

London Stone Securities
TERMS & CONDITIONS

1. Parties

Under these terms and conditions, you agree that:

we are authorised to enter into an agreement with Jarvis Investment Management and/or any other custodian(s) of our choice, on your behalf as your agent on the terms summarised below, acceptance of these terms will constitute the formation of a contract between you and ourselves and between you and our custodian, and we are authorised to give instructions to our custodian and to agree any subsequent amendments to our agreement on your behalf. You are also bound by the terms and conditions of our custodians and will receive a copy of their respective terms.

Under these terms and conditions, you will remain a customer of ours but will also become a client of our custodian for settlement and custody purposes only. We retain responsibility for compliance and regulatory requirements regarding our own operations and the supervision of your account. In particular, we remain responsible for approving the opening of accounts, money laundering compliance, accepting and executing securities orders, assessing the suitability of transactions when we have a duty to do so, providing any investment advice to you and for our ongoing relationship with you.

Our custodian neither provides investment advice nor gives advice or offers any opinion regarding the suitability of any transaction or order. You should direct all enquiries regarding your account to us and not to our custodian who will not accept instructions from you.

2. Regulatory Status

London Stone Securities Limited is regulated and authorised by the Financial Conduct Authority in the conduct of investment business. FCA Authorisation 479827. Our principal place of business is 1 Royal Exchange, London EC3V 3DG. Registered in England and Wales 6464964

3. The Services We Provide

3.1 Types of Clients

The majority of clients of London Stone Securities will be classified as retail clients which offers the greatest level of regulatory protection. However, depending on a number of factors including your experience, market knowledge and financial status, you may be classified as a professional client.

Alternatively, you may choose to open an alternative type of account e.g. company account.

Whilst London Stone Securities will advise you on the merits of each type of classification and make its own assessment as to your personal circumstances, it is your responsibility to ensure that you understand and agree to the classification and the level of regulatory protection that accompanies it. If you do not agree then you must raise this with your broker immediately.

4. Advisory Service

If you are designated as an advisory customer, we accept responsibility for advising you as to the merits of any particular investment but not as to the suitability of an investment in relation to your individual circumstances, requirements and objectives. We may provide you with investment advice on your request. Advice from us will be based on the information supplied by you, which should be updated as necessary before we give you advice on a particular transaction. If you do not inform us of any investment or types of investments, which you do not wish us to recommend or purchase for you, we may recommend to you any investment. (However, under the rules of the FCA, we may recommend to you any investments which we have reasonable grounds for believing are suitable for you).



We do not undertake discretionary management of your investments; any investment advice we give you is provided on the understanding that we do not accept responsibility on a continuing basis for advising on the composition of your portfolio.

Any transactions within an advisory managed account (buys and sells) are subject to an advisory commission irrespective of whether the transaction is chosen by the customer i.e. 'execution only'.

4.1 Execution Only

We will not advise you about the merits of a particular transaction we reasonably believe, when you give the order for the transaction, that you are not expecting such advice and are dealing on an execution only basis. Similarly, we will deal on an execution only basis where we believe that a particular transaction, as instructed by you, is not in accordance with your risk objectives.

You may choose to change your account from execution only to advisory or vice-versa at any time by informing your broker. However, in the event that you change from advisory to execution only, any existing positions within the advisory account will be regarded as such for their corresponding sales.

4.2 Discretionary

A discretionary account is where an individual client does not engage or participate in any form of conversation with their broker as to the recommendations or trades that are placed on their trading account. In other words, it is an account which is particularly useful for those individuals who do not have the time to speak to their broker during the day.

Clients are expected to closely follow their portfolio online using their log-in details to ensure that the strategy embarked upon and the trades executed are in line with their individual investment objectives. The transaction costs relating to discretionary accounts are the same as advisory accounts.

4.3 Risk and Investment Objectives

Under our Managed Services we will advise and manage from the perspective of portfolio risk, taking the portfolio as a whole and having regard to your investment objectives.

Under our Advised Services we will advise from the perspective of stock specific risk. If either your circumstances or your views change, and you wish to amend either your investment objectives or risk objectives you should notify us as soon as possible. Such changes will be without prejudice to any transactions already entered into.

