.

d Strategic Asset Allocation

Your Investor Policy Statement and/or Suitability Report will outline your personal investment strategy, containing a strategic asset allocation.

The strategic asset allocation is the asset allocation designed to meet your investment objectives. There may be material deviation between your Davy Portfolio and the strategic asset allocation detailed in the Investor Policy Statement (or otherwise agreed with us in circumstances where an Investor Policy Statement has not been provided) due to fluctuations in market conditions, prices, or other reasons outside of our control ('market variations'). You should also be aware that following initial investment, further investment or because of market variations, it may take time to achieve or re-establish your strategic asset allocation.

We shall not be in breach of the Investor Policy Statement as a result of these deviations, provided that we take reasonable steps over a reasonable period of time to rebalance your Davy Portfolio to bring it in line with the strategic asset allocation detailed in the Investor Policy Statement, where we believe it is in your interest to do so. If, however, we believe it is not in your interest to perform such rebalancing, we will not do so.

e Importance of the Investor Policy Statement

The Investor Policy Statement, based on the Financial Planning Questionnaire, forms the agreed basis upon which we will manage your account. In the event of any inconsistency between the Investor Policy Statement and other documentation, the Investor Policy Statement will prevail.

You are responsible for ensuring the Investor Policy Statement is accurate at all times and reflects your current circumstances, investment needs and attitude to risk.

f Existing Clients

For existing clients as at the date of implementation of these Terms, we will continue to follow the current investment approach for your Davy Portfolio, unless you contact your Davy adviser and agree otherwise in writing.

g Changes to your Financial Planning Questionnaire/Investor Policy Statement


In the event that any of the information in your Financial Planning Questionnaire or Investor Policy Statement changes, for example where you experience a change in your personal circumstances, or otherwise in the event that you wish to amend your Financial Planning Questionnaire and/or your Investor Policy Statement, you should inform your Davy adviser immediately so that we can take this into account. These changes may result in a new Investor Policy Statement, which will be sent to you.

It is important that the Financial Planning Questionnaire and Investor Policy Statement are fully and accurately completed. If you do not advise us in writing of changes to the information contained in the Financial Planning Questionnaire or Investor Policy Statement or you do not provide us with complete and/or accurate information, we shall have no liability to you if any of our investment decisions are subsequently found to be unsuitable for you.

h Suitability of Advice

We have a duty to take reasonable care when determining the suitability of the Service and when making decisions generally for clients based on information disclosed to us by them. We will consider the suitability of your Davy Portfolio based on the information that you provide to us in the Financial Planning Questionnaire and the agreed Investor Policy Statement and/or Suitability Report.

i Investment Performance

 **IMPORTANT NOTE:** We make our investment decisions in good faith based on information that is available to us at the time an investment decision is made. We do not give any assurances whatsoever that the investments we make as part of your Davy Portfolio (whether individually or collectively) will be profitable or perform as expected, and you should be aware that the value of investments may fall as well as rise for numerous reasons, including prevailing market conditions existing at the time. We take no responsibility for the poor performance or profitability of any investment made by us. Please note that your capital may be at risk and that you may not receive back the amount of your original investment.

j Disclosure Obligations

You are responsible for ensuring that all applicable legal, tax or regulatory requirements for disclosure or reporting as to holding, control, beneficial ownership or the granting of security are met in respect of investments or cash standing to the credit of your Davy Portfolio.

4.3 FINANCIAL PLANNING

- i We begin with a Discovery phase, when we will meet at our offices or at a location convenient to you to discuss your situation and how we might work together. It is important we obtain as much relevant information from you as is necessary to ensure we can provide you with suitable advice. This will include details of your needs and objectives, your ability to bear any related investment risks, your financial resources and your knowledge and experience. We will collect this information by asking you to complete the Financial Planning Questionnaire (or other similar form). We may ask for your authority to contact product providers for more details of any current investments or policies you hold.

- ii Based on the results, we will research the market in order to identify solutions that will seek to address your aims and objectives, and within your stated and agreed tolerance for risk. This research will take into consideration your personal situation, your tax status and any other issues of material influence.
- iii We will draft a Financial Plan which provides an overview of your current financial situation, and how our recommendations may meet your objectives. At this stage, we will match specific solutions to your needs and make personal recommendations for products and provider (where appropriate). In most instances, we will also provide you with the ancillary documentation pertaining to that product. We may also recommend an appropriate platform service or discretionary investment manager for arranging, safeguarding and administering your investments. We will provide you with illustrations detailing the costs. Unless it would be deemed unsuitable, your investments will be managed in-house by Davy.
- iv Once you are satisfied that the plan meets your needs, and have agreed to our recommendations, we will make the necessary arrangements with the relevant product provider(s) and/or investment service provider(s) to implement the recommendations.
- v Davy will provide an ongoing review to ensure the plan continues to meet your needs. The ongoing review includes the offer of a full review of your circumstances, objectives and strategy, ad-hoc reviews (as required), cash-flow modelling (if required), online access and quarterly/half-yearly valuations (where available) and access to your Davy adviser and support staff throughout the year. Depending on your own particular circumstances, the ongoing review may also include the following: a protection review to reassess your protection objectives and/or premium, a pension review to reassess your pension objectives, your attitude to risk, contribution levels, changes in legislation or at-retirement planning options, and/or an investment review to reassess your investment objectives, your attitude to investment risk or tax considerations.

4.4 TRANSACTIONAL FINANCIAL PLANNING

With our Transactional Financial Planning Service, our advice will be limited in scope to a specific request or requirement. It will cover the Financial Planning steps i to iv above and it is important that you understand that we will not advise you or be responsible for the ongoing suitability of the investment(s), product or contract. You can ask us at any time to review and change this separately.

Section 5: How we hold your assets

5.1 NOMINEE SERVICE

The following section applies if you use our nominee service.

5.1.1 Who holds your investments?

Custody services will be provided to you by Davy in Ireland, who may undertake or arrange for the safe keeping of your investments and may handle or hold client money. Where it is possible, assets will be registered in the name of a nominee company of the Davy Group ('nominee'), a third party nominee company selected by Davy or in a segregated account with an eligible custodian. You remain the beneficial owner of these assets, meaning that they are at all times treated as belonging to you. The nominee is a company formed solely for the purpose of holding client assets; it does not trade or have any other activities and your assets are legally segregated from those of the trading companies within the Davy Group.

5.1.2 Irish & UK Securities

Your securities will be registered in the name of a nominee company of the Davy Group, a third party nominee company selected by Davy or in a segregated account with an eligible custodian which must operate in accordance with regulatory requirements.

5.1.3 Other securities

If you deal in securities that are primarily settled outside the UK or Irish settlement system, we will register those securities with a third party eligible custodian. The custodian will hold your securities separately from ours and from those of any of the companies to which we are affiliated.

We will only place your order to sell securities that are registered in your own name on receipt of your valid share certificate and signed transfer form. In some cases, you may have to sign an authorisation to transfer the securities; this is pre-printed on the reverse of the certificate. Alternatively, you will need to complete a CREST transfer form. These are available on our website at www.davyprivateclients.co.uk.

It is important that the certificate you present to us is valid. Should you present an invalid certificate to us, you are responsible for the payment of any transaction, dealing, third party and ancillary charges, or associated costs and expenses.

If you lodge certain securities in certificated format for sale, we will first have to register the securities with a third party eligible custodian. We will not pay the proceeds of the sale until we have received proceeds from the custodian in question. This may lead to a delay of 20 business days or more in paying the proceeds to you.

If we receive a foreign share certificate, it may have to be dematerialised. We are not responsible for any delays caused by the dematerialisation. We will not sell these shares until the stock has been credited to your nominee account.

In the event that an investment registered in the name of the nominee can only be held in physical/ certificated format, we will hold the certificate in a fireproof safe. The certificates are reconciled on a regular basis.

5.2 WHO HOLDS YOUR CASH DEPOSITS?

We treat money we hold in accounts with credit institutions for you in accordance with the requirements of the Central Bank of Ireland. Money we hold on your behalf may be held in individually designated deposit accounts with credit institutions chosen by us or is otherwise held in separate bank accounts from Davy's own money and may be held on a pooled basis. We do not accept any liability for any action taken by or for the default of any eligible credit institution. Further information about the deposit protection schemes in place is available should you require it.

By agreeing to these Terms you consent to how we hold your assets as set out in clause 5.2.

5.3 CLIENT ASSETS HELD OUTSIDE IRELAND OR THE UNITED KINGDOM

We may hold client asset accounts outside of the United Kingdom or Ireland. Where we hold client assets outside of the United Kingdom or Ireland the title of the account in which the assets are held distinguishes the account from any account containing assets of the firm. The legal and regulatory regime applying to any eligible credit institution or eligible custodian with whom your assets are held may be different to that of the United Kingdom or Ireland and, in the event of a default of such an institution, those assets may be treated differently from the position which would apply if the assets were held in the United Kingdom or Ireland.

By agreeing to these Terms you consent to us holding your assets outside Ireland and the United Kingdom as set out in clause 5.3.

5.4 INTEREST EARNED

Interest is only paid to clients on individually designated client asset deposit accounts opened with a credit institution. Interest is not paid on monies held in the course of settlement or on monies held in pooled client asset deposit accounts. Where interest is paid, it is calculated from the date we place money on deposit up to the date of withdrawal. The rate of interest paid on client asset deposits will vary from time to time and between credit institutions with whom we place your money. We are under no obligation to notify you of any changes in the applicable interest rates. Monies and financial instruments held by us will be handled in accordance with regulatory requirements. While there is no obligation on us to ensure interest is payable on monies held in client asset accounts, we will, as an additional service to our clients, use our reasonable endeavours to seek to earn a competitive interest rate on monies held in client asset deposit accounts with a bank or credit institution. Davy may retain some or all of this interest for its own use and benefit.

By agreeing to these Terms you consent to how we treat interest earned as set out in clause 5.4.

5.5 POOLING

We may hold assets on your behalf in a pooled account, i.e. an account containing the assets of more than one client. In accordance with regulatory requirements, such pooled accounts are designated as client accounts. We have received written confirmation from the relevant credit institutions and eligible custodians

that pooled accounts contain client assets. We reconcile Davy pooled accounts to our own records on a regular basis.

By accepting these Terms you acknowledge that you consent to us holding your assets in a pooled account.



IMPORTANT NOTE: There is a risk, in the event of an insolvency of the relevant credit institutions and/or eligible custodians, that the designation of the pooled accounts as client assets may not be recognised by a liquidator of the credit institution or the acknowledgement of such designation will be delayed, thereby preventing or delaying our ability to control your assets.

5.6 PROTECTING YOUR ASSETS

In order to offer you a secure and effective service, we are careful in our choice of custodians and credit institutions, and monitor their performance on an ongoing basis. Details of the approved Custodians and Credit Institutions can be found in Appendix 5.

However, we do not accept liability for any acts or omissions of those custodians or credit institutions, or for their default.

In the event that a custodian or credit institution becomes insolvent, you may not receive back all or any of the assets or funds that the custodian or credit institution holds on your behalf.

We are a member of the Irish Investor Compensation Scheme, provided by the Investor Compensation Company Limited ('ICCL'); set up by law, which provides compensation to eligible investors should we become insolvent. You will only have the right to compensation if you qualify as an eligible investor and if we are unable to return to you money or Financial Instruments that you are owed or own, and if your loss is recognised by the Investor Compensation Scheme. Further details can be found at www.investorcompensation.ie

In some instances the ICCL provides a lower limit of compensation than the Financial Services Compensation Scheme ('FSCS') in the UK. Davy has therefore chosen to 'top up' into the FSCS. This can be seen on the FSCS website, www.fscs.org.uk.

In the event of the failure of Davy, and depending on the type of business and the circumstances of the claim, there may be a two-step process. The ICCL may have lead responsibility for claims, and would pay the first part of any compensation, up to a maximum equivalent to 90% of the net amount you have lost or 20,000 euro (whichever is less). The FSCS would, where possible, try to assist claimants in their dealing with the ICCL (for example, by putting you in contact with the ICCL, or helping you understand the process that the ICCL follows).

The FSCS would then deal with any 'top-up' claims. Most types of investment business are currently covered by the FSCS, up to a maximum of £50,000. Most types of insurance business are currently covered for 90% of the claim, without any upper limit.

5.7 MOVING YOUR FUNDS

We may move your money between credit institutions without advance notice to or requiring consent from you. If you instruct us in writing to place funds on deposit with a specific credit institution, subject to that credit institution meeting the regulatory criteria, we will endeavour to do so, however we are under no obligation to do so. If we are in a position to act on your instruction, we accept no liability in the event of default by the credit institution chosen by you.

5.8 RECORD KEEPING

We will keep appropriate records to make sure that we can easily identify the quantity of securities and the amount of money that we hold for you. We will keep these records in accordance with regulatory requirements. We will confirm your holdings in writing to you at least once in each calendar year unless this information has already been provided to you in your valuation statement.

Section 6: General Terms and Conditions applicable to all Services

The following terms and conditions apply to all of the Services provided by Davy:

6.1 VERIFYING YOUR IDENTITY

We are required by law to record evidence that we have undertaken identity checks in respect of all new clients, and to ensure the information we hold is up to date. In this regard, you will be required to provide us with specific identification prior to the provision of services. We may use and search electronic verification agencies to check your identity, both at the start of our relationship and on an ongoing basis. Such searches will not affect your credit rating and the results will be handled in accordance with the Data Protection Act 1998. We may need to request additional information from you at any time to meet our legal and regulatory obligations. If you cannot provide the information we require, we may not be in a position to continue providing services and we reserve the right to end the relationship. We reserve the right at all times and at our absolute discretion not to provide services. You must inform us immediately in the event of a change of name and/or address. Any such changes must be communicated to us in writing. We may ask for documentary evidence of these changes.

