

Arbor Wealth Framework

Terms & Conditions

We're proud to keep your trust in our service: here are our policies in black and white.

Investment Terms

General Information

1. Important Information

- 1.1. These Terms and Conditions are important. You should read them carefully before accepting them. They set out your obligations to us and our obligations to you. Please read them carefully. If you have any questions about them please contact us and ask for further information before you commit to them. You can contact us by email at support@etfmatic.com or by post or telephone using the details in the Contact Us page on our Website. References to "us", "we" and "our" mean ETFmatic Limited and any ETFmatic Group Companies (which include, from time to time, holding companies, subsidiary companies and all the subsidiary companies of such holding companies). The terms "customer", "client", "you" and "your" mean the person or company having an account with us and, where applicable, their duly authorised representatives, legal Personal Representatives and successors.
- 1.2. These Terms and Conditions together with (i) the information you provide to us in writing and/or you record on your account on our Website or through the Arbor App, including information about your: (i) financial circumstances, (ii) knowledge and experience of investment, (iii) attitude to risk and (iv) investment objectives ("Account"), (ii) our terms of website use, (iii) our use of cookies and (iv) our privacy policy constitute the investment management agreement ("Agreement") between you and us for the provision of our investment services ("Services"). Our registered address is 1 Fore Street, London EC2Y 9DT, United Kingdom. We are authorised and regulated by the Financial Conduct Authority ("FCA"), whose address is 25 The North Colonnade, Canary Wharf, London E14 5HS, www.fca.org.uk. Our firm registration number is 657261. We are registered with HM Revenue & Customs ("HMRC") for Value Added Tax ("VAT") with registration number 190 8981 63.

2. Glossary of terms

- 2.1. **Business Day** means any day on which the London Stock Exchange is open for trading.
- 2.2. **Money Laundering Regulations** means The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

- 2.3. **Netting** means either of: (i) consolidating the value of two or more transactions, payments or positions in order to create a single value or (ii) offsetting a position in one security or currency with another position either in the same security or another one with the object of offsetting gains in one position against losses in another.
- 2.4. **SubCustodian** means a third-party custodian (or its nominee company) which we select under the FCA Rules to act on our behalf to keep safe and administer your investments.
- 2.5. **Website** means our website: <https://etfmatic.com/> together with our app(s) and their functionalities, as developed from time to time.

3. When Our Agreement Commences

- 3.1. This Agreement will become legally binding and we will start providing the services to you as soon as we are satisfied that you have passed our anti-money laundering checks. From the date when you send funds to us and until they reach your Account, it may take several business days, depending on factors such as the bank/payment service you use or your geographical location. When you fund your account by debit card, we aim to reflect the funds in your Account within two (2) business days from the date when your card was charged. On that day (or the following business day), we will notify you of receipt of funds via email and through in-app notification.
- 3.2. If you enter into any investment transaction with or through us you will have no right under Section 30 of the Financial Services and Markets Act 2000 ("FSMA") to treat such investment transaction as unenforceable.
- 3.3. We will not provide you with advice. We will exercise our discretion to make investments for you by using information that you have provided or will provide from time to time to us on our Website in our attempt to achieve your investment goals.
- 3.4. You are aware that there are many risks in investing and you accept the risks set out in this agreement including the key risks which are:
- Past performance is not an indicator of future performance;
 - The value of investments may go down as well as up;
 - You are not certain to make a profit;
 - You may make a loss;
 - You may lose your entire investment;
 - The price or value of investments may fluctuate significantly; and
 - Any income distributions may fluctuate significantly.

3. Services

- 3.1. We offer our Services only to: (i) European Economic Area ("EEA") residents, partnerships formed under the laws of the UK or bodies incorporated in the UK which may include corporate bodies, charitable foundations and investment and unit trusts and (ii) non-EEA residents, at our discretion and subject to us having the necessary regulatory permissions, if they hold a government issued ID or passport which enable us to verify their identity.

We do not offer services to or conduct business for US taxable persons regardless of where they live.

- 3.2. Under the terms of this Agreement, we will provide you with some or all of the services below: Discretionary investment management of your Portfolio (as defined below); and
- 3.3. Safe custody of your Portfolio investments.

4. Discretionary Investment Management

- 4.1. Our principal service is discretionary investment management where individual portfolios (“Goals”) are managed in accordance with each customer’s requirements and objectives as made known to us. We will manage each Goal in your Portfolio with reasonable care and skill. We will use your information in your Account to manage your Goals and you agree that we have the right to treat the information as accurate and complete until such time that you amend it by updating your Account. You authorise us to enter into any type of arrangement or transaction on your behalf and to invest any amount or any proportion of your Goal in any one investment or investment type, and we may do so in any currency and on any market.
- 4.2. You may change your information at any time by updating your Account. If you do, we reserve the right to vary this Agreement.
- 4.3. If we decide to sell or buy an asset on your behalf, we will use the information in your Account to decide if the proposed transaction is suitable for you.
- 4.4. You agree to give us discretion over both asset allocation and individual security selection in relation to the assets held in your Portfolio and we will exercise our discretion so as to assist you in achieving your Goals but you will understand that we cannot guarantee that your Goals will be achieved. You accept that investments carry risks, which risks include those listed in the section Nature of Risks and Investments of this Agreement.
- 4.5. We may make common investment decisions, which apply to a number of customer Goals including yours.

5. Your Portfolio

- 5.1. The investments that we will hold for you are your portfolio (“Portfolio”). You can give us instructions about your Portfolio electronically through our Website or by using the support channels provided in the section General of this Agreement. We will not to act on any unclear, unlawful or unreasonable instruction. Where we do act on your instructions we will do so promptly. We will not act on any instruction if we reasonably believe that it would be illegal or contrary to any rule or regulation for us so to do.

