

ECML©

European Capital Markets Limited

GENERAL TERMS AND CONDITIONS FOR PROFESSIONAL CLIENTS

1. Application

- 1.1 These are the general terms and conditions on and subject to which European Capital Markets Limited ("the Firm") will conduct investment business with you (the "Client"). Under these general terms and conditions and pursuant to the separate Letter of Classification, the Firm will treat the Client as a Professional Client as defined in the FCA Handbook of Rules and Guidance. The Client may request a different classification, in which case such reclassification would need to be agreed by the Firm with the Client in writing. The Client will notify immediately the Firm should the Client become aware of any matter that would require the Firm to adopt a different classification. Should the Client request a different classification or fail to provide to the Firm the prior expressed consents required by the FCA Handbook of Rules, the Firm may not be able to provide services or may have to change the manner in which the Firm services the Client.
- 1.2 These general terms and conditions are legally binding and will apply to any investment business which the Firm may carry on with the Client or for the Client subject to any additional terms under an engagement letter with the Client (the "Engagement Letter"). Terms defined in or for the purpose of the Engagement Letter will bear the same meanings in these general terms and conditions unless the context requires otherwise. Where there is any conflict between the express terms of the Engagement Letter and these general terms and conditions, the Engagement Letter will prevail.
- 1.3 These general terms and conditions shall be deemed accepted by and binding upon the Client upon their execution by the Client or, if earlier, upon the date the Client first places orders, deals in securities, or transacts investment business with the Firm and shall supersede any general terms and conditions previously entered into by the Client or governing the Firm relationship with the Client.
- 1.4 The Client acknowledge and agrees that the Client has not relied upon or been induced to enter into these general terms and conditions by a representation other than those expressly set out herein. The Firm will not be liable to the Client in equity, contract or tort under the Misrepresentation Act 1967 for a representation (other than a fraudulent representation) that is not expressly set out in these general terms and conditions.
- 1.5 Although the conduct of the Firm is subject to the FCA Handbook of Rules and Guidance, this is a matter between the FCA and the Firm, and the Client agrees that the FCA Handbook of Rules and Guidance do not form part of and are not incorporated into these general terms and conditions. The Firm does not owe the Client any fiduciary responsibilities over and above those specifically imposed by contract or regulatory obligation.

2. Services to be Provided by the Firm, Best Execution, and Firm Order Execution Policy

- 2.1 The Firm is under no obligation to provide any services or advice to the Client other than as set in the Engagement Letter. In particular, but without prejudice to the foregoing generality, the Firm will not be responsible for:
- (i) the provisions of specialist services or advice in respect of matters which are not within its expertise (for example legal or regulatory matters, accounting or taxation

matters, actuarial matters, receiving agents, registrars, security printers and public relations);

- (ii) any services or advice which any other adviser to the Client has agreed to provide or would customarily provide; or
- (iii) conducting any due diligence or financial or other investigation or evaluation except to the extent, if any, specifically set out or referred to in the Engagement Letter.

2.2 In providing any services or advice or making any recommendation in connection with the Engagement Letter, the Firm:-

- (i) will be entitled to rely on:-
 - (a) all information obtained from public sources; and
 - (b) all information, advice, due diligence, investigations and evaluations provided or undertaken by or on behalf of the Client or any of its other advisers; and
- (ii) will rely wholly on the commercial assessment of the Client's directors;

and will not in any respect be responsible for the accuracy or completeness of, or have any obligation to verify, the same.

2.3 The Engagement Letter shall not require the Firm to sell, acquire, place, underwrite or sub-underwrite any of the Client's securities or lend money to the Client.

2.4 The Firm is not representing, by entering into or performing its obligations under the Engagement Letter, that it is or will be possible or advisable for any transaction(s) contemplated by the Engagement Letter to proceed. The conclusions that the Firm may reach in respect of any such transaction(s) may change. The Firm's obligations in this respect are to advise the Client as it sees fit, based on the Firm's perception as to what is in the Client's interests in the light of the facts and circumstances prevailing at the time at which such advice is given.

2.5 Other than a. where the Client provides the Firm with specific instructions on the execution of an order or b. where the Firm publishes a quote or responds to a request for a quote from the Client and such quote is subsequently accepted by the Client, when the Firm executes orders on the Client's behalf the Firm shall take all reasonable steps to provide the Client with the best execution in accordance to the FCA Handbook of Rules and Guidance and the Firm order execution policy (the "Firm Order Execution Policy"). Upon receipt of any specific instruction from the Client, such instruction will be followed in priority to the terms of the Firm Order Execution Policy. Where instructions cover only part of an order, the Firm Order Execution Policy will be applied to those parts of the order which are not covered by the Client specific instructions. By following the Client specific instructions, the Firm may be prevented from taking all steps it has designed and implemented in the Firm Order Execution Policy to obtain the best possible result for the execution of the Client order. The Firm will monitor compliance with the Firm Order Execution Policy and will review the Firm Order Execution Policy at least annually or in the event a material change occurs to an Execution Venue (as defined in the FCA Handbook of Rules and Guidance) and will inform the Client of any material changes to the Firm Order Execution Policy. The Firm is required to obtain the Client prior consent to the Firm Order Execution Policy which shall be deemed accepted by the Client the earlier of a. the date the Client signs and returns these general terms of

business, b. the date the Client signs and returns the Consent Statement, c. the date the Client first places orders with the Firm for execution following receipt of these general terms of business (and receipt shall be deemed to be 5 days from the date these general terms of business are provided or sent to the Client). The Firm obligation to take reasonable steps to provide the Client with the best possible result does not mean that it owes the Client any fiduciary responsibilities over and above those specifically imposed by contract or regulatory obligation.

- 2.6 In executing an order under the Firm Order Execution Policy, the Firm shall take into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature and any other considerations relevant to the execution of the order (the "Execution Factors"). The determination of the importance attributed to the Execution Factors for each order shall be made having regard to the characteristics of the Client, the Client classification, the characteristics of the order, the instruments comprising such order, and the available Execution Venues. Generally, price will merit a high relative importance in obtaining the best possible result; however, in some circumstances other Execution Factors may be more important than price and as such execution of orders at a price other than the best price available at the prevailing time will not necessarily constitute a breach of the Firm Order Execution Policy.
- 2.7 Under the Firm Order Execution Policy, the Firm shall use its discretion to determine the Execution Venue of an order and will consider any venues that the Firm considers may be appropriate for a particular order, whether or not the Firm holds a membership at such Execution Venue. Where the Firm does not participate in or is not a member of an Execution Venue, orders may be placed in the market through those participants or members of such Execution Venue which the Firm, in the Firm's discretion having regard to the Execution Factors, deems suitable for carrying out the particular order. In exceptional circumstances, such as technical faults leading to loss of connectivity at Execution Venues, the Firm may be forced to employ methods of execution other than the methods stated in the Firm Order Execution Policy.
- 2.8 Under the Firm Order Execution Policy, subject to any specific instruction received from the Client, the Firm may also execute an order by acting as counterparty to the Client, by matching orders internally, and through a third party crossing network. The Firm is required to obtain the Client prior express consent to executing orders in instruments admitted to trading on a regulated market or multilateral trading facility outside of a regulated market or multilateral trading facility. The Client may provide this consent by signing and returning to the Firm either these general terms of business or the Consent Form annexed to the Letter of Classification.
- 2.9 Where the Firm arrange for any transaction(s) to be effected in whole or in part by the sale to, or the purchase from, the Client of investments by another client, either of the Firm's or of an associate of the Firm, the Firm or, as applicable, the Firm's associate may charge, or otherwise take remuneration from, both clients and retain the charges or other remuneration and the Firm shall not be liable to either client in this regard.
- 2.10 Notwithstanding the Client's classification by the Firm as a Professional Client, if the Client meets the criteria for classification as an Eligible Counterparty under the FCA Handbook of Rules and Guidance, the Client hereby agrees that the Client will make any required trade reports and/or disclosures and will inform the Firm immediately if it fails or does not want to make such reports and/or disclosures.
- 2.11 If the Client transmits limit orders that cannot immediately be executed on a regulated market, the Firm shall be forced to disclose the order unless the Client specifically asks the Firm not

to make such orders public. The Client may provide its prior express consent to the Firm not to make public any client limit orders up to normal market size in respect of shares admitted to trading on a regulated market which are not immediately executed under prevailing market conditions by signing and returning to the Firm either these general terms of business or the Consent Form annexed to the Letter of Classification.