6.2 YOUR CATEGORISATION

Unless we tell you otherwise in writing, our Services are provided to you on the basis that you are a 'Retail Client'. This means that you are afforded the greatest level of protection available under the FCA Rules. You may request to be categorised as a 'Professional Client' in respect of all the services that we provide to you or on a product, service or transactional basis, subject to meeting certain criteria. This would result in a reduced level of client protection for you. For information regarding the main differences between Retail and Professional clients, please see Appendix 4 to these Terms. If you want to be categorised differently, please contact us for further information. In the event that we notify you that we will treat you as a Professional Client, you may request to be treated as a Retail Client in respect of all the services that we provide you or on a product, service or transactional basis. Please be aware that we reserve the right to decline any request for re-categorisation.

6.3 COMMUNICATION AND INSTRUCTIONS

All communications with you will be in English. You may communicate with us in person, by fax, by telephone or in writing, including email. You agree that we may tell you the manner in which you must send different types of communication and you agree that we may not act upon any communications that are transmitted in a manner that is not consistent with our instructions. In asking us to use email, you confirm that you are aware and accept that email communication is not secure – unauthorised third parties could intercept it. At our discretion and unless we hear from you to the contrary, we may telephone you from time to time between the hours of 9am to 9pm without your further prior consent to such contact.

All cheques, share certificates and policy documents will be sent, by Davy or product providers, by post to your last known address and shall be sent at your own risk. The Recorded Delivery service will not normally be used.

6.3.1 Instructions

You may place instructions with us in person, by telephone, by electronic media such as email or in writing. We reserve the right to request confirmation of an instruction in writing and we may refuse to act on incomplete, unclear, inconsistent or mistaken instructions which you give to us. If you communicate with us through our website or by email it is important you read and understand our Terms of Access. These are available on our website at www.davyprivateclients.co.uk. You agree that we may communicate with you about you or your account by email or other electronic media. We may, however, at our discretion refuse to act upon instructions received over such media and require confirmation of the instruction by other means. We may also refuse to act on an instruction where we are prevented from following the instruction by any law or regulation or other circumstances beyond our reasonable control. Once an instruction is accepted and acted on by us it cannot be cancelled unless required due to our error or omission. We will accept funds by cheque made payable to Davy and drawn on a client account or by electronic fund transfer ('EFT') into our Davy account. Funds should be sent with clear instruction indicating your Davy client account reference number. Davy account details for EFT payments are available from your Davy adviser on +44 2890 310 655. All client funds will be lodged to a 'client asset account' within one working day of their receipt. Funds will be returned within five working days if Davy is unable to identify the account or client concerned.

6.3.2 Amendments

It is your responsibility to notify us if you amend any personal details or material information that you have provided to us. We may require that any such proposed amendments are in writing and confirmed by your original signature. Any change of address must be notified to us in writing.

6.3.3 Reliance on instructions

We are entitled to rely on instructions which we believe to be from you or from your agent(s) including, where appropriate, your lawfully appointed attorney, whether received verbally or in writing, which we have accepted in good faith. Where instructions are received from your agent(s), legal representative, executor and/or your lawfully appointed attorney, we can continue to act on their instructions until we receive written notification from you or your agent(s) that they are no longer authorised. For the avoidance of doubt, it is solely your responsibility to ensure that your agent(s) are appropriately authorised and/or your attorney is lawfully appointed. As such we may accept instructions from your agent(s) and we shall be under no obligation to monitor whether a particular agent is duly authorised by you. It is very important that you notify us in writing as soon as possible after you withdraw your authority for an agent or attorney to issue instructions on your behalf.

6.3.4 Security procedures

In order to verify your identity, we may need to ask you some security questions. In the event that you cannot provide us with the answers, we may not be in a position to act on your instructions and we reserve the right to request additional information in order to verify your identity.

6.3.5 Limit Orders

Your Limit Orders will be valid from the date on which the instruction is received by us until Close of Business

on Friday of the week following the week in which the instruction is received by us (the 'Expiration Date'). During this time we will place your order on the relevant execution venue at the start of business each day, and remove it at the Close of Business each day. We will then cancel such orders automatically on the Expiration Date unless you ask us to renew them in time. However, you may decide that you want your order to expire on a date prior to the Expiration Date. You can do this by asking your Davy adviser when you are placing your order. If you choose to do this, your order will expire at the Close of Business on that specified date if it has not been filled by then. In the event that part of your order has been filled before you instruct us to cancel your order, only the undealt part may be cancelled. We may require that you place price limits on orders for certain types of securities. We will tell you when you are placing your order whether you need to place a price limit on your order. We will make all Limit Orders public unless you expressly instruct us not to do so. If you change a limit, we will put your revised order behind other existing instructions at that same limit. It may not be possible for us to cancel or amend an existing order. In the event that part of your order has been filled before you instruct us to change a price limit, the changed limit will only apply to the undealt part of your order.

6.3.6 Joint accounts

If we maintain an account jointly for one or more clients:

- i We will be entitled to act on the instructions of any one person named on the account unless otherwise agreed with us in writing. However, in the event that the instruction is to re-register securities held in a nominee account into a single name or to change the correspondence address for the account or relates to standard payment instructions for the account, we will require a written instruction signed by all joint account holders.
- ii Where these Terms refer to 'client' this will mean the clients jointly and severally. If a joint holder dies, by operation of law, the securities will be held for the client(s) who survive(s). This means that no grant of probate or letters of administration are needed. We may act without liability on any instructions related to these securities given to us by the client(s) who survive(s) and such client(s) will indemnify us against any liability we may incur in so doing.
- iii If we receive instructions from any joint account holder that in our opinion conflict with instructions received from any other joint account holder, we may comply with these instructions and/or advise each joint account holder of the apparent conflict and/or take no action until we receive instructions that are satisfactory to us.
- iv Where one of the parties informs us of a dispute between joint account holders, we may cease to permit operation of the joint account until we receive new written signing instructions from the joint account holders. However, we are not obliged to do this and may, notwithstanding any dispute, continue to rely on the existing arrangements for operating the account, including signing instructions, unless and until we decide to cease to permit operation of the joint account pending receipt of new instructions from the joint account holders.
- v Correspondence and notices in relation to the joint account will be sent or served by us to the address

of the first named joint account holder only. On request in writing we can provide a copy of contract notes and Portfolio Valuations to a second address. Any such correspondence and/or notices so sent or served will be deemed to have been received by or served upon all of the joint account holders.

- vi Where you lodge investments registered in a sole name to a joint account, the investment will be registered in joint names.
- vii We are entitled to hold you jointly and severally liable for any debt or charge arising out of these Terms (which means that you are all jointly liable but we can also enforce any liability against any one of you in full).

6.3.7 Death or incapacity

- i In the event of death or incapacity of a client, upon receipt of written notification (which in the case of death must be in the form of a certified copy of a death certificate), we will immediately suspend all accounts of that client. We may, at our absolute discretion, close any positions which carry a future contingent liability. Notwithstanding the suspension of the account and without prejudice to our rights of lien and set-off as set out in clause 6.17 below, we may sell positions on your account to meet commitment calls arising from Alternative Investments or to meet other general debits including the payment of fees, commissions, charges and expenses as permitted by these Terms.
- ii All payments made and transactions executed by us on your account after your incapacity or death, but before we have written notice thereof, will be valid and binding upon you and your successors and estate.
- iii In the case of death, other than as detailed above in the first point, we shall not accept any further instructions or take any further action on your account until such time as your appointed representative has been established by providing us with a certified copy of the grant of probate or letters of administration.
- iv In the case of incapacity, we shall not accept any further instructions or take any further action on your account(s) until such time as we are satisfied that you are no longer suffering under such incapacity or until we have received written notice that a representative has been validly appointed on your behalf to manage your affairs.
- v We will deal with corporate actions at our absolute discretion.
- vi We will not be liable for any losses arising from whatever cause (including negligence on our behalf) between the time of your death and the date of probate (or letters of administration) being granted or between the date of your incapacity and the date of your recovery or the appointment of a person to manage your affairs.

6.4 ADMINISTRATION OF YOUR INVESTMENTS

6.4.1 Dividends and other income

If you use our nominee service to hold your investments and have sent us a valid completed Dividend Withholding Tax (DWT) exemption form, we will make your DWT status known to those Irish companies in which you hold shares. When we do this, you will receive your dividends before deduction of income tax.

We will be responsible for claiming and receiving dividends, interest payments and other income payments accruing to your investments received by our nominee company. However, in the event of a scrip dividend being offered, we will elect to take the cash alternative unless you specifically instruct us to take the share alternative. We will not take up scrip dividends in securities other than UK and Irish shares.

We may prepare and send you a Consolidated Tax Certificate (CTC) for both UK and foreign income received by our nominee company on your behalf during the UK tax year. The CTC will be in a form acceptable to the HM Revenue & Customs. The CTC does not assess your liability to Capital Gains Tax or any other tax. You must assess this and make any required returns. The information in the CTC is strictly for information purposes only and you should read the warnings it contains carefully. You are advised to contact your own independent professional tax adviser for a comprehensive assessment of your taxation obligations and liabilities.

6.4.2 Non-residents

If you have submitted a request for exemption from any form of tax based on the grounds of residency, we will continue to rely on that declaration unless you inform us in writing that you have amended your residency. Please note that non-resident declarations are invalid from the date that residence is re-established or amended and tax is payable from that date. Penalties and interest may also be payable to your tax authority in respect of unpaid tax. It is your responsibility to inform us of any change to your residency status.

6.4.3 Corporate events

Except where we have been appointed to act on a discretionary basis, the following sections apply in the case of Corporate Events.

By holding investments in a nominee account you will not be notified directly by the company of any Corporate Events applicable to your investments. The relevant custodian or third party is required to forward details of any Corporate Events to our nominee company. We accept no responsibility for or liability in respect of Corporate Events that have not been notified to us by a relevant custodian or third party. Provided we have been appropriately notified and been given sufficient time to do so by the custodian or third party, we will take reasonable steps to contact you before any Corporate Events attaching to your investments, unless it is impractical to do so. Where we do contact you, we will take all reasonable steps to pass to you whatever information has been provided to us by the custodian but we cannot take responsibility for the completeness or accuracy of such information.

If you instruct us in relation to Corporate Events before the deadline specified by us, we will take reasonable steps to act on your instructions. If we cannot contact you to get your instructions for these events or if we

do not hear from you, we will take such action, or refrain from taking any action, as we believe to be in the interests of the affected clients as a whole including arranging for the disposal of any rights. When we do, we may take account of our general view of the event. In so acting we will be deemed to be acting on your instructions and with your authority and consent.

Where we have been appointed to act on a discretionary basis, the following section applies in the case of Corporate Events.

We will make the relevant decisions in relation to Corporate Events without first contacting you and this includes:

- i where there are rights issues, calls, conversion and subscription rights which must be used or taken up;
- ii in the event of take-overs, other optional corporate actions or capital reorganisations.

6.4.4 Pooled accounts

Securities which we hold for you on a pooled basis may attract different treatment during Corporate Events or other events, and your options may be limited. In such cases, any rights or other benefits will be shared pro-rata among all shareholders whose holdings are affected.

6.4.5 Annual reports, AGMs and EGMs

We will not notify you of any Annual General Meetings or Extraordinary General Meetings applicable to your investments. Except where we have been appointed to act on a discretionary basis, we will not exercise or arrange for the exercise of any voting rights attaching to your investments unless you request us to do so in writing. In this eventuality we will make reasonable endeavours to make appropriate arrangements, provided you have given us sufficient time to do so. We will not forward annual reports applicable to your investments. Where we have been appointed to act on a discretionary basis, we reserve the right to exercise or arrange for the exercise of any voting rights taking into account our general view of the event and the information you have provided to us regarding your objectives and attitude to risk.

6.5 SETTLEMENT OF TRANSACTIONS AND EXCHANGE RATE POLICY

All accounts opened for you will be designated in sterling unless otherwise instructed by you; you may request us to open a non-sterling account in any of our other eligible currencies. Any transaction in a currency different to the account(s) you hold will be considered a foreign exchange conversion and will be carried out as follows:

- ▶ If we carry out an investment transaction in a foreign currency other than the currency in which your account(s) are held then, unless you instruct us otherwise, we will buy from you and/or sell to you the relevant foreign currency so that the investment transaction is converted into the currency in which your account(s) are held.
- ▶ If we buy from you and/or sell to you a foreign currency which is not connected with the provision of other regulated investment transactions then please note that the provision of this foreign currency

service is not a regulated service and as such does not require licensing, authorisation, or registration with the Central Bank of Ireland and, as a result, it is not covered by the Central Bank of Ireland's requirements to protect consumers or by a statutory compensation scheme.

- ▶ The foreign currency conversion rate will be displayed on your contract note. As Davy is the market counterparty for foreign currency transactions we may make a gain or a loss in the conversion of the foreign currency.
- ▶ We will settle all bargains in accordance with market practice. We must receive any amounts you owe us for purchases no later than the date shown on the contract note issued to you. However, we can ask you to pay before we accept or act on your purchase orders.
- ▶ You may pay any amount you owe to us by cheque, by direct payment to our bank account from funds placed on deposit on your behalf by Davy or, in certain circumstances, by direct debit from your bank account. If you pay us by direct debit, your account will be debited on the settlement date set out on your contract or fee note. We may pay any amount we owe to you by cheque or by electronic transfer, or funds can be placed on deposit on your behalf. We reserve the right not to accept and/or to make third party payments.