6. Investing

- 6.1. The base currency of your portfolio will be EUR
- 6.2. We invest primarily in Exchange Traded Funds ("ETFs"), although we may also invest in other Exchange Traded Products ("ETPs") such as Exchange Traded Commodities ("ETCs").
- 6.3. We will invest in ETF share classes with the same base currency as the base currency for your portfolio. It is important to note that although the share class will match your base currency, the underlying securities in the ETF could be in any region, country or currency.
- 6.4. We allocate to Fixed Income ETFs with a preference where underlying fixed income securities will match your portfolio base currency. By way of example only, where GBP is the base currency, your portfolio will, with a preference, be invested in UK Government Bond ETFs (up to the targeted allocation). For Equity ETFs we invest globally, and although the ETF share classes we use will match your portfolio base currency, the underlying assets owned will have exposure to global assets priced in a variety of currencies. Example: An EUR base currency portfolio will invest in a S&P 500 ETF priced in EUR, with the underlying securities in USD.
- 6.5. We may invest in equities, including investment trusts, listed on recognised stock exchanges in the UK such as the London Stock Exchange and overseas such as the New York Stock Exchange. We may also invest in shares on other approved markets such as London Stock Exchange's Alternative Investment Market ("AIM") or PLUS, a market operated by Plus Markets Group plc.
- 6.6. We may invest in fixed interest securities issued by governments, governmental bodies, quasi-governmental bodies, local authorities and corporate bodies in the UK and overseas.
- 6.7. We may invest in authorised and unauthorised collective investment schemes in the UK and overseas.

7. Your Information

- 7.1. To open an Account with us, you must either:
- 7.2. Be a natural person over 18 and a named holder of a bank account ("Bank Account");
- 7.3. Be a natural person under the age of 18 that has been legally Emancipated and will be contracting as and Adult.

- 7.4. For the purposes of the Data Protection Act 1998 (the “Act”), the data controllers are (i) ETFmatic Limited company number 08856747 and our registered office is at 1 Fore Street, London EC2Y 9DT, United Kingdom, and (ii) Arbor Fintech SL, with ID ESB87760476 with registered offices at Calle Segre 20, 5F, 28002, Madrid, Spain. We are committed to protecting and respecting your privacy. For a detailed view of our practices and how we achieve compliance with data protection laws and regulations please read our privacy policy (available on our Website) applying at the relevant time when your information is being collected (“Privacy Policy”) and which is incorporated into this Agreement by reference.
- 7.5. Under Money Laundering Regulations and in order to provide your services to you we collect, use, share and store certain information about you including personal information (as this expression is defined under EU law). We may use this information in order to carry out electronic searches on private and public databases. We will keep records of any information we obtain. We may use credit reference agencies which will record that we have made an enquiry about you. Such credit reference agencies may record, use and share any information we give them about you with other financial institutions, organisations and fraud prevention agencies, as the case may be. By entering into this Agreement, you agree to our use of credit reference agencies which will result in a record of our enquiry being made. We make every effort to protect the privacy of your personal information. Other than as set out elsewhere in this Agreement or required under any law, rule or regulation and in accordance with our Privacy Policy, we will not disclose, sell or transfer your personal information to any third party.
- 7.6. You authorise us to use your personal information to provide our services to you in accordance with our Privacy Policy. We will record your personal information in a form that permits your identification for five (5) years and, in certain cases (for example, regulatory requirements), we may store your personal data for a longer period. When such circumstances require it, we will not store your personal data for longer than is necessary with regards to the purposes for which it is being processed. Your personal information may be processed by or transferred or disclosed to and/or by us, our suppliers, subcontractors and third parties (such as to Stock Exchanges, your financial advisor (if any) or regulators).
- 7.7. In some instances, we may require you to provide us with additional information and/or documents. When this occurs, we will send you an email or set up a notification and you agree to provide us with such information and/or documents within a reasonable period. You agree that, if you do not provide us with the information/documents that we ask of you, we may suspend your Account or take any other action against you in respect of your Account as necessary for us to further our legitimate business purpose or comply with any relevant law, rule or regulation.
- 7.8. We only use cookies in accordance with our Use of Cookies policy, which is incorporated into this Agreement by reference.
- 7.9. We may transfer your personal information outside of the European Economic Area (“EEA”) only in accordance with our Privacy Policy.

- 7.10. Your personal information may be used by us in order to provide you with information and marketing materials in relation to our other products and services. Where you have provided your consent, you allow your personal information to be used for those purposes and we may use your personal information for additional purposes in circumstances where, having considered the legal and/or regulatory requirement or the legitimacy of such use, we reasonably believe it to be necessary to achieve a legitimate purpose. You have the right to ask us not to process your personal data for marketing purposes and you may exercise this right at any time by amending your preferences in your Account on the Website or by notifying us through the support channels provided in the section General of this Agreement.
- 7.11. You can ask for copies of your personal information that we hold or which are held by any service provider we appoint by notifying us through the support channels provided in the section General of this Agreement. We may charge a fee for providing you with this information, as permitted by the relevant jurisdiction's law and regulation. Our current fee is published in the section Fees and Charges of this Agreement. You must notify us through the support channels provided in the section General of this Agreement, if any personal information that we hold about you is incorrect.
- 7.12. For further details in respect of our reasons and procedures for collection, use, sharing and storage of your personal information please review our Privacy Policy.