- 2.12 At the Firm's discretion, the Firm may decide whether or not to effect any transaction(s) with the Client as principal, as agent or partly as principal and partly as agent. Where the Firm effects a programme trade the Firm will act as agent unless otherwise agreed with the Client at the time. The Firm may execute an own account transaction(s) in any investment included in a programme trade.
- 2.13 The Firm may at its sole discretion arrange for the Client transaction(s) to be effected with or through the agency of an intermediate broker or agent who may not be in the UK. The Firm will exercise reasonable care in its selection of such intermediate brokers and agents in connection with these general terms and conditions. The Firm will not be liable to the Client for any act or omission of any intermediate broker or agent. No responsibility will be accepted by the Firm for intermediate agents or brokers selected by the Client.
- 2.14 The Firm may give an introduction or make arrangements with a view to the Client dealing with another entity including an entity that is not authorised to carry on investment business in the UK. The activities and services undertaken on the Client behalf or provided to the Client by any non-UK entity are not covered by the rules and regulations made for the protection of investors in the UK. This means that the Client will not have the benefit of rights, including compensation arrangements, designed to protect investors under the FCA Handbook of Rules and Guidance, although similar protections may be provided in the jurisdiction within which the business is carried on.
- 2.15 Where the Firm executes a transaction(s) with or for the Client the Firm shall, where required by the FCA Handbook of Rules and Guidance or as otherwise agreed, send to the Client a contract note containing the details of the transaction(s). Subject to the FCA Handbook of Rules and Guidance, contract notes may be sent to the Client showing a single price for the transaction(s) that is by combining both the unit price and the Firm's charges in respect of that transaction(s).
- 2.16 The Firm may aggregate the Client's order with the Firm's own orders and orders of other clients. Aggregation of the Client's order with such other orders may result on some occasions in a more favourable price and on others a less favourable price, than if the Client's order had been executed separately. Where the Firm has aggregated the Client transaction(s) with others, the Firm may not allocate the order immediately if the Firm considers that this would not be in the best interest of clients whose orders have been aggregated.
- 2.17 Unless a relevant transaction(s) is cash against documents transaction(s) or the Client notifies the Firm to the contrary, all amounts payable in any currency by the Client to the Firm and vice versa will be settled on a net basis in each such currency. The Firm shall be entitled, without prior notice to the Client, to make any currency conversions the Firm considers necessary or desirable for the purposes of complying with the Firm's obligations or exercising any of the Firm's rights hereunder. The Firm shall effect any such conversion in such manner and at such rates as the Firm may in the Firm's sole discretion determine, having regard to the prevailing rates for freely-convertible currencies.
- 2.18 The Firm's obligation to settle any transaction(s), whether acting as principal or as agent for the Client or any other person, is conditional upon receipt by the Firm on or before the due date for settlement (or satisfactory confirmation of such receipt by the Firm's settlement

agents) of all necessary documents and/or funds due to be delivered by the Client or on the Client's behalf by such due date.

- 2.19 Where any transaction(s) is effected by the Firm as the Client's agent, delivery or payment (as the case may be) by the other party to the transaction(s) shall be at the Client's entire risk and the Firm's obligations to deliver securities to the Client or to account to the Client or any other person on the Client's behalf for the proceeds of sale of securities shall be conditional upon receipt by the Firm of deliverable documents or sale proceeds (as the case may be) from the other party or parties to the transaction(s). In the case of securities which have already been assented to an offer or are the subject of any other corporate event, settlement may be delayed if delivery can only be completed with securities issued by the offeror or, as the case may be, with securities to which such corporate event relates. The Client will be responsible for the due and punctual performance of every transaction(s) which the Firm enters into with or for the Client, whether the Client is dealing as principal or as agent for another person; accordingly, if securities or funds are not delivered to the Firm, as and when due, under any such transaction(s), the Client will fully indemnify the Firm.
- 2.20 Unless otherwise agreed, all money payable by the Client to the Firm in respect of any transaction(s) will be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, unless otherwise agreed in writing prior to the execution of any transaction(s), the Client will pay such additional amounts as will result in the net amounts receivable by the Firm (after taking account of such withholding or deduction) being equal to such amounts as would have been received by the Firm had no such taxes or duties been required to be withheld or deducted.
- 2.21 The Client acknowledges that the Firm is entitled without notice to the Client to withhold or deduct amounts from any payments, dividends, interest or any other sums whatsoever due to the Client if the Firm in the Firm's sole discretion determines that the Firm is or may be required to do so under the laws, rules or regulations of any jurisdiction.
- 2.22 If the Client fails to make any payment or to deliver any investments due to the Firm (or to the counterparty to any transaction(s) executed by the Firm), the Firm may, without prior notice to the Client, realise any funds, investments or other assets (including collateral) on such terms (including as to price) as the Firm may consider appropriate and may close out or liquidate any contracts or positions in respect of any of the Client investments. The Firm may apply and set off the proceeds of such realisation against the amount due to be paid or delivered. For such purpose, the Firm may value any delivery obligation by the Client at such amount as the Firm reasonably considers appropriate and may translate payment obligations denominated in one currency into any other currency for the purpose of exercising any such right of set-off. Any balance remaining after the exercise of such rights shall be payable to the Client upon request.
- 2.23 If the Client defaults in paying any amount when it is due and payable, the Client will pay on demand interest ("Default Interest") on such sum from the date of such default up to the date of actual payment either:
- (a) at a rate determined, in the Firm's sole discretion, which rate shall not exceed eight per cent per annum over base lending rate as fixed by the Bank of England (or its successor) from time to time; or
 - (b) if the rate in (a) above cannot be ascertained for any reason or is insufficient to compensate the Firm for the Firm's loss, at the rate per annum conclusively

determined by the Firm to be equal to the loss of interest suffered by the Firm or, at the Firm's option, the cost to the Firm at prevailing market rates of funding the amount of such default from such sources and for such periods as the Firm may, in the Firm's sole discretion, and from time to time, decide.

Default Interest charges are computed daily and calculated on the basis of a 360-day year. The Client will also be charged interest on this basis should sale proceeds be paid to the Client prior to the settlement date.

- 2.24 The Client acknowledges and agrees that, when the Firm executes transactions in certain types of financial instruments, as set out in the Firm Order Execution Policy, the Firm will not be executing transactions on the Client behalf and accordingly the Firm will not be subject under the FCA Handbook of Rules and Guidance to the obligations to obtain the best possible results for the Client.

