



# TIME:Advance

An innovative approach to Inheritance Tax

## APPLICATION PACK:

Application Form

Services Guide

Portfolio Management Agreement

Risks

Glossary

Custody Agreement

INVESTMENT  
WEEK  
**TAX EFFICIENCY**  
AWARDS 2017/18  
**WINNER**  
Best IHT Portfolio Service

**INVESTOR** | **RUNNER-UP**  
2017 AWARDS | BEST BPR  
INVESTMENT  
MANAGER

TIME  
INVESTMENTS



## APPLICATION PACK

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### How to complete this form:

- Please ensure you have read and understood the TIME:Advance Brochure and Application Pack.
- Please answer all questions in black ink, using BLOCK CAPITALS and mark relevant boxes with a tick (✓).
- Refer to the checklist to ensure your application is complete before submitting.

### Checklist

Before submitting the Application Form please confirm the following:

#### The investor has:

- Read and understood the TIME:Advance Brochure and Application Pack
- Completed Part 1 of the application form (sections 1 to 4)
- Read and signed the declaration in section 4 of Part 1 (page 4)
- Arranged payment via cheque or CHAPS / BACS using the correct payment reference – see ‘Cheques and transfers’ section to the right.

#### The adviser has:

- Completed Part 2 of the Application Form (sections 5 to 9)
- Read and signed the declaration in section 9 of Part 2 (page 7)
- Completed the necessary verification of identity requirements which is either:
  - A. Complete and sign section 8 of the Application Form on page 6
  - or B. Provide a copy of their firm’s IVC for the investor
  - or C. Provide a certified copy of the investor’s passport or driving licence **AND** a certified copy of a recent (less than three months old) utility bill. This can’t be a mobile phone bill – see ‘Certifying documents’ section to the right.

### Power of Attorney applications (where relevant):

- In addition to Parts 1 and 2, the Attorney(s) should complete Part 3 of the application form on page 8
- A certified copy of the Power of Attorney document must be provided (each page must be certified)
- The Adviser to provide for each Power of Attorney a completed verification of identity requirements, which is either:
  - A. Complete and sign section 11 of the Application Form on page 8
  - or B. Enclose an IVC for each Attorney
  - or C. A certified copy of each Attorney’s passport or drivers licence **AND** a certified copy of a recent (less than three months old) utility bill. This can’t be a mobile phone bill – see ‘Certifying documents’ section to the right.

### Cheques and transfers

- Cheques should be made payable to ‘TIME Advance’.
- Cheques must come from the investor’s personal account. We do not accept cheques from business accounts.
- Bankers’ drafts or building society cheques must specifically mention the investor’s name.
- CHAPS and BACS payments should be sent to the following account and please ensure you reference the investor’s name and the letters “TA”:
 

**Sort code:** 23-05-80 **Account number:** 15244027  
**Bank:** Metro Bank PLC  
**Branch:** 1 Southampton Row, London, WC1B 5HA  
**Account Name:** TIME Advance
- Please note, cheques can take up to 8 business days to clear, BACS bank transfer 3 business days and CHAPS bank transfer 1 business day. All funds must be cleared two days before the dealing day.

### Identity Verification Certificate (IVC)

An IVC may be used to confirm your adviser has completed the necessary verification of identity requirements. Advisers can either supply a copy of their firm’s IVC or complete section 8 on page 6.

### Certifying documents


Certified copies of original identity documents should be photocopies or scans, with the following certification wording added to each page: “Certified to be a true copy of the original as seen by me”.

The document must be signed by an appropriate person i.e. an independent professional person who is not a relative of the investor, for example: a GP, accountant, teacher, solicitor or the investor’s employer. In addition to the certification wording (above) the certifying individual should provide their full name and business contact details.


### What happens next?

- We will confirm receipt of your application form and payment usually within two business days.
- Shares in the underlying Portfolio Company will be purchased at the next available dealing date. We aim to deal twice a month.
- Confirmation of shares purchased in the Portfolio Company will normally be sent within two business days.
- Once your funds are invested we’ll send you regular valuation statements.

### Return your completed form and documents to:

 **TIME Investments, 338 Euston Road, London NW1 3BG**

### Any questions?

 Please speak to your adviser or call the TIME Investments Client Services team on **0845 600 1213**

 or email: **enquiries@time-investments.com**

We can’t give investment or tax advice, but we are happy to answer questions about the application process.

## APPLICATION FORM : PART 1 - FOR COMPLETION BY INVESTOR

### 1 Investor's contact details

Title _____	Country of birth _____
Forename(s) _____	Nationalities held _____
Surname _____	Country of tax residency _____
Address _____ _____	Daytime Telephone Number _____
Postcode _____	I wish to receive communications from TIME: <input type="checkbox"/> Through the post <b>OR</b> <input type="checkbox"/> Electronically
National Insurance Number _____	Email _____
Date of birth _____	If you provide an email address we will register you for access to our secure online web portal, where you can view statements for your investment.

### 2 About your Subscription

#### Subscription Amount:

£ \_\_\_\_\_  
(Total including Adviser Initial Fee. Please note the minimum Subscription is £25,000).

I enclose a cheque drawn on a UK clearing bank or building society for the Subscription Amount made payable to "TIME Advance" with the completed Application Form;

OR

I will transfer the above funds via electronic funds transfer into the following bank account referenced with my name and the letters "TA".

Account name: **TIME Advance**  
Sort code: **23-05-80**    Account No. **15244027**  
Bank name: Metro Bank PLC, 1 Southampton Row, London WC1B 5HA.

#### Investor's bank details

Please provide details of the bank account that you would like future proceeds to be paid into:

Name of Bank \_\_\_\_\_

Sort Code \_\_\_\_\_

Account Number \_\_\_\_\_

Account Name \_\_\_\_\_

\* Please note that for Subscriptions made by a trust, the Deferred Annual Management Fee is payable annually in arrears.

### 3 Adviser's Fees

The Adviser has agreed with the Investor the following fees:

1) an Adviser Initial Fee of \_\_\_\_\_ % of the Subscription Amount

OR

a fixed sum of £ \_\_\_\_\_, to be deducted from the Subscription Amount before investment; and.

2) an Adviser Ongoing Fee of \_\_\_\_\_ % per annum of the value of the Portfolio at the relevant time, to be payable quarterly in arrears and funded through the sale or redemption of Shares held within the Portfolio.

**Please ensure that the percentage or amounts stated include VAT if applicable.**



## APPLICATION FORM

### 4 Appointment of Adviser, TIME and Custodian

#### By completing and signing this Application Form:

- I confirm that I have received a complete copy of the Application Pack and have read and understood its contents, including the risks explained in the Brochure and the fees and charges described in the Brochure and Glossary, and that I have not relied on any other statement, representation or warranty made or given by TIME.
- I (the Investor) appoint the Adviser as my agent with express authority to enter into the Portfolio Management Agreement and provide all ongoing instructions to TIME and receive copies of communications relating to TIME:Advance on my behalf.
- I acknowledge that TIME will treat the Adviser as its client and will not be responsible for providing me with the protections afforded to clients of TIME or advising me on investments.
- I understand that my relationship with the Adviser concerning TIME:Advance is governed by this Application Form and the Adviser's terms of business with me. I understand therefore that if I wish to terminate the Adviser's appointment, I must serve written notice on the Adviser in accordance with the Adviser's terms of business with me. I agree to notify TIME immediately in writing if I terminate this appointment or if the Adviser ceases to act for me for any other reason (such as retirement or insolvency). Failure to notify TIME may lead to the Adviser continuing to receive fees with respect to the Portfolio. I acknowledge that in the event that I terminate this appointment without appointing a replacement, TIME is not obliged to accept new instructions from me directly and is entitled to rely on any previous instructions submitted by the Adviser.
- I instruct the Adviser to appoint TIME as my agent with express authority to enter into the Custody Agreement. I authorise TIME to provide and receive all communications with and instructions to the Custodian and to take any actions under the Custody Agreement on my behalf, including whether to substitute the Custodian from time to time.
- I agree to inform TIME of any changes to the bank account details provided in the Application Form and the Adviser of any changes to my domicile or residence for tax purposes and to provide the Adviser upon request with any information which the Adviser, TIME or the Custodian may be required to provide to HMRC or any other governmental, regulatory or tax authority from time to time.
- I acknowledge that my application to subscribe to TIME:Advance is subject to approval, including the satisfactory completion of identification and verification checks, and may be revoked at any time for any reason or if the information in the Application Form is or becomes incorrect or misleading. I acknowledge that TIME and the Custodian may from time to time use third party agencies to verify the identity of me as an Investor or Attorney. I acknowledge that, in compliance with the FCA Rules, telephone calls may be recorded.
- I understand that, as highlighted in the Risks section of the Brochure, share values can go down as well as up and I may get back less than my original subscription. I understand that past performance does not provide an accurate guide to future performance.
- I recognise that the extent and value of any tax advantages or benefits arising from the use of tax-advantaged services such as BR relief, will vary according to my personal individual circumstances, and that the levels, bases and practice of taxation may also change. I acknowledge that TIME has not provided me with taxation advice nor advised me on the initial or continued suitability of investments to be held through TIME:Advance.
- I understand that if I wish to cancel my Subscription into TIME:Advance, I must instruct the Adviser to do so within 14 days of the date this Application Form is submitted by my Adviser to TIME.
- I understand that the Adviser may direct TIME to use my Subscription and to realise such proportion of the Portfolio as is necessary to pay any fees payable to the Adviser as set out in Part 1 of the Application Form.
- I authorise TIME to process all personal information provided by me in this Application Form in accordance with the Data Protection Act 1998 and TIME's privacy policy, which is available on TIME's website, for the purposes of: managing the Portfolio; providing related services; and complying with anti-money laundering requirements and other Applicable Law. I agree that my personal information may be shared with the Custodian and associates of TIME in connection such purposes and that TIME may also disclose my personal information where required to do so by Applicable Law or by any regulatory or governmental body or law enforcement agency.
- I represent and warrant that I am not classified as a specified US person under the definition of FATCA. I also agree that I have a duty to inform TIME if at any time I hold shares in TIME:Advance that my status changes so that I would become a specified US person.

Signature of Investor or Attorney
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Name
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Date
------

## APPLICATION FORM : PART 2 - FOR COMPLETION BY ADVISER

### 5 Adviser's contact details

Firm name \_\_\_\_\_

FCA Number \_\_\_\_\_ LEI Number (if available) \_\_\_\_\_

#### Authorised Individual:

Title \_\_\_\_\_ Administrator email \_\_\_\_\_

Forename(s) \_\_\_\_\_ Address \_\_\_\_\_

Surname \_\_\_\_\_

Telephone \_\_\_\_\_

Adviser email \_\_\_\_\_

If you provide an email address we will register you for access to our secure online web portal, where you can view statements for your client's investment.

I wish to receive communications from TIME:  Through the post **OR**  Electronically

Please provide details of your bank account so that Adviser Fees can be paid to you via BACS.

Account Name \_\_\_\_\_ Sort Code \_\_\_\_\_

Account Number \_\_\_\_\_

Are you part of a network/service provider?  No  Yes if so which one: \_\_\_\_\_

### 6 Subscription

We wish to subscribe the following amount £ \_\_\_\_\_ (Please note the minimum Subscription is £25,000).

### 7 Growth or Regular Withdrawal Option

Growth Option – We wish the whole of the Portfolio (including any growth) to qualify for BR

**OR**

Regular Withdrawal Option – We wish the Investor to receive quarterly cash payments as follows:

3% per annum of the Net Subscription Amount; **OR**

\_\_\_\_\_ % per annum of the Net Subscription Amount as agreed with TIME

The first payment date for the Regular Withdrawal Option is:

January  April  July  October  Year

The default option of Growth will be assumed if neither the Growth or Income option has been ticked.



## APPLICATION FORM : PART 2 - FOR COMPLETION BY ADVISER (CONTINUED)

### 8 Verification of Identity Confirmation

You can use this section to provide verification of identity for a private individual. If you do not complete this section you will need to supply a copy of your firm's IVC or certified copies of the investor's identity documents - please see the relevant section on page 2 for further details.

#### Confirmation by Adviser

I/We confirm that:

- a) The information in Part 1 of this application form was obtained by me/us in relation to the Investor(s)

and

- b) The evidence I/we have obtained to verify the identity of the Investor(s) and assess the purpose and intended nature of the Investor's investment through TIME:Advance meets the standard set out within the FCA rules, the Money Laundering Regulations 2007 (or, with effect from its implementation, The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017) and guidance for the UK Financial Services Sector issued by the Joint Money Laundering Steering Group.