8. Your Status as a Retail Client

- 8.1. We will provide our services on the basis that you are a Retail Client as defined in the Handbook published by the FCA. This means that you are entitled to the protections provided for Retail Clients under the rules in the FCA Handbook (the FCA Rules) and under relevant legislation. If you would like further information on the nature of these protections, please notify us through the support channels provided in the section General of this Agreement.

9. Communications

- 9.1. We may communicate with you at any time including by telephone, email or by sending you a "text" / SMS message.
- 9.2. All communications between you and us will be in the English language or in Spanish if made through Arbor.
- 9.3. We may act on any instruction which we believe to be from you without carrying out any checks or enquiries. We will not be liable if we carry out an instruction which is not genuine or for not investigating any instruction which we reasonably believe to be genuine. We will not be liable for any loss arising from any error of transmission or misunderstanding, or from the fraud of any other party (unless caused by our negligence, wilful default or fraud).

- 9.4. You will be solely liable for any and all losses arising from unauthorised transactions where:
- 9.5. You have with intent or gross negligence compromised the security of your Account or failed to comply with your obligations to use your Account in a way prescribed for in this Agreement; or
- 9.6. You fail to notify us about an unauthorised or incorrect transaction within twelve (12) months of the date of that transaction.
- 9.7. We are not obliged to acknowledge receipt of your instructions otherwise than by acting on them.
- 9.8. We may record and monitor our telephone conversations with you. We will store recordings for at least the period required by law and not for longer than is necessary with regards to the purposes for which they are being processed in accordance with our Privacy Policy.
- 9.9. We cannot guarantee that electronic communications between us will be successfully delivered, or that they will be secure, uncorrupted, untampered and virus free. We will not be liable, in circumstances beyond our reasonable control, for any loss, damage, expense, harm or inconvenience caused as a result of an email being lost, not delivered, delayed, intercepted, corrupted or otherwise altered.
- 9.10. You may request a copy of any legally required disclosures (including this Agreement) from us. Following request, we will provide it to you in a form which allows for storage and reproducing of the information (including by email). If you ask us to provide you with a paper copy, we may charge a fee as published at the time of your request in the section Fees and Charges of this Agreement.
- 9.11. You may terminate your consent to receive required disclosures (including this Agreement) through electronic communications by contacting us through the support channels provided in the section General of this Agreement.
- 9.12. We reserve the right to terminate your Account if, at any time after entering into this Agreement, you withdraw your consent to receive from us those electronic communications which we deemed essential for the provision of our services to you in a manner that is consistent with our business model and your mandate ("Core Electronic Communications"). An example of Core Electronic Communication is the monthly report which we send to you to comply with the relevant laws and regulations. You may amend your preferences in respect of which electronic communications you want to receive at any time by logging in to your Account and using the tool available for this purpose.

10. Safety of Your Account

- 10.1. To ensure the security of your Account, you are responsible for certain actions, including:

- 10.1.1. Changing your password at frequent intervals and make sure that your password is unique to your Account;
- 10.1.2. Notifying us immediately through the support channels provided in the section General of this Agreement if you have reasons to suspect that your Account is being accessed without due authorisation or a transaction is unauthorised or incorrect;
- 10.1.3. Ensuring that you follow sound online practices for creating and/or storing strong passwords;
- 10.1.4. Ensuring that your email account you provide to us for electronic communications remains secure and notifying us immediately upon becoming aware that it has become compromised; and
- 10.1.5. Taking all reasonable steps to ensure that you do not (i) allow your security credentials to be disclosed, (ii) permit anyone to access your Account, (iii) store your security credentials into electronic storage applications or on computer browsers which are not in your control, and (iv) once enabled, do anything which may compromise the 2-step authentication process.

11. Authorisation of Third Parties

- 11.1. You may authorise third parties to access your Account to provide services to you, including account information services (“AIS”) and/or payment initiation services (“PIS”) in respect of your Account. You acknowledge that when you choose to authorise a third party in such ways, we may disclose certain information about your Account to it. We are not responsible for any such third party’s use of your Account, or any information in your Account and giving permission to a third party does not relieve you of your responsibilities under this Agreement, including notifying us if your Account has been compromised or if a transaction is unauthorised or incorrect.
- 11.2. We may refuse such a third-party access to your Account if we have reasonable concerns that it may access your Account fraudulently or beyond the purposes for which you have authorised it.

12. Notices to You

- 12.1. We will send all notices, information and other correspondence to you by email at the email address you have provided in your Account (and such other email address as you may designate from time to time) or by sending you a “text” / SMS message. You must have internet access and an active email account to receive communications and information (including notices) relating to your Account. With the exception of amendments to this Agreement, such notice will be considered to be received by you within twenty-four (24) hours of the time it is posted on our Website, emailed or texted to you. In the event that any notice, information or other correspondence is sent to you by letter, the letter will be sent to the current postal address which you have recorded in your Account and will be deemed to be delivered:
 - 12.1.1. For UK residents, on the second business day after posting; or
 - 12.1.2. For residents of any other country, on the fifth business day after posting.

12.2. We will notify you if:

- 12.2.1. We have reasons to believe that the security of your Account has become compromised;
- 12.2.2. We have reasonable concerns or suspicions about your Account being used fraudulently;
- 12.2.3. We refuse access to one, some or all of the third parties which you authorised to access your Account to provide you with services either before or immediately after we refuse access; by email at the email address you have provided in your Account (and such other email address as you may designate from time to time) or by sending you a "text" / SMS message (unless a notice to you would be unlawful or detrimental to our reasonable security policies).

13. Notices to Us

- 13.1. Notices to us made in respect of this Agreement must be made by email to support@etfmatic.com or by post using the details in the Contact Us page.