3. **The Firm's Advice**

- 3.1 The Client agrees that any advice, written or oral, provided by the Firm pursuant to the Engagement Letter is so provided solely for the information and assistance of the Client in connection with the business underlying the Engagement Letter and may not be used or relied on for any other purpose without the Firm's prior written consent. Advice provided by the Firm does not extend to consideration of tax, legal or accountancy aspects and accordingly the Client should take independent tax, legal or accountancy advice where the Client considers it appropriate to do so. Except to the extent required by any legal or regulatory obligation, no reference to the Firm or to its role or advice will be made in any document, announcement or communication issued, made or published, or otherwise disclosed to any person, by, or on behalf of, the Client, any parent undertaking of the Client or any subsidiary or associated undertaking of the Client or of any such parent undertaking (together, the "Group") without the Firm's prior written consent (such consent not to be unreasonably withheld or delayed).
- 3.2 Unless explicitly agreed in writing with the Client, the Firm will not provide any advice or recommendation concerning the merits of purchasing, selling or otherwise dealing in the investments and the suitability and/or appropriateness thereof. The Client in giving orders or instructions to the Firm accordingly does so in reliance of the Client's own judgement. The Client should bear in mind that merely explaining the terms of an investment or its performance characteristics does not of itself amount to advice or recommendation on the merits of the investment. Any dealing services provided by the Firm to the Client are provided on an execution only basis.

4. **Fees and Expenses**

- 4.1 In consideration of the services to be provided by the Firm pursuant to the Engagement Letter, the Client agrees to pay the fee(s) and commission(s) set out in the Engagement Letter (together with any value added tax thereon). The Firm's obligations will commence after receipt by the Firm of any Retainer Fee(s) where any such fee is applicable. Unless otherwise determined by the Firm, a. the performance of each and every one of the Client's obligations when due is a condition precedent to the performance of the Firm's obligation to the Client and b. the Firm's obligations to the Client are conditional upon no defaults of the Client having occurred or no obligation of the Client which has fallen due remaining unpaid.
- 4.2 Unless otherwise agreed, the Client will pay all costs, charges and expenses, incidental to or incurred in connection with the Engagement Letter, including without limitation:-

- (i) all out-of-pocket expenses incurred by the Firm (including, but not limited to, travel and hotel expenses);
- (ii) all fees payable to the UK Listing Authority, the London Stock Exchange, a Regulatory Information Service, the Panel on Takeovers and Mergers or any other exchanges or governmental or regulatory agencies or authorities;
- (iii) the fees and expenses of all legal, accountancy and other professional advisers (including the fees and expenses of the Firm's legal advisers, if any); and
- (iv) printing and distribution costs.

The Client will, promptly upon request by the Firm reimburse to the Firm the amount of any such costs and expenses that the Firm may have paid on behalf of the Client. Where any such amount is payable or reimbursed to the Firm, the Client will, in addition, pay to the Firm in respect of value added tax:

- (a) to the extent that any such payment or reimbursement constitutes part of the consideration for any supply or services by the Firm to the Client, such amount as equals any value added tax payable by the Firm in respect of such costs or expenses which the Firm is unable to recover by repayment or set-off, together with the amount of any value added tax which is chargeable on the consideration for that supply; and
- (b) to the extent that any such payment or reimbursement is in respect of a disbursement made by the Firm as agent on behalf of the Client, such amount as equals any value added tax thereon paid by the Firm .

- 4.3 Settlement of all invoices is required upon presentation of the invoice. If payment is not received within 14 days of delivery of the invoice (or earlier if agreed otherwise) the Firm reserve the right to charge interest in accordance to paragraph 2.23.
- 4.4 If, in connection with the Engagement Letter, the Firm is required, and agrees in writing to provide any additional services or advice, or act in any capacity, not specifically provided for in the Engagement Letter, such services, advice or acts will, except insofar as it is or they are the subject of a separate written agreement between the Firm and the Client, be treated as falling within the scope of the Engagement Letter, subject to review by the Client and the Firm of the basis of remuneration set out in the Engagement Letter.
- 4.5 In the course of providing investment services to the Client, the Firm may pay or receive commissions or non-monetary benefits to and from third parties where permitted by the FCA Handbook of Rules and Guidance. The Firm is required to disclose to the Client the essential arrangements relating to the fee, commission or non-monetary benefit in summary form prior to the activity to which it relates. In particular, the Firm hereby represents that it may share certain dealing charges with any other broker, bank, intermediary, or third party or receive remuneration from them in respect of any activity (i.e. transaction(s), dealings, confirmations, agreements, introductions, promises of performance, open contractual commitments and guarantees, loans, safekeeping, administration, clearing, short sales...) which the Firm engages in for or on the Client's behalf. The Client consents to such commissions and other benefits being retained and/or paid by the Firm and agrees that the Firm will not incur any liability to the Client for such commissions and other benefits. Further details will be made available to the Client at the Client's request.

5. Legal and Regulatory Requirements

- 5.1 The Client confirms and warrants that it has all necessary powers and has obtained all necessary authorisations, consents and approvals to validly and lawfully enter into a. these general terms and conditions, b. any Engagement Letter, and c. any transaction(s) with the Firm.
- 5.2 The Client confirms and warrants that, save as expressly disclosed to the Firm in writing, it has, and undertakes that it will maintain, all necessary authorisations, consents and approvals for any transaction(s) with the Firm and for any transaction(s) to which the Engagement Letter relates to be implemented in full.
- 5.3 The Client agrees that it will comply, and will procure that all of its Associates (as defined in paragraph 9.1 of these general terms and conditions) will comply, with all relevant laws, rules and regulations in any jurisdiction including, in relation to the United Kingdom, the Companies Acts, the Financial Services and Markets Act 2000, the Criminal Justice Act 1993, the City Code on Takeovers and Mergers, the Substantial Acquisition Rules, the instructions of the Panel on Takeovers and Mergers, the listing rules of the UK Listing Authority, the rules of the London Stock Exchange and the Financial Conduct Authority Handbook of Rules and Guidance, all as amended, modified, consolidated, re-enacted or replaced from time to time (together, "Relevant Laws, Rules and Regulations").
- 5.4 The Client acknowledges that, save as expressly referred to in the Engagement Letter, the Firm is not responsible for advising the Client in relation to any Relevant Laws, Rules and Regulations. The Client undertakes to obtain appropriate advice in respect of all Relevant Laws, Rules and Regulations which may be applicable to it in the United Kingdom or in any other relevant jurisdiction in connection with the Engagement Letter and to promptly communicate such advice to the Firm if it is or may be relevant to the carrying out by the Firm of its services pursuant to the Engagement Letter. The Client acknowledges that the Firm will not incur any liability to the Client in respect of any breach of any Relevant Laws, Rules and Regulations where it has acted in the absence of, or in accordance with, any such advice.
- 5.5 In carrying out its obligations to the Client under these general terms and conditions or the Engagement Letter, the Firm is subject to (as well as the range of applicable laws) a number or rules and regulations, including the FCA Handbook of Rules and Guidance. The Client agrees that the Firm's duties to it will not restrict the Firm's freedom to take all steps which the Firm considers to be necessary to comply with the laws, rules and regulations applicable to the Firm.
- 5.6 The Client acknowledges that a. any transaction(s) the Client enters with the Firm may be long-term in nature, b. the risks of such transaction(s) may include those of credit, interest rate, foreign exchange, economic, political, market, liquidity, and other risks, and the exposure to the collateral underlying such transaction(s) and exposure to variations in the indices to which the coupon and/or redemption amounts may be linked, and c. losses are possible in such transaction(s). A further description of the risks generally associated with investment business is provided to the Client in the annexed Schedule 1.
- 5.7 The Client represents and understands that a. the Client is financially capable of bearing losses related to any transaction(s) the Client enters with the Firm, b. the Client has significant additional resources beyond the amount the Client commits to such transaction(s), c. the Client has not received any written or verbal guarantees of performance or representations and that no representative or agent of the Firm is authorized to make any such guarantees or representations now or in the future, d. the Client has not relied upon any warranty or representation by the Firm at variance with, or contrary to, any warranty or representation set forth in these general terms and conditions in deciding to enter into such transaction(s), e. the