4.4 Best Execution

All instructions are carried out in accordance with our best execution policy (full policy available upon request) so as to ensure that, in the course of executing instructions on your behalf, we seek to obtain the best possible result for you. We will seek to execute all trade instructions within an hour of receipt and certainly within the same trading day. If for any reason we are unable to do this, we will make every effort to inform you and take further instructions. We do not accept liability for any loss resulting from the failure or delay on the part of a third party in respect of the execution of your instruction, or for your instructions being executed at a different price than that which could have been obtained if the instruction had been executed at the time anticipated by you.

Notwithstanding the above, we reserve the right to delay the processing of any instruction if, we cannot readily deal in the investment to the value of the instruction on the processing date and within the times set out above; or it is not reasonably practicable for us to process the instruction on that date due to circumstances beyond our control, in such circumstances, we will normally process the instruction on the first business day upon which it becomes reasonably practicable for the instruction in question to be executed after the end of the period of delay, subject to the sub clauses above. For open positions which have not been paid for in full (T20), and which either become overdue or fall sufficiently in value against the collateral on account, we reserve the right to close out such position(s) and crystallise any loss.

4.5 Restrictions

If you do not inform us of any investments, type of investment or market on which you do not wish us to recommend to you or execute a transaction on your behalf then we may recommend or purchase any investment, on any market. If you are employed by a regulated business, you must obtain the necessary consents before asking us to execute transactions. If you are prohibited from dealing in certain securities, and if this should change, please give your broker written details.



4.6 Transfer of Accounts

All account transfers (to or from London Stone Securities) should be made in writing and sent to our registered offices. These instructions will be forwarded to our custodian who will be responsible for arranging the transfer. London Stone Securities accepts no liability in the time taken for transfers to take place, nor does it accept liability for any financial loss incurred from such transfers taking place (e.g. adverse price movement of stocks whilst being transferred).

LSS Administration charge £100 for transfers out of nominee/stock ISA and £200 for SIPP transfers out. These are non-refundable fees and chargeable at start of transfer out process even if transfer is not complete.

The firm's custodian charges a transfer fee per line of stock (please refer to schedule of commission charges). All advisory positions are also subject to an advisory sale commission fee at point of transfer of 1% (min £100). Advisory positions include all stock holdings held within an advisory or discretionary managed account, irrespective of whether the positions have been transferred in from a 3rd party or purchased without advice.

4.7 Share Certificates

London Stone Securities accepts no responsibility for paper share certificates which are lost through the postal system (either being sent to or from our offices). It is your responsibility to arrange for the delivery (or collection) of share certificates to guarantee their safety.

4.8 Types of Accounts

At London Stone Securities we offer a number of different types of accounts, such as Nominee account, ISA, Flexi ISA, Corporate Account, SIPP etc. Please note there are varying charges depending on which account you use. Please refer to our schedule of charges for further information.

(a) Flexible ISAs

Where you have made a cash withdrawal from a Flexible ISA, Jarvis will accept repayment of all or part of the withdrawal amount subject to the following provisions:

i) The repayment is made within the same tax year as the withdrawal ii) The repayment is made into the same ISA as it was withdrawn from iii) Any payment received is deemed to be a replacement to the amount withdrawn before any amount can be viewed as a new subscription iv) Any payment received which exceeds the amount previously withdrawn in that tax year will be viewed as a new subscription v) If you make a subscription for the current tax year and then withdraw the full subscription, you will still have made a subscription to the ISA and cannot subscribe to a different Stocks and Shares ISA for that tax year.

The withdrawal of stock will not create a flexible ISA allowance. If money is withdrawn from your Flexible ISA and not replaced prior to transferring your ISA to another ISA Manager, no repayment can be made to the new ISA manager

4.8.1 Cancellation

You may cancel an agreement for any of our services within 14 days of commencement. Such notice of termination must be in writing and we will return to you your money or assets held by us. You should be aware that any reasonable out of pocket expenses, e.g. relating to the transfer of securities, will not be refunded. Also, if any investment transactions have been carried out, you will be liable for any price movement unless it involves a product which carries a right of cancellation which may apply.

Any fees outstanding including fees for existing stock positions must be settled in full before any accounts can be closed/transferred out.