14. Client Money

- 14.1. We will take reasonable steps to identify a bank with a competitive interest rate (determined by that bank) and deposit any of your uninvested money with that bank (the "Bank"), together with other clients' money. We will exercise due skill, care and diligence and review periodically the adequacy and appropriateness of the Bank or any other bank/credit institution where your money is deposited and of our arrangements with it. We will not be responsible for any acts, omissions or default of a bank/credit institution chosen other than for exercising care in its choice and/or monitoring.
- 14.2. You accept that your money may get pooled with our other clients' money and, if so, you will not have a claim for a specific sum in a specific account. In such event, given that your claim would be against the pool, if there is a shortfall, you would share pro rata in that loss.
- 14.3. We will tell you from time to time what is the amount credited to your Account (determined by the Bank and us). No interest will accrue on your Account and you accept that we are under no obligation to pay interest on any amount credited to your Account.
- 14.4. We may stop treating any money held by the Bank which, after we have taken reasonable steps to trace you and return the money to you, is unclaimed for 6 years, as your money and include it in our own assets. We may pay you what you are owed if you later show a valid claim to this money.
- 14.5. We regularly perform a detailed reconciliation of client money held in client money bank accounts and client transaction accounts and its liabilities to its clients to ensure that client monies are properly segregated and sufficient to meet all liabilities in accordance with the FCA Rules.

14.6. We are under no obligation to tell you before terminating our relationship with the Bank and appointing a replacement but we may tell you, if we do.

15. Compensation Scheme

15.1. We participate in the Financial Services Compensation Scheme which pays compensation for financial loss only to eligible claimants when an authorised firm is in default and will carry out an investigation to establish whether or not this is the case. The Scheme provides protection if an authorised investment firm is unable to pay claims against it. The amount of compensation depends on the basis of your claim. The current maximum levels of compensation for investments are £50,000 per person per firm. Accounts operated in EUR will also be compensated by this amount. Compensation levels are subject to change and exclusions. For up to date details please refer to <http://www.fscs.org.uk/>.

16. Client Assets

16.1. Client Assets are also segregated in special bank or custody accounts, which are designated for the exclusive benefit of our clients. By properly segregating the customer's assets, if no money or stock is borrowed and no futures positions are held by the customer, then the customer's assets are available to be returned to the customer in the event of a default.

17. Your Investment Profile

17.1. You will provide us with information about you, your attitude to risk, your goals and your attitude to savings and investment by answering a series of questions either, (i) online, (ii) through our Website, or (iii) through Arbor. It is important that you have provided us with accurate information as we will make investments for you based upon our analysis of your answers.

18. Requirements

18.1. If your requirements change, you must inform us of the changes through the support channels provided in the section General of this Agreement, so that we may match our services to your requirements.

19. Our Management of Your Portfolio

19.1. We will manage your Portfolio on a fully discretionary basis. This means that we will make investment decisions in relation to the cash and assets in your Portfolio on your behalf in accordance with information that you have provided. We will take all reasonable steps to manage your Portfolio with due care and skill.

- 19.2. Because we will manage your Portfolio on the basis of the information in your Account, you hereby give us authority, at our discretion, to enter into any kind of arrangement or transaction on your behalf including investing in any type of investments or other assets. There will be no limit on the amount of your Portfolio that we may invest in any one investment, or on the proportion of your Portfolio that any one investment may make up, and there will be no limit or restriction on any particular type of investment, or currency, or on the markets on which transactions are carried out. We may make common investment decisions which apply to a number of customer portfolios including your Portfolio.
- 19.3. A general description of the nature and risks of the investments in which you may invest is contained in the section Nature of Risks and Investments of this Agreement. We do not provide any guarantee as to the performance of any particular investments or a portfolio as a whole.
- 19.4. We may deal on any markets or exchanges and with any counterparties that we believe provide the best outcome reasonably available. All transactions will be carried out in accordance with the rules and regulations of the relevant market or exchange, and we may take any steps as may be required or permitted by such rules and regulations and/or by appropriate market practice.

20. Investment Thresholds

- 20.1. Should your Portfolio be below €100, we reserve the right to sell the holdings in that fund and hold your investment for you as cash.

21. Reports

- 21.1. We will provide you with a monthly report by email which sets out your Account statements and our management strategy. This is required by the FCA.
- 21.2. We will provide valuation reports to you electronically on a quarterly basis as a minimum. We currently provide such reports on a monthly basis. The reports will include details of all transactions during the relevant period, details of the contents of your Account, the current market value and the basis of valuation, income and interest and fees charged. If you need a report as at any different date, you may print it from your Account on our Website on that date.
- 21.3. We will provide an electronic confirmation that we have provided discretionary management services to you, free of charge (for example when your employer requires it).

22. Withdrawal Requests

- 22.1. When you make a Withdrawal Request, we reserve the right to only transfer the money into your bank account used to fund your Account. In exceptional circumstances, we may not be able to sell all the assets required to satisfy your Withdrawal Request in full (for

example, where the order book for a particular ETF is below the minimum size required for execution on exchanges). When this happens we will, on a best efforts basis, sell the rest of the assets up to the Withdrawal Request during our subsequent trading sessions. The effect is that we may have to make one or more transfers to your bank account in respect of the same Withdrawal Request. The money will be transferred in the currency of your Goal/Portfolio and, where that currency differs from the currency of your bank account, you accept responsibility for any foreign exchange ("FX") fees and other fees associated with the transaction, which means that you may receive in your bank account less than you expected. It may take up to fourteen (14) business days from the date of your Withdrawal Request and until the date when the funds reached your bank account, dependent on the payment/clearing scheme used, due to your geographical location.