## APPLICATION FORM : PART 2 - FOR COMPLETION BY ADVISER (CONTINUED)

### 9 Appointment of TIME

**By completing and signing this Application Form we (the Adviser):**

- Appoint TIME as portfolio manager in accordance with the terms of the Portfolio Management Agreement
- Represent and warrant that we are authorised or exempt from regulation under FSMA and permitted to advise on and arrange transactions in investments (the Adviser will need to contact TIME to provide separate confirmations in respect of non-UK business)
- Have received a complete copy of the Application Pack and have read and understood its contents, including the risks explained in the Brochure and the fees and charges described in the Brochure and Glossary
- Acknowledge that our application to subscribe to TIME:Advance as agent of the Investor is subject to approval, including TIME’s authorised financial intermediary due diligence requirements, and may be revoked at any time for any reason or if the information in the Application Form is or becomes incorrect or misleading
- Appoint TIME to enter into the Custody Agreement on behalf of the Investor and accept the terms of the Custody Agreement in so far as they relate to us and nominate TIME for the purposes of providing and receiving communications and instructions thereunder
- Have verified the identity of the Investor and have advised the Investor on the suitability of investments to be purchased for the Investor through TIME:Advance, in accordance with Applicable Law. We will maintain records of our identity verification and suitability assessments for at least six years and will provide copies to TIME and the Custodian upon request
- We consent to TIME (and, in the case of anti-money laundering requirements, the Custodian) relying on us to:
  - verify the identity of the Investor in accordance with the FCA Rules, The Money Laundering Regulations 2007 (or, with effect from its implementation, The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017) and Joint Money Laundering Steering Group Guidance, as amended; and
  - assess the suitability for the Investor of investments to be purchased for the Investor through TIME:Advance, both initially and during the term of our appointment.

- For anti-money laundering purposes, we have completed Section 8 or we enclose either an Identity Verification Certificate or certified copies of the verification of identity documents we have obtained in respect of the Investor (and, if relevant, any Attorney). I/we hereby agree to provide to either TIME or the Custodian immediately on request (or at the latest within two working days) copies of any identification and verification data and any other relevant documentation on the identity of the Investor (and any Attorney) and agree to retain copies of all such data for at least 5 years from the date hereof
- Agree to notify TIME as soon as reasonably practicable if we cease to act as agent for the Investor

Signature of Adviser

Name

Date

Special instructions

Company Stamp:



## APPLICATION FORM : PART 3 - FOR COMPLETION BY ATTORNEYS

### 10 Notes for Attorneys

Is there a registered Power of Attorney in place?  No  Yes, if so please complete this section.

If there is more than one Attorney please contact us on 0845 600 1213 to discuss.

Unless otherwise agreed, all correspondence will be sent to you as the Attorney.

#### Attorney's contact details:

Title	Date of birth
Forename(s)	Country of birth
Surname	Nationalities held
Address	Country of tax residency
	Daytime telephone number
	Email
Postcode	If you provide an email address we will register you for access to our secure online web portal, where you can view statements for the investment.

I wish to receive communications from TIME:  Through the post **OR**  Electronically

### 11 Verification of Identity Confirmation

You can use this section to provide verification of identity for a private individual. If you do not complete this section you will need to supply certified copies of the identity documents for the Attorney(s) - please see the relevant section on page 2 for further details.

#### Confirmation by Adviser

I/We confirm that:

a) The information in Part 10 of this application form was obtained by me/us in relation to the Attorney(s)

and

b) The evidence I/we have obtained to verify the identity of the Attorney(s) meets the standard set out within the FCA rules, the Money Laundering Regulations 2007 (or, with effect from its implementation, The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017) and guidance for the UK Financial Services Sector issued by the Joint Money Laundering Steering Group.

Signature of Adviser
Name
Position
Date



## SERVICES GUIDE

This Services Guide explains what TIME:Advance is and how it works. It is divided into five sections:

1. **The Service**
2. **The Custodian**
3. **How does it work?**
4. **What tax might I pay?**
5. **Complaints**

This Services Guide should be read together with the Brochure, Application Form, Portfolio Management Agreement, Risks, Glossary and Custody Agreement, which together describe and set out the terms of the TIME:Advance discretionary management service (together, the "Application Pack"). Where relevant, words and expressions used in this document have the meanings given to them in the Glossary.

You are specifically referred to the Important Information and Risks sections of the Brochure, which you and your Adviser should read and understand. The Application Pack has been prepared as at August 2017 and is subject to updating from time to time.

### 1. THE SERVICE

#### 1.1 What is TIME:Advance?

TIME:Advance is a discretionary management service that offers you a fast, simple and effective solution which aims to reduce your inheritance tax (IHT) liability by participating in Business Relief (BR) qualifying trading opportunities. TIME:Advance is managed by us, TIME Investments (TIME).

#### 1.2 What is Business Relief?

Business Relief was introduced in 1976 principally to assist in the transfer of family owned trading companies between generations without the need to sell the company to pay IHT. It was later extended to cover certain other companies.

An individual investing in the shares of an unquoted (or certain AIM-listed) trading company qualifies for 100% BR, provided that the shares have been held for a minimum of two years and were held at the date of death.

HMRC will determine availability of BR on an individual basis as part of the probate process following death.

There are substantial potential IHT savings associated with investment in TIME:Advance, since the value of a chargeable estate above the nil rate band (set at £325,000 for an individual until 2018) is currently taxed at 40%.

A letter from Mazars LLP, TIME's tax advisers in relation to TIME:Advance and BR is available on request.

#### 1.3 What is the discretionary management service?

We will invest your money into one or more UK unlisted trading companies (a Portfolio Company) which will participate in trading opportunities we reasonably believe to qualify for BR.

The TIME Allocation Committee will select one or more Portfolio Companies in which to invest your money and review their performance on an ongoing basis. This Committee comprises members of TIME's senior management.

To provide confidence in the running of a Portfolio Company, its directors will be nominated by TIME. These directors, supported by the Independent Advisory Committee, will identify sectors in which to commit capital.

Investors into TIME:Advance will not be required to decide the industry sectors and markets in which to invest nor deal with ongoing paperwork relating to their investments. We will decide on your behalf in which companies your money is invested, monitor the performance of your Portfolio and deal with any ongoing approvals required.

#### 1.4 What are the Investment Objectives?

A Portfolio Company will invest in BR qualifying trading opportunities that will enable it to target an annual return of 3.5% on the net amount invested after fees and costs, although no guarantee can be given that the Target Return will be achieved. You should regard TIME:Advance as a long term investment, particularly as there is a minimum two year hold period to obtain BR.

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The Target Return of 3.5% per annum is based on your Net Subscription Amount, (i.e. your Subscription less the Initial Charge and upfront Dealing Fee and any initial fee charged by your Adviser). This return will be calculated after deducting costs and fees payable by a Portfolio Company. However it will not take account of any ongoing fee, (charged by your Adviser), any Dealing Fee payable on exit, or tax which may be payable (see section 4 below). As a result the ultimate return could differ between individual Investors.

We will only take our Deferred Annual Management Fee of 0.75% (plus VAT) if this Target Return has been achieved.

We will invest principally in asset-backed businesses, such as secured lending on physical property, or owning and operating the assets directly. We will target businesses with predictable cashflows, and we typically will not invest in AIM quoted companies to avoid the volatility normally associated with investment in the stock market. The mix and nature of investments will vary over time depending on market conditions.

Individual transactions, such as a loan or acquisition of a property asset, will be reviewed by the TIME Investment Committee, which is described in the Brochure.

### 1.5 Should I invest in TIME:Advance?

The circumstances of each investor are unique. Therefore you should seek advice from your authorised financial intermediary (Adviser). For this reason we will only accept applications from and deal through your Adviser, who as your agent, will engage us and whom we shall treat as our client. You will need to authorise your Adviser to appoint us as discretionary manager.

We believe that the suitability of TIME:Advance for you should be monitored on a regular basis, so we recommend that you have a continuing relationship with your Adviser whilst you invest through TIME:Advance. We are not authorised to provide advice as to either initial suitability or whether TIME:Advance remains suitable for you on an ongoing basis.

TIME:Advance may be utilised by both UK residents and non-UK residents who are tax domiciled in the UK. You should consult your professional advisers in respect of whether you are UK tax domiciled, as the rules are complex. If you are UK tax domiciled, you will be subject to IHT on your worldwide estate, even if you have lived most of your life outside the UK.

TIME does not permit US persons to invest in TIME:Advance. If you think that you may be a US person you should inform your Adviser who should speak to TIME.

### 1.6 Can I invest as Attorney?

Yes. TIME:Advance is particularly suitable for investment under a Power of Attorney since the service offers a financial return, and does not require the loss of access to capital, unlike gifting or trust structures. Attorneys should forward a certified copy of the Power of Attorney, provide proof of identity, and complete Part 3 of the Application Form.

## 2. THE CUSTODIAN

To provide you with additional protection, your cash and Shares will be held by an FCA regulated and authorised custodian on your behalf. The Custodian will initially be Mainspring Nominees Limited, but may be any alternative custodian appointed by TIME as your agent from time to time. This may include an appropriately regulated and authorised associate of TIME. The Custodian will hold your subscription monies prior to buying Shares in a segregated and pooled client bank account with trust status.

The Application Pack includes a Custody Agreement authority for TIME to enter into that Custody Agreement (or a replacement one) as your agent, and authority for the Custodian to act on TIME's instructions (under delegated authority from your Adviser) in relation to the sale or purchase of Shares and any Investor approvals. TIME may appoint an alternative Custodian if, for whatever reason, this proves necessary or desirable. Any replacement Custodian appointed would also be regulated by the Financial Conduct Authority (FCA).

The Custodian is separately authorised and regulated by the FCA. TIME will be the Custodian's client for regulatory purposes, and the Adviser will be TIME's client for regulatory purposes. You will not therefore have any right to complain about the Custodian's services (or the services provided by TIME in arranging your portfolio to be held by the Custodian) to the Financial Ombudsman Service (FOS), although you may be entitled to compensation from the Financial Services Compensation Scheme (FSCS) if the Custodian cannot meet its obligations – see section 5 below.

## SERVICES GUIDE

### 3. HOW DOES IT WORK?

#### 3.1 How do I apply?

- Your Adviser will provide you with the Application Pack and could, if needed, assist you with completing the Application Form.
- Unless your Adviser already holds it, they will also ask you for proof of identification.
- Your Adviser should send the completed Application Form to TIME with your cheque for a minimum of £25,000. Alternatively, you can send your money via electronic transfer. Please see page 2 for details of where to send your money.
- Typically you will need to agree an initial and ongoing fee arrangement with your Adviser, and note the terms on the Application Form. We will arrange for Shares within your Portfolio to be sold on a quarterly basis to pay any ongoing fees agreed with your Adviser.

#### 3.2 When is my money invested?

Normally we will use your Subscription to buy Shares in a Portfolio Company within two weeks of receipt of cleared funds.

For the purpose of BR qualification the two year period commences on the date on which we buy Shares on your behalf (Acquisition Date).

The amount used to acquire Shares will be your Subscription after deducting any initial fee agreed with your Adviser. These fees will be deducted and paid by the Custodian on or around the Acquisition Date. The Initial Charge and Dealing Fee will typically be paid on your behalf by the Portfolio Company in which your Subscription is invested, which will reduce the number of shares you receive.

Shares will either be issued by the Portfolio Company or acquired from existing Investors. If new Shares are issued by a Portfolio Company, the number of Shares issued will be determined using the Pricing Formula, as described in clause 12 of the Portfolio Management Agreement. If Shares are purchased from an existing Investor, the price will be the most recent monthly share valuation for the Portfolio Company, which is calculated as at the last Business Day of each month.

You and your Adviser will be provided with confirmation either by post or email on receipt of your Application Form. You will also be provided with a confirmation when we have acquired your Shares, typically within two Business Days.

#### 3.3 How much can I invest?

Your initial Subscription should be a minimum of £25,000. There is no maximum. You can make further Subscriptions in minimum amounts of £10,000, although the two year period to qualify for BR in respect of further Subscriptions will generally apply from each Acquisition Date. To make further Subscriptions you and your Adviser should complete an additional Application Form.

#### 3.4 Can we invest jointly?

Yes. You and your spouse or civil partner can invest together, if your Adviser considers it suitable for you both. You should ask your Adviser to contact us for a joint Application Form.

#### 3.5 Can I make regular withdrawals?

Yes. On the Application Form you can select the Regular Withdrawal Option, and indicate the level of Regular Withdrawal.

Under the Regular Withdrawal Option, you can elect for quarterly cash payments, funded through the sale or redemption of your Shares. The amount you receive will be calculated as the indicated percentage of your Net Subscription Amount, i.e. the net sum originally used to acquire Shares, less the applicable Initial Charge and Dealing Fee, rounded down to the nearest whole Share. You should note that the cash you withdraw will cease to be eligible for IHT relief, and that levels of withdrawal in excess of the underlying return achieved will diminish the value of your Portfolio.

