



**TERMS OF BUSINESS  
FOR PROFESSIONAL CLIENTS**

**Autonomous Research LLP  
Floor 2  
11 Ironmonger Lane  
London  
EC2V 8JN**

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## 1. **Scope**

- 1.1 Autonomous Research LLP is authorised and regulated by the Financial Services Authority of the United Kingdom.
- 1.2 In these Terms of Business, “**we**”, “**us**” and “**our**” (and related expressions) refer to Autonomous Research LLP, and “**you**” and “**your**” (and related expressions) refer to the client to whom we are providing our Services.
- 1.3 These Terms of Business, together with any Schedule(s), and accompanying documents (including the cover letter), as amended from time to time, (collectively, this “**Agreement**”) set out the terms of the contract between you and us and shall apply to all Services provided to you by us.
- 1.4 Although our conduct is subject to the FSA Rules, this is a matter between us and the FSA, and except as expressly stated herein, the FSA Rules do not form part of, and are not incorporated into, this Agreement.
- 1.5 This Agreement will commence on the earlier of:
  - (A) the date on which we receive from you a signed copy of this Terms of Business; or
  - (B) ten Business Days after our despatch to you of these Terms of Business.

## 2. **Your capacity**

- 2.1 As already notified to you in writing, we have categorised you as a Professional Client for the purposes of the FSA Rules.
- 2.2 If in any dealings we may have with you, you are acting as agent for any other person, we shall treat only you (and not your principal) as our client for the purposes of the FSA Rules, even where you have disclosed or identified your principal to us.
- 2.3 You are entitled to request a different classification. If you request to be classified as a retail client, requiring a higher level of protection, we will not be able to provide the Services to you. You agree to notify us if you no longer meet the criteria for a Professional Client.

## 3. **Services**

- 3.1 We may, at our sole discretion, provide you with the following Services under this Agreement.
  - (A) research in relation to Relevant Securities;
  - (B) advice in relation to Relevant Securities;
  - (C) telephone access to our research and sales desk in London;
  - (D) password protected access to our website;
  - (E) dealing in Investments as agent;
  - (F) arranging or introducing Transactions;
  - (G) giving investment advice and/or Personal Recommendations on the merits of any Transaction; and
  - (H) such other Services as may be agreed between you and us from time to time.

While our intention is at all times to secure execution business, we appreciate that for various reasons, the trade may be executed through a different broker and a proportion of the commission will be passed to us in recognition of our contribution to the transaction.

- 3.2 Except to the extent that we are providing Services under clause 3.1(G) or as otherwise agreed between the parties from time to time, we shall not be required to advise you on the legal, regulatory, tax, business, financial, accounting or other consequences of a Transaction and you shall make your own assessment of the Transaction and exercise your own judgment on the merits of the Transaction.
- 3.3 Subject to our obligations under the FSA Rules, in the event that we provide Investment Research to you, you agree and acknowledge that such Investment Research does not constitute advice and that we do not give any representation, guarantee or warranty in relation to the accuracy or completeness of such information. You hereby acknowledge that our research is provided solely to enable you to make your own investment decisions.
- 3.4 For the avoidance of doubt, we will not provide you with the service of portfolio management, and we will not have discretion to make investment decisions for you. We will not hold Client Money for you or provide custody services but instead will do so via our agent as described at clause 6 below.

#### **4. Investment Advice, Objectives and Risk Disclosure**

- 4.1 We may be required to obtain information from you regarding (amongst other things) your investment knowledge, your financial situation, and your investment objectives. Accordingly, you must promptly provide us with such information where we request it from you. Subject to the FSA Rules, we will have no responsibility to you if such information changes or becomes inaccurate unless you have informed us of such changes. Unless you tell us otherwise, there are no restrictions on the types of Transactions which you may wish to effect or the markets on which you may wish Transactions to be executed. Subject to the FSA Rules, we shall not owe you any fiduciary or similar obligations in relation to the merits of investing in such Transactions.
- 4.2 Without prejudice to clause 4.1, unless you have expressly notified us to the contrary in writing, you confirm that your investment objectives do not include:
- (A) any limits or restrictions on the length of time for which you wish any particular investment;
  - (B) any preferences regarding risk taking;
  - (C) any particular risk profile; or
  - (D) any particular purpose for your investments.
- 4.3 In the event that we provide Services under clause 3.1(G):
- (A) you shall provide all information and assistance necessary to enable us to provide investment advice and/or a Personal Recommendation in relation to the relevant Transaction including without limitation all information which is necessary to enable us to assess the suitability of the Transaction in light of your investment objectives, and we shall be entitled to rely on such information provided by you pursuant to this clause;
  - (B) you agree and acknowledge that we shall not be responsible for any investment advice and/or Personal Recommendation given by us on the basis of information which you have provided pursuant to clause 4.3(A) which is inaccurate, out of date or misleading or which subsequently becomes inaccurate, out of date or misleading unless you have notified us in writing; and

(C) unless otherwise agreed between the parties, you agree and acknowledge that the investment advice and/or Personal Recommendation is valid as at the date of provision of the investment advice and/or Personal Recommendation and we make no representation or warranty as to the continued validity of such advice or the suitability of the Transaction following such date.