- 22.2. We reserve the right to return the funds to source when you request a withdrawal within 60 calendar days of a debit card payment.
- 22.3. We will return the money and debit your Account when you cancel a direct debit or debit card payment after we have received the funds. If we need to sell some of your assets to settle amounts outstanding on your Account, we will do so, and you may incur a profit or loss. We will ask you to settle that overdraft if your Account becomes overdrawn and you agree to do so within a reasonable period.

23. Pooling

- 23.1. We may pool (also known as aggregating) your transactions with those of other customers without your specific prior approval. We will only do so where we believe that this is unlikely to disadvantage your overall net position.

24. How We May Provide Our Services

- 24.1. We reserve the right to perform any of our obligations to you through the agency of an associate or any third party of our choosing. This means that we may appoint another person or entity to provide the services to you under this Agreement. We will take all reasonable steps to satisfy ourselves that any person whom we appoint to provide any services to you or to perform any of our obligations on our behalf is competent. We will ensure that all such parties commit to provide you with best execution as set out in the FCA Rules where this is applicable.
- 24.2. Where appropriate in respect of your Account, we may offer to refer you to third parties to provide certain additional services. We will not make any such referral without your agreement. We may also accept referrals of business to us from third parties.

25. Fees and Charges

- 25.1. Please refer to Arbor Fintech SL Terms & Conditions.

26. Cash Deposits

- 26.1. All cash you deposit with us will be held in accordance with FCA rules by a custodian regulated by the FCA (the “Custodian”) in segregated accounts with an approved bank and may include the deposits of more than one customer but without being mixed with our assets or the assets of the Custodian. We will not hold any money in bank accounts outside the United Kingdom.
- 26.2. In order to comply with Money Laundering Regulations we reserve the right only to accept money from and make payment into the bank account you have designated on our Website or through Arbor. You may make payments to us by direct debit, by standing order or through Arbor. Quite independently of these means of payments you authorise us to debit your designated bank account in respect of transactions you have authorised us to make on your behalf.
- 26.3. Income earned on the investments held in your Portfolio will be remitted to your Portfolio and may be reinvested. We will not pay or credit interest to you where we hold cash in your Account.
- 26.4. The Custodian may, at times, receive dividends, interest and other rights or payments in respect to the investments after local withholding taxes or other deductions and you accept that it may, when required: (i) withhold or deduct tax or other amounts from such payments and (ii) deduct any costs incurred by it when complying with these obligations, from your Account. It will be your sole responsibility to reclaim any such withholdings or deductions where you are eligible to do so.
- 26.5. We are under no obligation to tell you before terminating our relationship with the Custodian and appointing a replacement but we may tell you, if we do.

27. Conflicts of Interest

- 27.1. We or anyone connected with us, may carry out certain transactions for you where we, or another customer of ours, have a duty that may conflict with our duty to you. We will manage any such conflict or potential conflict to ensure that it does not materially affect the transactions we carry out for you. We will inform you if we consider that we cannot adequately manage a conflict.
- 27.2. Our Conflicts of Interest Policy is set out in section Conflicts of Interest which describes some of the actual or potential conflicts of interest which may arise and provides our policy about how these are managed. We will from time to time update our policy and you may obtain the latest policy from us at any time upon request.

28. Restrictions on Our Liability to You

- 28.1. We accept responsibility for any loss, damages or costs suffered or incurred by you only to the extent that such loss arises directly from our gross negligence, wilful default, fraud,

and/or our deliberate and wilful breach of any duties which we owe you under the Financial Services and Markets Act and FCA Rules. We will not be liable for any other losses, damages or costs suffered or incurred by you.

29. Our Duties in Relation to Our Service Providers

29.1. We will take reasonable care in the assessment and appointment of Subcustodians, bankers, counterparties, agents and other third parties. We accept responsibility for any loss, damages or costs incurred by you only where such arise directly from our negligence, wilful default or fraud in the assessment or appointment of such persons. We will not be responsible in any other circumstance for the actions of any such third parties. We do not accept responsibility for any loss, damages or costs you may incur as a result of any cause beyond our reasonable control.

30. Your Indemnity to Us

30.1. You will indemnify us against any liability, cost, expense, loss or any damage incurred by us (including but not limited to professional advisors' fees) arising from your breach of this Agreement, negligence, wilful default or fraud.

31. Our Duties to You

31.1. No provision of this Agreement restricts, qualifies or excludes any duty we owe you under the Financial Services and Markets Act or the FCA Rules. We do not, however, owe you any other duties save as expressly set out in this Agreement.

31.2. We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under the terms agreed with you is competent to carry out any of those functions and responsibilities.

32. Amendment of this Agreement

32.1. We may amend this Agreement (including the fees and other charges which apply to your Account) by giving you 30 days' notice by email or any other communication channels agreed upon with you from time to time and providing a link to a revised version published on our Website. If we are required to amend this Agreement for reasons of (i) compliance with the FCA Rules, (ii) any other applicable law or regulation, (iii) adding new services or functionalities to your Account or (iv) any other changes which do not reduce your rights nor increase your liabilities, we may do so with prior notice to you and immediate effect. Any unilateral change that we make would be deemed accepted by you upon receipt of notice from us.

32.2. Should you not accept an amendment, you may object by closing your Account following the procedure in the section Closing Your Account. If you have not closed your Account within 30 days from the date of the notice of amendment, you will be deemed to have accepted it. If you close your Account, please note that you remain liable to us in respect

of any fees, charges and other liabilities pursuant to the section Termination of this Agreement.