Quarterly payment dates will normally be in January, April, July and October. You should specify on your Application Form the date of the quarter in which you wish your first payment to be made. If you make a Partial Withdrawal, your Regular Withdrawal will be reduced pro rata. For example if you sell or redeem half of your Shares, your Regular Withdrawal will halve.

Any withdrawals may be subject to Capital Gains and/or Income Tax - see section 4 below.

#### 3.6 What if I change my mind?

Within 14 days of sending TIME your Application Form you and your Adviser may cancel the TIME:Advance service, by sending a signed cancellation request to TIME. In this event you will receive a refund of your Subscription monies, less any fees or costs payable by TIME to your Adviser or third parties.

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However if the funds have already been invested, we will need to sell or redeem your Shares, which would normally occur at the next dealing day and at the applicable Share valuation at the time. In this event any Initial Charge or Dealing Fee received by TIME would be refunded to the Investor by TIME, to the extent not already paid to third parties. In addition, Capital Gains and/or Income Tax may be payable if your Shares need to be realised.

### 3.7 How do I check my Portfolio?

You will be provided with a statement confirming transactions in the previous quarter, the number of Shares you hold and their value as at 5 January, 5 April, 5 July and 5 October each year, together with an update on the underlying businesses.

If you have provided an email address on the Application Form you will be registered for access to our secure online Web-Portal where you can view statements for your investment. You can choose to receive updates on your investment electronically or through the post by ticking the relevant box on the application form. Your Adviser will be able to access your statement via the secure online Web-Portal.

### 3.8 How do I give you instructions?

You should contact us through your Adviser. You and your Adviser will need to sign any withdrawal request or change to standing instructions for example in relation to Regular Withdrawals. If preferred you and your Adviser can sign and send withdrawal or cancellation requests separately to TIME, provided both are received by the relevant date.

If you wish to change your authorised financial intermediary, either you or your Adviser should contact TIME and we will forward the necessary form to you. If your Adviser ceases to act for you for any reason (e.g. upon their retirement), you should appoint a substitute authorised financial intermediary who will be able to continue to advise you on suitability. You should note that you will not be able to make any withdrawals, other than under an existing Regular Withdrawal Option, if you do not have an Adviser currently appointed.

If it is not possible or appropriate for you to communicate through your Adviser (e.g. where the Adviser has retired or where you wish to pursue a complaint that cannot be handled by the Adviser), you should contact us directly.

### 3.9 How do I advise you of a change in my details?

If any of your contact details change, such as postal or email address or bank details you should write to TIME Investments, and ensure you sign the letter.

### 3.10 Can I transfer to a trust?

After two years you can review whether you should continue to own your Shares through TIME:Advance or consider transferring them into a discretionary trust, which could have potential advantages if you no longer need access to your capital. You should take specialist professional advice before deciding whether to establish a trust. The Deferred Annual Management Fee, if relevant, will be payable on transfer to a trust and paid annually thereafter.

### 3.11 How will you value my shares?

A Portfolio Company's directors will determine the Share value as at the end of each month based on a calculation of the fair value of the Portfolio Company, applying such methods of valuation as they consider appropriate. Details of these are available on request. These valuations will in turn be based on the value of the underlying operating businesses. Different valuation methods, e.g. net asset value, will be appropriate for different businesses, e.g. secured lending. Within some of these businesses, independent valuations may be obtained in accordance with their accounting policies.

### 3.12 How can I withdraw my money?

Although BR is only available if Shares are held at death, we recognise that you may need the ability to realise your investment either to meet unexpected financial commitments or because your personal circumstances have changed. Together with your Adviser, you can at any time make a partial or full withdrawal request to realise some of, or all of your Portfolio.

A withdrawal will be made by a sale to an incoming Investor, or by redemption by the relevant Portfolio Company, i.e. buying your Shares back. In either case the price will be the Share value, which will reflect the valuation of the Portfolio Company (including the underlying businesses).

We would generally expect sales or redemptions to occur on a fortnightly basis. Normally we would expect that the proceeds will be sent to you within two weeks. Timing could be subject to a number of factors including Investor inflows into TIME:Advance, the timing of receipt of the withdrawal request, and

## SERVICES GUIDE

liquidity within the Portfolio Companies and, in addition, given the nature of the Portfolio Company's underlying trading businesses, any redemption may be deferred by its board until cash is available.

Withdrawals, (other than Regular Withdrawals) should be in a minimum amount of £5,000. If your withdrawal would reduce the value of your holding below £10,000, we may request that you sell your entire Portfolio or you may prefer to reduce your withdrawal request. You will not be able to continue to hold your Shares other than through TIME:Advance.

### 3.13 What happens on death?

Your executors should contact us requesting a valuation as at the date of death. As part of the probate process your executors will submit a form to HMRC (currently form IHT-412). Assuming HMRC confirmation of applicability of BR, your TIME:Advance investment will be excluded from calculations of IHT due on your estate.

Following the grant of probate, either a withdrawal request can be made or your beneficiary can request the transfer of the Shares into his or her name. If retention is their preferred option, your beneficiary's authorised financial intermediary will need to complete an Application Form to confirm suitability and become our client. The Deferred Annual Management Fee will be calculated and paid as at the date of transfer or Final Withdrawal, but only if the Target Return has been met.

For the purposes of the beneficiary's BR qualification the relevant two year period will commence on the date of your death unless the beneficiary is your spouse or civil partner in which case they are deemed to have owned the Shares for any period which you owned them.

## 4. WHAT TAX MIGHT I PAY?

You are recommended to take your own tax advice, as your personal circumstances will dictate the tax that is payable and you should receive tax advice on an on-going basis to take account of legislative changes. We do not provide tax advice. The tax which you might pay will depend in part on whether the Shares are sold to new Investors or redeemed.

In the event of a Share sale the gain will be subject to Capital Gains Tax and could benefit from your annual Capital Gains Tax allowance. On death no Capital Gains Tax is payable, whatever the size of gain.

If Shares are redeemed you would be subject to Income Tax on some or all of the proceeds unless the amount received is covered by the personal allowance and/or dividend allowance.

If there are new Investors looking to invest, your Shares will be sold to them. If not, they may be redeemed by the Portfolio Company. Wherever possible shares will be sold to incoming Investors rather than redeemed.

The above analysis applies equally to all withdrawals (including Regular Withdrawals and withdrawals to fund Adviser Ongoing Fees).

In the event that an Investor dies within two years of the Acquisition Date, BR relief would not be available.

## 5 COMPLAINTS

### 5.1 What if I need to complain?

We hope that you do not have cause for complaint, but if you do, please contact us by phone, email or in writing. Any written complaint (whether relating to TIME or the Custodian) should be addressed to the Compliance Officer, TIME Investments, 338 Euston Road, London NW1 3BG. We will investigate the circumstances and report back to you. A copy of our complaints-handling procedure is available on request.

You will have received advice about the suitability of an investment to be held through TIME:Advance from your Adviser, who is authorised and regulated by the FCA, and you may have a right to complain about its services to the Financial Ombudsman Services (FOS) and be entitled to compensation from the Financial Services Compensation Scheme (FSCS) if it cannot meet its obligations.

Your Portfolio will be held by the Custodian, which is also authorised and regulated by the FCA; however you will not be a client of the Custodian for regulatory purposes (its client will be TIME, which will enter into the Custody Agreement as your agent) so you will not have a right to complain about its services to the FOS, although you may still be entitled to compensation from the FSCS if it cannot meet its obligations. The maximum amount of compensation is £50,000.

Further details about how to complain (including their complaints-handling procedures) are available from your Adviser and/or TIME or available from the FOS ([www.financial\\_ombudsman.org.uk](http://www.financial_ombudsman.org.uk)) or the FSCS ([www.fscs.org.uk](http://www.fscs.org.uk)). Neither you nor your Adviser will generally be entitled to complain to the FOS or to receive compensation from the FSCS if TIME cannot meet its obligations.

## PORTFOLIO MANAGEMENT AGREEMENT

### 1 APPOINTMENT

- 1.1 This Portfolio Management Agreement sets out the terms and conditions upon which the Adviser appoints TIME to manage the Portfolio for its client, the Investor and grants authority to TIME to appoint the Custodian as agent for its client, the Investor.
- 1.2 By entering into this Portfolio Management Agreement, the Adviser confirms that:
- (a) it has advised the investor on the suitability of investments to be held through TIME:Advance and its staff who provide such advice are approved by the FCA to provide investment advice; hold a current statement of professional standing issued by a body accredited by the FCA; have the requisite knowledge and experience to provide such advice; and have read and understood the Brochure, the Services Guide and other parts of the Application Pack, including the Risk section set out in the Brochure;
  - (b) it has all necessary power and authority to enter into this Portfolio Management Agreement; and
  - (c) all information and documentation provided by the Adviser in the Application Form or otherwise in connection with TIME's acceptance of the Adviser as a client in relation to TIME:Advance is or will be accurate, complete and not misleading in any respect and the Adviser will promptly notify TIME to the extent that there is any material change in any information or documentation provided.
- 1.3 The Adviser agrees to notify TIME promptly if any of the above confirmations cease to be true.
- 1.4 The Adviser agrees that TIME has the right to request further information and documentary evidence in particular relating to its expertise in relation to inheritance tax planning and the Adviser agrees to provide such information and evidence promptly.

### 2 START DATE

This Portfolio Management Agreement will come into effect on the date TIME accepts the duly completed Application Form.

### 3 REGULATORY STATUS

TIME is authorised and regulated by the FCA in the conduct of its investment business. TIME agrees to comply with the FCA Rules in relation to TIME:Advance.

### 4 CLIENT CATEGORISATION

For the purposes of the FCA Rules and based on information provided by the Adviser, TIME will treat the Adviser as its only client in respect of all services to be provided pursuant to the Portfolio Management Agreement and has categorised the Adviser as a Professional Client for all portfolio management services. As the Adviser is a Professional Client, TIME assumes that the Adviser has the necessary level of experience and knowledge in order to understand the risks involved in the investment of the Portfolio in accordance with clause 5.

### 5 DISCRETIONARY MANAGEMENT SERVICES

- 5.1 By entering into this Portfolio Management Agreement, the Adviser grants TIME the full authority to invest, at TIME's discretion, the Portfolio in investments which TIME reasonably believes to be Qualifying Investments in accordance with the Investment Objectives and to appoint the Custodian pursuant to the Custody Agreement and to give all instructions and receive all notices pursuant to that Custody Agreement, on the Investor's behalf and as the Investor's agent.
- 5.2 For the avoidance of doubt, the Adviser acknowledges that TIME has not provided it with tax advice about TIME:Advance.

### 6 INVESTMENT

- 6.1 The minimum Subscription Amount is £25,000. Subscriptions will only be accepted at TIME's absolute discretion upon receipt of a duly completed Application Form.
- 6.2 Subject to TIME's discretion, the Adviser may make additional Subscriptions at any time, subject to a minimum of £10,000. A further Application Form should be completed in respect of each additional Subscription.
- 6.3 TIME will use its reasonable endeavours to invest the full amount of a Subscription (after the deduction of fees as set out in clause 6.4) into what it reasonably believes to be Qualifying Investments. Pending investment in Shares, Subscription Amounts received will be deposited and held in the Client Bank Account. Any interest on subscription monies pending investment in Shares will be retained jointly by TIME and the Custodian as a contribution towards the cost of establishing and maintaining the Service.
- 6.4 TIME will on or about the Acquisition Date arrange for the Custodian to deduct from the Subscription Amount any Adviser Initial Fee. TIME will arrange for

## PORTFOLIO MANAGEMENT AGREEMENT

the Custodian to pay the Adviser Initial Fee to the Adviser, within ten Business Days of the Acquisition Date. TIME will typically arrange for the Initial Charge and Dealing Fee to be paid on the Investor's behalf by the Portfolio Company into which its subscription is invested on the Acquisition Date.

### 7 CANCELLATION RIGHTS

7.1 The Adviser (on behalf of its client, the Investor) has the right to cancel the Subscription provided that it notifies TIME in writing within 14 days of the date the Application Form is submitted by the Adviser to TIME.

7.2 If the Adviser exercises the right to cancel the Subscription before the Shares have been acquired, TIME will return any subscription monies as soon as practicable.