5. Permitted Investments

Unless you instruct us, in writing, to the contrary, you accept that we may advise you or execute transactions on your behalf in the following types of investments:

Shares (including shares with SIPPs), Futures (excluding commodities and rolling spot forex), Options (excluding commodities and commodity futures), Contracts for Difference, Rights to or interests in investments (Security), Units and certificates representing certain security



6. Instructions

6.1 Dealing Instructions

Dealing instructions should be made by telephone only and you must speak directly with a broker. We reserve the right not to accept dealing instructions given in any other form including by fax, post, e-mail or by leaving a telephone voicemail message. However, if we do confirm receipt of any such instructions you accept that we shall not be liable to you for any delay in responding to these instructions or if the instruction is not carried out at all. You agree to indemnify us for any losses we incur as a result of reliance on such instructions. Only telephone instructions can be relied upon, all other forms of communication should not be relied upon.

6.2 Power of Attorney

If you wish to undertake investment and trading decisions on behalf of a third party, you must agree to and sign a 'Power of Attorney' which allows a third party (usually but not necessarily a partner/spouse) to accept on your behalf to act in your best interests and in particular with regards to agreeing to recommendations and the trading strategy employed. There are some restrictions which include not being able to make third party payments from the account, but this is limited. Primarily by signing the POA, the main point of contact and all of the necessary information will be taken from the approved individual to whom power of attorney has been assigned.

With regards to the Private Client Profile (PCP) it shall be taken that the information provided by the appointed representative is suitable for the individual in question.

6.3 Administration

All instructions regarding the administration of your investments held by us on your behalf or concerning your personal details such as Change of Name, Address or any other material changes to your account should be made in writing to us. We do not accept instructions from the third parties unless a valid Power of Attorney has been established for this purpose.

If you wish to transfer monies from one account to another, i.e. Husband to Wife, we will only accept written instructions, bearing an original signature and each transaction will require a separate written instruction.

6.4 Third Party Instructions

You, or any person, whose authority has been previously notified to us, in writing, may give investment instructions concerning your account. We may accept any instruction we believe, in good faith, to be from your agent, or any, or any other third party authorised by you to act on your behalf, whether in writing, by telephone, e-mail, fax or otherwise. Should investment authority be altered, suspended or revoked you should notify us immediately. You accept that if you fail to do so we shall not be liable for any loss incurred.

6.5 Marketing

We may collect and use your personal information for undertaking marketing by email, telephone and post. We may send you certain direct marketing communications (including electronic marketing communications to existing customers) if it is in our legitimate interests to do so for marketing and business development purposes. However, we will always obtain your consent to direct marketing communications where we are required to do so by law.

You have the right to ask us not to process your personal information for marketing purposes. You can do this by contacting us by post or email. You can also unsubscribe from emails by following the unsubscribe instructions included in every email. If you are a client, you can also unsubscribe by sending us a secure message.

6.6 Email Communication

Communication to and from the firm is primarily by telephone and email. If you do not have email or you prefer post, please let your investment advisor know. There will be extra charges for postal statements and valuations. It is important that your email remains valid and that you check your emails regularly for important updates and information.

The firm is not liable in the event that the security of your email account is breached and therefore you are responsible



for any instructions which are received by the firm from your registered email account. The firm is not obligated but reserves the right to act on any instructions provided from your email account including dealing instructions and/or payment instructions. If you believe that your email account has been compromised you should notify the firm immediately. The firm is not liable for any losses resulting from any instructions which have been sent from your email account either fraudulently or in error.

6.7 Confidentiality

We have responsibilities under money laundering regulations to verify your identity. We may need to make certain enquiries and obtain certain information from you for that purpose. You confirm that all information you supply will be accurate and accept that we may need to pass this information to a third party to comply with our reporting requirements.

6.7 Data Protection and General Data Protection Regulation (GDPR) (EU)

The information our custodian and we hold about you is confidential and will not be used for any purpose other than in connection with the provision of our services. Information of a confidential nature will be treated as such, provided that such information is not already in the public domain. Information of a confidential nature will only be disclosed outside the group of companies to which our custodian or we belong, in the following circumstances:

Where required by law or if requested by any regulatory authority or exchange having control or jurisdiction over us or our custodian (or any respective associate); to investigate fraud or other illegal activity; to any third party in connection with the provision of services to you by us or our custodian; for the purposes ancillary to the provision of the services or the administration of your account, including, without limitation, for the purposes of credit enquiries or assessments; if it is in the public interest to disclose such information; at your request or with your consent.

When you register with London Stone Securities, we will ask you for your contact details. We may also from time to time ask you for information regarding your investment preferences, experience or for other information to assist us in the provision of our services. If you become a dealing client, we will ask you for further personal information.