- 4.4 When we make a Personal Recommendation to you, we are entitled to, and we will, assume when we assess the suitability of such Personal Recommendation that you have the necessary level of experience and knowledge in order to understand the risks involved in the Transaction.
- 4.5 When we make a Personal Recommendation to you and to the extent that you are a *Per Se* Professional Client, we are entitled to, and we will, assume when we assess the suitability of such Personal Recommendation that you are able financially to bear any related investment risks consistent with your investment objectives.
- 4.6 When we provide Investment Services to you in the course of MiFID Business other than making a Personal Recommendation to you, we are entitled to, and we will, assume that you (as a Professional Client) have the necessary experience and knowledge in order to understand the risks involved in relation to any relevant Investment Service or Transaction which we will carry out for you. As such we do not have to ensure that any such Service or Transaction is appropriate for you.
- 4.7 In entering into any Transaction, you will have already assessed, either independently or using such third party advisors as you may deem appropriate, the risks involved in the particular Investments and/or any related Services which may include, without limitation, any of, or any combination of, the following: credit risk; market risk, liquidity risk; interest rate risk; FX risk; business, operational and insolvency risk; the risks of off-exchange (OTC), as opposed to on-exchange, trading; contingent liability risk; taxation risk; and regulatory and legal risk.
- 4.8 In relation to any Investment or Service we provide, notwithstanding any independent assessment that you may have conducted in accordance with clause 4.7, we may highlight certain risks to you. However, there may be additional risks in relation to such Investment or Service and you should not rely on the highlighted risks as being the only risks in relation to any product, Investment or Service. You acknowledge that you will seek further information if you are unsure as to the risks involved with a particular Investment.

## **5. Execution of Orders**

- 5.1 We will act honestly, fairly and professionally in accordance with your best interests and we acknowledge that we owe you a duty of Best Execution and, subject to any specific instructions given by you, undertake to take all reasonable steps to obtain, when executing orders, the best possible result for you taking into account the Execution Factors, where appropriate, and in accordance with our Execution Policy.
- 5.2 You hereby consent to our Execution Policy, a summary of which is attached at Schedule 1.
- 5.3 We may aggregate orders with those of other clients and will allocate such Transactions on a fair and reasonable basis in accordance with our aggregation and allocation policy, subject to the requirements of the FSA Rules. You recognise that aggregation may operate to your advantage or disadvantage.
- 5.4 You instruct us not to make public Limit Orders in respect of shares admitted to trading on a Regulated Market which are not immediately executed under prevailing market conditions.
- 5.5 You hereby consent to us executing on your behalf any orders outside a Regulated Market or an MTF.

## **6. Clearance and Settlement**

6.1 We have entered into an agreement with BP2S on behalf of ourselves and each of our clients whereby BP2S has agreed to provide clearing and settlement, safe custody and associated services for clients whom we introduce to them. BP2S may also provide additional services such as investment dealing services as we may from time to time agree with BP2S.

6.2 By entry into this Agreement, you agree that:

- (A) we are authorised to enter into the BP2S Agreement on your behalf as your agent on the terms summarised in Schedule 2;
- (B) this Agreement will constitute the formation of a contract between you and ourselves in relation to this Agreement and also between you and BP2S in relation to the BP2S Agreement and that you will be bound by the terms of the BP2S Agreement accordingly;
- (C) we are authorised to give instructions (as provided for in these Terms of Business and the BP2S Agreement) and provide information concerning you to BP2S and BP2S shall be entitled to rely on any such instructions or information without further enquiry;
- (D) BP2S is authorised to hold cash and investments on your behalf and is authorised to transfer cash or investments from your account to meet your settlement or other obligations to BP2S.

## **7. Instructions**

7.1 You may give instructions to us from time to time by telephone or in writing by letter, fax or any other electronic means. Any instructions provided by you shall not take effect unless actually received by us.

7.2 We may refuse to act on any instruction if we believe that there is any issue with the authenticity of any of the instructions, where we believe that the person providing the instructions does not have the authority to provide such instructions on your behalf, or where acting on such instructions would or may cause us to be in breach of Applicable Laws. We shall notify you as soon as reasonably practicable in the event that we decline to accept any instructions or enter into a Transaction.

## **8. Trade Reporting**

Unless otherwise requested by you in writing, where we effect a Transaction in relation to shares admitted to trading on a Regulated Market, outside a Regulated Market or MTF, we shall arrange to make public the information regarding the Transaction. We shall report the client side of any Transaction and shall not make additional reports in respect of the same Transaction.

## **9. Transaction Reporting**

We shall report all Transactions to the FSA which are required to be reported to the FSA under the FSA Rules.

## **10. Confirmations**

We shall provide a confirmation, statement or contract note to you in respect of each Transaction executed pursuant to this Agreement. In the absence of manifest error, you shall be bound by the confirmation, statement or contract note unless you have raised an objection to the confirmation, statement or contract note within one Business Day of the date of receipt by you.

## **11. Settlement**

- 11.1 You shall make all payments due in respect of any Transaction in a timely manner on or before the contract settlement date.
- 11.2 We shall not be required to settle any Transaction unless we or BP2S have received all necessary information, cash, investments and/or documents required to be delivered by you or on your behalf.

## **12. Anti money-laundering**

- 12.1 Where you act as agent, you represent and warrant to us that you have and will at all times during the term of this Agreement comply with all Applicable Laws relating to money laundering regarding the identification of your client unless we elect to deal with you on the basis set out in clause 12.2. If you fail to provide satisfactory evidence of identity to us within a reasonable time following a request for such evidence, we may elect to immediately terminate this Agreement and we will not be liable to you in respect of the performance of this Agreement or otherwise.
- 12.2 If you are a regulated credit or financial institution in the EEA, or a regulated financial sector firm from a member of the Financial Action Task Force, we may deal with you on the basis that you are complying with EU regulations concerning money laundering and that sufficient evidence of identification of any counterparty has been obtained and recorded by you in accordance with your money laundering procedures.

## **13. Agency**

- 13.1 Without prejudice to the provisions of clause 2.2, in the event that you are acting as agent for any other person, you agree:
- (A) to provide such information and assistance as is required to enable us to comply with any obligations or requirements under Applicable Laws;
  - (B) notwithstanding that you may act as agent, to indemnify us in respect of any costs, expenses and losses suffered or incurred by us in relation to any Transaction effected on behalf of your principal;
  - (C) that we may settle the Transaction directly with your principal and may take any action reasonably required to effect such settlement; and
  - (D) in the event that your principal fails to comply with any of its settlement obligations in relation to any Transaction, to notify us of the full name and address of such principal and to provide such reasonable assistance to us in order to obtain settlement.