7.3 If the Adviser exercises the right to cancel the Subscription after the Shares have been acquired, TIME will treat the cancellation as a withdrawal in full pursuant to clause 8 provided that no Fees shall be payable unless TIME has incurred any third party fees or expenses, including to the Custodian (in which case TIME will be entitled to charge its Dealing Fees to the Portfolio Companies but only to the extent that such third party fees and expenses have been incurred). In addition, the Adviser understands that to the extent that the value of the Shares decreases between the Acquisition Date and the date of withdrawal, the monies returned may be less than the Net Subscription Amount. TIME will endeavour to arrange the return of any such monies as soon as practicable. Neither the Adviser nor its client, the underlying Investor, will be entitled to interest on any monies returned pursuant to clauses 7.2 or 7.3.

7.4 Where the Adviser does not exercise the right to cancel within the time period set out in clause 7.1, any termination of this Portfolio Management Agreement will be governed by the provisions of clause 14.

7.5 The Adviser acknowledges that, notwithstanding the right to cancel this Portfolio Management Agreement, the Adviser does not have the right to cancel, terminate and/or reverse any particular investment executed for the Investor's account before cancellation takes effect.

### 8 WITHDRAWALS

8.1 The Adviser (on behalf of its client, the Investor) has the right at any time to request a withdrawal of cash from the Portfolio by requesting that TIME realise the proceeds from a sale or redemption of Shares by submitting a withdrawal request, signed by the

Adviser and confirmed by the Investor, specifying the requested withdrawal amount in pounds sterling, provided that any such withdrawal request will be irrevocable unless otherwise determined by TIME.

8.2 If, as a result of a withdrawal, including a Regular Withdrawal but excluding a withdrawal to pay Adviser Ongoing Fees, the value of the Portfolio would be less than £10,000 or if the request for a Partial Withdrawal is for an amount of less than £5,000, TIME may refuse to execute the withdrawal request. In the event that TIME refuses a request pursuant to this clause, it will promptly notify the Adviser of such refusal and offer it the opportunity to recall or amend the relevant request or make a Final Withdrawal.

8.3 TIME will use its reasonable endeavours to facilitate the payment of the withdrawal amount from the sale or redemption of Shares.

8.4 TIME will be entitled to deduct, if applicable, the Deferred Annual Management Fee before sending the net proceeds to the relevant bank account specified in the Application Form.

8.5 The Adviser hereby requests TIME to effect a withdrawal each quarter as indicated in the Application Form in order to satisfy the Investor's obligation to pay to the Adviser any Adviser Ongoing Fee (as amended from time to time by both the Investor and the Adviser in writing). No deduction will be made on the Final Withdrawal for any accrued but unpaid Adviser Ongoing Fees.

8.6 The Adviser acknowledges that Shares sold or redeemed to give effect to a withdrawal request will upon such event cease to be Qualifying Investments.

8.7 In exceptional circumstances such as a change in law or practice TIME may choose to satisfy withdrawal requests (including pursuant to clause 14) wholly or partly by the transfer of investments comprised within the Portfolio.

### 9 REGULAR WITHDRAWAL OPTION

9.1 The Adviser (on behalf of its client, the Investor) has the right to request quarterly withdrawals from the Portfolio from the proceeds of a sale or redemption of Shares pursuant to the Regular Withdrawal Option (as specified by the Adviser in the Application Form of 3% of the Net Subscription Amount or such other percentage as may be agreed with TIME) provided that any instructions contained in the Application Form relating to the Regular Withdrawal Option will

## PORTFOLIO MANAGEMENT AGREEMENT

be deemed to remain effective until withdrawn or amended by the Adviser in writing and confirmed by the Investor.

- 9.2 The Adviser acknowledges that Shares sold or redeemed to give effect to the Regular Withdrawal Option will upon such event cease to be Qualifying Investments.

### 10 ORDER EXECUTION POLICY

- 10.1 TIME operates an Order Execution Policy as required by the FCA Rules. TIME will generally facilitate the purchase of or subscription for Shares and withdrawals on a fortnightly basis. The Adviser consents (on its own behalf and on behalf of the Investor) to TIME executing its orders in accordance with TIME's Order Execution Policy, and in particular to the fact that such orders will be executed outside of a trading venue.

- 10.2 TIME may execute investments by way of purchase of or subscription for Shares, or a combination of both, and withdrawals may be effected by way of sale or redemption, or a combination of both. TIME will generally seek to satisfy all withdrawal requests by way of sale, where possible. In addition, TIME may at its discretion postpone dealing with a Subscription or withdrawal request. A copy of the Order Execution Policy is available on request from TIME.

### 11 FEES

TIME will be entitled to receive the Fees, calculated and payable as set out in the Glossary. The Fees are exclusive of any value added or similar taxes which will be payable in addition if applicable. TIME is hereby authorised to instruct the Custodian to pay the Fees on behalf of the Investor. TIME shall provide a breakdown of the fees and related charges as required by the FCA Rules.

### 12 PRICING FORMULA

The number of Shares purchased in a Portfolio Company on behalf of each Investor will be determined by the following formula: Subscription Amount less Adviser Initial Fee, less the TIME Initial Charge, less the upfront Dealing Fee divided by the net asset value of the Portfolio Company.

The net asset value will be determined by the directors of the Portfolio Company and verified by TIME as at the last Business Day of each month.

### 13 CUSTODY

- 13.1 TIME will not hold the Shares or money directly and it will (as agent on behalf of the investor pursuant to the terms of this Portfolio Management Agreement) appoint the Custodian to do so pursuant to the Custody Agreement.

- 13.2 The Adviser nominates TIME and grants full power and authority to TIME to provide and receive communications and instructions on the Investor's behalf and, unless otherwise stated, to its exclusion for the purposes of the Custody Agreement. TIME may instruct the Custodian to take such steps as may be necessary to manage the Portfolio, including selling Shares to pay the Fees and any Adviser Fees.

### 14 VALUATION AND REPORTS

- 14.1 TIME will procure that the Custodian makes available via the secure online Web-Portal, or by other means, a periodic statement to the Adviser every quarter as at 5 January, 5 April, 5 July and 5 October. The periodic statement will contain all of the information required by the FCA Rules. TIME will request the Custodian to disclose within the periodic statement the value of client money balances (if any) held by the Custodian in accordance with the FCA's Conduct of Business Sourcebook. All such reports will be provided within 90 days of the period end. Receipts, the Fees and the Adviser Fees will be shown as separate items on statements from the Custodian, when received or paid.

- 14.2 Valuations for the Portfolio in the periodic statements provided pursuant to clause 14.1 will reflect TIME's good faith effort to ascertain fair value of the Portfolio based on valuation information believed by TIME to be reliable. The performance of the Portfolio will not be measured against any stock market or other index.

- 14.3 TIME may accept and retain non-monetary benefits in connection with the discretionary management but will not do so unless the benefits:

- (a) do not impair compliance with TIME's duty to act honestly, fairly and professionally in accordance with the best interests of its clients;
- (b) enhance the quality of the service TIME provides its clients; and
- (c) amount to acceptable minor non-monetary benefits.



## PORTFOLIO MANAGEMENT AGREEMENT

- 14.4** TIME shall notify the Adviser where the overall value of the Portfolio, as evaluated at the beginning of each reporting period, depreciates by 10% and thereafter at multiples of 10% no later than the end of the Business Day in which the threshold is exceeded (or, in a case where the threshold is exceeded on a day which is not a Business Day, the close of the next Business Day).
- 14.5** TIME shall make and retain records of telephone conversations and electronic communications relating to the services under this Agreement. TIME shall retain and make available to the Adviser such records relating to the reception, transmission and execution of client orders in financial instruments for a period of five years (and where requested by the FCA, for a period of seven years).
- 15** **TERMINATION**
- 15.1** The Adviser will notify TIME as soon as reasonably practicable if the Investor terminates its appointment of the Adviser or if the Adviser ceases to act as authorised financial intermediary for the Investor, including if it ceases to be appropriately authorised by the FCA or becomes insolvent. Such notification will not be treated as a withdrawal under clause 8 nor will it have effect to terminate this Portfolio Management Agreement (which will continue until a replacement authorised financial intermediary is appointed) but on such notification:
- (a)** TIME's obligations under clause 8.5 (relating to the Adviser Ongoing Fee) will cease automatically;
  - (b)** TIME will continue to rely on instructions previously received with respect to the Regular Withdrawal Option;
  - (c)** TIME will not accept any new or different instructions in relation to the Portfolio (except for any which seek to cancel or decrease any instructions under the Regular Withdrawal Option) until an approved replacement authorised financial intermediary has completed and returned an Application Form; and
  - (d)** this Portfolio Management Agreement shall cease to have effect on the completion of an Application Form by a replacement authorised financial intermediary and its acceptance by TIME.
- 15.2** Where so confirmed by the Investor, the Adviser's client, the Adviser is entitled to terminate this Portfolio Management Agreement and to instruct TIME to terminate the Custody Agreement in respect of that Investor immediately by written notice.
- 15.3** TIME is entitled to terminate this Portfolio Management Agreement on 30 days written notice or immediately if it ceases to be appropriately authorised by the FCA or becomes insolvent. In this unlikely event, TIME will make arrangements either for the transfer of the Service to another authorised manager or for its orderly winding down.
- 15.4** Termination pursuant to clause 15.1 or 15.2 above will be effective on receipt by TIME of the notice or at such time as is specified in the notice subject in either case to the completion of the sale or redemption of all of the Shares.
- 15.5** Any notice of termination will be treated as requesting a withdrawal in full and the provisions of clause 8 will apply accordingly and, as a result, this Portfolio Management Agreement will not terminate until such time as all of the Shares are sold or redeemed.
- 15.6** Subject to clause 8.4, termination will not in any event affect accrued rights, obligations, existing commitments or any contractual provision intended to survive termination and will be without penalty.
- 15.7** In the unlikely event TIME determines to cease providing TIME:Advance to all its clients, TIME may (following appropriate notifications including to the Adviser and the Adviser's client, the Investor) realise the entire Portfolio and distribute the proceeds (after fees and expenses) in the same way as if the Adviser had requested a Final Withdrawal. The Adviser acknowledges that this realisation and liquidation process may take a number of years.
- 15.8** After all of the Shares held within the Portfolio have been sold or redeemed, TIME will arrange for the Custodian to prepare a closing valuation of the Portfolio. TIME's management responsibility for the Portfolio will then cease entirely.
- 16** **LIABILITY**
- 16.1** TIME will act in good faith and with reasonable skill and care in managing the Portfolio in accordance with this Portfolio Management Agreement.
- 16.2** Subject to the following provisions of this clause 16, TIME will not be liable for any loss incurred by the Adviser or Investor except to the extent that such loss is the result of the negligence, wilful default or fraud of TIME or any affiliate.

## PORTFOLIO MANAGEMENT AGREEMENT

- 16.3** TIME will not be liable other than under clause 16.2 for any loss suffered by the Adviser or Investor arising from:
- (a) the acts, omissions or insolvency of any other person including the Custodian;
  - (b) TIME carrying out or relying on any instructions and on any information provided or made available to TIME by the Adviser and/or any person appointed by TIME under clause 17;
  - (c) save as provided by Applicable Law, a total or partial failure, interruption or delay in the performance of TIME's obligations to the extent that they result from acts, events or circumstances not reasonably within TIME's control (including, but not limited to, acts or regulations of any governmental, regulatory or supranational bodies or authorities, breakdown, failure or malfunction of any telecommunications or computer service and acts of war, terrorism or civil unrest); or
  - (d) any information provided by the Adviser or the Investor being untrue, inaccurate or incomplete.
- 16.4** Subject to clause 16.2, TIME will not be liable for any loss or damage of any direct or indirect nature caused by any changes in revenue law or practice as determined by HMRC from time to time.
- 16.5** TIME will not be responsible for loss of any indirect or consequential nature such as loss of goodwill, profit or opportunity.
- 16.6** Nothing in this Portfolio Management Agreement will require TIME to take any action which would be in breach of Applicable Law.
- 16.7** Nothing in this Portfolio Management Agreement will exclude or restrict any liability TIME has to the Adviser or Investor under the UK regulatory system or for fraud, misrepresentation, death or personal injury.

### 17 DELEGATION

- 17.1** TIME may appoint or retain any affiliate or third party to perform all or any of its obligations under this portfolio management agreement which does not constitute the exercise of TIME's portfolio management powers.
- 17.2** TIME will act with reasonable skill and care in the selection, use and monitoring of any delegate appointed or retained pursuant to clause 17.1 and, provided it has so acted, TIME will not be liable for the acts and omissions of any such delegate.

### 18 AMENDMENT

- 18.1** TIME may amend this Portfolio Management Agreement if it believes this is necessary in order to comply with HMRC requirements in order to maintain the Shares as Qualifying Investments or in order to comply with any Applicable Law by giving the Adviser written notice of such amendment. Such amendment will take effect on the date specified in the written notice.
- 18.2** TIME may make any other amendments to this Portfolio Management Agreement by giving the Adviser, with a copy for information purposes to the Investor, not less than 10 Business Days' written notice.