We will use the information provided by you to contact you regarding investment opportunities and to provide you with details of our services. Additionally, we will use personal information provided by dealing clients in order to give advice on certain investments. We may use this information to inform you about products and services of other companies we work with.

You may choose to restrict the collection or use of your personal information by indicating that you do not want this to be used by anybody for direct marketing purposes. Also, even if you have previously agreed to us using your personal information for direct marketing purposes, you may change your mind at any time by writing to or emailing us at compliance@londonstonesecurities.co.uk.

For more information regarding your data protection please see our privacy policy or speak to a member of the team.

7. Suitability of Investments

7.1 Private Client Profile (PCP)

Where you register as a client for the first time, your broker will ask a series of questions to ascertain your appetite for risk, investment objectives and financial status. This is your PCP and gives you the opportunity to inform your broker of the types of investments and markets that you wish to invest in. It is your responsibility to notify your broker if any of your chosen parameters or circumstances change. This document will supersede any information that you have provided on the Client Information Form.

7.2 Age & Health

In addition to your chosen level of risk, investment objectives and financial standing you should also consider the suitability of your age and health before investing in the stock market. Whilst London Stone Securities will attempt to ascertain your suitability on the grounds of your health it is your responsibility to notify your broker if you have any illness or medical ailment which should be taken into consideration before investing. If you are unsure you should seek independent medical advice before proceeding.



7.3 Treating Customers Fairly (TCF)

At LSS we will take all necessary steps possible to ensure TCF. Therefore, if we believe that a particular investment, transaction or market is not suitable to your personal circumstances, we will advise you of that fact. However, it is your responsibility to ensure that you seek independent financial investment advice not only before opening an account but on an ongoing basis so that the types of transactions, trading activity, size of deals and exposure to the market is in line with your expectations and personal circumstances.

7.4 Risk Warnings

Risk warnings will be given to you, the client, on a number of different occasions prior to any recommendations being made including verbally over the telephone, introductory marketing material (e.g. brochure), Customer Information Form, Private Client Profile and the Risk Warnings document. It is your responsibility to read and understand these documents to ensure that you are comfortable to accept the associated risks before committing to any transactions. If you are unsure you must seek independent financial advice before proceeding.

Whilst London Stone Securities will take every effort to ensure that your circumstances are suited to stock market investments/trading, ultimately the onus rests on you to ensure that you are comfortable to accept those risks. Unless you inform your broker otherwise, the firm will not accept liability that you were either unaware of the risks or that any investments recommended were not suitable for you.

7.5 Recommendations

Particularly in a fast-moving market and so as to guarantee best and timely execution at the most favourable price for you, your broker may not always be able to offer a detailed description of each company that he/she is recommending. It is to be assumed that you will have acquired a reasonable level of prior knowledge of the company. If you do wish to have a more detailed description during each recommendation you should advise your broker, who will be happy to action this request.

Similarly, and in the same interest of faster and better fill prices, full risk warnings will not be given prior to each recommendation as it will be assumed that you have understood and have accepted the risks involved prior to hearing the advice. If you wish to receive the full risk warnings before or during each recommendation, please advise your broker.

8. Short Term Trading Strategy

8.1 High Commissions

Short term trading will by its very nature involve a very high frequency of dealing which results in single or multiple transactions conducted on a daily, weekly and monthly basis. As a direct result of this increased trading activity, you should expect commission levels to be much higher for this type of trading. Before agreeing to short term trading, you must carefully consider whether you are prepared to pay the increased level of commission for such trading activity. If you are not prepared to pay the higher overall levels of commission, you should opt for longer term investments which involve less trading activity on your account.

Due to the increased trading activity (and therefore increased commission), your investments will need to make larger profits to absorb these increased costs. If you do not wish to incur large commission charges on your account, you should reconsider whether short term trading is right for you and if you are unsure you should always seek independent financial advice.

8.2 Short Term trading vehicles

T20 trading involves an element of gearing and therefore this means potentially greater profits but also bigger losses, including greater commissions. You should not engage in short term trading unless you are prepared to accept the much higher risks of frequent trading plus the much higher levels of commission that will generally be payable in such strategies.