Client has approached the Firm and the Firm has not made any solicitation to the Client (unless the Firm has notified otherwise to the Client in writing with respect to a specific transaction(s)), f. the Client intends to hold such transaction(s) for the long-term (unless the Client has notified otherwise to the Firm in writing with respect to a specific transaction(s)), g. such transaction(s) will comply with all applicable laws, regulations and guidelines (regardless of listing, registration or rating) and the Client holding or interest therein will be in compliance therewith, h. the Client is sufficiently sophisticated, knowledgeable and experienced to understand the risks inherent with such transaction(s), i. if the Client subsequently decide to sell such transaction(s) the Client will do so in accordance with all applicable laws and regulations, j. the Client is the beneficial owner of the monies supporting such transaction(s) with the Firm, k. the Client shall observe all relevant obligations to record properly the account of such transaction(s) in all its relevant aspects so to duly comply with any relevant accounting principles and rules and all other applicable laws or regulation, l. the Client is responsible for making all necessary disclosures and/or communications in relation to such transaction(s) to any internal or external body including any relevant regulatory authorities, and m. the Client will not take any action or omit to take any action that would amount to market abuse nor fail to observe the proper standards of market conduct in relation to any relevant Exchange and not knowingly take any step or omit to take any step that would cause the Firm to commit market abuse or fail to observe the proper standards.

6. Powers of the Firm

- 6.1 The appointment by the Client of the Firm in connection with the Engagement Letter confers on the Firm all powers, authorities (including the authority to act through agents) and discretions on the Client's behalf which are necessary for, reasonably incidental to or customary in the provision by the Firm of its services pursuant to the Engagement Letter. The Client agrees to ratify and confirm everything that the Firm lawfully does in the exercise of such powers, authorities, and discretions.

7. Authorised Instructions

- 7.1 Except where the Client expressly instructs the Firm otherwise, the Firm is entitled to assume that all instructions, requests and notices (whether or not in writing and howsoever communicated) have been properly authorised, by the Client if they are given, or purport to be given, by a person who is, or purports to be, a director, employee or authorised agent of the Client and who is reasonably believed by the Firm to be authorised by the Client to give or make any such instructions, requests or notices and the Firm will be entitled to rely on, and act in accordance with, any such instructions, requests and notices.

8. Client's Assistance and Provision of Information

- 8.1 The Client will use its reasonable endeavours to assist the Firm in connection with the Engagement Letter, including, without limitation, through:-
- (i) keeping the Firm promptly informed of all material developments or proposals in relation to the business or operations of any member of the Group and of enquiries which any member of the Group may receive from third parties which, in any such case, are or may be relevant to the Firm in connection with the Engagement Letter;
 - (ii) granting access to, providing or procuring the provision of any other information of which the Client or any of its Associates (as defined in paragraph 9.1 of these general terms and conditions) is aware and which is or may be relevant to the Firm in connection with the Engagement Letter, including, if the Engagement Letter relates to

any transaction(s) or matter(s) which is or are subject to the City Code on Takeovers and Mergers, details of any persons who are, or may be deemed to be, acting in concert (as defined in such Code) with the Client;

- (iii) granting access to, providing or procuring the provision of all such other information as the Firm may reasonably request;
- (iv) giving the Firm appropriate access to the directors, employees, advisers and agents of any member of the Group; and
- (v) complying with such procedures as may be agreed between the Client and the Firm relating to the co-ordination and administration of the Engagement Letter.

8.2 The Client confirms and warrants that:-

- (i) all information provided to the Firm in accordance with paragraph 8.1 of these general terms and conditions; and
- (ii) all information provided to by or on behalf of the Client to third parties in connection with the Engagement Letter;

("Disclosed Information") will, at the time it is so provided, be true, accurate and complete in all material respects, not be misleading in any material respect and not be subject to any material omissions. The Client agrees that the Firm will not, unless it otherwise so agrees in writing, be responsible for the verification or accuracy of any Disclosed Information. The Client undertakes that every expression of opinion, belief, intention or expectation contained in any Disclosed Information will be honestly held and based on reasonable grounds. The Client further undertakes that, if anything occurs within a reasonable time thereafter (and, in any event, prior to completion or termination of the Engagement Letter) to render any such information or expression untrue, inaccurate, incomplete, unfair or misleading, it will promptly notify the Firm accordingly, and will take all such steps as the Firm may require to correct such information or expression.

9. **Approval of Documents**

9.1 The Client agrees that it will not, and it will procure that none of its directors, employees, representatives or agents from time to time nor any other members of the Group or any of their respective directors, officers, employees, representatives or agents from time to time (together "Associates") will issue, make or publish, or permit or procure the issue, making or publication of, any document, announcement or communication in connection with or relating to the Engagement Letter (each, a "Relevant Document") without the prior written consent of the Firm (and such consent will not constitute approval for the purpose of section 21(2) of the Financial Services and Markets Act 2000 unless the Firm expressly agrees otherwise in writing). The Client accepts that the Firm is entitled to withhold its consent to the issue, making or publication of any Relevant Document.

9.2 The provision of any Relevant Document to the Firm for the purpose of obtaining the Firm's consent in accordance with paragraph 9.1 of these general terms and conditions will constitute a warranty and undertaking by the Client to the Firm that:-

- (i) such Relevant Document is true, accurate and complete in all material respects, is not misleading in any material respect, does not omit any matter required to be included therein and is not subject to any material omissions;

- (ii) all expressions of opinion, belief, intention and expectation contained in such Relevant Document are honestly held and based on reasonable grounds; and
- (iii) such Relevant Document complies with all Relevant Laws, Rules and Regulations;

irrespective of whether or not the Client accepts responsibility for the preparation or contents of all or any part of such Relevant Document.

- 9.3 The Firm will not be responsible for ensuring the truth, accuracy, completeness or fairness of any document, statement or communication issued, made or published by, or on behalf of, the Client or any of its other advisers in connection with these general terms and conditions or the Engagement Letter, this being the sole responsibility of the Client and its directors.
- 9.4 If for any reason any Relevant Document is issued, made or published without the consent of the Firm, the Client acknowledges that the Firm will be entitled to issue, make or publish any documents, statements or communications as it thinks fit in the Firm's interests.

10. **Conduct under the Engagement Letter**

- 10.1 The Client agrees that it will inform the Firm in advance of any significant steps which the Client, or any of its Associates or advisers, propose to take that may have an effect on the terms or conduct of, or may be relevant to, the Engagement Letter and will ensure that the Firm is fully informed of all material developments which arise prior to the completion or termination of, and may have an effect on the terms or conduct of, or may otherwise be relevant to, the Engagement Letter. In particular, the Client will consult the Firm before any dealings take place, prior to completion or termination of the Engagement Letter, in the Client's securities, or those of any company in relation to which the Firm is advising the Client, by the Client or any of its directors or employees or any persons connected with any of them (within the meaning of section 346 of the Companies Act 1985).
- 10.2 Time shall be of the essence in respect to all of the Client obligations.