33. Complaints

- 33.1. You can contact us at any point for any issues regarding your Account through the chat service ("Talk to Us") on our Website or through the support channels provided in the section General of this Agreement. Any complaints about us or the services we provide should first be addressed through Talk to Us on our Website. Please clearly indicate that you are wishing to make a complaint. This helps us to distinguish a complaint from a mere query.
- 33.2. Should you have any complaint in relation to the services, you may address it to our Compliance Officer at complaints@etfmatic.com or through the support channels provided in the section General of this Agreement. We aim to acknowledge your complaint promptly, investigate the circumstances and report the results to you.
- 33.3. If your complaint remains unresolved after 8 weeks from the date when you first made the complaint you may refer it directly to the Financial Ombudsman Service of Exchange Tower, London E14 9SR. Details on their complaints procedure can be found at <http://www.financialombudsman.org.uk/consumer/complaints.htm>.

34. Closing your Account

- 34.1. You may close your Account at any time by giving 30 days' notice by email at support@etfmatic.com, subject to the settlement of all outstanding transactions and the provisions of the section Termination of this Agreement. The charges within the section Fees and Charges of this Agreement will apply. We may pass on to you any third parties fees charged as a result of the termination of the Agreement. Transactions in progress at the relevant time will be completed in the normal course of business. We may enable functionality in the future to allow you to close your Account directly on our Website. We will let you know when this happens.
- 34.2. We may close your Account at any time under the following circumstances:
 - 34.2.1. You are in breach of any terms of this Agreement;
 - 34.2.2. You have not accessed your Account within the past five years; or
 - 34.2.3. We have reasons to suspect that your Account was accessed without authorisation.
- 34.3. Where we decide to close your Account, we will provide you with notice of closure and where relevant, the reasons for doing so, together with the procedure to follow in order to withdraw any funds that we are holding.
- 34.4. When you or we close your Account, you remain liable for any fees, charges or any other liabilities pursuant to section Termination of this Agreement. We may:

- 34.4.1. Keep your Account's personal information in our records in order to fulfil our legal obligations;
 - 34.4.2. Suspend, limit or deny your access to, or use of, our services, software, systems (including any networks and servers used to provide any of the services) operated by us or on our behalf or some or all of the services in respect of your Account;
 - 34.4.3. Retain your funds after closure, to the extent and until such time we may reasonably require, in order to protect ourselves and/or a third party against risks, including but not limited to, claims, fines, fees, charges and any other liabilities.
- 34.5. We will make attempts to contact you after you closed your Account, if any further monies may reach your account (for example, dividend payments).
- 34.6. If you are the legal representative of an incapacitated or deceased Account holder, please contact us by email to support@etfmatic.com or through the support channels provided in the section General of this Agreement for assistance.

35. Termination of this Agreement

- 35.1. You may terminate this Agreement at any time, to take effect 30 days after we receive notice from you by email or on our Website, subject to the settlement of all outstanding transactions. The charges set out in the section Fees and Charges of this Agreement will apply. We may pass on to you charges levied by third parties as a result of the termination of this Agreement. Transactions already in progress will be completed in the normal course of business. The only other sums payable for terminating the Agreement will be the due proportion of our fees to the date of termination, our transfer charges set out in the section Fees and Charges of this Agreement, any expenses reasonably incurred by us in giving effect to such termination and any losses incurred in settling or concluding outstanding obligations. We may deduct these fees and expenses from any money forming part of your Portfolio and/or sell sufficient assets from your Portfolio to cover such fees and expenses.
- 35.2. We may terminate this Agreement by giving you 30 days' notice in writing including by email, subject to the settlement of all outstanding transactions. On termination of this Agreement, we will, following payment to you of all money due to you hereunder and settlement of all outstanding transactions, reregister your assets and transfer your cash as you reasonably request. If you make no reasonable request we will take steps to reregister your assets in your name and to transfer your cash to you at our discretion.

36. Assignment and Transfer

- 36.1. You do not have the right to assign or otherwise transfer to any other party your rights or obligations under this Agreement but we may assign our rights and obligations under this Agreement at any time and will send you notice by email of any such assignment prior to its taking effect. This does not affect your right to terminate this Agreement under the section Termination of this Agreement.

37. Dormant Accounts

37.1. We will designate any Account as dormant if it has been inactive for at least one year to protect both you and us and you will not be able to access a dormant account in the usual way. When you ask us, we will tell you how you can arrange for your Account to be made non-dormant. If you have money in a dormant Account, it will remain your property or if you die it will form part of your estate.

38. Taxes

38.1. We comply with the UK and EU laws and regulations on reporting and sharing of financial information for tax purposes. At the end of each tax year, we will provide you with a summary of all the taxable events on your Account, such as dividend distributions and capital gains or losses ("Account Tax Certificate").

38.2. By entering in this Agreement, you acknowledge and agree that it will be your obligation to complete and submit the appropriate tax filings in your country of tax residence.

39. Entire Agreement

39.1. This Agreement constitutes the entire agreement between you and us and supersedes and extinguishes all previous agreements and arrangements between us, whether written or oral, relating to its subject matter.

40. Governing Language

40.1. This Agreement is drawn up in the English language. If this Agreement is translated into another language and there is a conflict or inconsistency between the English language text and the translated text, the English language text prevails.

41. Governing Law and Jurisdiction

41.1. This Agreement and any noncontractual obligations or claims arising out of or in connection with it are governed by English law.

41.2. You and we irrevocably agree that the courts of England and Wales will have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement (including noncontractual disputes or claims).

42. Your Cancellation Rights

42.1. You have a period of fourteen (14) days, beginning on the date on which your Account is opened or the date on which you receive a copy of this Agreement and other related documents, whichever is the latest, within which to cancel your Account. We will sell any

investments made on your behalf but will not be responsible for any market loss that you may incur as a result.