### 19 CONFLICTS OF INTEREST

The underlying businesses in which your Subscriptions may be invested and the entities which they may fund may deal or co-invest with entities in which TIME, its affiliates or their clients have a financial interest or to which TIME or its affiliates provide services. TIME has protocols in place to manage such conflicts whenever possible, and its conflicts of interest policy is available on request.

### 20 GENERAL

- 20.1** It will not be possible to hold fractional entitlements to Shares. On acquisition the number of Shares acquired will be rounded down to the next whole number. Similarly the number of Shares sold or redeemed will be rounded down to the nearest whole number. As a result Regular Withdrawals or Adviser Ongoing Fees may be slightly lower than the expected amount.
- 20.2** The Adviser may assign or otherwise transfer the Adviser's rights and/or obligations under this Portfolio Management Agreement (subject to the assumption by the assignee of all the assignor's obligations), with TIME's prior written consent not to be unreasonably withheld, to an FCA authorised entity. TIME, by giving reasonable notice to the Adviser, may assign or otherwise transfer TIME's rights and/or obligations under this Portfolio Management Agreement (subject to the assumption by the assignee of all TIME's obligations) to an FCA authorised entity.
- 20.3** This Portfolio Management Agreement, the Application Form, the Glossary the Services Guide and the Brochure will constitute the entire agreement between TIME and the Adviser and the Investor with respect to TIME:Advance. Terms defined in the Glossary shall have the same meaning when used in this Agreement.

## PORTFOLIO MANAGEMENT AGREEMENT

**20.4** No failure on the part of TIME or its affiliates to exercise and no delay by TIME or its affiliates in exercising any right or remedy under this Portfolio Management Agreement will operate as a waiver of the right or remedy or a waiver of any other rights or remedies provided by law.

**20.5** The illegality, invalidity or unenforceability of any provision of this Portfolio Management Agreement will not affect the legality, validity or enforceability of any other provision of this Portfolio Management Agreement.

**20.6** Any notice or communication in respect of this Portfolio Management Agreement will be in English and in writing. TIME may send any notice or communication to the Adviser at the postal address or email address provided in the Application Form (or such other postal address or email address as may be notified to TIME from time to time). The Adviser must communicate with TIME at TIME Investments, 338 Euston Road, London NW1 3BG or such other address as may be notified from time to time.

Communications sent by email to TIME should be sent to [enquiries@time-investments.com](mailto:enquiries@time-investments.com). Notice sent by first-class post will be deemed to have been received on the third Business Day after posting. Notice sent by email will be deemed to be delivered immediately (or on the next Business Day if sent after 5 pm on a Business Day or on a non-Business Day). Telephone calls may be recorded or monitored by TIME and/or the Adviser.

**20.7** The Custodian will be entitled to enforce and rely upon any term of this Portfolio Management Agreement where it is specifically named. Other than the Custodian, a person who is not a party to this Portfolio Management Agreement will have no right to enforce any of its terms pursuant to the Contracts (Rights of Third Parties) Act 1999.

**20.8** This Portfolio Management Agreement will be governed by and construed in accordance with English law and the parties agree to submit to the jurisdiction of the English courts.

## RISKS

### INVESTMENT PERFORMANCE

Achieving the Target Return will depend on a wide range of factors whether relating to the wider economy or specifically to the sectors or individual businesses which an Investor using the TIME:Advance service may invest into. There may also be limited diversification across sectors and assets. Past performance does not provide an accurate guide to future performance. Therefore there is no guarantee that the Target Return objectives of TIME:Advance will be achieved and you should recognise that your capital is at risk and you may get back less than you invested.

TIME:Advance may be exposed to a number of risk factors that may impact an Investor's financial performance. These factors include but are not limited to competition risk, inflation risk, commercial risk, liquidity risk, market risk, counterparty credit risk, project risk, interest rate risk, tax and legislation risk and other macroeconomic factors.

### DEBT

Your Portfolio may be invested in Portfolio Companies which have incurred debt, or which themselves invest in entities which have incurred debt. The use of any borrowing by any entity to which your Portfolio is exposed may create greater potential for loss as the available assets of the relevant entity may be insufficient to meet repayments and that entity may not be able to refinance existing borrowing on equal terms or at all.

### EFFECT OF WITHDRAWALS

If you choose for your Adviser's fees to be paid from your Portfolio, this will diminish your Portfolio. Where the Regular Withdrawal Option is selected and these exceed the actual return achieved in a particular period, this will similarly diminish the value of your Portfolio. Any withdrawals from the Portfolio will also cease to qualify for BR.

### LIQUIDITY

The underlying businesses are unquoted and therefore less liquid than quoted investments and whilst in the normal course it is expected that withdrawals may be made twice monthly, there is no guarantee that this will always be possible. You may be required to wait until sufficient cash is available from new subscriptions or realisation of assets for your withdrawal to occur, particularly if a large number of simultaneous withdrawal requests are received. You should therefore treat your Subscription as a long-term investment, particularly given the two year qualification period required to obtain BR. Such underlying illiquidity may also affect intended withdrawals under the Regular Withdrawal Option.

### VALUATION

The Shares in which you will invest are unquoted, and there will be no secondary market in the Shares. Therefore Shares will be issued and sold or redeemed based on valuations (including of the underlying businesses) which will involve an element of subjectivity, and/or an element of time lag. You should recognise that the value of your Shares can go down as well as up.

### BUSINESS RELIEF

The rules and practice relating to BR may change. BR is agreed by HMRC on an individual basis and whilst TIME will invest in businesses which it reasonably believes to qualify for BR, there is no guarantee that your estate will obtain 100% BR on your Subscription to TIME:Advance. It is also necessary for qualifying shares to have been held for a minimum of two years, as well as on death, and for the correct procedure to be followed and queries answered.

### TAXATION

The Target Return is based on current tax rates and practice and a change in the laws, regulations, rates and practice could also impact your post-tax return. The mechanism of any withdrawal, whether sale or redemption, could affect your tax treatment and in the case of a redemption may give rise to a liability to income tax. TIME does not provide taxation advice and you should seek professional advice before investing.

The tax benefits described are personal to an investor and their value is dependent on the investor's personal circumstances. Therefore, these tax benefits may not be available to all Investors and/or may be lost by an Investor in certain circumstances.

Tax relief may be withdrawn in certain circumstances and TIME does not accept any liability for any loss or damage suffered by any investor or other person in consequence of such relief being withdrawn or reduced. Tax law is complex and an investor should seek independent tax advice.

### RISKS RELATING TO BR

If a business in which TIME:Advance invests ceases to carry on an appropriate activity for BR purposes, the qualifying status of the your Shares may be adversely affected. While TIME will require various safeguards to be provided against this risk, it cannot guarantee that your Shares will continue to qualify for BR throughout the life of your investment.

TIME cannot guarantee that BR will be available or will continue to be available, in respect of each investment made by TIME:Advance nor whether each business company will meet the BR qualifying requirements in advance of any investment being made by TIME.

## RISKS

If a business fails to meet the BR qualification requirements, a liability to IHT may arise on the subsequent transfer of the relevant Shares.

If a transfer of Shares takes place at a time when the business fails to meet the BR qualification requirements, a liability to IHT may arise in respect of that transfer.

If, at the time the Shares are transferred, a business owns assets which are not required for use in the trade, the value of these assets (excepted assets) may be excluded from the value eligible for BR. While TIME will require that the business of each Portfolio Company is carried on in such a way that no excepted assets are held by such company at any time, it cannot be guaranteed that the full value of all Shares will be eligible for BR.

### SUITABILITY

It is your Adviser's responsibility to advise you on the initial and continued suitability of TIME:Advance for you. In common with all investments the suitability of any investment held through TIME:Advance may change, including if your personal circumstances change.

## GLOSSARY

The following defined terms are used in the Application Pack. References to statutes, rules or regulations will be taken to include any amendments made to them from time to time.

**“Acquisition Date”** means the day on which TIME uses the Subscription Amount, less any Adviser Initial Fee to acquire Shares.

**“Adviser”** means the authorised financial intermediary named in the Application Form.

**“Adviser Fees”** means the Adviser Initial Fee and the Adviser Ongoing Fee.

**“Adviser Initial Fee”** means the initial fee payable by the Investor to the Adviser for its own account as set out in the Application Form and to be calculated by TIME and deducted from the Subscription Amount on or about the Acquisition Date.

**“Adviser Ongoing Fee”** means the fee payable quarterly by the Investor to the Adviser for its own account as calculated by TIME and set out in the Application Form.

**“Applicable Law”** means all relevant laws, regulations and rules, including the FCA Rules.

**“Application Form”** means the application form completed by the Investor and the Adviser.

**“Application Pack”** means the Brochure, the Services Guide, the Application Form, the Portfolio Management Agreement, the Custody Agreement and this Glossary.

**“Brochure”** means the TIME:Advance brochure published by TIME, as amended from time to time.

**“Business Day”** means any day excluding Saturdays, Sundays and bank and public holidays in London.

**“Client Bank Account”** means the cash account maintained by the Custodian with a reputable credit institution designated as a client bank account with trust status identified as the bank account into which all Subscriptions must be paid.

**“Custodian”** means the person from time to time appointed by TIME to provide custody services in relation to the Portfolio for each Investor.

**“Custody Agreement”** means the agreement between TIME, as agent on behalf of each Investor, and the Custodian in respect of the services provided by the Custodian.

**“Data Protection Act”** means the Data Protection Act 1998, as amended from time to time.

**“Dealing Fee”** means a fee payable to TIME of 1% (plus VAT if applicable) of the Subscription Amount less the Initial Charge and the Adviser Initial Fee, which is calculated by TIME and typically paid on the Investor’s behalf by the Portfolio Company(ies) on or about the Acquisition Date. This Dealing Fee will cover any SDRT (stamp duty) or Custodian fee payable by TIME on acquisition of the Shares; or as the case may be a fee of 1% of the value of the Shares realised (plus VAT if applicable), which is payable by the Investor upon a withdrawal (other than a withdrawal to pay the Adviser Ongoing Fee or the Deferred Annual Management Fee).

**“Deferred Annual Management Fee”** means a fee of 0.75% (plus VAT if applicable) per annum of the value of the Portfolio payable to TIME, if and to the extent that the growth in the value of the Portfolio (taking into account any withdrawals, including any Regular Withdrawals or withdrawals to pay the Adviser Ongoing Fee) exceeds the Target Return, based on the Net Subscription Amount. The Deferred Annual Management Fee will be calculated by TIME and payable on Partial Withdrawal or Final Withdrawal, or if earlier on the transfer of the Shares to a trust. Following a transfer to a trust the Deferred Annual Management Fee will be payable annually in arrears, and pro rated if the transfer to the trust had occurred in the preceding year. Where a Subscription is made by a trust, the Deferred Annual Management Fee will be payable annually in arrears. TIME will arrange for Shares to be sold or redeemed to fund any payment of the Deferred Annual Management Fee other than on Final Withdrawal, when it will be deducted from the net proceeds.

**“Fees”** means the Initial Charge, the Dealing Fees and the Deferred Annual Management Fee payable to TIME.

**“Final Withdrawal”** means any withdrawal that results in the whole of the Portfolio being realised, and includes a transfer to a beneficiary of an Investor.

**“FCA”** means the Financial Conduct Authority of the United Kingdom, its successors or assigns.

**“FCA Rules”** means the FCA’s Handbook of rules and guidance, as amended from time to time.

**“FSMA”** means the Financial Services and Markets Act 2000, as amended from time to time.

**“HMRC”** means HM Revenue & Customs.

**“Independent Advisory Committee”** means the independent advisory committee, as described in the Brochure, the composition of which may vary from time to time.

**“Initial Charge”** means a charge payable to TIME of 2.5% (plus VAT if applicable) of the Subscription Amount less any Adviser Initial Fee, which is typically paid on the Investor’s behalf by the Portfolio Company(ies) on or about Acquisition Date.

## GLOSSARY

**“Investment Objectives”** means the investment objectives of the Portfolio as described in the Brochure and the Services Guide.

**“Investor”** or **“you”** means the investor on whose behalf the Adviser enters into the Portfolio Management Agreement as agent, and includes the Investor’s executors and, in the case of a joint application, includes the survivor of the two individuals.

**“Net Subscription Amount”** means the Subscription Amount net of the Adviser Initial Fee, the Initial Charge and the upfront Dealing Fee. For the purposes of calculating a Regular Withdrawal, the Net Subscription Amount will be reduced by the aggregate of any Partial Withdrawals.