## **14. Fees and Charges**

- 14.1 You shall pay to us such fees, charges, commissions and expenses in respect of the Services provided under this Agreement as agreed between the parties from time to time. Unless otherwise agreed, you shall be responsible for all taxes, duties and other charges of a similar nature which may become due and payable in relation to a Transaction.
- 14.2 In the event that we receive any fee, commission or non-monetary benefit (other than such fees, commissions and charges referred to in clause 14.1 above), we shall provide details to you of the existence, nature and amount of such fees, commissions or benefits to the extent required by Applicable Laws.
- 14.3 Payments may be made in such form as you shall from time to time determine - including, as our preference, by means of any agency or electronic trading capability which we may have notified to you, or which we may be able to offer to you. You may at your discretion choose to make such

payments by directing a broker or brokers with whom you (or the underlying clients for whom you act) have accumulated a pool of dealing commission to settle the payment on your behalf or alternatively you can elect to pay us out of your own resources, in which instance we would be obliged to render you an invoice (inclusive of VAT if applicable) for the Services.

14.4 All payments to us shall be made in same day (or immediately available) and freely transferable funds in such currency and to such bank as we may from time to time specify. All such payments shall be made by you (or, as the case may be, on your behalf) without any deduction or withholding.

#### 15. **Conflicts of Interest**

15.1 Our Services hereunder are not to be deemed exclusive. You acknowledge that we and our directors, officers, employees or associates may provide our Services to other parties. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with you. Each will, at all times, have regard in such event to its obligations to you.

15.2 We have a conflicts of interest policy which specifies the procedures that we follow and the measures that we have adopted in order to avoid such conflicts or to manage such conflicts in a way that ensures fair treatment for you. A summary of our conflicts of interest policy is available on request.

#### 16. **Complaints and Compensation**

16.1 If you have any complaints about us or the Services provided to you pursuant to this Agreement then please contact in the first instance, our complaints officer, as notified to you in the covering letter to which these terms are attached.

16.2 Business conducted by us under this Agreement which is subject to regulation by the FSA is covered by the Financial Services Compensation Scheme if you are an "eligible claimant". Most types of investment business are covered for 100% of the first GBP30,000 and 90% of the next GBP20,000, so the maximum compensation is GBP48,000. Further information on the scheme can be obtained from us on request or from the FSA or the Financial Services Compensation Scheme Ltd.

#### 17. **Indemnity and Limitation of Liability**

17.1 You will indemnify us and our employees, officers, agents and affiliates and keep them indemnified in respect of any losses, costs, claims, damages and expenses (present, future, contingent or otherwise and including reasonable legal fees) which arise as a result of or in connection with:

(A) your breach of this Agreement; or

(B) our provision of Services to you pursuant to this Agreement

(save where such losses, costs, claims, damages or expenses arise as the result of our gross negligence, wilful default or fraud).

17.2 Neither we nor any of our employees, officers, agents or Affiliates will have any liability to you for any loss, expense, cost or liability (together "**Loss**") suffered by any person, arising from reliance upon any information, statement, opinion or recommendation contained in any advice or research provided to you (whether such losses are caused by our or their negligence or otherwise).

17.3 Without prejudice to the previous paragraph, neither we nor any of our employees, officers, agents or Affiliates shall be liable for any Loss suffered or incurred by you arising out of or in connection with our relationship with you, unless such Loss is suffered or incurred as a result of our gross negligence, wilful default or fraud.

- 17.4 In no circumstances shall we have any liability to you for consequential or special damage.
- 17.5 Nothing in this Agreement will limit our or any of our employees', officers', agents' or Affiliates' liability for death or personal injury resulting from our negligence. Nothing in this Agreement shall be construed as restricting or excluding any duty or liability that we may have to you under the Regulatory System.
- 17.6 Nothing in this Agreement shall oblige us to act in contravention of any Applicable Laws, market customs or practices. You accept that we are entitled to act in accordance with those Applicable Laws, customs and practices and shall not be liable to you for the consequences of so doing.

**18. Information**

You shall supply to us such financial and other information as we may reasonably request and shall promptly notify us of any change in any information so supplied. Without prejudice to clause 20 concerning confidential information, you irrevocably authorise us to disclose to the FSA, any government or other regulatory body or authority in any part of the world and to any connected person or third party, any information relating to you which is in our possession and which we are obliged, required or requested to disclose or the disclosure of which may be necessary or desirable for the performance of our obligations under this Agreement, any additional agreement(s) or otherwise. We may provide information about you to any of our Affiliates or third parties for the purposes of processing payments or to any of our Affiliates for marketing purposes or in connection with the provisions of other services.

**19. Client Warranties and Representations**

- 19.1 You warrant and represent on your own behalf, and where applicable, on behalf of any principal on whose behalf you are acting (which shall be deemed to be repeated each time you contact us for advice and at the date of each Transaction), that:
- (A) you have full power and capacity to enter into this Agreement and all Transactions and you are not under any legal disability with respect to, and are not subject to any law or regulation which prevents your performance of, this Agreement or any Transaction or contract contemplated by this Agreement;
  - (B) you have obtained and will continue to maintain all necessary consents, authorisations, licences and approvals required of you by Applicable Laws in order for you to enter into, and perform your obligations under this Agreement and the Transactions and you have the authority to enter into this Agreement (and if you are a body corporate, you are properly empowered and have obtained all necessary corporate or other authority pursuant to your constitutional and organisational documents);
  - (C) the persons entering into this Agreement on your behalf have been duly authorised to do so;
  - (D) this Agreement, each Transaction and the obligations created under them both are binding upon you and enforceable against you in accordance with their terms (subject to applicable principles of equity) and do not and will not violate the terms of any Applicable Laws by which you are bound;
  - (E) you are in compliance with all laws to which you are subject including, without limitation, all tax laws and regulations, exchange control requirements and registration requirements; and
  - (F) the information provided by you to us is complete, accurate and not misleading in any material respect.