8.3 Stop Losses and Limit Orders

Stop Losses are also not guaranteed in the case of rights issues, share-splits or other corporate actions including profit warnings which may affect the share price of a company. Therefore, in such circumstances stop losses may either be executed at the pre-corporate action price or could be cancelled completely. They therefore not cannot be relied upon.



8.4 Justification of Trades

Whilst trading will always be conducted in the best interest of the client, it should be recognized that it is impossible to look at historic trading patterns in retrospect. Before

you make a decision to either buy or sell, you will be offered a clear and easy-to-understand trading strategy to justify the buy or sell transaction by your broker.

This explanation may include market news, fundamental or technical analysis news and risk/return financials amongst other relevant factors. If you agree with the reasoning that is offered to you at the time and you are happy for the trade to proceed then you should inform your broker accordingly who will execute the transaction on your behalf. However, if you do not agree with the explanation that is being offered to you at the time, then you should say so and your broker will not execute the transaction. You will never be pressurised to execute a transaction that you are uncomfortable with, but it is your responsibility to make it clear that you do not wish to proceed if you are unsure.

If, however, you choose to proceed with the transaction and thereby you accept the explanation offered to you at the time, it will be assumed that the transaction was legitimate and completely justified at the time of the transaction. London Stone Securities will not bear responsibility for any trading activity or individual transactions that are brought into question at any point after 30 days from the transaction being executed.

Due to the complexity and fast-moving nature of the stock market and its individual components it is impossible to look at the trading history of any account in the hope of trying to recall or justify previous transactions. For this reason, 30 days is the maximum period of time during which it can be reasonably expected to fully appreciate and recall the strategic thinking behind the trading that had taken place.

9. Your Responsibilities

9.1 Verification of Trades

All buy and sell transactions on your trading account will automatically generate a contract note detailing (in addition to other details) the name of the stock, the number of shares traded, the trade price, and the commission chargeable on the transaction. Contract notes will not be sent to you unless you specifically request as all details of trades can be found via your online portal. It is your responsibility to check your account regularly and ideally on a daily basis to ensure that the account activity is correct and as you expect it.

9.2 Statements of Account and Dealing Errors

Statements of account detailing a summary of all trading activity on your account will be emailed (or sent by post) upon request at any time. You can also receive valuations at any time by instructing your broker.

Advisory and Discretionary Deals

It is your responsibility to check all transactions and to highlight any discrepancies or errors within 30 days of the trade date. London Stone Securities will not accept liability for any errors that are highlighted after this period of time even if the error is made by your broker or a representative of London Stone. This is because the stock market can be volatile and erratic, and therefore a finite period of time must be defined to manage the potential risk and downside of any 'dealing error'.

Execution Only Deals

If you give an instruction to the firm by telephone the transaction will be executed during the call and you will be given confirmation of its execution including the fill-price. However, for any instruction given by email or in writing, the firm does not accept any responsibility for any trades which are not executed. In all cases you should check your contract note immediately to confirm that the transaction is correct and in accordance with your instructions. If you do not receive a contract this means that the transaction has not been executed, and you should notify the firm immediately. It is your responsibility to ensure that any instructions that you give are executed. For all execution only trades any errors or omissions must be highlighted to the firm within 48 hours. The firm does not accept any responsibility after this period of time due to the potential movement and loss in share price.

Clients have free online access where they can view statements, valuations and full details of all executed transactions.



The online access facility offers real time valuations and statements 24hours a day. It also gives a full trading history and individual contract note details. It is your responsibility to monitor the trading activity and ensure that you are happy with all transactions on your account. Failure to raise any concerns or mistakes after 30days of the transaction being executed cannot be reversed or cancelled.

9.3 Corporate Actions

Corporate actions relating to all portfolio holdings are the responsibility of the client. The firm may provide information voluntarily or upon the client's request but is not obliged to do so. Clients should be aware of their portfolio holdings at all times and visit either the company websites and/or the relevant exchange if they wish to take up any offers, placings etc. This is for execution only, advisory and discretionary trades. If a client wishes to accept an offer this must be made in writing by email within at least 10 days of the market deadline date.

9.4 Suitability of Investments

Whilst we will endeavour to ensure that the advice is suitable and appropriate to your personal circumstances it is your responsibility to fully understand the risks involved in the different products and services available. You should only proceed once you fully understand these risks and you should seek independent financial advice if you are unsure. London Stone Securities does not accept liability if it transpires that a particular product or markets was unsuitable to your circumstances. You must only trade with money that you can afford to speculate with.