If the share certificate and/or transfer forms that we receive from you in relation to a sale order are not valid, complete, or received by us ahead of the intended settlement date, this shall be an event of default as defined in clause 6.19 below. In addition to our rights set out in clause 6.19, we can do the following:

- a Having used reasonable efforts to contact you to demand settlement, we will buy an equivalent number of shares to settle your sale transaction. The current administration charge we may levy is displayed in our Schedule of Trading Charges. We will add the cost of this purchase to your account, together with commission and an administration charge. We will send you a contract note with details of any such transaction. You will be held responsible for any excess cost or loss in value that might arise; and/or
- b If we do not receive the appropriate certificate and transfer forms by the first business day after the date shown, we may add to your account from that day a daily charge as shown in the Schedule of Trading Charges.

These rights are without prejudice and in addition to any right of set off, lien or other right to which we are entitled (whether by operation of law, contract or otherwise) in any jurisdiction.

If you lodge certain securities in certificated format for sale we will first have to register the securities with a third party eligible custodian. You should be aware in these circumstances that we will not pay the proceeds of the sale until we have received the proceeds from the custodian in question. This may lead to a delay of 20 business days or more before we pay proceeds to you.

We would like to draw your attention to the fact that custodians, clearing agents or other relevant parties may make payments to Davy for your benefit prior to receiving such payments from the payer. Davy will in

turn reflect these payments in your Davy Portfolio, as received from the custodian, clearing agent or other relevant party. These payments include those arising as a result of the sale, redemption or other disposal of securities or as a result of the payment of interest, dividends or other distributions. In certain circumstances outside of the control of Davy, such payments may be reversed by the custodian, clearing agent or other relevant party, including but not limited to situations where the actual payment amount is amended by the payer or not paid at all. In these circumstances, Davy will similarly reflect this adjustment, which may result in the automatic deduction of such amounts from your Davy Portfolio without prior notification to you.

6.6 FINANCIAL INSTRUMENTS, RISK WARNINGS AND IMPORTANT NOTES

Our Services may be provided in respect of any or all of the following financial instruments.

- i Listed shares, or securities in UK, Irish or foreign companies which are listed on a regulated market or are highly liquid;
- ii Debenture security, loan security, bonds, notes, certificates of deposit, commercial paper or other debt instruments, including government, public agency, municipal and corporate issues;
- iii Depository receipts or shares, or other types of instrument relating to investments at (i) or (ii) above;
- iv Units in a UCITS collective investment scheme;
- v Warrants to subscribe for investments at (i) or (ii) above;
- vi Options or futures on investments at (i), (ii) or (iii) above, including options on an option;
- vii Other derivative investments, including contracts for differences ('CFDs') and exchange traded options;
- viii Certain investment trusts, unit trusts, mutual funds and similar collective investment schemes, including hedge funds;
- ix Private equity and alternative investments;
- x Commodities;
- xi Sale, repo & reverse repo agreements;
- xii Securities borrowing/lending agreements;
- xiii Certificates conferring property rights;
- xiv Insurance policies;
- xv Pension policies;
- xvi Direct investment into property and property related assets;
- xvii Non-mainstream pooled investments ('NMPs'), such as Unregulated Collective Investment Schemes ('UCISs');

xviii Structured products

xix Any other Financial Instruments to which you and we agree.

Particular consideration should be given to the suitability of certain investments, e.g. NMPIs and derivative investments in the context of your personal circumstances and financial resources.

All forms of investment involve some degree of risk. You should remember that the value of investments may fall as well as rise. Past performance may not be a reliable guide to future performance. Please note that your capital may be at risk and that you may not receive back the amount of your original investment.

Please note that you can only buy a security if there are sellers in the market, and sell it if there are buyers. For this reason there can be significant delays before we can complete some orders. We may need to add your order and those of other clients on to our own orders. If we need to do this to complete your order we may only do so if it is reasonably unlikely that it will disadvantage any of our clients.

Unless you confirm in writing that you do not wish us to do so, we may recommend and/or carry out transactions in suitable non-readily realisable or illiquid investments. These are investments in which the market is limited or could become so or there may be legal or other restrictions on their resale. These investments may include, but are not limited to, private equity and hedge funds. For example, some investments may have lock up periods or impose restrictions on redemptions or transfers meaning that it may not be possible to redeem or transfer these holdings without a significant penalty, if at all. Illiquid investments may be difficult to sell at prices that reflect the assessment of their value. We may also recommend and/or carry out transactions in investments that are not regulated by the rules of any stock exchange. Further information is available in the Risk Disclosure Statement appended to these Terms (Appendix 1).



IMPORTANT NOTE: Your attention is drawn to the risk section of your Investor Policy Statement and/or Suitability Report which outlines the risks associated with the plan and/or the constituent assets held within your Davy Portfolio or upon which we have provided advice.

The Risk Disclosure Statement and the Investor Policy Statement and/or Suitability Report cannot disclose all the risks and significant aspects of investing and you should NOT make an investment or use our Services unless you have satisfied yourself that you understand the nature of the investments or Service and the extent of your exposure to risk. We may discuss with you, or propose, certain strategies or products in light of their generally accepted taxation implications. You may also receive publications, communications or research from us referring to a particular tax treatment. Any such tax benefits will depend on your individual tax position, as well as on the ongoing availability of the tax reliefs, which may be subject to change in future. While we will take your personal tax position into account in our advice, we do not provide legal or tax advice. We recommend that you obtain professional advice (including, *inter alia*, legal and tax advice) suitable to your own individual circumstances, before making an investment decision. Investments should be made on the basis of the underlying investment case and should not be solely driven by tax considerations.

We will assess suitability and/or appropriateness of the Services we provide as required by the FCA Rules, and in accordance with the categorisation in clause 6.2 above and the Account Opening Agreement (where applicable).

Where you have been advised by an Intermediary to invest in a Davy Portfolio, Davy will not assess, and shall not be responsible for, the suitability or appropriateness of the advice.



IMPORTANT NOTE: If you do not understand the nature and extent of your exposure to risk you should not invest.

6.6.1 Other documentation

Some financial instruments may have additional explanatory documentation available; such as a Key Investor Information Document ('KIID'), Simplified Prospectus, Prospectus or other information brochure.



IMPORTANT NOTE: Except where we have been appointed to act on a discretionary basis, we will provide you with additional documentation pertaining to our advice. You should read and understand this information prior to making any decision to invest. Where we have been appointed to act on a discretionary basis, we do not, as a matter of course, provide clients with this documentation on investments held within the Davy Portfolio prior to investing, however you acknowledge that such documentation is available on request. Davy bears no responsibility for delays in executing transactions where such delays are caused by the furnishing of such documentation to clients. Please note that such delays are more likely to occur in relation to clients where we have not been appointed to act on a discretionary basis.

6.6.2 Alternative Investments

Except where we have been appointed to act on a discretionary basis, we may provide advice in respect of Alternative Investments. We may also include Alternative Investments in your Davy Portfolio where we have been appointed to act on a discretionary basis.



IMPORTANT NOTE: You acknowledge that certain categories of Alternative Investments are typically highly illiquid and often no discernible primary or secondary markets exist for such investments. You acknowledge that this may mean that you must hold those investments until their maturity or until they can be realised. It is essential that you read and fully understand any supplementary documentation provided to you in respect of such investments as this will contain more detailed information as to the nature and risks associated with the particular investment.

6.6.3 Stabilisation

This statement complies with the FCA Rules and those of the Irish Stock Exchange and the Central Bank of Ireland. Davy or its 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. You should read the explanation below carefully. This is designed to help you judge whether you wish your funds to be invested at all in such securities and, if you do, whether you wish (1) to be consulted before Davy carries out any such transaction on your behalf; or (2) to authorise Davy to carry out any such transaction on your behalf without first having to consult with you.

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. Regulators allow stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found. Stabilisation is being carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilisation manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

The Stabilisation Rules:

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

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

6.6.4 Penny shares

Investing in smaller companies can involve greater risk: the spread between the buying and selling prices is likely to be larger than for other shares, and if you need to sell shortly after buying, you may realise much less for your shares than you paid. The price of penny shares may change quickly. It may go down as well as up and it may be more difficult to sell such shares. You should not invest amounts you cannot afford to lose.

6.7 REPORTING TO YOU

It is your responsibility to check the accuracy of information provided to you in our contract notes, valuation statements and other reports and contact us immediately in the event that you believe the information to be incorrect. Where your assets are registered in the name of a Third Party Nominee Company, that company shall be responsible for supplying you with contract notes, valuation statements and other reports as necessary to comply with legislation and regulations, and in line with the Third Party Nominee Company's Terms and Conditions.

We will provide you or your appointed agent with the following reports:

6.7.1 Contract notes

We will send a contract note to you in respect of every transaction (including transactions arising from your failure to pay or deliver as agreed), either on the day that it is traded or before Close of Business of the following business day. Where a third party provides a contract note, we will send it to you by Close of Business on the business day following receipt from the third party. The contract note will give details of any commission, transaction taxes and charges you will have to pay. We will assume that you have received the contract note and that the details on it are correct unless you contact us within 48 hours of the date of issue of the contract note. However, we reserve our right to correct errors at any time. If there is a mistake on the contract note or if information has been omitted, you will not be able to enforce the trade as confirmed to you and will be obliged to settle the trade as dealt by us.

6.7.2 Portfolio valuation reports

We will provide you with a Portfolio Valuation of all your investments at least once every six months or you may request to be provided with a Portfolio Valuation every three months.

6.7.2.1 Reporting for leveraged instruments

If you hold a leveraged instrument, we or another third party (if applicable) will provide you with a Portfolio Valuation on a monthly basis. You will also receive an annual portfolio valuation which shall set out details of funds held on your account over the course of that year.

6.7.2.2 Performance review

Where we have been appointed to act on a discretionary basis, we will establish an appropriate benchmark as a method of evaluation and comparison based on your investment objectives and the type of financial instruments you hold. The method of evaluation will be confirmed to you in your Investor Policy Statement. Otherwise, we may (but are not obliged to) establish an appropriate method of evaluation and comparison based on your investment objectives and the type of financial instruments you hold. The method of evaluation (where relevant) will be confirmed to you in your Investor Policy Statement. It is important that you read your Portfolio Valuation carefully, including all warnings and important information, and you must notify any objections or queries to us in writing within five business days after you have received such Portfolio Valuation.

6.7.3 Own name holdings

You may have asked us to show securities that you hold in your own name on your Portfolio Valuation Report. If so, by presenting the information in this way, Davy is not representing that they are due to you or that Davy holds them as part of its nominee service or in its safe custody for you. We will continue to include these securities in your Portfolio Valuation Report unless you advise Davy to increase, reduce or delete them on foot of any purchase, sale or corporate action.

6.8 ACCOUNT CORRESPONDENCE ONLINE

Our account correspondence online service is available to you so that you may access your Davy reports online by logging on to a secure area of Davy's website. In choosing to use this service, you are electing to access contract notes, Portfolio Valuations and such other reports as Davy may determine from time to time, for your account(s) online.

You should be aware that you will not receive paper copies of your Davy reports. We will send you prior notification advising of each addition to the account correspondence online service at least 30 days prior to launch. As the service expands, the online version of each report will replace the paper copy currently provided.

6.8.1 Accessing online reports

This service is available to clients who have been provided with a user name and password in order to access a secure area of the Davy website, and you may use these details to access your reports safely and securely. The right of access to this service (through the provision of a user name and password, or any alternative means of authentication which we might use in addition to or in lieu thereof) provided to you may not be assigned, licensed or otherwise transferred by you to any other person under any circumstances. It is important that you do not disclose your access details to anyone and you must take all reasonable care to prevent unauthorised or fraudulent use of your access details. If you know or suspect that someone has obtained your access details, you must inform us immediately.

6.8.2 Using the service

When a report becomes available for you to access online, we will send you an email or SMS text message alert within specified time frames. For contract notes the specified time frame will be the close of business on the day following a purchase or sale on your account as confirmation that the full contract note is available online. Time frames applicable to other reports will be confirmed to you prior to these becoming available online. Upon receipt of the alert you can access your reports safely and securely. Reports will be available online to you as a client of Davy for a period of two years following the date of your last transaction.



IMPORTANT NOTE: As a result of high internet traffic, transmission problems, systems capacity limitations, and other problems, you may, at times, experience difficulty accessing the website or communicating with Davy through the internet or other electronic and wireless services. Any computer system or other electronic device, whether it is yours, an internet service provider's or Davy's can experience unanticipated outages or slowdowns, or capacity limitations. Davy, its directors, officers and employees do not accept any liability for any loss or damage arising therefrom.

In the event that access to the online reporting service is disrupted for technical reasons we will post a notice to that effect on the website as soon as reasonably practicable. If we declare the online reporting service unavailable in this way, and you wish to access a report during the outage, we will provide you on request with a paper copy of the report free of charge. At all other times we reserve the right to charge a fee in the event that you request a paper copy of your report(s), as outlined in our Schedule of Trading Charges.

6.9 OUR REMUNERATION

6.9.1

Fees are set out in our Service & Fees Schedule relevant to the Service you have chosen and should be read in conjunction with these Terms. In addition, there may be trading charges associated with the implementation and ongoing administration of your investment. These are outlined in our Schedule of Trading Charges.

Our ongoing management fee on a Davy Portfolio is calculated pro rata biannually based upon the total value of your portfolio on the last business day in May and November, with fees applied to your account in June and December respectively.

Should you hold an investment outside Davy, there may be additional charges levied by the Third Party Nominee Company or product provider. These charges will be outlined in the relevant Terms and Conditions and may be in addition to the fees charged by Davy.

Where advice has been provided and the associated fee agreed, and where you subsequently decided not to proceed with the transaction; or having proceeded, you exercise your statutory right to cancel, you agree that the fee will still be due and payable in those circumstances and that we may seek to recover any fee due from you for the work we have undertaken.