**“Order Execution Policy”** means the order execution policy of TIME as referred to in the Portfolio Management Agreement.

**“Partial Withdrawal”** means a withdrawal of part of the Portfolio other than a Regular Withdrawal or as a result of payment of the Adviser Ongoing Fee, or Deferred Annual Management Fee.

**“Portfolio”** means the portfolio of assets of the Investor, including any un-invested cash, which is from time to time entrusted by the Adviser to the management of TIME under the Portfolio Management Agreement.

**“Portfolio Company”** means any company in which TIME acquires Qualifying Investments from time to time.

**“Portfolio Management Agreement”** means the agreement under which the Adviser appoints TIME to manage the Portfolio.

**“Qualifying Investments”** means shares which qualify as relevant business property for the purposes of Inheritance Tax Act 1984 Part V Chapter I Section 105.

**“Regular Withdrawal Option”** means the option for the Adviser (on behalf of its client, the Investor) to request regular quarterly payments out of the Portfolio, and **“Regular Withdrawal”** means a withdrawal under such a Regular Withdrawal Option.

**“Services Guide”** means the TIME:Advance Services Guide published by TIME, as amended from time to time.

**“Shares”** means shares in a Portfolio Company.

**“Subscription”** means an investment into TIME:Advance, made pursuant to the Application Form.

**“Subscription Amount”** means the gross investment amount paid into the Client Bank Account.

**“Target Return”** means the target of achieving a return of 3.5% per annum. The Target Return will be based on the Net Subscription Amount and will be calculated on a compound basis from the Acquisition Date until Partial Withdrawal or Final Withdrawal, taking into account any withdrawals, including any Regular Withdrawals or any withdrawal to pay the Adviser Ongoing Fee.

**“TIME:Advance”** or **“Service”** means the TIME:Advance discretionary management service, as described in the Brochure and the Services Guide.

**“TIME”** or **“TIME Investments”**, **“we”** or **“us”** means Alpha Real Property Investment Advisers LLP (trading as TIME Investments), a limited liability partnership registered in England under number OC355196, with its registered office at 338 Euston Road, London NW1 3BG, and authorised to carry out investment business by the FCA.

Where a document or notice is discussed as being **“sent”** or **“provided”** to the Investor or the Adviser, this includes being sent by email or being made available on the secure web-portal in the case of an Investor where the relevant box has been ticked within the Application Form and in the case of an Adviser in all circumstances.

## CUSTODY AGREEMENT

This document sets out the terms on which Mainspring Nominees Limited (“**Mainspring**”) (registered in England and Wales with registration number 08255713 and with its registered address at 20-22 Bedford Row, London, WC1R 4EB) agrees to provide the services below to a customer (the “**Investor**”) acting through its manager and agent Alpha Real Property Investment Advisers LLP (registered in England and Wales with registration number OC355196 and with its registered address at 338 Euston Road, London, NW1 3BG) (the “**Manager**”).

### Definitions

This contains definitions of some of the terms used in this Custody Agreement.

<b>Anti-Bribery and Inducements Policy</b>	The policy of Mainspring relating to the process in managing fees, commission, non-monetary benefits either paid or provided to Mainspring as required by the FCA Rules, and as amended by the Custodian from time to time; and	<b>Professional Client</b>	A professional client is a client who is not a retail client or an eligible counterparty for the purposes of the FCA Rules. Generally, a professional client is a client who is an entity required to be authorised and regulated to operate in financial markets, another financial institution, a large corporate body, partnership or unincorporated association meeting certain size criteria, a national or regional government, a public body that manages public debt, a central bank, an institutional or supranational institution or similar organisation or another institutional investor whose main activity is to invest in investments.
<b>Custody Agreement</b>	The contract between Mainspring and the Investor (acting through the Manager as its agent) as detailed in this document.		
<b>Custody Services</b>	Safeguarding and/or administering of investments or cash belonging to an Investor.		
<b>FCA</b>	The Financial Conduct Authority or any successor regulatory body.		
<b>FCA Rules</b>	The rules and regulations of the FCA in force from time to time.	<b>Readily Realisable Investment</b>	For the purposes of this Custody Agreement, either a packaged product (as defined in the FCA Rules), a government or public security denominated in the currency of the country of its issuer, or any other security which is admitted to official listing in an EEA State or is regularly traded on or under the rules of such an exchange or a designated exchange, or a newly issued security which can be expected to fall into any of the above categories.
<b>Investment</b>	An investment in Sterling denominated UK securities initiated for the Investor by the Manager under the terms of the portfolio management agreement entered into between the Investor and the Manager.		
<b>Investment Account</b>	A custody account in the name of the Investor opened in the books of Mainspring.	<b>Retail Client</b>	A client who is not a professional client or eligible counterparty. Under the FCA Rules, there are three client categorisations: a retail client, a professional client or eligible counterparty. Regulated firms are required to give a greater level of protection and disclosure to retail clients than to eligible counterparties or professional clients.
<b>Law</b>	Any law (including common law or other binding law), statute, regulation, code, ordinance, rule, judgment, order, decree, or directive.		
<b>Mainspring Entity</b>	Mainspring and at any relevant time, in relation to Mainspring, a "group undertaking" (as defined in section 1161 of the Companies Act 2006) of Mainspring.	<b>Settlement</b>	The process of exchanging payment for the delivery of legal title to investments (or vice versa).
<b>Mainspring Nominee</b>	A body corporate wholly owned by Mainspring whose business consists solely of acting as a nominee holder of investments or other property.	<b>Sub-Custodian</b>	A firm other than a Mainspring Entity which provides Custody Services and which may be appointed by a Mainspring Entity.
<b>Portfolio Company(ies)</b>	A company (or companies) into which the Manager may invest from time-to-time under the terms of the portfolio management agreement between the Investor (acting through its Adviser, as its agent) and the Manager.	<b>TTCA</b>	means title transfer collateral arrangement, as defined under the FCA Rules.



## CUSTODY AGREEMENT

### 1 CAPACITY

The Investor warrants on a continuing basis that it has granted to the Manager full power and authority to enter into and implement this Custody Agreement on behalf of the Investor and that Mainspring may accept instructions on the Investor's behalf from, and can send all communications and other notices required under this Agreement to, the Manager.

### 2 REGULATION OF INVESTMENT BUSINESS

Mainspring is authorised and regulated by the Financial Conduct Authority in the conduct of investment business. The FCA's address is 25 The North Colonnade, Canary Wharf, London, E14 5HS. Mainspring is registered on the Financial Conduct Authority's register with the firm reference number 591814. Mainspring's principal place of business and its correspondence address is 20-22 Bedford Row, London, WC1R 4EB.

### 3 CLIENT STATUS

- 3.1 In accordance with and for the purposes of the FCA Rules, Mainspring will treat the Manager as its client and has classified the Manager as a Professional Client.
- 3.2 The Manager has the right to request to be treated as a Retail Client for some or all of the services Mainspring provides. However Mainspring will not accept such requests.
- 3.3 This Custody Agreement does not confer a benefit on any person who is not a party to it. A person who is not a party to this Custody Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

### 4 SERVICES TO BE PROVIDED

- 4.1 The services to be provided by Mainspring on behalf of the Investor are:
- (i) providing Custody Services in relation to Investments;
  - (ii) executing orders in respect of Investments;
  - (iii) receiving orders from the Manager in respect of Investments and passing them to third parties for execution; and
  - (iv) providing Custody Services in relation to cash derived from, related to, or required to purchase, Investments for which Mainspring provides the services in clauses 4.1(i)-(iii);

(the "Services").

4.2 To enable Mainspring to assume and continue to carry out its duties under this Custody Agreement, the Manager shall (whether itself, on the Investor's behalf, or by ensuring that the Investor completes such actions) complete such transfers, mandates or other documents and do such acts and things as shall be within its power from time to time required by Mainspring to bring the Investments and/or cash which are the subject of the Services under Mainspring's or a Mainspring Nominee's control and to enable Mainspring or a Mainspring Nominee to deal with it as custodian at the commencement of or at any time during the currency of this Custody Agreement provided that Mainspring may, in its absolute discretion (such discretion to be exercised reasonably), decline to accept (in whole or in part) any Investments or cash which the Manager requests Mainspring to hold.

4.3 In providing the Services, Mainspring is entitled to take any action or to refuse to take any action which Mainspring regards as necessary for Mainspring to comply with the FCA Rules or any applicable Law.

4.4 Mainspring will exercise reasonable care in the performance of the Services and its other duties under this Custody Agreement as can reasonably be expected of a custodian of private equity or other illiquid investments and shall undertake the Services in accordance with this standard of care.

4.5 This Custody Agreement does not cover the provision of other services not listed above, including but not limited to Custody Services in relation to (i) investments or assets that are not Investments or (ii) cash that is not derived from, related to or required to purchase Investments. If such services are required, these must be agreed separately.

4.6 For the avoidance of doubt, under this Custody Agreement Mainspring will not be providing, and will not be required to provide or assess, advice on the merits, suitability or appropriateness of transactions which take place as part of or in connection with the Services.

4.7 Mainspring shall be entitled to delegate the whole or any part of its obligations under this Custody Agreement to any Mainspring Entity provided that its liability to the Investor shall not be affected thereby.

## CUSTODY AGREEMENT

### 5 STATEMENTS AND VALUATIONS

- 5.1 Mainspring will provide the Manager (acting on the Investor's behalf) with a copy of contract notes (if required) and semi-annual statements of the Investor's Investments and cash Mainspring provides Custody Services.
- 5.2 In producing the statements in clause 5.1 Mainspring will perform a reconciliation check of the holdings and investigate any discrepancy.
- 5.3 Valuation for Readily Realisable Investments will be determined by Mainspring using information received from reputable published sources and/or Mainspring's reasonable judgement adopting standard market evaluation practices. For Investments that are not Readily Realisable Investments, the Manager will advise Mainspring of the appropriate valuation for all Investments. Mainspring will be entitled to rely entirely on the Manager's valuations, and shall have no obligation to make any independent investigation of them.
- 5.4 In the event that the Manager judges that the valuation of any particular Investment should be zero, and that there is no reasonable expectation that the Investor is going to receive any financial return from such Investment, the Manager may, after having given notice to the Investor and Mainspring and in the event that the relevant Investment is not to be sold or, where applicable, liquidated, dissolved or wound-up with any relevant proceeds being credited to the Investor, instruct Mainspring in writing (to include email) to remove the Investment from the Investor's Investment Account. Upon completing such instruction, Mainspring shall arrange for the Investment to be registered in the Investor's name at the Manager's expense and pass any relevant documents of title to the Manager for forwarding to the Investor and Mainspring will cease to perform the Services under this Custody Agreement in relation to that Investment.

### 6 FEES

- 6.1 Fees and other charges for the Services are agreed separately between Mainspring and the Manager. Additional charges may apply for ancillary actions necessary in the performance of the Services such as telegraphic transfers, obtaining indemnities for lost share certificates and changes of registration or transfer. Mainspring will use its reasonable endeavours to inform the Manager of these prior to incurring such costs.
- 6.2 Unless otherwise agreed, the parties agree that:

- (i) The Manager will pay the fees to Mainspring. The parties may separately agree that the Manager will procure the payment of certain fees by Portfolio Company(ies), such fees payable in respect of the Services and if not paid within 30 calendar days of such procurement request then the Manager will pay the fees to Mainspring; and
- (ii) any processing fees payable in relation to the receipt of monies into or payment of monies out of the Client Bank Account will be paid by the Manager from the fees received by it.

- 6.3 The charges for any additional services that Mainspring may provide to the Investor under a separate agreement pursuant to clause 4.5 will be agreed separately with the Investor and will be payable by the Investor directly.
- 6.4 The Manager will be responsible for the calculation of any fees, commissions or other payments payable by the Investor to the Manager or any Adviser under any separate agreement between the Manager or Adviser and the Investor and the Manager may instruct Mainspring to make payments to the Manager or Adviser from any cash funds held on the Investor's behalf by Mainspring. The Manager on behalf of the Investor authorises Mainspring to act on any such instruction and Mainspring shall rely absolutely on any such instruction by the Manager and will have no obligation to confirm the Manager's calculations.
- 6.5 Mainspring will provide the Manager with reporting on a periodic basis (at least annually) and otherwise upon written request by the Manager, with the necessary information, relating to the costs and any related charges in accordance with the FCA Rules.

### 7 INSTRUCTIONS

- 7.1 Mainspring will only accept written instructions (to include email) relating to Investments and cash holdings of the Investor from the Manager. The Investor authorises Mainspring to accept instructions from any duly authorised signatory of the Manager, and agrees that Mainspring will not be able or required to accept instructions directly from the Investor in relation to the Services.
- 7.2 The Investor should contact the Manager if it has any questions regarding the Services that Mainspring provides under this Custody Agreement.