19.2 Where we agree that you will act as agent for the purposes of this Agreement, you represent and warrant that:

- (A) the principal can make the representations and warranties set out in clause 19.1 to the extent and effect that it were a party to this Agreement;
- (B) you have full authority to instruct us in relation to the business carried on by you on the principal's behalf pursuant to this Agreement;
- (C) you have no reason to believe that the principal would not be able to perform any settlement obligations under the Transaction or is likely to become insolvent; and
- (D) you have no reason to believe that the principal is unable to engage in such Transaction or to perform its obligations under such Transaction under any Applicable Laws.

## **20. Confidentiality**

20.1 Except in the proper performance of our duties under this Agreement (including such necessary disclosure to any person to whom we have properly delegated any of our functions, powers, authorities, duties and discretions under this Agreement), neither party hereto shall, either during the continuance of this Agreement or after its termination, use or disclose to any person any information relating to the business, assets, finance or other affairs of a confidential nature of the other party and each party shall use its reasonable endeavours to prevent any such disclosure as aforesaid provided that nothing within this clause shall prevent a party disclosing confidential information:

- (A) with the prior written authority of the other party;
- (B) where required by any Applicable Laws or by the rules of any regulatory body applicable to the parties from time to time;
- (C) to the extent that such information becomes known to a substantial proportion of the public other than through a breach of this Agreement; or
- (D) where ordered to do so by a court of competent jurisdiction.

20.2 You agree and acknowledge that we may record and monitor telephone calls and any other communications without providing you with any further warning or notification. All such records shall be our sole property and may be used as evidence in the event of a dispute.

## **21. Data Protection**

21.1 We undertake to comply with the provisions of the Data Protection Act 1998 (the "DPA") and any other data protection legislation which is in force from time to time.

21.2 We shall only undertake such processing of your personal data as is reasonably required in connection with the performance of our obligations under and pursuant to this Agreement and in accordance with your instructions. To the extent required by the DPA, we shall notify the Information Commissioner (as defined by the DPA) of any processing which is being carried out and maintain any such notification in full force and effect.

21.3 We shall not, other than in accordance with the DPA, transfer any personal data to any country or territory outside the EEA.

## **22. Termination**

22.1 Subject to clause 22.2, either party may terminate this Agreement at any time by giving thirty days' written notice to the other. Termination will not affect any accrued rights or obligations.

22.2 This Agreement may be terminated immediately by us on notice to you in the event that:

- (A) you commit any material breach of this Agreement and, if the breach is capable of being remedied, you fail to remedy such breach within 7 days of receipt of notice from us;
- (B) you commit any material breach of any Additional Agreement and, if the breach is capable of being remedied, you fail to remedy such breach within 7 days of receipt of notice from us;
- (C) you fail to make or procure the payment of any amounts due and payable under this Agreement;
- (D) you enter into liquidation whether compulsorily or voluntarily or enter into any composition with your creditors generally;
- (E) you have an administrator, an administrative receiver, a receiver, a trustee, a liquidator or other similar official appointed over all (or substantially all) of your undertaking and assets;
- (F) you have presented to you a petition for or you have an order made in respect of you or pass a resolution or are the subject of analogous proceedings for bankruptcy or are the subject of a notice issued for convening a meeting for the purpose of passing any such resolution; or
- (G) any representation or warranty made or given pursuant to this Agreement proves to be incorrect or misleading at the time it was made or given or deemed to have been made or given.

22.3 In the event that any of the events set out in clause 22.2 occur in relation to you, in addition to the rights set out in clause 22.2, we may:

- (A) treat any or all Transactions then outstanding as having been repudiated by you, in which event our obligations under such Transactions shall thereupon be cancelled and terminated;
- (B) sell such Investments as are in our possession as we may in our absolute discretion think fit in order to realise sufficient funds to cover any amount due under this Agreement;
- (C) replace or reverse or close-out any Transaction (or part thereof), buy, sell, borrow or lend or enter into any other Transaction or take, or refrain from taking, such other action at such time or times and price and in such manner as, in our sole discretion, we consider necessary or appropriate to cover, reduce or eliminate our loss or liability under or in respect of this Agreement; and
- (D) convert any funds at such rate and into such currencies as we may reasonably consider appropriate at the relevant time for the purposes of exercising the powers conferred by this clause 22.3.

## **23. Effect of termination**

23.1 The termination of this Agreement (howsoever arising) shall:

- (A) unless otherwise agreed, be without prejudice to the completion of Transactions initiated by us on your behalf prior to such termination;
- (B) not affect the continuing rights of the parties under this Agreement or such of the parties' obligations under this Agreement as are expressed to survive such termination or any other provision of this Agreement which is required to give effect to such termination including without limitation clauses 16, 17, 20, 23, 27, 29 to 31; and

(C) be without prejudice to:

- (i) any accrued rights and obligations under this Agreement as at the time of such termination; and
- (ii) any right of action by either party in respect of any breach of this Agreement by the other party (whether such breach occurs prior to or subsequent to such termination).

23.2 The parties shall co-operate with each other to ensure that Transactions in progress at the termination date of this Agreement shall be completed by us in accordance with the terms of such Transactions.

#### **24. Illegality**

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement under the law of that jurisdiction nor the legality, validity or enforceability of such provisions under the law of any other jurisdiction shall be in any way affected.