11. **Confidentiality**

- 11.1 Subject to paragraph 9 of these general terms and conditions and the following provisions of this paragraph 11.1, each of the Firm and the Client undertakes to keep confidential any confidential information concerning the business, affairs, directors or employees of the other which comes into its possession during the term of these general terms and conditions and of the Engagement Letter. The foregoing undertaking of confidentiality in this paragraph 11.1 does not apply to any information which is in the public domain or enters it other than as a result of a breach of the foregoing undertaking of confidentiality or is lawfully acquired from a third party without any obligation of confidentiality. The Client acknowledges and accepts that the Firm may be required, or that it may be appropriate for the Firm to disclose information and deliver documentation relating to the Client or the Engagement Letter to the UK Listing Authority, the London Stock Exchange, the Panel on Takeovers and Mergers, the Financial Conduct Authority or other exchanges or governmental or regulatory agencies or authorities and expressly authorises any such disclosure and delivery. Notwithstanding the foregoing provisions of this paragraph 11.1, all correspondence or documentation written by or contributed to by the Firm in relation to the Engagement Letter and in the Firm's custody or control will remain the sole property of the Firm.
- 11.2 The Client acknowledges and accepts that the Firm may be prohibited from disclosing, or that it may be inappropriate for the Firm to disclose, information to the Client by reason of law or duties of confidentiality owed to other persons.

12. Disclosure of Material Interests and Potential Conflicts of Interest

- 12.1 The Firm is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent any material interest or conflict of interest adversely affecting investors.
- 12.2 The Client acknowledges that potential conflicts may on occasion arise between the Firm's duties to the Client and to other clients of the Firm. For example, the Firm acts or may act for a number of clients operating in the same industry or sector as the Client as a result of which:
- (i) the Firm may possess or receive information from another client which may be of interest or potential interest to the Client but will keep that information strictly confidential to the other client; or
 - (ii) the Firm may act in connection with a transaction(s) for another client and not act for the Client.
- 12.3 The Client accepts that the Firm may, for reasons such as those described in paragraph 12.2 of these general terms and conditions, have interests or duties which conflict with the Client's interests and would otherwise conflict with the duties owed by the Firm to the Client. The Firm will disclose to the Client any material interests or conflicts of interest as required by Relevant Laws, Rules and Regulations. The Client accepts that, in acting for it, the Firm will not be required to disclose to the Client, nor make use for the Client's benefit, any information known to the Firm which:
- (i) belongs to or is confidential to another client of the Firm; or
 - (ii) belongs to or is confidential to the Firm or any parent undertaking of the Firm or any subsidiary or associated undertaking of the Firm or of such parent undertaking and which does not relate to the provision of corporate finance services.
- 12.4 Without limiting the generality of the foregoing, conflicting interests or duties may also arise because:
- (a) the Firm or an associate of the Firm may be dealing as principal or be registered as a market maker in the investments which are the subject of that transaction(s) or providing services to other persons with interests in or proposing to acquire such investments; or
 - (b) the Firm or an associate of the Firm may be a financial adviser to the issuer of such investments or to any other party in connection with such transaction(s); or
 - (c) the Firm may be dealing as agent on the Clients behalf with an associate of the Firm or conducting an agency cross by matching the Clients order with the order of another party (who may be an associate); or
 - (d) the transaction(s) may be in investments in respect of which the Firm or an associate of the Firm is or is contemporaneously trading or has traded on its own account or has either a long or short position; or
 - (e) the Firm or an associate of the Firm may have acted upon or used its published research recommendations (or the conclusions which same express or the research analysis on which they are based) before the recommendations have been published to the Firm's or its clients.

- 12.5 Unless the Client notifies the Firm to the contrary and the Firm confirms the Firm's acceptance in writing, the Firm will assume that a. the Client does not object to the Firm acting in the circumstances described in paragraphs 12.2, 12.3, 12.4 and b. the Client does not intend any investment objectives, restrictions, or limits to apply to the Client dealings with the Firm.
- 12.6 The relationship between the Client and the Firm is as described herein. Neither that relationship, nor the services the Firm provides nor any other matter, will give rise to any fiduciary or equitable duties on the Firm's part which would prevent or hinder the Firm doing business with or for the Client, acting as both market maker and broker, principal and agent, or in doing business with any associate of the Firm, connected clients and other investors whether for the Firm's own account, the Client's account or for the account of any associate of the Firm, connected clients and other investors, and generally acting as provided herein.
- 12.7 In any dealing or other matter where the Client is acting as an agent or otherwise acting on behalf of or for the benefit of any other person then, even if the Client discloses that fact and/or identifies that person to the Firm, the Firm will unless otherwise agreed in writing with the Client treat the Client alone as the Firm's client for all purposes relating to such dealing or matter. If the Client is acting on behalf of any other person the Client undertakes that the Client is expressly authorised by the Client's principal in respect of all instructions the Client gives the Firm on their behalf and the Client agrees that the Client and the Client's principal will be liable to the Firm jointly and severally each as if a principal in respect of all obligations and liabilities arising therefrom and in respect of any transaction(s) entered into (including settlement of a transaction(s)).

13. **Client Money**

- 13.1 No funds belonging to the client will come under the custody or control of the Firm as part of, and during, the provision of its services pursuant to the Engagement Letter.
- 13.2 Any collateral the Client posts for its obligation to the Firm ("the Collateral") will not be subject to protections conferred by the Client Money Rules and, as a consequence, the Collateral will not be segregated from the Firm's own funds and will be used in the course of the Firm's business and the Client will rank as one of the general creditors of the Firm. All rights, title and interest in and to Collateral provided in connection with the provision of services under these general terms and conditions shall pass from the Client to the Firm free and clear of any lien, claims, charges, or encumbrances or any other interest of the Client or any third party. Any Collateral received by the Firm from the Client or a third party on the Client's account will be owed by the Firm to the Client even where the Firm is acting as the Client's agent. Because full ownership of the Collateral is transferred to the Firm, the Client no longer has any proprietary claim over the Collateral and the Firm can deal with, lend, dispose of, pledge, charge or otherwise use all Collateral and shall be obliged to delivery to the Client the Collateral only upon satisfaction of all of the Client's Obligations to the Firm. The Client agrees and covenants to execute all necessary documents and such further documents and to take all necessary steps and such further steps as the Firm may reasonably require to be registered owner or obtain legal title to the Collateral and to exercise its rights, remedies, authorities, or discretions. Unless otherwise agreed with the Client, the Firm will not pay interest on Collateral.

14. **Transaction(s) in Investments**

- 14.1 Any transaction(s) in Investments (as defined by the Financial Services and Markets Act 2000) undertaken by the Firm for or on behalf of the Client will be undertaken subject to the

Financial Conduct Authority Handbook of Rules and Guidance and the rules and customs of the exchange or market and/or any clearing house on or through which such transaction(s) are undertaken, settled or executed.

15. Exclusion of Liability and Indemnity

15.1 No claim will be made against any Indemnified Person to recover any loss, damage, cost, charge or expense which the Client may suffer or incur by reason of or in connection with the carrying out by an Indemnified Person of the Firm's obligations, or the exercise by any Indemnified Person of the Firm's rights, under these general terms and conditions or the Engagement Letter, except to the extent that any such loss, damage, cost, charge, or expense is finally judicially determined to have arisen as a result of the fraud, negligence or wilful default of any Indemnified Person.