You have the right to cancel any ongoing service and associated fees without penalty and without a reason being given. We will require 30 days' notice of this cancellation and our relevant ongoing services will cease from the end of the notice period. We reserve the right to apply a fee for ongoing services provided up to the date of cancellation.

We will charge our fees and transaction charges in line with our Service & Fees Schedule and our Schedule of Trading Charges. Dealing charges on transactions are payable at the time the transaction is settled. Dealing charges on sale will be deducted from gross sales proceeds. For purchases, dealing charges are added to the purchase consideration. We may vary our fees and transaction charges at any time. We shall give you not less than one month's notice in advance of any such variation by posting the notice on our website, www.davyprivateclients.co.uk, or by such other means as we may in our absolute discretion decide.

You agree that transaction, dealing and execution charges will continue to be payable to you until the date of closure pursuant to clause 6.16, 'Ending this relationship'.

6.9.2 Payments to intermediaries and introducers

Davy can facilitate payment of your advice fee to your Intermediary, but we only do so in accordance with your signed instructions. Davy may pay a fee to an Introducer who introduces you to Davy for the provision of services. Any fee paid by Davy to will be disclosed to you.

6.10 CONFLICTS OF INTEREST

You acknowledge and deal with Davy on the basis that when we are dealing for or advising you, we, an associated company or some other person connected with us, may have an interest, relationship or arrangement that is relevant to that investment, transaction or service. Notwithstanding this, our employees must act independently and ignore any such interest when making investment decisions for you.

We have procedures in place to identify conflicts of interest or potential conflicts of interest as they may arise. These procedures outline how conflicts are to be handled to ensure fair treatment of all clients and stakeholders. Where conflicts cannot be managed we will write to you for consent to continue.

We may attend training events funded and/or delivered by product providers, fund managers, and platforms. These events are designed to enhance our knowledge and ultimately enhance the quality of our service to you. Further details are available on request.

There may be times when Davy is prohibited from providing advice or investing on a discretionary basis in relation to certain shares that may be the subject of a takeover.

For more information on conflicts of interest, please refer to the summary of our Conflicts of Interest Policy appended to these Terms (Appendix 3), which is also available on the Davy website on www.davyprivateclients.co.uk.

Amendments to this document will be made on the Davy website.

6.11 COMPLAINTS

We are constantly working to improve our service to our clients. An essential part of this continuous improvement process is feedback (both positive and negative) from our clients. We strongly encourage you to give this feedback to us. In particular, should you be dissatisfied at any time with the service that you receive from Davy, do not hesitate to make this known to us. We have an internal complaints procedure, and further details of this procedure are available on request.

Please address your correspondence to the Head of Davy Private Clients, Donegall House, 7 Donegall Square North, Belfast BT1 5GB, or call us on 028 9031 0655, who in turn may refer the matter to the Compliance Department, which is independent. If you are not satisfied with the outcome of our review of your complaint, you may be entitled to refer the matter to the Financial Ombudsman Service (FOS). The FOS is an independent public body, set up by law to deal impartially with unresolved complaints from eligible complainants about their individual dealings with financial services providers. This service is free to the complainant.

Further details relating to the FOS, including how to make a complaint, are available at :

www.financial-ombudsman.org.uk;

by writing to Financial Ombudsman Service Exchange Tower London E14 9SR; or

by calling 0800 023 4567 or, from abroad, +44 20 7964 0500; or

by emailing complaint.info@financial-ombudsman.org.uk

6.12 DATA PROTECTION AND MARKETING

We fully respect your right to privacy, and any information relating to you (including any personal or sensitive personal data within the meaning of the Data Protection Act 1998 [the 'DPA']) which we obtain and hold about you ('Information') will be treated in accordance with our standard principles regarding client confidentiality and the DPA (where applicable). This includes Information we obtain from you or third parties when you apply for an account, product or service, or at any other time during the period of any agreement between us, or which we learn from the transactions you make, such as the date, amount, currency and the name and type of transaction, and the manner in which you operate and manage any account or joint account you hold with us.

- a We may use the Information for the purposes of:
 - i providing the Services, including without limitation, managing any of your accounts and the execution of transactions on your account;
 - ii debt collection;
 - iii group reporting and management information purposes;
 - iv prevention of money-laundering and the financing of terrorism and fraud, verifying your identity and otherwise complying with our legal and regulatory obligations; and
 - v any other purposes to which you have consented.
- b We may share the Information within the Davy Group and, to the extent necessary for the purposes set out in this clause with:
 - i anyone providing a service to us or to you, or acting as our agents, on the understanding that they will keep the information confidential;
 - ii counterparties to transactions executed on your behalf;
 - iii public companies in which you directly or indirectly hold shares, on request;
 - iv any (or any proposed) assignee, transferee, or successor in title to the whole or any part of our business relating to the Service, and their respective officers, employees, agents and advisers, provided that any recipient agrees to use your information for the same purposes as it was originally supplied to us and/or used by us;
 - v regulatory bodies, law enforcement agencies and other public bodies to whom we are obliged by law to disclose the Information;

- vi any third party which introduced you to us;
 - vii in the case of a joint account, the other account holder(s) and their respective advisers; and
 - viii any other party to whom you have agreed we may disclose your Information, each of whom may in turn use that Information for the above and other purposes which have been disclosed to you.
- c The use and disclosure of the Information in accordance with this clause may, in certain circumstances, involve the transfer of Information to countries outside the United Kingdom or Ireland including countries both within and outside the European Economic Area, and including countries which may not afford the same level of protection to personal data as applies under the laws of Ireland or Northern Ireland. Transfers to other countries will only be carried out:
 - i for the purposes specified in this clause;
 - ii in accordance with your instructions and/or for purposes to which you have otherwise consented; or
 - iii as otherwise required by law or regulation.
- d We will use all reasonable endeavours to ensure that any transfer of the Information is to a country whose laws offer adequate protection for personal information, or alternatively that the third party to whom the Information is transferred provides adequate assurances as to the level of protection which will be given to the Information.
- e You agree to notify us without delay in the event of any change in your personal data, to enable us to comply with our obligations to keep your Information up to date.
- f We will take all reasonable steps, as required by law, to ensure the safety, privacy and integrity of the information. Access to the information is strictly restricted to employees of the Company and its service providers who have a legitimate reason to view and use such information for the purposes set out in this clause.
- g We may be required to collect, process and keep sensitive personal data in relation to you. This might include information relating to your physical or mental health. Sensitive personal data will only be obtained and processed where necessary to process your application, administer and assess your account or to comply with applicable law.
- h Where you provide us with personal data relating to individuals (which for these purposes shall include, without limitation, any directors, employees, agents, officers, spouses, partners and personal representatives of the persons included in the expression 'Client'), you warrant that you have the permission of those individuals to provide us with the data. You warrant that you are acting in accordance with the requirements of the DPA (where applicable) in providing that information to us for the purposes set out in this clause and for such other purposes as have been disclosed to you by us prior to your provision to us of personal data.

- i We may record telephone calls. We will retain telephone records for a period as may be prescribed by law, regulation or guidance or at our own discretion. We may use the contents of such recordings as required by law and regulation, to verify your instructions and for quality control purposes.
- j We are obliged to retain client identification and client transaction records for six years from the end of the client relationship or the date of the transaction respectively. Other Information will be retained for no longer than necessary for the purpose for which it was provided to us or as required or permitted for legal, regulatory, fraud prevention and legitimate business purposes.
- k You have the right to receive a copy of all personal data (within the meaning of the DPA) relating to you which is held by us following a written request (for which we may charge an administration fee not to exceed £10 or such greater amount as permitted by law) and have any inaccuracies in your personal data corrected, by writing to us at Data Protection Officer, Compliance Department, Davy, Davy House, 49 Dawson Street, Dublin 2. We are entitled to take reasonable steps to establish your identity in relation to any amendment, access or deletion request and may, at our discretion, require proof of identity or other documents.

6.13 CHANGES

We will give you 30 days' written notice of any changes to these Terms. If you do not agree to the changes, you may terminate your agreement with Davy with immediate effect and without penalty. Where we are required to make changes to the Terms due to changes to law or regulation, market practice or the costs of providing services to you; to take account of a ruling by a court, ombudsman, regulator or similar body; the introduction of new systems or services; in order to make the Terms clearer and fairer; by agreement with you; or to rectify any mistake, we may make such changes to the Terms immediately, in which case we will notify you as soon as is reasonably practicable. No amendment will affect any order or transaction or any legal rights or obligations that may have already arisen.

6.14 ENTIRE AGREEMENT

These Terms and Conditions of Business should be read in conjunction with the relevant Service & Fees Schedule and Schedule of Trading Charges (where applicable), which together constitute the entire agreement between the parties relating to the services provided and shall supersede all prior agreements, undertakings and negotiations whether written or oral, expressed or implied and neither party shall have any claim in respect of any agreements, undertakings and negotiations so superseded. Each party agrees to perform such duties and only such duties as are specifically set forth in the agreement, it being expressly understood that there are no implied duties hereunder.

6.15 ASSIGNMENT

We may transfer our rights and/or obligations under these Terms to any member of the Davy group or a third party outside the Davy group provided we act in accordance with FCA Rules and applicable law and provided we reasonably consider that such a transfer will not materially affect the services provided to you under these Terms. We may do this on giving you at least 30 days' written notice, provided you have not given written notice terminating these Terms on a date before the transfer.

In the event that we transfer our rights and obligations under these Terms in accordance with this clause 6.15 to J & E Davy (UK) Limited which is another member of the Davy Group and which we have satisfied ourselves holds the necessary regulatory authorisation, unless you have given written notice terminating these Terms, you agree that:

- a the provisions of these Terms as amended by the notice given to you will be the written terms of the new agreement between you and J & E Davy (UK) Limited;
- b J & E Davy (UK) Limited will acquire all rights and powers it would have had, if it had been an original party to these Terms, to provide you with ongoing services as you have agreed we may provide to you under these Terms; and
- c J & E Davy (UK) Limited will acquire all rights and powers it would have had, if it had been an original party to these Terms, to receive adviser charges in respect of ongoing services it provides to you.

6.16 CANCELLATION AND ENDING THIS RELATIONSHIP

You have a right to cancel these Terms within 14 days of concluding the Terms (or if later within 14 days of the date on which you received the Terms) if you did not meet with a Davy employee prior to entering into these Terms.

These Terms will apply until changed in accordance with clause 6.13 or if ended in accordance with this clause. You may end this relationship at any time by giving us immediate written notice. If you want to end this relationship, please send written notice to Davy, 2nd Floor Donegall House, 7 Donegall Square North, Belfast BT1 5GB. We will generally give you at least 30 days' written notice before we terminate these Terms, although we may terminate the Terms with immediate effect where we have a valid reason for doing so, such as:

- a your death or legal incapacity;
- b your bankruptcy, insolvency or inability to pay your debts as they fall due or where we reasonably believe you may not be able to meet your obligations to us under these Terms;
- c a serious or persistent breach of these Terms by you;
- d where you have supplied us with false or misleading information regarding your financial status or investment experience and knowledge;
- e if we reasonably suspect that you have acted or will act fraudulently or in breach of any applicable law or regulation in relation to the matters covered by these Terms; or
- f where continuing to provide you with services under these Terms would cause us to be in breach of any applicable law or regulation or expose us to action or censure from any government, regulator or law enforcement agency.

If our relationship ends, we may transfer any securities we hold in our nominee name back to you or transfer them to a custodian nominated by you. We reserve the right to charge a fee to re-certificate or transfer your securities. Fees currently applicable are outlined in our Schedule of Trading Charges. However, we may keep any securities to pay off any amounts you owe to us.

For certain investments, for example some Alternative Investments, it may not be possible to transfer these assets to you or your custodian. In such circumstances we will continue to hold the investment(s) in our nominee name but for your benefit and will transfer the investment(s) to you or to a custodian nominated by you, when the investment(s) may be transferred in accordance with the terms and conditions of the particular investment(s). In the case of commitment based Alternative Investment(s) the termination of this relationship will not release you from any obligations under the terms and conditions of the investment(s) which will continue to apply. In these circumstances Davy will be entitled to continue to be remunerated in respect of the investment(s) that remain with Davy.

If you fail to give us written instructions within 30 days, we may register any securities we are holding into your name at your last known address and send them to that address. You should be aware that for certain asset classes this may trigger certain tax liabilities. On ending this relationship you must immediately pay all sums owing on your accounts with us (including all sums owing to us and any third parties). Fees and charges will be charged up to the date of closure.

Please refer to clause 6.9.1 for details of your rights and obligations on termination of services & fees.

6.16.1 Product cancellation rights

When we execute a transaction on your behalf, you will not have the right to cancel the transaction after it has been executed.

However, FCA Rules do provide for the right to cancel certain types of contracts after these have been arranged. You will normally have a 30 day cancellation period for life, protection and pension contracts and a 14 day cancellation period for all other contracts.

You may not always get back the full amount invested when cancelling due to market movements. If any of these rights apply to you, they will be contained in the relevant product disclosure information provided.

6.17 LIEN & SET OFF

Davy, and where relevant its nominee company or companies, shall have at all times a general lien on all your financial instruments and other property in their possession, custody or control enabling them to retain such securities and other property as security for the payment of all amounts due from you to Davy on any account.

Davy may set off any obligations incurred by you to Davy against any obligation incurred by Davy to you, regardless of the place of payment or currency of either obligation. If the obligations are in different currencies, Davy may convert either obligation at a market rate of exchange customarily utilised by it in its usual course of business for the purpose of the set-off. If any obligation is unliquidated or unascertained,

Davy may set off an amount estimated by it in good faith in accordance with commercially reasonable standards to be the amount of that obligation. The rights granted by this clause are in addition to and are not to prejudice or affect any other right of set off, combination of accounts, lien or other right which Davy may have whether by operation of law, statute, contract or otherwise.