43. Force Majeure

43.1. We will not be responsible for any failure in fulfilling a contractual obligation as a result of any situation, condition or event beyond our reasonable control (a "Force Majeure Event"), which may include, without limitation, an act of Parliament, an act of God, acts of terrorism, strike or riot, extreme fluctuations in the price of a security, failure of communication or electronic equipment or anything else that may reasonably impede our ability to act in line with this Agreement.

43.2. We will continue to take all reasonable steps to act in your best interests when a Force Majeure Event occurs and, to the extent that we can no longer comply with the term(s) in question, we may suspend or alter any part or all of the Agreement.

44. Third Party Rights

44.1. A person who is not a party to this agreement cannot enforce or enjoy the benefit of any term of this Agreement under the Contracts (Rights of Third Parties) Act 1999.

45. Effective Date

45.1. These Investment Terms take effect from 25 May 2018. Please contact us at support@ETFmatic.com if you require a copy of any prior version.

46. **Nature of Risks and Investments**

46.1. This section is not intended to be a comprehensive statement of all the risks to which investors might be exposed and there may be others that exist now or which may arise in the future. We have set out the main risks to which investors will be exposed, as we understand them, but warn that investing is always exposed to new risks and that some risks once thought to be very low can rapidly develop into high and serious risks.

47. Key Risks

47.1. The main risks are:

- Past performance is not an indicator of future performance.
- The value of investments may go down as well as up.
- You are not certain to make a profit.
- You may make a loss.
- You may lose your entire investment.
- The price or value of investments may fluctuate significantly.

- Any income distributions may also fluctuate significantly.

48. Risks Associated with Discretionary Investment Management

48.1. The main risks are:

- Your Portfolio and its performance will be specific to you, even when compared to a portfolio with a broadly similar mandate; and
- We use your stated preferences in guiding the investment strategy for your different portfolios. As a consequence, your portfolios may outperform or underperform the "average" customer Portfolio.

49. Risks and Shares

49.1. Some specific risks associated with investing in shares include:

- Dividend payment and growth is not guaranteed;
- Companies in which you invest are not obliged to pay dividends;
- Companies may go into liquidation or receivership which may result in the shares becoming worthless;
- Equity markets may decline in value;
- Corporate earnings and financial markets may be volatile;
- If there is no recognised market for shares, then these will be difficult to sell and accurate information about their value may be hard to obtain;
- Smaller company investments may be difficult to sell if there is little liquidity in the market for such shares and there may be substantial differences between the buying price and the selling price;
- Shares on overseas markets may involve different risks from UK shares; and
- Investments in overseas companies depend not only on the performance of the shares but also upon foreign exchange rates which may change adversely affecting the value of the shares in your base currency.

50. Risks and Fixed Interest Securities

50.1. Fixed interest securities (also known as bonds) are issued by governments, governmental bodies, quasigovernmental bodies in the UK (and overseas), UK local authorities, and companies in the UK and in other countries.

50.2. The main risks are:

- There are few recognised markets in such securities, because they are traded between the issuers, their brokers, and the banks and securities houses making a market in the securities;
- Securities in currencies other than GBP are risky because foreign exchange rates may move in an unfavourable direction reducing the value of investments in base currency terms;

- Securities issued by overseas bodies may involve special risks;
- Capital may be lost if the issuer defaults.
- Capital may be eroded due to the effects of inflation;
- The value of fixed income securities may fall as well as rise; and
- Compensation may not be available at all or to the entire extent of deposits made with issuers that default.

51. Collective Investment Funds

51.1. Units or shares are issued by collective investment funds both in the UK and elsewhere in the world. These may be authorised by an approved regulator or unauthorised and unapproved. We will only invest your money in authorised funds quoted on the London Stock Exchange (or on other recognised leading exchanges) and in funds traded on the London stock exchange which have a UK Reporting Fund Status approved by HMRC.

51.2. The main risks are:

- There may be no recognised market for collective investment funds as units/shares are issued and redeemed by the managers of the funds;
- Funds may be valued for pricing and dealing purposes either daily, weekly, fortnightly, monthly or even less frequently by the fund managers;
- The prices of the underlying investments of the funds will vary according to the markets on which these are listed or traded;
- Some authorised funds are subject to greater supervision than others; and
- Funds in currencies other than GBP may be affected if foreign exchange rates move in an unfavourable direction thus reducing the valuation of investments in base currency terms.

52. Stabilisation

52.1. We may, from time to time, carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise it. 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. The FCA allows stabilisation in certain circumstances. The effect of stabilisation may be to keep the price of certain securities at a higher level than they would otherwise be during the period of stabilisation. We will endeavour not to take part in stabilisation. 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.

53. Foreign Currency Investments

53.1. We may buy on your behalf in an investment denominated in a currency other than the agreed base currency of your Portfolio.

53.2. The main risks are:

- A movement in exchange rates may have a separate effect, unfavourable as well as favourable, on the gain or loss otherwise experienced on the investment concerned;
- If you deposit collateral denominated in one currency, you may be subject to margin calls in circumstances where the obligations secured by such collateral are denominated in another currency (in addition to the risk of margin calls for fluctuations in relative values); and
- Some currencies are not freely convertible and restrictions may be placed on the conversion and/or repatriation of your funds including any profits or dividends.