15.2 If the Client enters into any agreement or arrangement with any other person for the purpose of or in connection with the Engagement Letter (an "Adviser") the terms of which provide that the liability of such Adviser to the Client or any other person is excluded or limited in any manner and the Firm may have joint and/or several liability with such Adviser to the Client or any other person by reason of or in connection with the carrying out of the Firm's obligations, or the exercise of the Firm's rights, under these general terms and conditions or the Engagement Letter:-

- (i) the Client will not be entitled to recover any amount from the Firm which, in the absence of such exclusion or limitation, the Firm would have been entitled to recover pursuant to the Civil Liability (Contribution) Act 1978;
- (ii) the Client agrees and undertakes to the Firm for itself and as trustee on behalf, and for the benefit, of each and every other Indemnified Person to indemnify and to hold harmless each and every Indemnified Person from and against:-
 - (a) any increased liability to any third party which would not have arisen in the absence of such exclusion or limitation; and
 - (b) all losses, damages, costs, charges, expenses (including legal fees) and taxes suffered or incurred by any Indemnified Person pursuant to any claims, actions, demands or proceedings threatened, brought or established against any Indemnified Person by any third party referred to in sub-paragraph (ii); and
- (iii) the Client will take such other action as the Firm may reasonably require so as to ensure that no Indemnified Person is prejudiced as a consequence of such agreement or arrangement.

15.3 In consideration of the services provided or to be provided by the Firm pursuant to these general terms and conditions or the Engagement Letter, the Client hereby undertakes to the Firm for itself and as trustee for each and every other Indemnified Person to indemnify and to hold harmless each Indemnified Person from and against:-

- (i) all claims, actions, liabilities, demands and proceedings (together, "Proceedings") whatsoever and wheresoever brought or established against any Indemnified Person by any person, governmental agency or regulatory body whatsoever; and
- (ii) all losses, damages, costs, charges, expenses (including legal fees) and taxes which any Indemnified Person may suffer or incur (including but not limited to all such

losses, damages, costs, charges and expenses suffered or incurred in considering, responding to, disputing or otherwise dealing with any such actual or potential Proceedings intimated to any Indemnified Person or in establishing the right to be indemnified pursuant to this paragraph 15.3) and which in any such case, arises, directly or indirectly, out of or in connection with the carrying out by an Indemnified Person of the Firm's obligations, or the exercise of the Firm's rights, under these general terms and conditions or the Engagement Letter except to the extent finally judicially determined to have arisen as a result of the fraud, negligence or wilful default of any Indemnified Person.

- 15.4 If the United Kingdom Inland Revenue or any other taxing authority brings into charge to taxation (or into any computation of income, profits or gains for the purposes of any charge to taxation) any sum payable under the indemnity contained in paragraph 15.3 of these general terms and conditions (the "Indemnified Amount"), the Indemnified Amount will be grossed up by such amount as will ensure that, after deduction of the taxation so chargeable, there will remain a sum equal to the Indemnified Amount (additional payments being made by the Client as may be necessary).
- 15.5 All sums payable under the Indemnity contained in paragraph 15.3 of these general terms and conditions will be paid free and clear of all deductions, set-offs or withholdings whatsoever, save as required by law. If any such deduction, set off or withholding is required by law, the sum so payable will be grossed up by such amount as will ensure that, after such deduction, set-off or withholding so required, there will remain a sum equal to the amount that would otherwise be payable in the absence of such deduction, set-off or withholding.
- 15.6 Insofar as may be consistent with the terms of any relevant insurance policy and any other requirements of the Firm's insurers and provided that any action taken as is provided for in this paragraph 15.6 will not, in the Firm's view, be prejudicial to any obligation of confidentiality or other legal obligation which any Indemnified Person owes to any third party:-
- (i) if the Firm becomes aware of any actual or potential Proceedings made or threatened by any third party within the scope of the indemnity contained in paragraph 15.3 of these general terms and conditions, it will, on becoming aware of such Proceedings, give to the Client written notice of such Proceedings, provided that failure by the Firm to give such written notice will not relieve the Client from its obligation to indemnify the relevant Indemnified Person(s) except to the extent that the Client suffers actual prejudice as a result of such failure; and
 - (ii) subject to all Indemnified Persons being indemnified by the Client to the Firm's reasonable satisfaction, from and against all losses, damages, costs, charges, expenses (including legal fees) and taxes which any Indemnified Person may suffer or incur as a result of so doing, the Firm will consult with the Client regarding the conduct of the relevant Proceedings and provide the Client with such information and copies of such documents relating to such Proceedings as the Client may reasonably request, provided that the Firm will not be under any obligation to take into account any of the Client's requirements in connections with such conduct nor to provide the Client with any information or a copy of any document which is or may be privileged in the context of the Proceedings.
- 15.7 The Client agrees that it will not, without the Firm's prior written consent, settle or compromise or consent to the entry of any judgement with respect to any actual or potential Proceedings in respect of which indemnification may be sought under paragraph 15.3 of these general terms and conditions (whether or not any Indemnified Person is an actual or potential

party to such Proceedings) unless such settlement, compromise or consent includes an unconditional release of every Indemnified Person from all liability arising out of such Proceedings.

- 15.8 The indemnity contained in paragraph 15.3 of these general terms and conditions is in addition to any rights which any Indemnified Person may have by virtue of any other existing or future deed or document or at common law, by statute or otherwise, including, but not limited to, any right of contribution.
- 15.9 For the avoidance of doubt, this paragraph 15 will not apply to the extent prohibited by Rule 2.5 of the Financial Conduct Authority Conduct of Business Sourcebook, or any other rule of the Financial Conduct Authority Handbook or the Financial Services and Markets Act 2000 or otherwise prohibited by law.
- 15.10 For the purpose of this paragraph 15, "Indemnified Persons" are:-
- (i) the Firm
 - (ii) the Firm's directors and employees from time to time;
 - (iii) to the extent that they are not included in sub-paragraph (i) above, persons connected with the Firm (as defined for the purposes of the Financial Conduct Authority Handbook of Rules and Guidance) as regards the Engagement Letter; and
 - (iv) any successors to any such persons.

16. **Intellectual Property Rights**

- 16.1 The Firm shall retain all copyright, patents and the right to apply for patents, and other intellectual property rights in everything developed by the Firm either before or during the course of the Engagement Letter including systems, methodologies, software and know-how. The Firm shall also retain all copyright and other intellectual property rights in all reports, written advice or other materials provided by the Firm to the Client although the Client will have the full right to distribute copies of these materials within the Client's organisation and to the Client's other professional advisers. The Client shall not distribute copies of these materials outside its organisation or to its professional advisers without the Firm's prior written consent.
- 16.2 Upon termination of the Engagement Letter in accordance with paragraph 20 below, or at any other time during the term of the Engagement Letter at the Firm's written request, the Client undertakes that it and its other professional advisers will forthwith return to the Firm or (at the Firm's written request) destroy all reports, written advice or other materials described in paragraph 16.1 above together with any copies thereof or notes containing any material element thereof. The Client undertakes further that in such event it and its other professional advisers shall not retain any copies of such documentation.

17. **Electronic Information and Communications**

- 17.1 The Client consents to the Firm providing the Client with information and communications in electronic format including, but not limited to, the use of internet and email and accepts that the security and confidentiality of such information and communications cannot be guaranteed.