6.18 THIRD PARTY LIENS

In certain circumstances, we may permit you to create a security interest over your Davy Portfolio in favour of a third party in order to provide collateral for third party borrowings ('Third Party Lien'). Where this is the case you will be required to sign all relevant documentation. Davy may continue to operate the account on a day-to-day basis, set off fees and use sums standing to the credit of the Davy Portfolio to satisfy capital calls (where applicable) without reference to the third party. Where the third party exercises its rights under the Third Party Lien, to the extent that any funds held on the account are committed to future payments in accordance with the terms and conditions of the relevant investment(s), Davy reserves the right to dispose of any assets or use any cash held in your Davy Portfolio as may be required to fund such future commitments that are required by the terms and conditions of such investment(s).

6.19 EVENTS OF DEFAULT

The occurrence of any of the following events shall be an Event of Default under this agreement:

- a Failure by you to make any payment due under the Terms;
- b Failure by you to pay for purchases by the due date specified on a contract note;
- c Failure by you to return a valid, complete and within the settlement timeframe, share certificate and/or transfer form in connection with a sale order;
- d Failure by you to perform any of your other obligations under the Terms;
- e Any act of bankruptcy or insolvency or similar act or procedure in respect of you;
- f An admission by you that you are unable or intend not to perform any of your obligations under the Terms; or
- g Any other event of default, termination event or other similar event (howsoever described) under any part of these Terms or any other agreement between Davy or a member of the Davy Group and you.

6.20 CONSEQUENCES OF AN EVENT OF DEFAULT

Where an Event of Default occurs we can immediately, without further demand or notice to you, add a late settlement administration charge to your account. The current administration charge we may levy, and the basis upon which this is calculated, is displayed in our Schedule of Trading Charges. In such circumstances you will also be liable for any excess cost or loss in value that might arise.

As security for your obligations to us, you hereby irrevocably appoint Davy as your attorney to act on your behalf and in your name or otherwise to execute any document and to do any act or thing which Davy may in its absolute discretion consider necessary or appropriate to give effect to the provisions of these Terms.

You hereby further irrevocably authorise Davy at any time after the occurrence of an Event of Default, if any amount due to Davy from you has not been paid when due (or on demand, if so payable), at any time after demand made on you, to:

- a sell or otherwise realise all or any assets held in your Davy Portfolio or any other account in your name with Davy, in such manner at such time or times and to such person or persons as Davy in its absolute discretion thinks fit; and
- b apply the proceeds of sale in or towards the discharge of any liabilities you have to Davy in such order and manner as Davy thinks fit.

Davy shall use reasonable efforts to obtain the best price available in all the circumstances for any sales or realisation of such assets.

At any time after the occurrence of an Event of Default, Davy shall have the right to appropriate all or part of your assets with Davy whether in your Davy Portfolio or any other account in your name with Davy, in or towards the discharge of all obligations and liabilities to Davy. For this purpose, you agree that the value of such appropriated assets shall be the amount of the assets, together with any accrued but unpaid interest, at the time the right of appropriation is exercised. If for any reason such assets cannot be valued at that time Davy will apply a commercially reasonable method of valuations as it, at its absolute discretion, sees fit.

Davy shall be entitled to charge to you all fines, penalties and costs including legal, accounting and other professional and non-discretionary costs we might incur arising from an Event of Default.

6.21 INACTIVE ACCOUNTS

If at any time you:

- a have not bought or sold securities through Davy for a period of at least two years;
- b do not have a cash balance in a Davy client money account; and
- c do not hold securities in a Davy nominee account;

we may close your account without notice. If your account is closed in this manner and at a later date you wish to place an order to buy or sell securities, you will need to open a new Davy account. In certain circumstances, where you have not bought or sold securities through Davy for two years or more and, having made reasonable efforts to contact you, we are unable to do so, we may transfer investments or cash held on your behalf to the Davy Charity Account. Further details are available from your Davy adviser at +44 28 90 310655. Assets that are transferred in this manner remain your property and may be reclaimed by contacting your Davy adviser.

6.22 YOUR ACKNOWLEDGEMENTS AND UNDERTAKINGS

a Deposit accounts and basic rate of tax ('BRT')

You acknowledge that if the basis on which you have claimed exemption from BRT on a deposit account should no longer apply due to a change in entitlement status or change in tax law, you understand that BRT may be payable by you from the date that the exemption no longer applied to you plus penalties, if applicable.

b Taxes and other costs

You will be fully responsible for the payment of all taxes, stamp duties, costs and registration fees incurred in connection with your Davy Portfolio.

c Accuracy of information

Any information that you have provided (or in future provide) is complete, accurate and is not misleading in any material respect.

d Providing information to your insurer

Your protection cover is based upon the information you provide to the insurance company. For all individuals (known as consumers) buying insurance this means that you must take 'reasonable care' to answer all questions asked by the insurer fully and accurately.

All other clients (for example commercial customers) must still disclose all 'material facts' (any information that may influence the insurer's decision over cover or terms) prior to inception and throughout the period of the policy.

Failure to disclose material information may invalidate your insurance cover and could mean that a claim may not be paid.

e No charge

There is not currently nor will you in the future create or permit to be outstanding any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance, or any other agreement having the same economic effect over or in respect of the investments in the Davy Portfolio, other than as provided for in these Terms and/or as agreed in writing by us.

f Undertaking to comply

You will comply with and fulfil your obligations under these Terms and under any other terms and conditions of any investment, particularly (but not limited to), Alternative Investments, in respect of which we give you advice or make an investment on your instructions or where we have invested on your behalf as part of our Wealth Management Service.

If you breach any of these Terms you will be responsible for paying for all losses, expenses, costs and liabilities (together "Loss") that we incur as a result of such breaches (including any fines which may be imposed upon us due to late settlement of a transaction) except to the extent that such Loss arises as a result of our negligence, fraud or wilful default.

g Power and authority

You hereby confirm that you have the power for and have taken all necessary action to authorise the execution and delivery of these Terms and the performance of your obligations hereunder.

h Legal obligation

These Terms constitute your legal, valid and binding obligations and, subject to the principles of equity and the rights of creditors generally, are enforceable in accordance with their terms.

6.23 LIMITATION OF LIABILITY

a Nothing in these Terms shall exclude or restrict any liability which Davy or any Davy Related Party has to you under any applicable law or regulatory requirement and which cannot be excluded or restricted by agreement by reason of any applicable law or regulatory requirement, and the provisions of these Terms which purport to exclude or restrict any such liability shall not apply to the extent that such liability may not be so restricted or excluded. You also acknowledge that each of the acknowledgements made by you in this clause are made for Davy's own benefit and also for the benefit of each Davy Related Party and you acknowledge that for such purposes only Davy shall be an agent and trustee of each Davy Related Party.

b No warranty or representation

You hereby acknowledge that Davy and each Davy Related Party is not responsible or liable for and gives no warranty or representation as to the performance or profitability of your Davy Portfolio or any part thereof. Any instructions you give to Davy or a Davy Related Party are your responsibility, and Davy or any Davy Related Party will not be liable for any loss whatsoever or howsoever arising from the carrying out of any of your instructions, or for any loss you may suffer as a result of transferring any invalid or forged instrument.

c Exclusion and limitation of liability

Except in the circumstances described in (a) above, you acknowledge that we shall not be liable for any loss or damage (whether arising directly or indirectly), which results from:

- i Us relying on any instruction authorised by you or on your behalf; or
- ii as a result of any act or omission, or of the insolvency, of any eligible custodian or credit institution that may hold your assets as provided for in section 5 (above); or
- iii by reason of or in connection with any act or omission by you or any agent of yours,

unless such loss or damage is suffered or incurred as a result of our negligence, fraud or breach of these Terms.

c Force majeure

We will not have breached these Terms if we fail to carry out our duties and obligations, or refrain from taking any action, as a result of any event beyond our reasonable control, including without

limitation – fire; flood; act of Government or State; act of God; war or civil commotion; embargo; terrorism; inability to communicate or delay or corruption in communication with others on or in relation to any stock market for whatever reason; failure of any computer dealing or settlement system; interruptions in internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence); being prevented from using any fuel or other supplies; postal and other labour disputes whether actual, threatened or anticipated; late delivery or late payment by any other person or any other reason.

6.24 ARBITRATION

All disputes (other than those which are dealt with by the Financial Ombudsman Service) which arise between the parties out of or in connection with this Agreement or the subject matter thereof shall be decided by an arbitrator agreed by the parties or, in default of agreement, appointed at the request of either party by the President for the time being of the Law Society of Northern Ireland or (in the event of such body not then being in existence) the President (or equivalent officer) of such other body as shall for the time being have undertaken in Ireland the functions currently performed by such society or (should the president or, as the case may be, equivalent officer be unwilling or unable to make the appointment) by the next senior officer of such society or, as the case may be, such other body, who is willing and able to make the appointment. Provided always that these provisions shall apply also to the appointment (whether by agreement or otherwise) of any replacement arbitrator where the original arbitrator (or any replacement) has been removed by order of the High Court, or refuses to act, or is incapable of acting or dies.

6.25 OTHER IMPORTANT MATTERS

If we decide not to enforce any of our rights, it will not mean we cannot enforce them in the future. We do not hereby waive any rights we have at law. Each of the clauses and sub-clauses of these Terms is severable and distinct from the others. If at any time such clause or sub-clause is or becomes invalid, illegal or unenforceable, this will not affect the validity, enforceability and legality of any of the other clauses or sub-clauses of these Terms.

These Terms, and our relationship, are governed by the laws of Ireland. Any dispute arising under these Terms and Conditions shall be subject to the exclusive jurisdiction of the courts of Ireland and all parties will (subject to the arbitration provisions in clause 6.24 above) submit to the jurisdiction of the courts of Ireland.

UK Client Asset Key Information Document “CAKID”*

This document is designed to provide you with summary information on the Client Asset Requirements imposed by the Central Bank of Ireland (“CBOI”). It is important that you also refer to the section in your UK Terms and Conditions of Business (Terms) which explains “How we hold your Assets”.

WHAT ARE THE CLIENT ASSET REQUIREMENTS (“CAR”)?

The Client Asset Requirements (“CAR”) have been imposed by the Central Bank of Ireland (“CBOI”) on investment firms that hold client assets. The requirements are imposed under S.I. No 104 of 2015, Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) and the Client Asset Regulations 2015 for Investment Firms.

These Regulations seek to further enhance the processes and controls an investment firm has in place to safeguard and protect client assets.

A copy of CAR and the associated Guidance is available on the CBOI’s website www.centralbank.ie/regulation/clientassetsandinvestormoney. The purpose of the guidance is to assist investment firms to comply with the Client Asset Regulations.

The three main objectives of the client asset regime for investment firms are:

1. The mitigation of the risk of misuse of client assets, including use by the investment firm without consent or contrary to client wishes, whether as a result of maladministration or fraud;
2. Segregation of client and firm assets to ensure that in the event of a firm’s insolvency there will be an expeditious return of available client assets to the clients at the lowest cost; and
3. The maintenance of public confidence in the client asset regime.

The purpose of the client asset regime is to regulate and safeguard the handling of client assets by an investment firm.

KEY FEATURES OF CLIENT ASSET REGULATIONS (“CAR”)

CAR obliges firms that hold client assets to put in place certain safeguards to help protect clients’ ownership rights, including the following:

- ▶ Segregation of client assets from the firm’s assets;
- ▶ Record keeping - to enable the firm at any time and without delay to distinguish client assets from those assets held by the firm;
- ▶ Receiving CAR assurances from the firm’s third parties, before lodging client assets with a third party;
- ▶ Prompt lodgement of all client funds and prompt registration of client financial instruments to designated client asset accounts;
- ▶ Regular reconciliations between the firm’s internal systems and the records of third parties that hold client assets on behalf of the firm;

* Disclaimer - This material is accurate as at October 2015. Davy may update or amend this Client Asset Key Information Document from time to time as appropriate. The most recent version can be found on Davy’s website at www.davyprivateclients.co.uk.

- ▶ Daily cash calculations to ensure that the firm’s client money resource is at least equal to its client money requirement;
- ▶ On-going counterparty due diligence by the firm;
- ▶ Regular CAR audits by the firm’s external auditors, which are reported to the Central Bank;
- ▶ Applying systems and controls that are appropriate to identify risks in relation to client assets and to put in place mitigants to counteract these risks; and
- ▶ Disclosure of certain information to clients.

WHAT ARE CLIENT ASSETS?

Under CAR, client assets mean client funds and client financial instruments, as outlined below.

1. Client funds (including cheques or other payable orders, current and deposit account balances) which are held by the firm or owed to the client (by the firm) on behalf of clients to whom a firm provides financial services but does not include funds which relate exclusively to unregulated financial services. (e.g. direct property investments).
2. Client financial instrument means any financial instrument as defined in the MiFID Regulations and the Investment Intermediaries Act 1995

CIRCUMSTANCES IN WHICH CAR APPLIES AND DOES NOT APPLY

CAR applies where Davy (hereafter referred to as Davy or “the firm”) receives client funds, or holds client financial instruments which have been entrusted to the firm (or its nominee) and in respect of which the firm has capacity to effect transactions.

For Davy clients, generally speaking, CAR applies when a client avails of the firm’s nominee service, where we hold documents of title, or where we hold funds on a client’s behalf.

Cheques or other payable orders will be client funds from the time of their receipt by us but will not be client funds if;

- ▶ made payable to a third party which we directly transmit to that party; and
- ▶ a cheque/payable order received from a client which is not honoured by the paying bank is not a client asset.