54. Brief Summary of Risks Associated with All Investments

54.1. The main risks associated with all investments are:

- Economic risk related to the economic cycle and macroeconomic situation of a country, a region, the world.
- Inflation risk the rate at which prices increase in an economy and can cause currency depreciation and the real returns of investments to decrease.
- Country risk and transfer risk when investors invest in a foreign country where transfer of money is or becomes controlled or where the investment is nationalised.
- Depending on exchange rates movements, an investment in a foreign currency may generate profits, when the foreign currency appreciates, or entail losses, when the foreign currency depreciates.
- The ability to buy and sell any type of asset quickly without impacting its market price is important and a lack of liquidity may prevent an investor from selling at market prices.
- Psychological risks arise when irrational factors such as rumours cause severe price fluctuations.
- Credit risk always arises when money is lent because the borrower may ultimately be unable to repay it.
- Fluctuations in interest rates, whether short-term or long-term rates, may have substantial adverse consequences on the prices of financial instruments;
- Emerging markets might suggest higher growth, but the risks mentioned above are enhanced.

55. Best Execution Policy

55.1. We are bound by the European Union's Markets in Financial Instruments Directive ("MiFID") to undertake transactions without disadvantaging our customers. Under MiFID applicable rules, we "must take all sufficient steps to obtain the best possible result, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order." Where we deal on your behalf, we will provide best execution, which means that transactions entered into should be on the best terms reasonably available.

- 55.2. We are a discretionary investment manager and make all decisions on what instruments to trade and when on behalf of our customers.
- 55.3. We treat all our customers fairly.
- 55.4. We aggregate and net all client orders, trading on a consolidated basis. This is done by:
- 55.4.1. Our algorithm reviewing each client's goal to generate orders;
 - 55.4.2. All orders for each client being aggregated and netted on an account/currency level;
 - 55.4.3. All orders being aggregated and netted across all clients and then executed according to the practices described in this best execution policy; and
 - 55.4.4. After execution and payment settlement, the new holding of the instruments being recorded on each client's account and goals, and a confirmation of the trade being sent to the client.
- 55.5. We have procedures to ensure that each bargain has been fulfilled according to the above principle of best execution. We review our procedures, trading system choices and arrangements periodically to ensure liquidity of the instruments we trade in and our ability to deal on more than one market. With these and any other relevant execution factors properly considered, we expect we shall attain best execution.
- 55.6. Factors to achieve best execution include, in the following priority: size and type of order, likelihood of execution, price, and finally any other relevant consideration. We determine the best possible result in terms of the total consideration, which sums up the price of the financial instrument and the costs related to execution (which include all the expenses incurred and which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order).
- 55.7. We will inform you if any particular bargain conditions are attached which may restrict our ability to achieve best execution.
- 55.8. The principles of best execution apply equally to single bargains or orders which are aggregated and grouped.
- 55.9. We may transact bargains in various manners, including by electronic order books, retail service providers, agency crosses, telephone and electronic algorithmic systems and, where relevant, we may also make use of appointed representatives who are also committed to achieving best execution for customers.
- 55.10. We will keep record of all bargains.
- 55.11. Those which do not fall into the above categories may have restricted liquidity or trade venues. We will assume best execution has been achieved with reference to any information provided by the market counterparty at each transaction.

- 55.12. We will execute the bargain as soon as reasonably practicable unless any delay will better serve the customer's interest. Bargains will be transacted in the same order as they were generated by our system unless specific bargains have conditions attached which may alter the order of priority.
- 55.13. We use our discretion to determine the execution venue for a trade, which may include, without limitation, an exchange, multilateral trading facility ("MTF"), organised trading facility ("OTF") or a broker.
- 55.14. We will provide you with an annual report revealing the top five (5) execution venues for that year.
- 55.15. We trade on a biweekly basis and we reserve the right to change the day we trade on or decide to trade less frequently if, in our discretion, we regard it as necessary or desirable to do so.

56. Conflicts of Interest

- 56.1. We are committed to taking measures to recognise, supervise, examine and resolve conflicts of interest. We recognise that it is not possible to eliminate all sources of conflict of interest; however, safeguarding customers' welfare remains our primary objective. This policy encompasses the relationships with customers and third-party contacts.
- 56.2. A conflict of interest may arise between us and you as a customer or between you and another customer where your interests are materially affected.
- 56.3. These conflicts may arise in the following circumstances:
 - 56.3.1. Providing services in different capacities at the same time;
 - 56.3.2. Providing advice or management;
 - 56.3.3. Acting for more than one customer in a transaction;
 - 56.3.4. Holding information on other customers that would affect you or them if it was disclosed;
 - 56.3.5. Receiving gifts or entertainment;
 - 56.3.6. Employees pursuing activities or personal relationships potentially detrimental to you; and
 - 56.3.7. Personal holdings in companies or other investments that are recommended by us.
- 56.4. We have developed protocols to manage conflicts of interest set out in this document to enable us to act without bias or damage to your interests. Our employees are provided with training about the protocols and the standards of conduct to which they must adhere. Our management is responsible for ensuring the protocols are adhered to and to deal with any conflict that may arise.
- 56.5. We maintain a log of conflicts that arise, and we note on it each conflict was monitored and any solution which was developed and applied to resolve the problem and to prevent the customer's interests from being disadvantaged. The effectiveness of our protocols is

assessed by internal audit staff members who execute their duties in a wholly independent capacity.

- 56.6. We have in place procedures to prevent unauthorised access to information and to prevent the dissemination of information.
- 56.7. Where our functions could create an internal conflict we separate the duties appropriately. The operations functions are maintained and conducted separately from the front office functions and an appropriate level of qualification, expertise and supervision is applied.
- 56.8. Staff remuneration is by means of a basic salary which is not linked to the underlying performance of the company. A remuneration committee agrees and monitors awards to achieve consistency and equitability and does not lead to conditions which may foster conflict.