17.2 As internet and email communications are capable of data corruption the Firm cannot accept any responsibility for changes made to such communications after they are sent. For this reason it may be inappropriate to rely on advice contained in email without obtaining written confirmation of it. Please note that the Firm does not accept any liability or responsibility for viruses or any other malicious code and it is the responsibility of the Client to scan all electronic information and communications including any attachments for viruses and malicious code.

18. **Contracts (Rights of Third Parties) Act 1999**

18.1 Save as expressly provided in paragraph 15 above, a person who is not a party to these general terms and conditions or to the Engagement Letter shall have no right to enforce any of the respective terms under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists or is available apart from such Act.

19. **Staff of the Firm**

19.1 The Client undertakes that during the term of the Engagement Letter and for a period of 12 months following its conclusion the Client will not:

(a) solicit or entice away (or assist anyone else in soliciting or enticing away) any member of the Firm's professional staff with whom the Client has had dealings in connection with the Engagement Letter during the 12 months immediately prior to the Client's approach; or

(b) employ any such person or engage them in any way to provide services to the Client.

This undertaking shall not apply in respect of any member of the Firm's staff who without having been previously approached directly or indirectly by the Client responds to an advertisement placed by or on behalf of the Client. In the event of a breach of the terms of this undertaking which leads to the departure of a member of the Firm's staff, the Client will pay to the Firm, on demand, a sum equivalent to the greater of a. 25% of the total annual remuneration package paid by the Firm to the individual prior to his or her departure and b. 25% of the total annual remuneration package promised or guaranteed or paid by the Client to the individual. The Client acknowledges that this provision is a fair and reasonable term intended to be a genuine assessment of the likely loss to the Firm.

20. **Termination**

20.1 Either the Firm or the Client may terminate these general terms and conditions or the Engagement Letter by giving written notice in accordance with paragraph 24.1 of these general terms and conditions. Such notice will be effective upon receipt of the notice (or, if it is received on a day which is not a business day or is received after business hours, then the first business day thereafter) or on such later date as may be specified in such notice. Termination will not affect any outstanding order or transaction(s) or any accrued legal rights or obligations which may have already accrued, nor will it affect the provisions relating to Firm's remuneration under the Engagement Letter or paragraphs 1, 3, 4, 5.5, 6, 11, 15, 16, 18, 19, 21, 24 and 29 of these general terms and conditions, all of which will remain in full force and effect.

21. **Illegality**

21.1 If any part of these general terms and conditions or the Engagement Letter will become or be declared illegal, invalid or unenforceable for any reason whatsoever, such part will be deemed

to be deleted, provided that, if any such deletion substantially affects or alters the commercial basis of these general terms and conditions or the Engagement Letter, the parties will negotiate in good faith to amend and modify them as may be necessary or desirable in the circumstances.

22. **Force Majeure**

22.1 In the event of failure, interruption or delay in the performance of the Firm's obligations under these general terms and conditions or the Engagement Letter resulting from acts, events or circumstances not reasonably in the Firm's control (including, but not limited to, industrial disputes, acts or regulations of any governmental or supranational bodies or authorities or breakdown, failure or malfunction of any telecommunications or computer services), the Firm will not be liable or have any responsibility of any kind for any loss or damage incurred or suffered by the Client or any of its Associates (as defined in paragraph 9.1 of these general terms and conditions) as a result thereof.

23. **Amendments**

23.1 These general terms and conditions may be amended or supplemented by the Firm by providing or sending to the Client either written notice of the amendments or updated general terms and conditions as available for download from the Firm public internet website: www.europecapitalmarkets.com. Such changes or updated general terms and conditions will take effect 7 days thereafter unless the Firm has received the Client's written objection and will apply in respect of any commitment(s), transaction(s) or contract(s) entered into by the Firm after that date. No such changes will affect any legal rights or obligations which may have previously accrued to or been incurred by the Firm or the Client. An amendment or supplement which is made to reflect a change of applicable law may take effect immediately.

24. **Notices and Other Communications**

24.1 Any written notice, instruction, demand, acknowledgement or request (a "Notice") to be given or made pursuant to these general terms and conditions or the Engagement Letter may be delivered in person or sent by letter to the registered address of the Firm or faxed to the Firm, in the case of Notices to the Firm, and to the address or fax last notified by the Client to the Firm, in the case of Notices to the Client.

24.2 The Firm may record telephone conversations with the Client or any of its Associates (as defined in paragraph 9.1 of these general terms and conditions) and, for the avoidance of doubt, it shall not be required to give any further notice to any of them before recording such conversation.

25. **Complaints**

25.1 Should the Client have a complaint in relation to the Client's dealings with the Firm, the Client should raise it in the first instance with the Client's usual contact. If the Client is not satisfied with the response (or if the Client prefers not to raise the matter with the Client's usual contact) the Client may raise the matter with the Firm's Compliance Officer.

26. **Investor Compensation**

26.1 Investment business may be covered by the Financial Services Compensation Scheme. Payments under the scheme are limited to £48,000. Compensation is available only to eligible investors in respect of eligible claims. Further details of this scheme are available from the Financial Services Compensation Scheme.

27. **Data Protection and Consent to tape recording**

27.1 The Client consents to the tape recording of such conversations between the Client and the Firm as the Firm in the Firm's sole discretion shall determine and to the use of such tape recordings by the Firm in arbitration or other proceedings by or against the Client or otherwise, in the Firm's sole discretion. The Firm shall have complete discretion as to the Firm's policy for the retention or destruction of such recordings. The Firm may act upon telephone instructions before or without receipt of any written confirmation.

27.2 Any personal data of the Client or any officer or employee of the Client provided to the Firm under these general terms and conditions will be recorded and processed by the Firm. The Firm may use, store or process, or transfer this information including to third parties outside of the EEA in order to verify the Client identity, administer the Client accounts, contacting and giving the Client information on the Firm's product and services, or in order to comply with Relevant Laws, Rules and Regulations. Where the Client provides the Firm with personal data concerning individuals connected with the Client, the Client will be deemed to have represented and warranted to the Firm that the Client has obtained consent from the data subjects for such disclosure to the Firm, or such disclosure is otherwise lawful. The Client expressly consents to the above use and transfer of personal data. If the Client wishes to exercise its right to withhold personal data from the Firm, the Firm may be unable to provide any services to the Client hereunder.

28. **Entire Agreement**

28.1 These general terms and conditions together with the Engagement Letter set out the entire agreement between the Client and the Firm.

29. **Governing Law**

29.1 These general terms and conditions and the Engagement Letter will be governed by and construed in accordance with English law and the Client submits to the exclusive jurisdiction of the English courts.

29.2 The Client waves all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, attachment (both before and after judgement) and execution to which the Client might otherwise be entitled in any action or proceedings in the English courts or of any other country or jurisdiction relating in any way to these general terms and conditions and the Client agrees that the Client will not raise, claim, or cause to be pleaded any such immunity at or in respect of any such action or proceeding.

ECML©

European Capital Markets Limited

PILLAR 3 STATEMENT

The Capital Requirements Directive ('the Directive') of the European Union establishes a revised regulatory capital framework across Europe governing the amount and nature of capital credit institutions and investment which ECML must maintain.

In the United Kingdom, the Directive has been implemented by the Financial Conduct Authority ("FCA") in its regulations through the General Prudential Sourcebook ("GENPRU") and the Prudential Sourcebook for Banks, Building Societies and Investment ECMLs ("BIPRU").