Funds sent to a client by way of cheque/payable order do not cease to be client assets until the cheque/ payable order is presented and paid by the eligible credit third party.

Client assets cease to be client assets, when they are paid, or transferred, to the client or to a third party on the written instruction of the client, or funds due and payable to the firm itself as outlined in these Terms (e.g. if a client defaults on its obligations to the firm).

Davy clients with their own custody arrangements and/or clients who hold financial instruments in their own name fall outside of scope of CAR, unless the client has sent in his/her own name share certificate to Davy to be sold in the market. In this instance, CAR will apply while Davy is directly holding the own name share certificate for the client in its

own safe custody arrangements. It would also apply to any funds which are settled through Davy client asset accounts.

Direct property investments are unregulated and investments in such instruments fall outside of CAR.

ONGOING DISCLOSURES TO CLIENTS

The firm will disclose in its client asset statements to clients whether individual assets within a portfolio are within scope of CAR or not. If you have any questions about this, you should speak to your Davy adviser who can discuss your personal circumstances.

WHO HOLDS MY ASSETS UNDER CAR, AND HOW?

Client Funds

Client funds will always be held either in pooled client asset settlement accounts, pooled client asset deposit accounts or individually designated client asset deposit accounts with an eligible third party credit institution. Further information about the credit institutions we use is set out in these Terms .

Client funds are protected by rules laid out in CAR which include obligations relating to the segregation of client funds from the firm's funds, accurate record keeping, regular reconciliations between the firm's records and the eligible credit institution's, counterparty due diligence, etc.

Prior to lodging client funds with an eligible credit institution, we receive a written confirmation from the credit institution that client asset accounts are legally segregated from any bank account that Davy itself may hold.

CLIENT FINANCIAL INSTRUMENTS

Who holds your investments?

If you have financial instruments in your Davy account, using the Davy nominee service, you remain at all times the beneficial owner of those investments, even though a company independent of the Davy Group (such as Davy's nominated custodian) or a nominee company of the Davy Group may be registered as the legal owner.

Beneficial ownership arises where one party holds assets on behalf of another. The legal owner (i.e. the registered holder) has control over the asset and can, for example, buy and sell the asset on behalf of the beneficial owner. However, the legal owner in this instance is not entitled to the asset and so, while it will receive the income and capital on behalf of the beneficial owners, it will never benefit from it. The beneficial owner receives the benefits associated with ownership such as dividends and gains from the asset, etc. Davy is obliged by law, and by CAR, to report to clients in relation to the client assets it holds and any benefits associated with the assets.

Shares in UK and Irish companies, UK and Irish Exchange Traded Funds (ETFs) and UK government bonds are generally held with CREST/Euroclear UK & Ireland Limited (CREST). CREST is the Central Securities Depository (CSD) for the UK and Ireland. In addition CREST provides for real-time settlement of securities and is one the largest and most technically advanced settlement systems in the world. Our nominee company is a member of CREST and its name appears on the share registers for these assets. Our nominee company operates individually designated CREST accounts for all clients who hold CREST eligible securities through Davy. This means that there are separate accounts within CREST for each Davy client. Client accounts are segregated from each other as well as from those of the firm.

Foreign shares, foreign ETFs and government and corporate bonds (with the exception of UK government bonds) are held with our global custodian, Bank of New York Mellon (BNY Mellon) in accounts named "Davy Client Asset Account". BNY Mellon in turn may arrange for these holdings to be held with various sub-custodians in local markets with account names dictated by the naming convention in those local markets. The custodian undertakes reviews of its sub-custodians on a regular basis. We operate a number of pooled client accounts with BNY Mellon. This means that any assets held on your behalf with BNY Mellon are held in accounts containing assets owned by other clients. These client accounts do not contain assets of the firm.

Unit fund transactions settle and are held in a J&E Davy Client Asset Account. Generally speaking and depending on the fund, orders are centralised either through Allfunds Bank or Clearstream Bank, our designated custodians for such assets. The relevant custodian arranges for the units to be registered with the individual fund administrators in the name of its nominee company (i.e. Allfunds or Clearstream nominee company). In some cases, units in other collective investment schemes, which are not held by either Allfunds Bank or Clearstream Bank, are directly held with the fund administrators and are registered in the name of Davycrest Nominees.

The use of pooled accounts is a feature of global custody. We maintain appropriate records to make sure that we can easily identify the securities we hold for you within pooled accounts. We have electronic links to our custodians which facilitates timely settlement and reconciliation.

Notwithstanding the above, there are some situations where market convention determines that Irish and UK stocks will be settled as though they were European (through our global custodian BNY Mellon) and vice versa (i.e. where certain foreign stocks will be settled through CREST). This most often arises where stocks are dual listed on more than one exchange or where the domicile of the company is different to the market where the stock is listed.

In the event that an asset registered in the name of our nominee company can only be held in physical/certificated format, we hold the certificate in a fire proof safe on our premises. It is Davy policy to minimise the amount of nominee holdings held in paper format so we only accept such holdings where they cannot be held electronically. There are strict controls in place to safeguard access to certificates as well as reconciliations which are described in greater detail below.

Where clients hold other types of investments (e.g. private equity investments), not mentioned above, they may be held in the name of a nominee company with third parties. Please contact Davy if you require further information in this regard.

Protecting your Assets

As set out in our Terms, we are careful in our choice of third parties, and monitor their performance on an ongoing basis. We perform regular risk assessments on each of the entities. Any third party we choose is appropriately authorised in the jurisdiction in which it is situated and is subject to appropriate prudential and client asset supervision. However, we do not accept liability for any acts or omissions of those custodians or credit institutions, or for their default. In the event that a custodian or credit institution becomes insolvent, you may not receive back all or any of the assets or funds that custodian or credit institution holds on your behalf.

We are a member of the Investor Compensation Scheme, set up by law, which provides compensation to eligible investors should we become insolvent. You will only have a right to compensation if you qualify as an eligible investor; and if we are unable to return to you money or Financial Instruments that you are owed or own, and if your loss is recognised by the Investor Compensation Scheme. Further details can be found at www.investorcompensation.ie

In some instances the ICCL provides a lower limit of compensation than the Financial Services Compensation Scheme ('FSCS') in the UK. Davy has therefore chosen to 'top up' into the FSCS. This can be seen on the FSCS website, www.fscs.org.uk.

In the event of the failure of Davy, and depending on the type of business and the circumstances of the claim, there may be a two-step process. The ICCL may have lead responsibility for claims, and would pay the first part of any compensation, up to a maximum equivalent to 90% of the net amount you have lost or 20,000 euro (whichever is less). The FSCS would, where possible, try to assist claimants in their dealing with the ICCL (for example, by putting you in contact with the ICCL, or helping you understand the process that the ICCL follows).

The FSCS would then deal with any 'top-up' claims. Most types of investment business are currently covered by the FSCS, up to a maximum of £50,000. Most types of insurance business are currently covered for 90% of the claim, without any upper limit.

What are the main risks or limitations to safeguarding client assets?

Investors should note that while CAR imposes obligations on firms to segregate client assets from firm assets, as well as other requirements, it does not protect or guarantee the value of the client assets, nor does it in any way seek to impose regulations on investments which may be unregulated or which may operate outside a regulatory environment. Similarly, investors will continue to bear default risk in the event of either the firm or one of its eligible credit institutions or eligible custodians defaulting on its obligations.

The material risk relating to safeguarding client assets include some of the following risks as outlined below. Various other risks may also apply.

Counterparty Risk

A counterparty risk, also known as a default risk, is a risk that a counterparty will not pay what it is obligated to on a transaction pending settlement. In addition, the value of an investment may be adversely affected if it is exposed to an institution which suffers insolvency or other financial difficulties (default).

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. For every firm, there is a risk that its people, processes and systems are imperfect, and that losses will arise from errors and ineffective operations.

Risk of Fraud

The risk of fraud relates to an intentional deception made for personal gain or to damage another individual which may be perpetrated internally or externally to a firm.

Risk of Pooling

There is a risk that one client's assets will be used to fund another client's transactions; that the firm will not appropriately implement accounting segregation or that the pool may have deficit and any losses would be applied on a pro-rata basis across all clients participating in the pool.

Conversely, you may choose to make your own custody arrangements and/or hold financial instruments in your own name. Global custody arrangements for individual clients are expensive and this option is usually availed of by large, professional clients

Controls to Help Mitigate Against Risk

While a firm can never eliminate risk, MiFID firms such as Davy which are subject to the European Communities (Markets in Financial Instruments) Regulations 2007 (the MiFID Regulations) are obliged to put in place adequate policies and procedures designed to detect any risk of failure of the firm to comply with the provisions of the MiFID Regulations. In addition, MiFID firms must monitor and on a regular basis evaluate the adequacy and effectiveness of the systems, internal control mechanisms and arrangements established, implemented or maintained in accordance with the Regulations, and take appropriate measures to address any deficiencies in the firm's compliance with its obligations.

Appendices

Appendix 1: Risk Disclosure Statement

This information is provided to you in compliance with the requirements of the Markets in Financial Instruments Directive (as amended). It provides a general description of the nature and risks of financial instruments taking account of your categorisation as a retail investor; and is intended to help you make your investment decisions on an informed basis. This information does not disclose all the risks and significant aspects of trading financial instruments; however it is designed to give you an understanding of the major risks and characteristics that you need to consider. You should not deal in financial instruments unless you understand their nature and the extent of your exposure to risk. The value of financial instruments may fall as well as rise. When investing in financial instruments there is a risk that you may lose some or all of your original investment. You should consider whether investing in financial instruments is suitable for you in light of your individual circumstances and taking account of your investment objectives, experience and financial position. In deciding whether certain financial instruments are suitable investments the following information describing the nature and risks of such instruments should be carefully considered.

NON-COMPLEX FINANCIAL INSTRUMENTS

Listed Shares/Equities

Owning shares in a company provides an opportunity to participate in the company's profit and performance, in the form of dividends and capital growth. Individual shares and stock markets can be volatile, especially in the short term. Some shares are likely to be more volatile than others. This will be based, among other things, on the business, geographic location and size of the company.

Potential investors should be familiar with any company they plan to invest in. Share portfolios are at a greater risk of significant loss if there is a lack of diversification i.e. an over-reliance on stocks in one particular company, industry sector or country. The liquidity of shares is a critical factor, this refers to your ability to realise shares when you so wish. Shares in companies that are not traded frequently can be difficult to sell. Many shares that are traded on stock exchanges are bought and sold infrequently and finding a buyer may not always be easy.

As well as the Official List, the Irish Stock Exchange also operates a market called the Irish Enterprise Market, or 'IEX'. The UK equivalent of IEX is the Alternative Investment Market, or 'AIM'. IEX and AIM are markets designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached by comparison to larger or more established companies. Shares listed on these markets may not trade as frequently as other shares, in which case you may find it difficult to sell shares that you buy in the markets.

Other than the cost of acquiring shares, you will not be subject to any margin requirements or financial commitments/liabilities. However, as the value of shares may fall as well as rise, when investing in shares there is a risk that you may lose some or all of your original investment.

Bonds

A bond is a debt instrument in which the issuer promises to pay to the bondholder principal and interest according to the terms and conditions of the particular bond. Although not to the same extent as shares, bonds can be subject to significant price movements. Bonds can also be subject to the risk of default and non-payment of interest and/

or principal by the issuer. As with shares, some bonds are considered to be safer than others. In general, Government Bonds are considered to be subject to less risk than Corporate Bonds. This is simply because governments are generally less likely to default on their debt than companies, although this may not be the case with some emerging markets. Bond ratings give an indication of an issuer's probability of defaulting and are based on an analysis of the issuer's financial condition and profit potential.

Corporate bonds are issued by companies but they are split into different types, depending on the credit rating they achieve. Companies that have high ratings are known as 'investment grade bonds' while companies with low ratings are known as 'high yield bonds' because they have to promise higher income payouts to attract investors. Companies that do not achieve ratings are known as 'junk bonds'.

Other than the cost of acquiring the bond, investors are not subject to margin requirements or any financial commitments or liabilities additional to the cost of acquisition. However, as the value of Bonds may fall as well as rise, when investing in Bonds there is a risk that you may lose some or all of your original investment.

Money Market Instruments

Money Market Instruments are debt instruments issued by private organisations, governments and government agencies. The money market is a highly liquid professional dealer market that facilitates the transfer of funds (generally in very large denominations) between borrowers and lenders. It generally relates to those instruments that allow for borrowing and lending periods ranging from one day to one year.

Although money market instruments carry less risk than long-term debt they are not completely without risk. Different instruments carry varying degrees of risk depending on the nature of the lending agreement and the identity of the lender. Potential investors should be aware of such details prior to entering into any money market transactions.

Common money market instruments include: Exchequer Notes, Commercial Paper, Treasury Bills, Repurchase Agreements and Bankers' Acceptances.

In general, other than the cost of acquiring money market instruments, investors are not subject to any margin requirements or financial commitments/liabilities. The value of money market instruments may fall as well as rise and therefore when investing in such instruments there is a risk that you may lose some or all of your original investment.

UCITS

An 'Undertaking for Collective Investments in Transferable Securities' or 'UCITS' is a specific type of collective investment that can be operated freely within the EU in accordance with the Undertakings for Collective Investment in Transferable Securities Directive. As with other collective investments, UCITS tend to invest in a range of individual securities, giving investors the opportunity to invest in a diversified product. However, UCITS are prescribed from investing in more complex and higher risk securities and are subject to rules which oblige them to reduce the risk of exposure to any particular issuer.

UCITS can be subject to volatility, especially in the short term. Some UCITS are likely to be more volatile than others. This will be based, among other things, on the nature and size of the underlying securities and the liquidity/price of the underlying securities.