#### **25. Force Majeure**

Neither we nor our Affiliates shall be liable for any failure, delay or omission to perform any of our or their obligations or duties to you arising from any cause or causes beyond our or their control, including without limitation, acts of God, acts or regulations of government or other authorities, restrictions on transfer or conversion, requisitions, involuntary transfers, war, fire, flood, explosions, civil commotion, strikes or other industrial disputes, power failure, failure of telecommunications lines, connection or equipment, any failure or defects in any hardware or software owned or supplied by third parties, or any failure of a broker, exchange or clearing house for any reason to perform its obligations.

#### **26. Assignment**

You may not transfer or assign any of your rights, or declare a trust of the benefit of your rights or delegate any of your obligations under this Agreement or any contract to any person.

#### **27. General**

27.1 Save in respect of any rights conferred on our employees, officers, agents or Affiliates pursuant to clause 17, nothing in this Agreement is intended to confer on any person any right to enforce any term of this Agreement which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999. Our employees, officers, agents and affiliates shall be entitled to rely upon and enforce their rights under clause 17 directly against you, as fully as if they were party to this Agreement.

27.2 Time shall be of the essence in relation to all matters arising hereunder or pursuant hereto.

27.3 Our rights and remedies under this Agreement are cumulative and do not (save as expressly provided in this Agreement) exclude any rights or remedies provided by law. No failure to exercise or delay in exercising the same shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any further or other exercise thereof.

27.4 This Agreement contains the whole agreement between the parties in respect of the subject matter hereof, and save as provided herein there is no agreement or arrangement between the parties concerning the subject matter hereof and this Agreement supersedes all proposals and previous arrangements relating to the subject matter of this Agreement.

## **28. Amendment**

We may amend this Agreement at any time by giving notice to you, such notice to be served by sending you revised Terms of Business or written notice of the amendments. Such amendments will become effective upon the date indicated in the notice (which shall not be less than ten Business Days after the date of the notice). Such amendments shall have no impact upon any existing rights or the obligations of the parties.

## **29. Notices**

29.1 Any notice given under this Agreement may be personally served or sent by first class mail, airmail or fax. A notice from us may be sent to your last known address or fax number. All notices to us should be sent to the Compliance Department, Autonomous Research LLP, 11 Ironmonger Lane, London, EC2V 8JN or such other address as we may subsequently notify to you.

29.2 A notice shall be deemed to have been given or served if:

- (A) delivered by hand, at the time of delivery;
- (B) posted, 48 hours after it was put into the post (72 hours if by airmail); or
- (C) sent by facsimile transmission, upon the receipt of the appropriate confirmation at the end of such transmission,

provided that, if:

- (i) in the case of delivery by hand or transmission by facsimile, such delivery or receipt occurs on a day which is not a Business Day or after 4.00pm on a Business Day; or
- (ii) in the case of delivery by post, a period of 48 hours after despatch would expire on a day which is not a Business Day or after 4.00pm on a Business Day,

then service shall be deemed to occur on the next following Business Day. In proving such service by post, it shall be sufficient to prove that the relevant notice was properly addressed and posted as a first class pre-paid letter. In proving effective transmission, it shall be sufficient to prove that the facsimile containing the relevant communication was sent to the appropriate number and the appropriate confirmation received at the end of such transmission in respect of the number of pages comprised in such notice.

## **30. Law and Jurisdiction**

This Agreement is governed by and shall be construed in accordance with the laws of England and Wales. You hereby agree for our benefit that the courts of England shall have jurisdiction to determine any suit, action or other proceedings relating to this Agreement and irrevocably submit to the exclusive jurisdiction of the English courts. You also agree that any process, judgement or other document in relation to any action or proceeding arising out of this Agreement or any transaction between us and you shall sufficiently be served if delivered to any place of business which you from time to time maintain in England and Wales. You hereby waive any claim that such suit or proceeding brought in the courts of England and Wales has been brought in an inconvenient forum.

## **31. Interpretation**

31.1 In this Agreement, unless the context otherwise requires:

“**Affiliate**” means an affiliated company as defined by the FSA Rules;

**“Applicable Laws”** means all laws, rules, regulations and other requirements that are applicable to the Services including, without prejudice to the foregoing generality, the Act, the FSA Rules, the Listing Rules, the DTR and the rules or requirements of any governmental, regulatory or self-regulatory organisation, exchange, clearing house, alternative trading system or market;

**“Best Execution”** means the duty of best execution with which we are required to comply in accordance with the provisions of Chapter 11.2 of the Conduct of Business Sourcebook contained in the FSA Rules;

**“BP2S”** means BNP Paribas Securities Services. BP2S is a firm that is authorised and regulated by the Financial Services Authority and a member of the London Stock Exchange;

**“BP2S Agreement”** means the current terms and conditions of BP2S and the principal terms of the agreement with them as applicable to you as summarised in Schedule 2;

**“Business Day”** means a day (other than a Saturday or Sunday) which is not a bank holiday or public holiday in London;

**“Execution Policy”** means our policy relating to the execution of orders and decisions to deal on behalf of clients, as required by the FSA Rules;

**“FSA”** means the Financial Services Authority of 25, The North Colonnade, Canary Wharf, London, E14 5HS and any relevant successor body;

**“FSA Rules”** means the Handbook of Rules and Guidance issued by the FSA pursuant to the Financial Services and Markets Act 2000;

**“Investment”** means any investment which is a Designated Investment;

**“MTF”** means a multilateral trading facility as defined by the FSA Rules;

**“Relevant Securities”** means shares, bonds and other debt instruments, (including government and public issues), warrants or certificates representing securities issued by European banks, insurance companies, other financial institutions and any other companies which we may from time to time analyse;

**“Services”** means the services to be provided by us to you pursuant to this Agreement; and

**“Transaction”** means any transaction in or relating to or comprising an Investment.

31.2 Words and expressions defined in the FSA Rules shall have the same meanings when used in this Agreement and shall be identified by the use of a capital letter at the start of such word or at the start of each word in such expression.