## CUSTODY AGREEMENT

**8 ACCOUNTING FOR TRANSACTIONS – CONTRACT NOTES AND CORPORATE ACTIONS**

**8.1** Mainspring shall only be required to provide contract notes, notices of company actions and entitlements and any periodic valuations or other information to the Manager.

**8.2** Mainspring will not be responsible for any losses incurred should the Manager fail to forward information to the Investor, or fail to do so in a timely fashion.

**9 SAFEGUARDING AND USE OF THIRD PARTIES**

**9.1** The Parties acknowledge that notwithstanding any other provision of this Agreement, the assets of each client portfolio shall be segregated from the assets of other portfolios and shall at all times remain the sole property of the Investor; and shall not, other than on the Manager's instructions be used to discharge (directly or indirectly) the liabilities of or claims against any other portfolio, and shall not be available for such purpose, and any liability incurred on behalf of or attributable to any portfolio shall be discharged solely out of the assets of that portfolio.

**9.2** The Investor shall retain at all times exclusive beneficial ownership of the securities, and the client account will indicate that securities do not belong to Mainspring and will be segregated from Mainspring's assets. Mainspring will, or will arrange for its Sub-Custodians to, identify in its books that the securities belong to the Investor's portfolio and the amount that is attributable to the securities account.

**9.3** Mainspring may appoint a Sub-Custodian in accordance with the FCA Rules.

**9.4** Mainspring will not deposit Investments held on behalf of the Manager with a Sub-Custodian in a third country, for the account of another person, which does not regulate the holding and safekeeping of Investments except as permitted under the FCA Rules. Any such appointment of a Sub-Custodian will require such Sub-Custodian to comply with such FCA Rules in the event it delegates any of its functions concerning the holding and safekeeping of the Investments to another third party.

**9.5** Mainspring will take necessary steps to ensure that the Manager's Investments deposited with a Sub-Custodian will be identifiable separately from the applicable assets of Mainspring and the Sub-Custodian.

**9.6** The Manager confirms that if permitted by applicable law, and required by the investing strategy of the Manager which requires Mainspring to appoint a Sub-Custodian, the Manager's Investments may be held in an omnibus account by a Sub-Custodian.

**9.7** The Manager acknowledges and accepts that where a Sub-Custodian is required and has been appointed, it may not be possible under applicable law for the Manager's Investments to be separately identifiable when held with a Sub-Custodian.

**9.8** In the event that the Manager's investing strategy results in the requirement for Mainspring to appoint and use the services of a Sub-Custodian, the Manager acknowledges and accepts that Mainspring may hold Investments belonging to the Manager in accounts that may be subject to laws of a jurisdiction other than that of an EU member state. The rights the Manager has relating to those Investments may differ accordingly.

**10 CONFLICTS OF INTEREST**

**10.1** Mainspring may provide its Custody Services to other customers of the Manager and other customers more generally, including acting for investors in investment vehicles, such as limited partnerships. It is therefore possible that Mainspring may provide Custody Services to the Investors and any investment vehicles the Investor invests in.

**10.2** Mainspring has a duty to take all reasonable steps to identify conflicts of interest between Mainspring and its clients or one client of Mainspring and another that may arise in the course of providing its services. Mainspring has designed its business to minimise the chance of conflicts of interest occurring and to ensure the fair treatment of its clients in situations where a conflict of interest may arise. On occasion, when a conflict of interest does arise Mainspring will always try to resolve it fairly to the best advantage of the clients involved, however the action Mainspring takes to resolve any conflict may work to the disadvantage of some of the clients involved. Mainspring has a policy in place that sets out its principles for minimising and managing potential conflicts of interest which may give rise to a material risk of damage to the interests of one or more of Mainspring's clients. The policy also explains how Mainspring mitigates conflict through the design of its business. A copy of Mainspring's conflicts of interest policy is available on request.

**10.3** A copy of Mainspring's conflicts of interest policy is available from Mainspring at the following link <https://mainspringfs.com/policies/conflictsofinterest/>.

## CUSTODY AGREEMENT

**10.4** Members of the Board of Mainspring may choose to accept a directorship or consultancy with another company operating in the financial services market. Any interests of this type are declared and a register of interests is maintained by the Company Secretary.

**10.5** In the provision of the Services to the Investor Mainspring may receive commission or other benefits in kind. Mainspring will only do so when permitted by the FCA Rules.

### **11 COMPLAINTS AND COMPENSATION ARRANGEMENTS**

**11.1** All complaints regarding the Services by the Investor should in the first instance be referred in writing to the Manager.

**11.2** All complaints (including MiFID Complaints, as defined under the FCA Rules) by the Manager and all complaints received by the Manager in accordance with clause 11.1 should be sent free of charge to Mainspring's Compliance Officer. A written copy of Mainspring's complaints handling procedures is available at the following link: <https://mainspringfs.com/policies/complaints/>, and will otherwise be provided in accordance with the FCA Rules.

**11.3** If a complaint is not resolved to the Investor's satisfaction and the Investor is an 'eligible complainant' (as defined in the FCA Rules), the Investor may be able to refer the complaint to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR ([www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)). The Financial Ombudsman Service is an organisation set up by Law to give consumers a free and independent service for resolving disputes with financial firms. Details of the persons who are 'eligible complainants' can be obtained from the Financial Ombudsman Service. However, the Investor may not be an eligible complainant for these purposes.

**11.4** Mainspring is covered by the Financial Services Compensation Scheme Limited ("FSCS"). In certain circumstances, and if the Investor is an 'eligible claimant' (as defined in the FCA Rules), the Investor may be entitled to compensation from the FSCS if Mainspring is in default and unable to meet its financial obligations to the Investor. The amount of compensation available from the FSCS for investment business is £50,000. Further information on the FSCS (including as to the meaning of 'eligible claimant') can be obtained at [www.fscs.org.uk](http://www.fscs.org.uk).

### **12 MONEY LAUNDERING REGULATIONS**

Anti-money laundering legislation, rules and guidance require Mainspring to obtain evidence of identity before undertaking investment business for a client. Mainspring is also required to do this by legislation designed to combat serious crime. It will rely on customer due diligence already undertaken on the Investor by the Manager. However, Mainspring reserves the right to request additional information from the Investor and to cease to perform the Services until satisfactory additional information is provided. Mainspring is likely to request such information if the Investor requests Mainspring to receive or remit funds or securities from or to persons who are not party to this Custody Agreement or in any other circumstances when Mainspring considers that such additional information is required.

### **13 ANTI-BRIBERY AND INDUCEMENTS**

**13.1** Where Mainspring pays, provides, accepts or receives a fee, commission or non-monetary benefit in accordance with the FCA Rules, Mainspring will inform the Manager, prior to the provision of the relevant service:

- (a) of the existence and nature of the payment or benefit; and
- (b) the amount of the payment or benefit or, where the amount cannot be ascertained, the method for calculating that amount.

**13.2** The Manager hereby confirms that it has received a copy of, and consents to the terms of Mainspring's Anti-Bribery and Inducements Policy which deals with any fees, commission or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party. A copy of Mainspring's Anti-Bribery and Inducements Policy is available from Mainspring at the following link <https://mainspringfs.com/policies/anti-bribery-and-inducements-policy/>

**13.3** Mainspring will provide the Manager with periodic reporting statements to inform the Manager regarding any fees, commission or any monetary benefits transferred to the Manager.

### **14 CONFIDENTIALITY**

**14.1** Mainspring will at all times keep confidential information acquired from the Manager or the Investor as a consequence of this Custody Agreement. Mainspring will only use such information for the sole purpose of providing the Services and will not, without written consent (to include email) (which in respect of the Investor and the Manager, Mainspring need only

## CUSTODY AGREEMENT

obtain from the Manager), disclose the information to any third party other than when necessary to perform its duties under this Custody Agreement (in which case the information may be disclosed to Mainspring Entities and relevant third parties).

- 14.2 The duty of confidentiality in clause 14.1 will not apply to:
- (i) any information which is in the public domain (provided that this has not happened because of a breach of this Custody Agreement by a Mainspring Entity or of any other duty of confidentiality Mainspring is under);
  - (ii) any information that Mainspring can clearly demonstrate was already possessed by a Mainspring Entity prior to disclosure by the Manager or the Investor;
  - (iii) any information that can clearly be demonstrated to be independently originated by a Mainspring Entity or acquired by a Mainspring Entity from a third party in circumstances in which such party is free to disclose it to others;
  - (iv) the extent that a Mainspring Entity is required to disclose the information by a regulatory authority or under any applicable Law; and
  - (v) disclosure of information to a Mainspring Entity's professional advisers, to the extent that such disclosure is reasonably necessary for the performance of services by that adviser.

### 15 DATA PROTECTION

- 15.1 The nature of this Custody Agreement and the Manager's status as agent of the Investor in connection with this Custody Agreement (the "Agency Services") dictate that either Mainspring or the Manager may act as a data controller and/or a data processor in connection with the performance of the Services, the Custody Services and Agency Services respectively. The parties acknowledge that the Manager will be data controller (as defined in the Data Protection Act 1998) of the Personal Data except in the limited circumstances where the Manager processes Personal Data in relation to the Agency Services or where Mainspring uses the Personal Data to comply with its regulatory requirements, in which instances Mainspring will be data controller. Mainspring and the Manager will comply with their obligations as a data controller in relation to the performance of the Services, the Custody Services and the Agency Services, respectively.

- 15.2 Mainspring and the Manager have policies in place to comply with current UK Data Protection laws and regulations in respect of 'Personal Data' (as defined in the Data Protection Act 1998). Where one party processes Personal Data as a data processor on behalf of the other, the relevant data processor shall process the Personal Data solely for the purposes of carrying out the Services or Agency Services respectively and to comply with Mainspring's and/or the Manager's regulatory obligations.

- 15.3 Disclosure to third parties: To the extent that Mainspring or the Manager processes Personal Data as a 'data processor' (as defined in the Data Protection Act 1998), that entity will not disclose Personal Data to third parties, except:

- (i) to third parties to whom it is reasonably necessary to disclose the Personal Data in order to perform the Services or the Agency Services respectively;
- (ii) to its professional advisers bound by obligations of confidentiality (written or otherwise); and
- (iii) where they have a legal or regulatory obligation to do so.

- 15.4 Security of Personal Data: In respect of any Personal Data processed by the Manager or Mainspring in connection with this Custody Agreement, the relevant data processor warrants and undertakes that it shall, and its sub-contractors shall:

- (i) put in place appropriate technical and organisational measures against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access to such Personal Data as well as reasonable security programmes and procedures for the purpose of ensuring that only authorised personnel have access to such Personal Data or the processing equipment to be used to process such Personal Data and that any persons whom it authorises to have access to such personal data will respect and maintain all due confidentiality; and
- (ii) ensure the reliability of all its personnel who process such Personal Data including using all reasonable endeavours to procure that all persons who are its directors, officers, employees, permitted agents and sub-contractors comply with Data Protection Act 1998, and in particular the data protection principles set out therein, in connection with this Custody Agreement.

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- 15.5** Disclosures outside the European Economic Area (“EEA”): If Mainspring or the Manager, in the performance of the Services or Agency Services respectively, transfers any Personal Data to any third party where such third party is located outside the European Economic Area, the exporting party and the importing party shall, in advance of any such transfer, execute the Standard Contractual Clauses approved for the purposes of Directive 95/46/EC for the transfer of personal data to data processors in third countries that do not ensure an adequate level of protection for such personal data.
- 15.6** Retention of data: Mainspring and the Manager will retain Personal Data received from the other (the “**Providing Party**”) as directed by the Providing Party and only for the duration of the purpose for which it was obtained, save that they may need to continue to hold some details about the Investor for longer for legal and/or regulatory purposes. In addition, if the Investor ceases to have a relationship with either of Mainspring or the Manager, the entity with whom the Investor continues to deal may also continue to use the Personal Data for the purpose of performing the Services or the Agency Services respectively.
- 15.7** Information about Personal Data: The Investor may contact Mainspring via email on [contact@mainspringfs.com](mailto:contact@mainspringfs.com), with any questions about their Personal Data held by Mainspring.
- 15.8** Mainspring may record telephone calls for security purposes and telephone calls may be monitored as part of Mainspring’s quality control procedures.