Potential investors should be familiar with the nature of the underlying securities in any UCITS they plan to invest in. Other than the cost of investing in UCITS, you will not be subject to any margin requirements or financial commitments/liabilities. However, as the value of UCITS may fall as well as rise, there is a risk that you may lose some or all of your original investment.

Exchange Traded Funds

Exchange Traded Funds (ETFs) are investment products that provide investors with an opportunity to invest in a diversified basket of shares through one investment instrument. An ETF will generally track the shares of companies that are included in a selected market index, investing in either all of the shares or a representative sample of the shares of the selected index. The performance of an ETF is likely to be reflective of the performance of the index upon which the ETF is based. ETFs are generally more liquid than other types of collective investment schemes and can be traded in the same way as any listed share. Like shares, ETFs can be subject to volatility, especially in the short term. Some ETFs are likely to be more volatile than others. This will be based, among other things, on the nature and size of the underlying companies and the liquidity/price of the underlying companies.

Potential investors should be familiar with the nature of the underlying companies of any ETF they plan to invest in. Other than the cost of acquiring ETFs, you will not be subject to any margin requirements or financial commitments/liabilities. However, as the value of ETFs may fall as well as rise, when investing in ETFs there is a risk that you may lose some or all of your original investment.

COMPLEX FINANCIAL INSTRUMENTS

This notice does not disclose all the risks and other significant aspects of trading in derivative products such as warrants, futures and options. The price of derivative products is directly dependent upon the value of one or more investment instruments. Trading in derivatives is not suitable for many members of the public.

FUTURES

Effect of Leverage or Gearing

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 your position in cash. They carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract, so that transactions are leveraged or geared. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit. This may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds at short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

Risk-reducing Orders or Strategies

The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions such as 'spread' and 'straddle' positions may be as risky as taking simple 'long' or 'short' positions.

OPTIONS

Variable Degree of Risk

There are many different types of options with different characteristics subject to different conditions. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

Buying Options

Buying options involves less risk than selling 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'.

If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Writing Options

If you write an option, the risk involved is considerably greater than buying options. You may be liable for the margin to maintain your position and a loss may be sustained well in excess of any fixed 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 (known as 'covered call options') the risk is reduced. If you do not own the underlying asset (known as 'uncovered call options') the risk can be unlimited. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see previous section on 'Futures').

ADDITIONAL RISKS COMMON TO FUTURES AND OPTIONS

Terms and Conditions of Contracts

You should ask the firm with which you deal about the terms and conditions of the specific futures or options in which you are trading and associated obligations (e.g. for a futures contract the circumstances under which you may become obligated to make or take delivery of the underlying interest and in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

Suspension or Restriction of Trading and Pricing Relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or 'circuit breakers') may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase

the risk of loss. Further, normal pricing relationships between the underlying interest and the future, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge fair value.

Deposited Cash and Property

You should familiarise yourself with the protections accorded money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm's insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

Contingent Liability Transactions

Contingent Liability Transactions which are margined require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If you trade in futures or sell options you may sustain a total loss of the margin you deposit with your dealer 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 liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above the amount paid when you entered into the contract.

Collateral

If you deposit collateral as security with your firm, 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 exchange or 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.

Insolvency

Your broker's insolvency or default 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 payment in cash. Our terms of business outline the extent to which the firm will accept liability for any insolvency of, or default by, other firms involved in your transaction.

WARRANTS

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 securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of warrants. The prices of warrants can therefore be volatile.

Covered warrants are similar to an option, and give you the right, but not the obligation, to buy or sell an asset at a specified price (the 'strike price') during, or at the end of, a specified period. They are issued by a financial institution over an underlying asset such as an equity, an index or a basket of securities rather than by the issuer of, for example, the equity itself. Covered warrants can either be 'Puts' (similar to a sell) or 'Calls' (a buy). Covered warrants do not have an indefinite term and may expire worthless if the underlying instrument does not perform as anticipated.

You should not buy a warrant or a covered warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

Transactions in off-exchange warrants may involve greater risks than dealing in exchange-traded warrants because there is no exchange market through which to liquidate your position, to assess the value of the warrant or the exposure to risk. Bid 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. Your broker must make it clear to you if you are entering into an off-exchange transaction and advise you of any risks involved.

PRIVATE EQUITY INVESTMENTS/PRIVATE EQUITY FUNDS

The term 'Private Equity' refers to medium to long-term finance provided by an investor to an unlisted company in return for an equity stake. The term is also used in the context of venture capital; buy-outs and buy-ins. Private Equity investments may include pure equity instruments and hybrid equity instruments such as convertible or subordinated debt.

These tend to be high risk investments and should only be considered by experienced and knowledgeable investors. They should be entered into with a medium to long-term view. Due to the fact that private equity is not traded publicly, it can be difficult to realise your investment when you wish. Private equity is not subject to the same level of regulatory requirements as stock offerings to the general public. Some shares are likely to be more volatile than others. This will be based, among other things, on the business, geographic location and size of the company.

Potential investors should be familiar with any company they plan to invest in. You will generally be required to commit a certain amount of capital in exchange for a stake in the company therefore your return is dependent upon the growth and profitability of the company. The minimum investment amounts tend to be relatively high.

Depending on the individual investment, as well as the cost of making the initial investment, you may be called upon to make further payments as the company seeks to draw down committed capital. The value of the shares may go up or down and there is a risk that you may lose some or all of your original investment.

COLLECTIVE INVESTMENT SCHEMES

Investment Funds are a type of 'pooled investment'. A pooled investment is one where a number of investors put different amounts of money into a fund which is then invested in one or more asset classes by a fund manager. Each investment fund has a stated investment strategy enabling you to invest according to your investment objectives and risk profile. The level of risk will depend on the underlying investments, regulatory status of the fund, any investment restrictions that may apply, the extent to which the fund leverages its assets and how well diversified the open-ended investment fund is. The principle of leverage is to increase the fund's exposure to underlying assets by means of

borrowing or other means in the pursuit of higher returns from the amount invested. Leveraging may increase any losses suffered by a fund. Funds investing in emerging markets or smaller companies would be considered to carry much higher risk than those investing in large 'blue-chip' companies.

Potential investors should be familiar with the nature of the underlying securities in any investment fund they plan to invest in. Other than the cost of investing in an investment fund, you will not be subject to any margin requirements or financial commitments/liabilities. However, as the value of an investment fund may fall as well as rise, there is a risk that you may lose some or all of your original investment.

Unregulated Collective Investment Schemes (UCIS)

These are pooled funds which are not regulated by the FCA. They are often situated outside the UK and are not subject to the same disclosure requirements as onshore, regulated schemes. As such, the risks involved may be less transparent, the funds may be more highly geared, have higher costs and may have more complex financing structures. Also, the shares or units may be illiquid, causing a delay between the decision to sell, achieving a price and receiving the proceeds, and it may be difficult to value the units or shares accurately. Proceeds may be subject to income tax rather than capital gains tax.

Hedge funds

Hedge funds tend to have similar characteristics, which differentiate them from other investment funds. In general, they may be described as a managed pool of capital for wealthy, financially-sophisticated investors. The investment manager of a hedge fund will attempt to produce targeted returns or absolute performance regardless of the underlying trends in the financial markets. They may invest in a range of investment types, including equity, venture capital, and fixed income securities and may employ trading methods including mathematical algorithms. The investment manager of a hedge fund will attempt to identify inefficiencies in the market place with a view to using these to make a profit. Due to the fact that they are only offered to very sophisticated investors, hedge funds are largely unregulated and therefore offer investors much less regulatory protection. They can engage in activities that regulated, retail investment funds cannot. For example, some hedge funds may engage in high levels of leverage. They are not as transparent as more highly regulated funds and there tends to be less information available on the performance and valuation of a hedge fund. The management fees (which tend to be linked to performance) can be substantial. In order to understand all of the important aspects of a hedge fund it is important that you read the offering memorandum or equivalent and any other available information (such as financial accounts).

In general, other than the cost of acquiring shares, you will not be subject to any margin requirements or financial commitments/liabilities. However, as the value of hedge funds may go up or down, there is a risk that you may lose some or all of your original investment.

GENERAL RISKS

Market Conditions

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. market hours, dealing hours, suspension of trading) may increase the risk of loss by making it difficult or impossible to effect transactions or sell out of a position.

Transactions in foreign jurisdictions

Transactions on markets in foreign jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask your broker with whom you deal for details of the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

Currency risks

The profit or loss for transactions in foreign currency denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

Trading facilities

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms; such limits may vary. You should ask your broker for details in this respect.

Electronic trading

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

Off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to deal otherwise than on a regulated exchange i.e. to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess value or determine a fair price, or to assess your exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarise yourself with applicable rules and attendant risks.

Foreign Markets

Foreign markets will involve different risks to UK markets. In some cases, the risks will be greater. On request, your broker can provide an explanation of protections that will operate in any relevant foreign markets, including the extent to which we accept liability for the default of a foreign broker through whom we deal. The potential for profit or loss from transactions on foreign markets or in foreign currency denominated contracts will be affected by fluctuations in foreign exchange rates.

Interest Rates

Changes in interest rates can have an effect on the value of securities. The value of securities, especially bonds, can fall with a rise in interest rates as other investments reflecting the new, higher interest rate offer greater returns. This risk can be offset by diversifying the durations of fixed-income investments held. Alternatively, if interest rates fall, then the value of bonds and other securities may rise.

COMMISSION AND CHARGES

It is important that you obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or may increase your loss. You should also ensure that you understand the extent of your exposure to potential loss.

TAXATION

There is no guarantee that the tax advantage promoted as part of any investment will remain in existence. Additionally, the levels and bases of taxation may change. While we will take your personal tax position into account in our advice, we do not provide legal or tax advice. We recommend that you obtain professional advice (including, *inter alia*, legal and tax advice) suitable to your own individual circumstances, before making an investment decision.

Appendix 2: Information about Davy's Order Execution Policy

This is a summary of our Order Execution Policy (the 'policy'). You should be aware that by giving us orders to trade on the basis of this Order Execution Policy, you will be consenting to having your orders executed as set out in the policy.

OVERVIEW

Under the EU Markets in Financial Instruments Directive ('MiFID') Davy is required to have an Order Execution Policy in place and to take all reasonable steps to obtain the best possible result for you when buying and selling financial instruments on your behalf. The purpose of this document is to provide you with information about our Order Execution Policy and to obtain your consent to such policy. This document describes the Order Execution Policy that applies to retail clients

WHAT IS MEANT BY 'BEST EXECUTION'?

Best execution is a term used to describe the obligation to ensure that we take all reasonable steps to achieve the best possible result for our clients when executing trades or passing orders to third parties to be executed. While we will take all reasonable steps to achieve the best possible result for you on a consistent basis, we cannot guarantee that we will achieve best execution for each and every trade.

The steps we typically take to ensure we achieve the best possible result are described in this policy. Our policy is subject to:

- ▶ any specific instructions that you give to us e.g. an instruction to execute subject to a specified price limit ('limit order'),
- ▶ the nature of your order (e.g. large orders relative to the normal trading volume of the financial instrument) and
- ▶ the nature of the markets and financial instruments (e.g. whether there are buyers and sellers in the market for the financial instrument).

SCOPE OF THE POLICY

Davy's Order Execution Policy will apply to client orders in all financial instruments. Financial instruments includes listed and unlisted shares, fixed income instruments including bonds, money market instruments such as treasury bills, certificates of deposit, commercial paper, units in collective investment schemes and derivatives such as options and futures, as well as any other financial instruments in which we may execute orders on your behalf from time to time.

EXECUTION FACTORS

Subject to any specific instructions received from you, Davy will take the following factors into consideration in determining how to obtain the best possible result for your order:

- ▶ Price.
- ▶ Costs related to execution.
- ▶ The size of the order.
- ▶ Likelihood of execution or settlement.

- ▶ Speed of execution.
- ▶ Nature of the order.
- ▶ Any other consideration that is relevant to the execution of your order.

In determining the relevant importance of each of the above factors when executing your order, we will take the following into account:

- ▶ The characteristics of your order, including any specific instructions that you have provided to us.
- ▶ The characteristics of the financial instrument.
- ▶ The characteristics of the execution venues to which the order may be directed.
- ▶ Your characteristics, including your categorisation. This policy only applies to retail clients.

In general, we will place the highest importance on the total consideration of the trade, i.e. the price of the financial instrument and the costs related to execution. In some circumstances, we may use our discretion to place a higher importance on the other factors referred to, in order to provide you with the best possible result.

SPECIFIC INSTRUCTIONS

If you provide us with specific instructions in relation to your order we will follow those instructions. This may prevent us from following the steps in our policy that are designed to obtain the best possible result for you. In following your instructions we will be deemed to have met our obligation to take all reasonable steps to provide you with the best possible result.

EXECUTION VENUES

We have included in our policy details of the sources of liquidity or venues that enable us to obtain the best possible result for you on a consistent basis. In meeting our obligation to obtain the best possible result for the execution of orders on your behalf we may use one or more of the following venue types:

- ▶ Regulated Markets¹.
- ▶ Multilateral Trading Facilities².
- ▶ Davy is registered as a market maker on the Irish and London Stock Exchanges and as a primary dealer in Irish government bonds. When entering into a transaction for you, Davy may be dealing as principal for its own account by selling the financial instrument concerned to you or buying it from you.
- ▶ Market Makers, third party brokers and other liquidity providers.
- ▶ Non EU entities performing a similar function to the above.

¹ Regulated market – is a market place, trading system or exchange which meets the minimum EU standards set out in title III of the MiFID. In the UK market, the London Stock Exchange is a regulated market.