31.3 A reference to a statute or statutory provision includes a reference:

- (A) to that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any statute or statutory provision;
- (B) to any repealed statute or statutory provision which it re-enacts (with or without modification); and
- (C) to any subordinate legislation made under it.

31.4 A reference to any FSA Rule includes any modification, amendment, extension or re-issue thereof.

- 31.5 References to the singular shall include the plural and vice versa; references to any gender shall include all genders; words denoting persons shall include undertakings (as defined in section 1161 of the Companies Act), and vice versa.
- 31.6 The headings to clauses are for convenience only and shall not affect the construction or interpretation of this Agreement.
- 31.7 A reference in this Agreement to a "clause" or "Schedule" shall be construed as a reference to, respectively, a clause or Schedule of this Agreement, unless the context requires otherwise.

## Schedule 1

### EXECUTION POLICY

#### Introduction

The Financial Services Authority (“FSA”) requires a firm which provides order execution services to comply with the obligation to act in accordance with the best interests of its professional clients when placing orders with other entities for execution that result from the decisions by the firm to deal in financial instruments on behalf of its client (“best execution”). The rules on best execution are contained within the FSA’s New Conduct of Business Sourcebook (“COBS”) at COBS 11.2 and implement the requirements of the Markets in Financial Instruments Directive (“MiFID”).

#### Obligation to provide best execution

As part of the obligation the firm has in respect of best execution, we are required to provide our clients with this Disclosure Statement. This sets out an overview of the policy we have in place in order to ensure that we obtain the best possible results for our clients.

#### Execution criteria

Subject to any specific instructions given by our clients, when placing orders on their behalf we will take all reasonable steps to obtain the best possible result for them by taking into account the following execution factors: price; the cost of execution; the need for timely execution; the execution venue; the size of the order and the nature of the financial instrument (including whether it is executed on a regulated market, multi-lateral trading facility (“MTF”) or over-the-counter (“OTC”)).

In the absence of express instructions from you, we will exercise our own discretion in determining the factors that we need to take into account for the purpose of providing you with best execution. Generally, price will ordinarily merit a high relative importance in obtaining the best possible result. However, there will be circumstances when other factors may be more important or relevant and, as order placement agent, we must use our judgement and experience to give greater prominence to them.

Should we be specifically directed by a client to use a particular broker or execution venue, then the firm is not required to take the steps mentioned above.

For certain Markets/Instruments it is possible for the firm to choose only one venue where the firm has reason to believe and can demonstrate that one venue only will provide the best possible result for the customer. This choice will be reviewed on a periodic basis.

Orders may be executed *on exchange* or *off exchange*.

Not all venues used by the firm may be listed in the policy at any one time. The firm may use other venues not listed in the policy, subject to the prior approval of the Broker Review Committee.

#### Execution venues

The policy includes details of execution venues in respect of each class of financial instruments which we access when we execute your orders. These execution venues have been selected as we consider that they enable us to obtain on a consistent basis the best possible result for the execution of your orders. A list of all venues is available upon request.

These execution venues include:

- EEA Regulated Markets;
- EEA MTF’s;
- Systematic internalisers;
- Broker; and

- Other liquidity providers (which includes non EEA entities that perform a similar function to the other execution venues listed above)

We may transmit your order to, or place your order with, another firm for execution. In choosing the other firm, we have taken into consideration the following factors relating to that other firm:

- Access to alternative markets and trading venues;
- Value added local market knowledge;
- Commission rates and prices/spread provided;
- Execution speed/latency;
- Quality of execution and service
- Clearing and settlement efficiency and capabilities; and
- Risk profile, credit worthiness and reputation.

When we transmit your order to another firm, we will take all reasonable steps to ensure that the other firm has arrangements in place to enable us to comply with our obligations under the Policy. The firm has established a Broker Review Committee and adopted guidelines for the evaluation of its brokers. The firm will place orders for execution only with approved brokers that have been selected and placed on the approved list maintained by the Broker Review Committee.

### **Client consent**

We are required to obtain the prior consent of our clients to our Execution Policy. Since we may also trade outside a regulated market or MTF in respect of instruments admitted to trading by those means, we are also required to obtain our clients' prior express consent to this.

The required consents will be obtained by your signing this agreement.

### **Monitoring and review**

We will monitor on a regular basis the effectiveness of the policy and, in particular, the execution quality of the entities identified in that policy. Where the monitoring reveals the need for any changes or enhancements to be made, these will be implemented as appropriate.

We monitor our relationships with other brokers, including the applicability of strict counterparty exposure limits and the reputational risk of those brokers on an ongoing basis.

We will review the execution policy at least on an annual basis or whenever a material change occurs that affects our ability to continue to obtain the best possible result for our clients.

We will notify our clients of any material changes to our order execution arrangements or the Policy in accordance with our Terms of Business.