9.5 Trading Activity

You must monitor the trading activity on your account closely at all times to ensure that you are in agreement with it. If there are any elements within the trading activity in which you are unhappy, you must raise your concerns to your broker in writing immediately. London Stone Securities Ltd does not accept liability for historic trading activity which is looked at in retrospect. Any issues concerns, or complaints must be raised within 30 days of the respective transaction dates.

9.6 Limit Orders and Stop Loss Orders

It is the client's responsibility to ensure that any limit orders or stop loss orders on their account are managed correctly including cancellation when they are no longer required. Orders have a limited time period usually of 3months after which they automatically expire. Limit orders and stop loss orders are not guaranteed. If an order is not cancelled this may trigger a position being executed (either bought or sold) which the client will be liable for.

10. Joint Dealing and Trust Accounts

10.1 Investment Objectives

In the case of joint accounts and so as to avoid confusion we will take the primary account holder's appetite for risk and investment objectives when deciding upon an appropriate trading strategy. Should you wish to incorporate detailed profiling for both account holders please notify your broker at the time when your PCP is being conducted.

You accept that in the event an account is held in joint names, then each account holder is jointly and severally liable. We may assume instructions received from one holder of a joint account or one trustee in a trust account will be given on behalf of and with the knowledge of all holders or trustees of the account. Any action we take regarding such instructions will be binding on all of you. In the event of the death of any party or trustee please inform us immediately.

You are responsible to ensure that the investment objectives and strategy that you choose to engage in is the right one for you. You also agree to seek independent financial advice to ensure that your chosen investment objectives are suitable to your personal circumstances and that you will regularly seek further advice to ensure that the strategy satisfies your investment criteria.



11. Payment for Services

11.1 Our Charges

For charges, please refer to our schedule of charges. VAT, stamp duty and other taxes and levies may also be added. If our charges change, we will inform you in writing and send a new schedule of charges.

There will be a schedule of charges that will be specific to the custodian/ trustee that you are using (e.g. Jarvis Investment Management, AJ Bell) and it is your responsibility to ensure that you are fully aware with such charges before proceeding with your account.

Annual fees are chargeable. Please refer to schedule of commission charges.

The firm reserves the right to charge for its time on any activity including account opening, KYC, transfers, meetings, portfolio reviews, dematerialisation of share certificates etc. The cost is charged at £200 per hour and is chargeable if an account is closed down at any point either before or shortly after the account is opened (typically 3 months) where a 'reasonable' level of trading activity (typically 1% of the account value) does not take place which is proportionate to the size of the portfolio. This is to discourage individuals to open a share dealing account for administration purposes only.

11.2 Commission on Trades

You should be aware of the full schedule of commission before making any investment.

Commission for each trade will be shown on its respective contract note. You can view the commission charged through your online access. If you are in dispute with the commission charged on any transaction it must be raised immediately with your broker. London Stone Securities will not accept liability for any errors on commissions charged, but which are highlighted only at a later date. If you are unhappy or believe a commission charged on a particular transaction(s) is unfair this must be raised within 30 days. London Stone Securities will not accept liability for any complaints with regards to commission levels which are not raised within this period of time.

For short term trading there is an increased level of dealing activity, which in turn leads to greater dealing costs on the account.

Whilst we believe that our commission structure is fair, it should be recognised that particularly for short term trading there are likely to be occasions where the commission generated for the firm is greater than the profit generated for the client. In the case of loss-making trades this will of course always be the case.

11.3 Inactivity & Annual Fees

There is an inactivity fee charged on any share dealing accounts where there are 3 or less transactions executed in the previous quarter (3 months). This fee is 0.25% of the value of the account at the end of the quarter (minimum £125). This equates to a 1% account holding fee for 'inactive' accounts. An annual fee of 1% on the value of the portfolio is chargeable in advance for the administration of the account. This fee is debited on a pro-rotta basis when the account is opened and at the start of each calendar year thereafter.

In the event of insufficient cash on account the firm reserves rights to sell existing positions on account. Accounts which are overdrawn will attract interest penalty charges and so to avoid this, the firm's policy is to maintain a minimum cash balance of approximately £500 at all times.