² Multilateral Trading Facility (MTF) – is, in broad terms, a system that brings together multiple parties (e.g. retail investors or other investment firms) that are interested in buying and selling financial instruments and enables them to do so. These systems can be crossing networks or matching engines that are operated by an investment firm or a market operator. In a UK context the Alternative Investment Market (AIM), operated by the London Stock Exchange, is an MTF.

We will include those venues that we believe enable us to provide you with the best result on a consistent basis. We may transmit your order to another broker or dealer for execution. In such cases we will satisfy ourselves that the broker or dealer has arrangements in place to enable us to meet our best execution obligations to you. You should be aware that for certain types of financial instruments there may be only one execution venue available to us. When you invest in unit funds you consent to your orders being executed outside of a regulated market or MTF. Where we execute your order against Davy's own book we will review the quality of our own execution in the same way that we would any other execution venue. A list of the execution venues used can be found at www.davyprivateclients.co.uk. As these venues are subject to change, please review this website for updated information in relation to same.

ORDER HANDLING AND FAIR ALLOCATION

We will ensure that client orders are executed in a prompt, fair and efficient manner. We may aggregate your orders with the orders of other clients or Davy's own orders where we believe that such aggregation will not work to your disadvantage. However the effect of the aggregation may work to your disadvantage in relation to a particular order. If we have aggregated your order with Davy's own orders and the aggregated order is partially filled, we will allocate the related trades to clients in priority to Davy's own orders unless we can demonstrate that without Davy's participation the order would not have been carried out on such favourable terms, or at all.

Should you place a limit order with us in a listed share below a certain size and this is not immediately executed under prevailing market conditions, then we may be obliged to publish the details of your order unless you have instructed otherwise.

REVIEW AND MONITORING OF THE POLICY

We will monitor the effectiveness of our policy on an ongoing basis and where deficiencies are identified we will make appropriate amendments. We will carry out an overall review of the policy and/or execution arrangements on an annual basis or more frequently where a material change occurs. As part of the review process we will consider whether we need to make any changes to our policy. We will notify you in the event that we make a material change to the policy by posting an updated version of this policy on our website at www.davyprivateclients.co.uk.

Appendix 3: Information about Davy's Conflicts of Interest Policy

This document contains a summary of our Conflicts of Interest Policy designed to identify the conflicts of interest that arise between ourselves and our clients and between different clients and to detail the procedures in place to manage such conflicts. Where we do not consider that the arrangements that we have in place are sufficient to ensure with reasonable confidence that a potential conflict of interest will not damage a client's interests, we will inform you of the nature of the conflict so that you may decide how to proceed.

INTRODUCTION

J&E Davy, trading as Davy, is regulated by the Central Bank of Ireland. Davy is a member of the Irish Stock Exchange, the London Stock Exchange and Euronext. Davy is authorised by the Central Bank of Ireland, PO Box 559, Dame Street, Dublin 2 and authorised and subject to limited regulation by the Financial Conduct Authority; FCA register no. 211884. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request. The firm currently offers a comprehensive range of stockbroking and related financial services to retail and professional clients. In addition to these services other members of the Davy Group offer corporate finance and broking services to our clients. This involves the provision of a full capital markets service i.e. advice on floatations, secondary offerings, disposals, mergers and acquisitions, share buy backs, refinancing etc. The firm also acts as sponsor to a number of companies and is listed on the Irish and London Stock Exchanges to whom we provide transactional and day to day advice on the application of the relevant Listing Rules.

This document is not intended to provide a comprehensive account of the controls and procedures in place to manage all conflicts of interest ('conflicts') which may arise, it is intended to outline the main controls in place. We are committed at all times to ensuring that our business is conducted to high standards and in an ethical manner.

IDENTIFICATION OF CONFLICTS OF INTEREST

As Davy offers a wide range of financial services it is inevitable that a number of potential or actual conflicts exist. This means that from time to time Davy may have interests which conflict with our clients' interests or with duties that we owe our clients. This includes conflicts arising between the interests of Davy, other entities within the Davy Group and employees on the one hand and the interests of our clients on the other and also conflicts between clients themselves.

In agreeing to our UK Terms and Conditions of Business you acknowledge that when we are dealing for you, we, an associated company or some other person connected with us, may have an interest, relationship or arrangement that is relevant to that investment, transaction or service. In the provision of our services we, or one of our associated companies could be:

- ▶ dealing as principal for our or its own account by selling the investment concerned to you or buying it from you. We are registered with the Irish and London Stock Exchanges as a market maker in equities and with the Irish Stock Exchange as a primary dealer in Irish government bonds. We may also act as a principal in transactions in other investment instruments. If we have dealt as principal this will be shown on the contract note we issue to you;
- ▶ dealing as agent for more than one client;
- ▶ matching your transaction with that of another client by acting for them as well as for you;

- ▶ buying or selling units in a collective investment scheme, Enterprise Investment Scheme or Venture Capital Trust where we are, or an associated company is, the trustee or operator of the scheme or an adviser;
- ▶ buying investments where we are, or an associated company is, involved in a new issue, rights issue, take-over or similar transaction to do with the security;
- ▶ providing investment advice or other services to another person about or concerning the investment in question;
- ▶ involved in business relationships with the company or a related entity in relation to the investment concerned;
- ▶ producing and distributing investment research on the company or related entity that you seek to buy or sell shares in.

In certain circumstances, Davy may recommend our own fund of funds as the most appropriate vehicle to implement your investment strategy. The underlying holdings within these Davy funds are selected without limitation from the whole of the market and include only third party funds. Internal procedures ensure that these funds are only recommended where they are suitable.

MANAGING CONFLICTS OF INTEREST

We use administrative and organisational arrangements to ensure that our employees act independently and in a manner designed to safeguard the interests of our clients.

These arrangements include;

- ▶ we have internal rules in place to ensure that confidential information is dealt with appropriately;
- ▶ where necessary we have procedures in place ('Chinese Walls') which restrict the flow of information to certain employees in order to protect client interests and to prevent improper access to client information;
- ▶ we have rigorous rules and procedures in place governing personal account dealing by Davy staff and their associates;
- ▶ all staff members receive regular training on Davy internal rules and their obligations to act in the best interest of clients;
- ▶ where we execute your order against our own account we will ensure that in doing so you are getting the best possible result;
- ▶ we have order allocation procedures to ensure that investment opportunities are fairly allocated amongst clients;
- ▶ we have strict controls and procedures in place to manage the specific conflicts of interest that arise when producing and issuing investment research;
- ▶ reporting lines and remuneration of research analysts and corporate finance personnel are entirely independent;
- ▶ we monitor compliance with our Conflicts of Interest Policy and related procedures. Should you have any further queries as to how Davy manages conflicts of interest, you should contact our Compliance department, at compliance@davy.ie.

Appendix 4: Differences in Investor Protection applying to retail and professional clients

You should be aware that if you change your client categorisation from retail to professional, you will lose the protections detailed below.

Information for clients and potential clients	Requirements relating to the form and content of information presented to clients including the presentation of past performance, simulated past performance and future performance will not apply.
Providing certain general information to clients	Certain general information regarding Davy including information on our client money procedures and conflicts of interest policy do not have to be given to professional clients.
Portfolio Management Only	Certain additional information which must be given to retail clients does not have to be given to professional clients, this includes, <i>inter alia</i> , information on the method and frequency of valuation of the financial instruments in the portfolio, details of any delegation of the discretionary management, a specification of the benchmark against which performance will be compared they types of financial instrument and transactions including any limits and the management objectives, the level of risk to be reflected in the manger’s exercise of discretion and any specific constraints on that discretion.
Information about Financial Instruments subject to public offering	Where, in the case of a retail client only, information is provided about a financial instrument that is subject to a public offer and there is a Prospectus Directive prospectus published, the client must be informed if that prospectus is made available to the public.
Information about Financial instruments with guarantee by third party	Where a financial instrument incorporates a guarantee by a third party a requirement to provide information about that guarantee will not apply.

<p>Information about Financial instruments belonging to retail clients</p>	<p>Where financial instruments or funds belonging to a client are held on behalf of a client, certain disclosure requirements applicable to retail clients will not apply. These disclosures include, where financial instruments are held in an omnibus account of a third party, a warning of the resultant risks, and, where it is not possible under relevant national law for client financial instruments held by a third party to be separately identifiable from the proprietary financial instruments of that third party, to warn of the resultant risks of such an arrangement.</p>
<p>Where certain security financing transactions are entered into</p>	<p>Where financial instruments are held on behalf of a client and securities financing transactions in respect of those financial instruments are proposed, certain disclosures applicable to retail clients will not apply. These disclosures require details of the obligations and responsibilities of Davy with respect to the use of those financial instruments, the terms for their restitution and the risks involved.</p>
<p>Information on costs and charges</p>	<p>Requirements relating to the provision of information on costs and associated charges will not apply. These relate to the total price to be paid in connection with a financial instrument, or the investment service or ancillary service, where any part of that price is to be paid in a foreign currency the applicable conversion rates, notice of the possibility of other costs, including taxes, which are payable and the arrangements for payment or other performance who are only required to be provided with 'the essential information concerning' that order.</p>
<p>Reporting to clients Confirmation of Order</p>	<p>Where Davy has carried out an order for a client, certain detailed requirements in relation to timing of dispatch and the content of the confirmation of the order which apply to retail clients do not apply to professional clients, who are only required to be provided with 'the essential information' concerning that order.</p>

Appendix 5: Credit Institutions and Custodians approved for holding Client Assets

(Please note that if your investments are placed with a 3rd party product provider or platform, your assets may be held by a Credit Institution or Custodian not listed below. Details are available from the 3rd party product provider or platform).

Name of Institution	Head office address	Web address
AIB Bank PLC (incl EBS Limited)	AIB Bankcentre, Ballsbridge, Dublin 4, Ireland	www.aib.ie
Allfunds Bank S.A.	4th Floor, 40 New Bond Street, London W1S, 2RX, England	www.allfundsbank.com
Bank of America/ Merrill Lynch	2 King Edward Street, London, EC1A 1HQ, England	www.bankofamerica.co.uk
The Bank of New York Mellon ("BNY")	160 Queen Victoria Street, London, EC4V 4LA, England	www.bnymellon.com
Bank Of Ireland ("BOI")	40 Mespil Road, Dublin 4, Ireland	www.bankofireland.com
Barclays Bank PLC	Two Park Place, Hatch Street Upper, Dublin 2, Ireland	www.barclays.ie
BNP Paribas	5 George's Dock, IFSC, Dublin 1, Ireland	www.bnpparibas.ie
Bank of Valetta plc	International Corporate Centre, 45 Republic Street, Valetta VLT 1113, Malta	www.bov.com
Citco Funds Services (Ireland) Limited	Irish Financial Services Centre, 6 Custom House Plaza, Dublin 1, Ireland	www.citco.com
Citigroup	1 North Wall Quay, Dublin 1, Ireland	www.citigroup.com
Clearstream Luxembourg	42 Avenue J.F. Kennedy, L-1855 Luxembourg	www.clearstream.ie
Danske Bank	3 Harbourmaster Place, IFSC, Dublin 1, Ireland	www.danskebank.ie

Name of Institution	Head office address	Web address
Goldman Sachs	Peterborough Court, 133 Fleet Street, London EC4A 2BB, England	www.goldmansachs.com
HSBC Holdings PLC	1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland	www.hsbc.ie
Investec PLC	The Harcourt Building, Harcourt Street, Dublin 2, Ireland	www.investec.ie
JP Morgan Chase & Co	J.P. Morgan Securities plc, 10 Aldermanbury, London, EC2V 7RF	www.jpmorgan.com
KBC Bank Ireland plc	24-26 City Quay, Grant Thornton, Dublin 2, Ireland	www.kbc.ie
Lloyds Banking Group PLC	25 Gresham Street, London, EC2V 7HN, United Kingdom	www.Lloydsbankinggroup.com
Morgan Stanley	7-11 Sir John Rogerson's Quay, Dublin 2, Ireland	www.morganstanley.com
Nationwide UK Ireland	3 Spencer Dock, North Wall Quay, Dublin 1, Ireland	www.nationwideuk.ie
New York Community Bankcorp Inc	615 Merrick Avenue Westbury , New York 11590, America	ir.mynycb.com
Nomura Holdings Inc (Instinet)	1 Angel Ln, London EC4R 3AB, United Kingdom	www.nomuraholdings.com
Northern Trust Corporation	Georges Court, 54-62 Townsend Street, Dublin 2, Ireland	www.northerntrust.com

Name of Institution	Head office address	Web address
National Treasury Management Agency (NTMA)	Treasury Building, Grand Canal Street Lower, Dublin 2, Ireland	www.ntma.ie
Permanent TSB plc	56-59 St. Stephen's Green, Dublin, 2, Ireland	www.permanenttsb.ie
Rabobank Nederland	RaboDirect, Charlemont Place, Dublin 2, Ireland	www.rabobank.ie
Royal Bank of Scotland Group PLC (Ulster Bank)	Ulster Bank Limited, George's Quay, Dublin 2, Ireland	www.rbs.com
SEB AG	Stephanstrasse 14-16, D-60313 Frankfurt am Main W, Germany	www.sebgroup.com
UBS AG	21 Lombard St, London EC3V 9AH	www.ubs.com
UniCredit SpA	La Touche House, IFSC, Dublin 1, Ireland	www.unicreditbank.ie

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J&E Davy, trading as Davy, is regulated by the Central Bank of Ireland. Davy is a member of the Irish Stock Exchange, the London Stock Exchange and Euronext. In the UK, Davy is authorised by the Central Bank of Ireland and authorised and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request. No part of this document is to be reproduced without our written permission.