## Schedule 2

### THE BP2S AGREEMENT

1. Under the BP2S Agreement you will remain a customer of ours but will also become a client of BP2S for settlement purposes only. BP2S shall act as your settlement agent but shall not be considered your agent for any other purposes. We retain responsibility for compliance and regulatory requirements regarding our own operations and the supervision of your account with us. In particular, we remain responsible for approving the opening of accounts, money laundering compliance, accepting and executing securities orders and for our on-going relationship with you. BP2S neither provides investment advice nor offers any opinion regarding the suitability of any Transaction or order. You should direct all enquiries regarding your account to us as BP2S will not accept instructions from you directly.
2. **Settlement of Transactions**
  - 2.1 All Transactions will be due for settlement in accordance with market requirements. You will ensure that BP2S will receive all cash and securities when due with respect to any Transaction which BP2S is to settle on your behalf and that all cash or investments transferred to BP2S will be and remain free of any lien, charge or encumbrance. All payments due to BP2S will be made without set-off, counterclaim or deduction. If BP2S has not received from you sufficient securities (in deliverable form) or cash (in cleared funds) to enable BP2S to settle a Transaction, BP2S may at its sole discretion settle the Transaction but it is not obliged to do so. In such circumstances if BP2S determines to settle a Transaction, you shall not have any interest in any cash or securities of BP2S prior to it settling a Transaction by transferring such securities or cash.
  - 2.2 Where you are acting as agent for your underlying clients, you represent and warrant that you have control over, and have full authority to use sufficient of your underlying client's resources to meet any obligations incurred by you on behalf of the underlying client in relation to any Transaction and that you have full authority to direct the custodian, if any, of any of the underlying client's resources to meet any obligations so incurred. Further:
    - 2.2.1 you represent and warrant to, and for the benefit of, BP2S that you have been duly authorised by, and will continue to take all necessary steps to continue to be duly authorised by each person who is a party to a Transaction in respect of which you request BP2S through us to provide clearing and settlement services;
    - 2.2.2 you represent and warrant to, and for the benefit of, BP2S that you will notify us immediately on ceasing to be so authorised in respect of any such underlying client;
    - 2.2.3 the underlying client's resources referred to above will be used to meet any obligations incurred by you on behalf of the underlying client in relation to any Transaction; and
    - 2.2.4 you will not effect any Transaction for an underlying client if you have any reason to believe that the underlying client will not be able or willing to meet its obligations in connection with that Transaction and will notify us as soon as reasonably practicable if you have any reason to believe that the underlying client will not be able or willing to meet its obligations in connection with any Transaction.
3. **Settlement of Your Investments**
  - 3.1 Acceptance of these terms provides authority for your custodian to transfer securities to BP2S to meet sales effected for your account, acceptance of offers, or other matters covered by this Agreement.
  - 3.2 Any instructions regarding the administration of Investments transferred to BP2S in the course of settlement should be made in writing, to us, for onward transmission to BP2S. We do not

accept from, or send instructions to, third parties unless a valid power of attorney has been established for this purpose.

#### 4. **Default Provisions**

- 4.1 You confirm that in the event of BP2S not receiving either cash or securities when due, in respect of any Transaction which we or they are to execute or settle, or in the event of you or us not taking all such steps as may be necessary to secure the due and prompt execution and settlement of any such Transaction, we or BP2S may cancel, close out, terminate or reverse the relevant contracts and sell, charge, pledge or otherwise dispose of the relevant Investments held for you, at whatever price and in whatever manner we or BP2S see fit exercising reasonable discretion (without being responsible for any loss or diminution in price), and we or BP2S may enter into any other Transaction, or do, or not do anything which would, or could have the effect of reducing, or eliminating any liability under any Transaction, position or commitment undertaken for you.
- 4.2 You will provide us and BP2S with all such information and co-operation at your own cost (including, if appropriate, all relevant details pertaining to the identity of your underlying client on whose behalf you are acting as agent) as we or BP2S shall reasonably request in order to enable us or BP2S to exercise any rights against the underlying client or the underlying client's assets in the event of non-payment or non-delivery including, without limitation, taking such action as BP2S may require to perfect or enforce any security interest over your underlying client's assets in such event.
- 4.3 The proceeds of sale (net of costs) will be applied in or towards the discharge of your liabilities and either we or BP2S will account to you for any balance. In the event that such proceeds are insufficient to cover the whole of your liabilities, you will remain liable for the balance.

#### 5. **Liability**

- 5.1 BP2S shall not be liable for any loss to you arising from the arrangements with BP2S, whether in contract, tort, under statute or otherwise, other than as a result of BP2S's negligence, fraud or wilful default.
- 5.2 Notwithstanding clause 5.1, BP2S shall not be liable to you for any: (a) loss of profit; (b) loss of revenue; (c) loss of anticipated savings; (d) loss of contract or opportunity; (e) loss of goodwill or reputation; (e) loss arising from any fine or penalty imposed on you by a third party or Regulatory Authority; (f) loss as a result of a failure by any counterparty to transfer cash or securities to BP2S in accordance with its obligations to settle a Transaction; or (g) indirect or consequential loss of whatever nature including any loss of a type described in sub-clauses (a) - (f) (inclusive) above which could be regarded as indirect or consequential and whether or not reasonably foreseeable or actually contemplated by the parties.
- 5.3 Save in respect of: (a) death or personal injury resulting from the negligence of BP2S or its directors, employees or agents; (b) fraud or of any statements made fraudulently by BP2S or its directors, employees or agents; or (c) to the extent that such exclusion or restriction is not permitted by the Applicable Laws, the maximum aggregate liability of BP2S under the BP2S Agreement in respect of the provision of its services to you or otherwise and whether in contract or tort (including negligence and breach of statutory duty and including BP2S' directors, officers, employees, contractors or agents) shall be limited to: (i) an obligation to deliver, securities which are in all respects equivalent to the securities in which the liability in question has arisen (the "**Equivalent Securities**") or, at BP2S' option, to promptly pay to you an amount in cash equivalent to the market price of such Equivalent Securities (such market price being the exercise price that is or would need to be paid in order to purchase such Equivalent Securities); and/or (ii) where the event in question relates to cash, the value of the cash in relation to which the liability has arisen, together with an amount equal to interest on the amount of such cash calculated at the Bank of England base rate for the period from (and including) the day on which the relevant event occurred to (but excluding) the day on which the liability is discharged,

provided that you, in each case, have taken reasonable steps to mitigate such costs and such costs have not been caused in whole or in part by any breach of the Agreement, negligence, wilful default or fraud on your part.