The FCA framework consists of three 'Pillars':

- Pillar 1 sets out the minimum capital amount that meets ECML's credit, market and operational risk capital requirement;
- Pillar 2 requires ECML to assess whether its capital reserves, processes, strategies and systems are adequate to meet pillar 1 requirements and further determine whether it should apply additional capital, processes, strategies or systems to cover any other risks that it may be exposed to.
- Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position to encourage market discipline.

The rules in BIPRU 11 set out the provision for Pillar 3 disclosure.

Pillar 3 disclosures will be issued on an annual basis after the year end and published with the annual accounts.

ECML are permitted to omit required disclosures if ECML believes that the information is immaterial such that omission would be unlikely to change or influence the decision of a reader relying on that information for the purpose of making economic decisions about ECML.

In addition, ECML may omit required disclosures where ECML believes that the information is regarded as proprietary or confidential. In ECML view, proprietary information is that which, if it is shared, would undermine ECML competitive position. Information is considered to be confidential where there are obligations binding ECML to confidentiality with ECML customers, suppliers and counterparties.

Scope and application of the requirements

ECML is authorised and regulated by the FCA and as such is subject to minimum regulatory capital requirements. ECML is categorised as a BIPRU 50k firm by the FCA for capital purposes.

ECML is not a member of a group and so is not required to prepare consolidated reporting for prudential purposes.

Risk management

ECML has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. The CEO takes overall

responsibility for this process and the fundamental risk appetite of ECML. The Board of Directors has responsibility for the implementation and enforcement of ECML risk principles.

The Board of Directors reviews on a regular basis current projections for profitability, cash flow, and business planning and risk management. The Board of Directors engages in ECML risks through a framework of policy and procedures having regard to the relevant laws, standards, principles and rules (including FCA principles and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

Annually the Board of Directors formally review their risks, controls and other risk mitigation arrangements and assess their effectiveness.

Management accounts demonstrate continued adequacy of ECML regulatory capital and are reviewed on a regular basis.

Appropriate action is taken where risks are identified which fall outside of ECML tolerance levels or where the need for remedial action is required in respect of identified weaknesses in ECML mitigating controls.

ECML does not hold client money or assets on the Board of Directors have categorised the company as simple and therefore the ICAAP has been prepared in relation to the complexity of this category. The principle risk areas which the Board of Directors seeks to manage are interest rate risks, market risks, liquidity risks and currency risks.

Risk Definitions

Risk - The potential that an event or action, expected or unexpected, will adversely impact the organisation's ability to effectively achieve its business objectives.

Inherent risk - The risk of loss of earnings or reputation as a result of doing business. This is the level of risk present prior to the introduction of a risk management system.

Mitigating control - The arrangements put in place by management to achieve the corporate objectives, to prevent a risk occurring and/or identify as soon as possible thereafter.

Residual risk - The inherent risk exceeds the risk management system i.e. the control is insufficient to mitigate the risk and management will need to identify a solution and plan for its implementation.

Risk Categories

Operational Risks - The risk arising from problems associated with product or service delivery.

Compliance Risk - The risk arising from breach of or non-compliance with laws, rules, policies, regulations, prescribed practices or ethical standards.

Legal Risk - The risk arising from the non-performance of the regulatory, legal or contractual duties associated with acting on behalf of and in the best interests of ECML and its clients.

System risk - The risk arising from failure and/or degrading of internal and/or outsourced systems and processes.

Strategic Risk - The risk arising from adverse business decisions or the improper implementation of such decisions.

Liquidity Risk - The risk arising from the company's ability to meet its obligations as they fall due, without incurring unacceptable losses.

People Risk - The risk arising from the employment of unsuitable staff and the failure to comply with statutory requirements and employment law.

Market Risk - the risks that arise from fluctuations in values of, or income from, assets or in interest or exchange rates.

Remuneration Code

ECML is subject to the FCA Rules on remuneration. These are contained in the FCA Remuneration Code located in the SYSC Sourcebook of the FCA's Handbook. The Remuneration Code covers an individual's total remuneration, fixed and variable. ECML incentivises staff through a combination of the two. Financial and non-financial criteria are taken into account when assessing individual performance and deciding upon remuneration.

The policy is designed to ensure compliance with the Remuneration Code and the compensation arrangements:

1. are consistent with and promotes sound and effective risk management;
2. do not engage excessive risk taking;
3. include measures to avoid conflicts of interest; and
4. are in line with ECML's business strategy, objectives, values and long-term interests.

Proportionality

Enshrined in the European remuneration provisions is the principle of proportionality. The FCA has sought to apply proportionality in the first instance by categorising firms into 4 tiers. ECML falls within the FCA third proportionality tier and as such disclosure is made in line with the requirements for a Tier 3 firms.

Application of the requirements

ECML is required to disclose certain information on at least an annual basis regarding ECML remuneration policy and practices for those staff whose professional activities have a material impact on the risk profile of ECML. ECML disclosure is made in accordance with ECML size, internal organisation and the nature, scope and complexity of ECML activities on an annual basis after the year end.

1. Summary of information on the decision-making process used for determining ECML remuneration policy including use of external benchmarking consultants where relevant.

- ECML policy has been agreed by the Board of Directors in line with the Remuneration Code principles laid down by the FCA.
- Due to the size, nature and complexity of ECML, ECML is not required to appoint an independent remuneration committee.
- ECML policy will be reviewed as part of annual process and procedures, or following a significant change to the business requiring an update to its internal capital adequacy assessment.
- ECML ability to pay bonus is based on the performance of ECML overall.

2. Summary of how ECML links pay and performance.

- Individuals are rewarded based on their contribution to the overall strategy of the business.
 - a. Business Generation
 - b. Sales & Marketing
 - c. Operations
 - d. Other factors (Education, Experience & Seniority, Nature of role, e.g. Support, Administration or Management, Current compensation, Guidance from recruitment agencies, market research, peer review.
 - e. Performance, reliability, effectiveness of controls, business development and contribution to the business are taken into account when assessing the performance of the senior staff responsible for the infrastructure of ECML.

Capital Resources

At 31st January 2016, ECML held £204,744 of Tier 1 capital in the form of share capital and audited reserves.

ECML is not required to and does not hold Tier 2 or 3 capital. There are no other items or deductions.

ECML Pillar 1 capital resource requirements is the higher of the base capital requirements and the variable capital resource requirements, as detailed in the table below.

Requirement	Details
Base Capital requirement	€50,000 (conversion sterling amount £42,607)
Variable capital resource requirement	<p>The higher of:</p> <p>(1) The sum of the Credit Risk Capital Requirement and the Market Risk Capital Requirement;</p> <p>or</p> <p>(2) The fixed overhead requirement</p>

Pillar 1 Minimum Capital 000s	ICAAP Pillar 2 Capital 000s
43	

Credit Risk (CR)	-	
Market Risk (MR)	8	
CR + MR	<u>8</u>	
Fixed Overhead Requirement (FOR)	<u>4</u>	
Pillar 1 Total (higher of CR+MR and FOR)	8	8
Pillar 2 Total		-
ICAAP Capital		<u>8</u>
Current total capital		<u>205</u>
Surplus		197

The Fixed Overhead Requirement of £3,209 equates to 13 weeks of ECML's annual expenses. The total credit and market risk is £8k. ECML has a surplus reserve of £197,000 as at 31 January 2016.

In conclusion, ECML is adequately capitalised for the risks to which it is exposed.