11.4 Costs and Charges of Custodian

In addition to the commission charges levied by London Stone Securities your account will be subject to custodial charges levied by the custodian. You will receive a schedule of charges of the custodian and it is your responsibility to read and understand these charges. If you do not agree to any of these charges you must bring them to the attention of your broker immediately and before agreeing to any transactions.

11.5 Administration Fees

The firm charges an hourly fee of £80 for administration services outside of the normal scope of managing investments. This includes but is not limited to responding to Subject Access Reports (SAR), collation and distribution of files more than 12 months old, profit and loss calculations of accounts, production of income/dividend statements, and any tax related affairs.



11.6 Payment of Charges

Any money owed to ourselves or agents used by us, or any other applicable charges may be deducted from money held in your account by ourselves or paid directly by you if you prefer.

11.7 Custodian Charges

Our custodians each have their own charges structure for the processing of transactions. For a full list of charges please refer to the respective schedule of charges documents.

11.8 Non-GB payments charges

Since August 2018 Nat West, which our custodian Jarvis bank with, has started charging £1 for inward payments under £100 and £7 for payments over £100 on all non-GBP payments from UK banks and all payments from banks that are not based in the UK.

This means that any payment made to Jarvis Investment Management from a UK bank account in a currency other than GBP, or a payment in any currency from a bank account that isn't based in the UK, there will be a shortfall and extra £7 will need to be sent in order to avoid the dealing account going overdrawn.

11.9 Cheque Clearing

The cheque clearing process has been reviewed and banks are now clearing the majority of cheques via a new Cheque Imaging System, in order to reduce fraud attempts.

In light of this new process we are seeing increased numbers of cheques returned unpaid for various reasons. We are therefore making the following policy changes:

During 2019 we will fade out the acceptance of client payment to Jarvis by cheque. We will be imposing a cheque value limit of £25,000.00 for individual cheques paid in from 1st January 2019. Multiple cheques paid in simultaneously to circumvent the above restriction will not be accepted.

We strongly encourage clients to make online bank transfers quoting their account number as a reference, rather than paying via cheque. We anticipate that this will reduce the administration costs for dealing with returned cheques and avoid issues with clients.

12. Custody of Your Investments

Acceptance of these terms and conditions provides authority for our custodian to hold your investment in safe custody, to transfer securities from your account to meet sales affected for your account, acceptance of offers, or other matters covered by this agreement. UK registered securities which our custodian is holding for you, will be in either physical.

possession, or in electronic form and if so, will normally be registered in the name of our custodians' nominee company in accordance with the FCA rules. Clients can fund their accounts with bank transfers or by debit card when calling the office.

13. Regulatory and Others Matters

13.1 Conflicts of Interest

London Stone Securities Limited does not hold Principal positions. However, when we give you investment advice, we, an associate company or our custodian or some other person or company associated with us may have a material interest or arrangement in connection with the transaction or investment concerned which may lead to a conflict of interest. This may include 1) sponsoring or underwriting a new issue in which you are investing; 2) receiving payments or other benefits for giving business to the firm through which your order is transacted (details are always available on request); 3) Matching your transaction with that of another client for whom we are also acting.



However, to ensure that no conflict of interest arises we require our employees to disregard any of these factors when advising you and to disclose any relevant material interest of which they are aware, unless the transaction is a reasonable one and in your best interests.

13.2 Complaints Procedure

If you are dissatisfied with the services we have provided under this agreement, please write to the compliance officer at 1 Royal Exchange, London, EC3V 3DG. We will endeavour to resolve your complaint as quickly as possible, but in any event will acknowledge receipt of your letter within five business days. Upon resolution of your complaint, we will send you a final response letter, which sets out the nature of that resolution and any applicable remedy. If for any reason you are dissatisfied with our response, please note that you are entitled to refer your complaint to the Financial Ombudsman Service.

13.3 Uninvited Calls

You expressly invite London Stone Securities Limited to telephone you between 8am and 8pm, to discuss investment business, without being specifically invited. We will always accept your request not to continue a particular discussion. We may contact you on any telephone number provided by you to us, including unlisted numbers.

13.4 Financial Services Compensation Scheme

London Stone Securities is a participant in the Financial Services Compensation Scheme, which, subject to certain exceptions, provides limited compensation in respect of eligible liabilities if we are in default. The right to claim under this scheme will only arise if you qualify as an eligible investor, which, for the purpose of this scheme, applies only to Private Customers as defined by the FCA or the Financial Services Compensation Scheme. (Information is available on request).