- 5.4 BP2S will have no liability for any market or trading losses you may incur.
- 5.5 You, and if you are acting as agent, each of your clients undertake to indemnify BP2S and its associates on an after tax basis on demand against all losses (including legal costs) other than losses that are the result of BP2S' negligence, wilful default or fraud which arise directly or indirectly as a result (by way of illustration) of: (a) the provision of the services or the enforcement of its rights under the BP2S Agreement; (b) any default and any other breach by you, or your client, as the case may be, of any provision of the applicable terms of the BP2S Agreement including any failure to make payment or delivery when due, the enforcement, preservation, amendment, waiver or release of any security interest created under the BP2S Agreement and any claim made against BP2S which would not have arisen if the security interest created under the BP2S Agreement had not been granted; (c) any representation or warranty given by you being untrue or misleading in any respect; (d) the rejection by a clearing house of any Transaction submitted for registration under any relevant clearing agreement; and (e) any losses caused as a result of a failure by a counterparty to transfer securities or cash to BP2S in accordance with its obligations under the Transaction.
- 5.6 BP2S will have no liability for any circumstance or failure to provide any service if such circumstance or failure results from any event or state of affairs beyond its control including, without limitation, any failure of communication or computer systems or equipment or the suspension of trading by any exchange or clearing house.
- 5.7 We and BP2S acknowledge that you may act in an agency capacity in relation to your clients for certain purposes. Notwithstanding the foregoing, you hereby acknowledge and agree that: (i) your obligations and liabilities; and (ii) the rights and entitlements of BP2S, in each case as described herein and/or in the BP2S Agreement, shall remain unaffected by any provision in any terms of business you may seek to put in place or any variation you may seek to make to terms of business existing between you and us concerning any matter including without limitation the capacity in which you act in relation to your clients and any related question of liability. In the event of any conflict between these terms and any terms you seek to put in place or vary, these terms shall prevail.

## 6. **Power to Sell or Close Out**

In the event we terminate the BP2S Agreement or in certain other circumstances, including without limitation those set out in clause 9.1 of the BP2S Agreement (Term and Termination), BP2S may: (a) treat any or all outstanding Transactions as cancelled and terminated; and/or (b) sell or realise any Investment which it is holding or is entitled to receive on your behalf and/or on behalf of your clients, without responsibility for any loss or diminution, in order to realise funds sufficient to satisfy any amount owed by you to it and/or where you are acting as agent for any clients, owed by one or more such clients, to it; and/or (c) cancel, close out, terminate, reverse all or any Transaction or open position, and take any other action which they consider necessary or appropriate to reduce the loss or otherwise recover any amount owed by you or your clients to BP2S.

## 7. **Early Termination**

BP2S may at any time in its absolute discretion suspend the provision of its services to you and/or any of your clients with a view to ceasing to treat you and/or any such clients as its client or clients and closing any related accounts accordingly. Such suspension shall take effect immediately upon BP2S giving notice to us of its intention to terminate the relevant relationship. BP2S will, upon request, notify us in writing of the reasons for such suspension and proposed termination (save where the same may be prohibited by Applicable Laws) and, after the expiry of 5 Business Days following such notification, if we have not satisfied BP2S that you and/or

your client as the case may be should continue to be treated as its client, BP2S shall cease to treat you and/or your client as its client and close any related accounts accordingly.

## 8. **Complaints**

8.1 All complaints concerning an aspect of the service provided to you by BP2S should be directed to the Client Services Desk but a copy of your complaint may be sent to: The Compliance Officer, BNP Paribas Securities Services, 55 Moorgate, London, EC2R 6PA.

8.2 BP2S will endeavour to resolve your complaint as quickly as possible, but in any event, will acknowledge receipt of your letter within five Business Days. The acknowledgement will include a full copy of BP2S' internal complaints handling procedure. Upon resolution of your complaint, BP2S will send you a final response letter, which sets out the nature of that resolution and any applicable remedy.

## 9. **Data Protection and Confidentiality of Information**

9.1 BP2S may use, store or process personal information provided by you or us for provision of the services, administering your account or for purposes ancillary thereto, including, without limitation, for the purposes of credit enquiries or assessments.

9.2 The information BP2S holds about you is confidential and provided it is not already in the public domain will only be used for provision of the services and only be disclosed outside the group of companies to which BP2S belong, in the following circumstances: (a) where required by law, any clearing house, exchange or regulatory, government or tax authority having control or jurisdiction over BP2S (or any respective associate); (b) to investigate or prevent fraud or other illegal activity; (c) for 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; or (d) was lawfully in BP2S' possession prior to its disclosure by you.

9.3 You consent to the transmission of your data outside of the EEA. You should let BP2S know if you think any information it holds about you is inaccurate, so that BP2S may correct it.

9.4 BP2S will retain your records in accordance with legal and regulatory requirements. This period may be extended by force of law, regulatory requirement or agreement amongst us in relation to the records retained by us.

## 10. **Miscellaneous**

10.1 BP2S may delegate performance of any part of the services provided under the BP2S Agreement, provided such delegation shall not relieve BP2S of its liability under the BP2S Agreement. BP2S shall exercise reasonable skill and care in the selection and monitoring of delegates so appointed.

10.2 BP2S reserves the right to amend the terms of the BP2S Agreement, subject to our prior consent save where changes in legal or regulatory requirements make an immediate change or changes in the manner in which BP2S provides services necessary.

10.3 BP2S has certain rights to assign or transfer its rights under the BP2S Agreement and transfer or otherwise dispose of its obligations under or in connection with the BP2S Agreement without our prior written consent.

10.4 BP2S is authorised by the Comité des Établissements de Crédit et des Entreprises d'investissement and is regulated by the Financial Services Authority for the conduct of UK business and is a member of the London Stock Exchange. BP2S has a branch registered in England, branch number BR006393 and has its registered office at 55 Moorgate, London EC2R 6PA.