13.5 Jurisdiction

These arrangements are governed by and shall be construed in accordance with English Law and you hereby submit to the non-exclusive jurisdiction of the English Courts.

14. Risk Warning

The value of investments may fall as well as rise and the past performance of investments is not necessarily a guide to future performance. We give advice on the basis of our best judgement at the time and cannot be held responsible if any investment fails to achieve our expectations. We suggest that you seek independent financial advice at all times through the course of your trading.

You will be provided with a number of documents prior to investing and it is your responsibility to read and understand these documents. If you do not understand the risks, require further information or indeed do not accept the risks then you should not proceed with your account.

If you accept trading recommendations and proceed with your account it will be on the strict assumption that you have taken the necessary time to understand, appreciate and accept the risks involved. There can be no suggestion at a later stage that you were unaware of the risks of investment if you choose to proceed with the opening of your account and the execution of trading recommendations.

15. The Agreement

15.1 Liability and Indemnity

In accepting these terms, you agree to indemnify London Stone Securities against any liability (Inc. legal costs) incurred arising from the provision of its services in relation to your account.

Neither London Stone Securities nor our custodian(s) shall have any liability for any circumstance or failure resulting



from any event or state of affairs beyond the control of our custodian or London Stone Securities including, without limitation, any failure of communication or computer systems or equipment or the suspension of trading by an exchange or clearing house.

Furthermore, we shall not be liable for any losses you incur if we fail, interrupt or delay in performing our obligations under this agreement in order to avoid damage to London Stone Securities employees or our custodian's employees, property or reputation. Neither London Stone Securities nor our custodian shall be liable for loss arising other than as a result of its own negligence or wilful default or contravention of FCA rules, and in any event, will not be liable for any indirect or consequential loss (including loss of profit).

15.2 Governing Law and Jurisdiction

Acceptance of these terms and conditions shall constitute the formation of a contract between you and us and also between you and our custodian, who will provide settlement, safe custody, nominee and associated services, entered into through us as your agent. Our custodian is regulated by the FCA and is a London Stock Exchange Member.

15.3 Variation

The firm reserves the right to change the terms of business if and when required to do so and shall inform you in writing (email or post) with at least 3 months' prior notice before any changes come into effect.

15.4 Death

In the event that you should die whilst a client of London Stone Securities Limited your account will be suspended and we may close any open position, which carries a future contingent liability. No instructions over any account will be accepted until the title of your personal representatives to the account has been established at which point your personal representatives may instruct us to sell, transfer or otherwise dispose of your assets with the consent of all stated beneficiaries to the estate.

The custodian may conduct further due diligence if required and is responsible for the transfer of all assets. London Stone Securities has no control over transfers and accepts no liability in the time taken for transfers to take place, nor does it accept liability for any financial loss incurred from such transfers taking place (e.g. adverse price movement of stocks whilst being transferred).

For joint accounts the assets shall be transferred to the second named account holder unless there are further beneficiaries in which case the assets will be distributed according to the terms of the will.

15.5 Account Closure

Both you and London Stone Securities have the right to close your account with us. Such closure will be without prejudice to the completion of transactions already initiated. If you wish to close your account you should notify us, in writing, of your intention to do so. We will inform the custodian on your behalf within 48 hours who will then be responsible to action this request. Should we wish to terminate this agreement we will give you 28 days' notice of our intention to do so. Any charges accrued to London Stone Securities will become payable at the expiry of this notice period. There may be custodial charges for the closure of some accounts. If you choose to close your account, our custodian (Jarvis Investment Management) may charge a fee(s) to transfer your shareholdings to another broker (please refer to the relevant schedule of custodial charges).

All advisory positions (all stock holdings held within an advisory or discretionary managed account) are subject to advisory sale commissions at the point of transfer out. For example, if you wish to transfer out holdings which are in an advisory or discretionary account, an advisory sale commission is payable before from the transfer can be authorised.

15.6 Terms of Business

This set of terms of business applies to all account holders of London Stone Securities. However, in addition to these generic conditions, you will also receive and be subject to specific terms of business as dictated by the custodian responsible for administering your account. In addition, further terms of business are also applicable to particular types of account (for example SIPPs).

You will be expected to read, accept and be bound by the terms of business documents before agreeing to any trading activity on your account(s).





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