### 16 SAFE CUSTODY SERVICE

#### Custody of Investments

- 16.1** All Investments of the Investor shall be held by a Mainspring Nominee and will be recorded in an Investment Account for the Investor. The title of the Investment Account shall indicate that the Investments do not belong to Mainspring.
- 16.2** Documents evidencing title to such Investments will be held in the physical possession of Mainspring or a Mainspring Nominee. Mainspring shall segregate such documents from any such documents of Mainspring and shall take all reasonable measures to ensure such segregation where documents are held by a Mainspring Nominee.
- 16.3** Investments that are UK equities will be held through the CREST system when eligible. Other UK securities may be held in certificated form.

- 16.4** Investments held by Mainspring may be released on completion of sales or for administrative purposes. Mainspring will not use Investments held on behalf of the Investor for Mainspring’s own account.

#### Collateral & lending

- 16.5** The Investments shall not be lent to a third party or borrowed against (by either the Investor, the Manager or Mainspring) and are free of mortgage, charge, pledge, lien, right of set-off or any security interest, encumbrances and claims whatsoever in favour of a third party.
- 16.6** Mainspring will not enter into any TTCA. Where Mainspring entered into a TTCA before 3 January 2018, Mainspring will take all reasonable steps to promptly terminate such arrangements.

#### Securities financing

- 16.7** Mainspring may not enter into arrangements for securities financing transactions or otherwise use assets in the Investment Account for its own account or the account of another client (including where held on behalf of a client in an omnibus account maintained by a third party) unless the Manager has given express prior written consent and the use is restricted to the terms specified in writing between the Parties and in accordance with the FCA Rules.

#### Lien

- 16.8** In addition to any right of legal or equitable set-off or lien or other right to which Mainspring is entitled under any applicable Law and in accordance with the FCA Rules, Mainspring shall also have a general lien over Investments from time to time credited to an Investment Account of the Investor and a right of set-off in respect of any cash derived from those Investments and standing to the credit of that Investment Account in respect of (a) all fees and charges properly due and payable to Mainspring and (b) any other charge or liability properly incurred by Mainspring, in either case in connection with Mainspring’s provision of the Services in respect of that Investment Account.
- 16.9** The Manager authorises Mainspring to grant security interests, liens and rights of set-off over the Manager’s Investments to Sub-Custodians to enable Sub-Custodians to dispose of the Manager’s Investments in order to recover debts in accordance with the FCA Rules.

## CUSTODY AGREEMENT

**Information**

- 16.10** Note: Holding Investments in a pooled account could make the Investor's individual holdings more time consuming and difficult to identify than if the Investor were to have a separate account in the event of default by Mainspring. Individual entitlements may not be identifiable by separate certificates, other physical documents or equivalent electronic record. In the event of an irreconcilable shortfall after the default of Mainspring, clients may share in that shortfall in proportion to their original share of their assets in the pool.

**Reporting**

- 16.11** Mainspring will comply with all necessary reporting obligations relating to statements of the Manager's Investments as required under the FCA Rules.

**Registration**

- 16.12** Mainspring will register all registrable Investments in the name of a Mainspring Nominee.

**Corporate Actions**

- 16.13** Mainspring will not be responsible for taking up rights, exercising conversion or subscription rights or dealing with takeovers, other offers or capital reorganisations in connection with Investments, other than as instructed by the Manager.

**Record keeping**

- 16.14** Record keeping of the documents agreed between Mainspring and the Manager which sets out the rights and obligations of the Parties under an agreement to provide services or the terms on which Mainspring provides services shall be maintained by Mainspring for at least the duration of the relationship with the Manager.
- 16.15** Additionally, records and accounts will be maintained by Mainspring so that they may be used as an audit trail.
- 16.16** Any agreement regarding any arrangement relating to a TTCA will be retained by Mainspring from the date of the agreement and until 5 years after the agreement is terminated.

**17 CASH**

- 17.1** Mainspring shall hold any cash of the Investor as client money as defined in the FCA Rules ("**Client Money**") in accordance with the FCA Rules on Client Money (the "**Client Money Rules**"). The Investor acknowledges and agrees that Mainspring may appoint a bank or

banks to hold cash held on the Investor's behalf in a 'client bank account' as defined in the FCA Rules (a "**Client Bank Account**") along with cash of other customers of the Manager for whom Mainspring provides Custody Services. Mainspring shall ensure that the specific interests of the Investor in such account are recorded by Mainspring. Cash held in such an account will be held by the bank as banker and the bank will not be required to hold the cash as trustee or in accordance with the Client Money Rules. Therefore the cash may not be segregated from such bank's own money and may be used in the course of that bank's business, and Mainspring acting on behalf of the Investor will rank only as a general creditor of the bank.

- 17.2** Prior to opening a Client Bank Account, Mainspring shall require from the relevant institution an 'acknowledgement of trust' document that satisfies the requirements in rule CASS 7.8.1R of the FCA Rules (or its successor rule from time to time).

- 17.3** Mainspring will provide information to the Manager with respect to such accounts as is required by the Client Money Rules, and the Manager will communicate such information to the Investor with respect to such accounts as required by the Client Money Rules and, when necessary, shall obtain appropriate consents from and shall give appropriate notifications to the Investor.

- 17.4** Mainspring will use all due skill, care and diligence in the selection, appointment and periodic review of the bank or banks appointed to hold cash held on the Investor's behalf and the arrangements for the holding of such cash.

**18 CASH MANAGEMENT**

- 18.1** Unless otherwise agreed between the Investor and the Manager, all interest earned on cash held on behalf of the Investor by Mainspring will be retained by the Manager and Mainspring.

- 18.2** The Manager acknowledges that the allocation of cash receipts to the Investor may result in fractional entitlements of less than a penny. In such cases, having taken adequate steps to allocate such receipts to the Investor on a basis that enables their fair distribution, Mainspring may in circumstances agreed with the Manager and where consistent with the FCA Rules, cease to treat the fractional entitlements as Client Money of the Investor.

- 18.3** The Manager will be responsible for claiming any dividends, interest and any other entitlements from Investments held on the Investor's behalf. Once

## CUSTODY AGREEMENT

received by Mainspring, such entitlements will be placed in a Client Bank Account operated by Mainspring as described in clause 18.1.

- 18.4** Mainspring will only transfer Client Money to a third party in accordance with the FCA Rules.
- 18.5** Tax may be deducted from payments due to the Investor if it is due to be deducted under any applicable Law or practice. However, Mainspring shall bear no responsibility for advising, and shall be under no duty to advise, the Manager or the Investor on their tax affairs.
- 18.6** The Investor consents to the following:
- (i) if there has been no movement on a Client Money balance of the Investor of less than £1,000 for a period of at least six years (notwithstanding any payments or receipts of charges, interest or similar items); and
  - (ii) Mainspring has taken reasonable steps to contact the Investor to return the balance,

Mainspring may cease to treat the balance as the Investor's Client Money. Before doing so Mainspring will write to the Investor at the last known address informing the Investor of Mainspring's intention to do so and giving the Investor at least 28 days to claim the balance. Mainspring will make good any valid claim against released balances.

## 19 DEALING

- 19.1** Mainspring will only execute an order for an Investment when:
- (i) the necessary amount of cleared funds or Investments are held by Mainspring on the Investor's behalf; and
  - (ii) it receives specific written instruction (to include email) from the Manager as to (a) the instrument which shall be the subject of the transaction, (b) the time at which the order is to be executed, (c) the execution venue on which the order must be executed, (d) the price at which the order must be executed and (e) the settlement date for the transaction (if other than the standard settlement period for the instrument in question).
- 19.2** The Manager acknowledges and agrees (on its and the Investor's behalf) that Mainspring's obligation to provide best execution shall be satisfied by the Manager's instruction given in accordance with clause 19.1(ii) and when such instruction requires the execution of an order outside of a 'regulated market' or a 'multilateral trading facility' (both as defined in

the FCA Rules), the Manager consents (on its and the Investor's behalf) to such execution. In accordance with clause 4.6 Mainspring will not, and will not be required to, provide or assess advice on the merits, suitability or appropriateness of transactions which take place as a result of the Services. For information about Investments, the risks associated with Investments and execution venues the Investor should consult the Manager.

- 19.3** Unless otherwise agreed with Mainspring, when funds are to be transferred to Mainspring for the purposes of clause 19.1(i) they should be transferred by way of telegraphic transfer or by cheque. If funds are received by cheque, Mainspring will not complete any investment or transfer instruction until it has received cleared funds into the relevant Client Bank Account, which may be up to 5 working days from receipt of the cheque by the relevant bank.
- 19.4** The Manager acknowledges that an instruction may give rise to Mainspring effecting a transaction on the Investor's behalf that results in fractional entitlements. When an issue of new shares is over-subscribed the Manager will be solely responsible for determining the allocation of shares and Mainspring will be able to rely on their determination.
- 19.5** When Mainspring agrees to execute an instruction, Mainspring may aggregate orders for the Investor with those orders of other customers and for itself. This may include combining a number of orders from customers for the purchase or sale of a single investment. Mainspring will only do so when it reasonably believes that it is unlikely that the aggregation would work overall to the disadvantage of those customers. However, the effect of aggregation may operate on some occasions to the Investor's disadvantage in relation to a particular instruction.
- 19.6** In the absence of any written notification (to include email) from the Manager to the contrary, the Manager acknowledges and agrees on behalf of the Investor that Mainspring may act on instructions that give rise to Mainspring dealing for the Investor in circumstances in which the relevant transaction is not regulated by the rules of any stock exchange, multilateral trading facility or investment exchange.

## 20 TRANSFER OF INTERESTS

- 20.1** Unless otherwise agreed in writing (to include email), the Investor will not transfer or charge, or purport to transfer or charge, its interests in its Investments held by Mainspring to another party.



## CUSTODY AGREEMENT

### 21 VARIATION AND TERMINATION

**21.1** This Custody Agreement may only be extended or amended as provided herein. As between the Investor and Mainspring: (i) this Custody Agreement constitutes the entire agreement between Mainspring and the Investor about the subject matter of this Custody Agreement and supersedes all earlier understanding and agreements between Mainspring and the Investor and all earlier representations by either of them about such subject matter; and (ii) Mainspring and the Investor have not entered into this Custody Agreement in reliance upon any representation, warranty, undertaking, covenant, promise or statement. This clause 21.1 shall not exclude the liability of a party for fraud or fraudulent misrepresentation or concealment or any resulting right to rescind this Custody Agreement.

**21.2** Mainspring may amend this Agreement in order to comply with, or to make the Agreement consistent with, any legal or regulatory requirements or changes to which Mainspring may be subject by providing a written notice to the Manager of such amendment.

Any amendment under this clause shall take effect on the date specified in the written notice, which shall not be less than 5 business days after the issue of the notice.

**21.3** Mainspring may terminate this Custody Agreement by giving the Manager not less than 90 days' notice in writing (to include email).

**21.4** If the Manager or Investor is in breach of a material obligation under this Custody Agreement, Mainspring may terminate this Custody Agreement by giving:

- (i) in the case of a material breach that is not capable of remedy, ten business days' written notice (to include email); or
- (ii) in the case of a material breach capable of remedy, thirty days' written notice (to include email) to the Manager, provided that the breach is not remedied within the notice period.

**21.5** The Manager may terminate this Custody Agreement on behalf of the Investor on immediate written notice (to include email) to Mainspring.

**21.6** This Custody Agreement will terminate on Mainspring being given written notice (to include email) that the Investor has ceased to be a customer of the Manager in respect of the Investments held by Mainspring under this Custody Agreement.

**21.7** Whenever possible the termination of the Custody Agreement will be without prejudice to the completion of transactions already initiated but there may be circumstances when this completion may not be possible. If, at the time of termination, stock has been purchased on behalf of the Investor which has not been physically delivered due to an illiquid market or stock shortage, Mainspring shall liaise with the Manager to agree how to proceed.

**21.8** After the termination of this Custody Agreement Mainspring will:

- (i) to the extent permitted by the FCA Rules, transfer any cash and Investments held by Mainspring on behalf of the Investor to such person as the Manager or, notwithstanding clause 10.1, the Investor in the absence of an instruction from the Manager or when termination has occurred under clause 21.6, shall specify. Mainspring shall be entitled to deduct from such cash any reasonable direct out of pocket costs and expenses incurred by Mainspring in making such transfers; and
- (ii) provide the Services until the transfers in clause 21.8(i) have been completed and shall be entitled to the fees and other charges for the Services referred to in clauses 8.1 and 8.2 for doing so.

### 22 REPRESENTATIONS AND WARRANTIES

**22.1** Mainspring and the Manager each represent and warrant to each other on a continuing basis that:

- (i) it is duly incorporated, established or constituted (as the case may be) and validly existing under the Laws of its country of incorporation, establishment or constitution (as the case may be);
- (ii) it has and will continue to have full authority to enter into this Custody Agreement and to contract with the other party regarding the provision of the Services;
- (iii) it has and shall maintain all authorisations, permissions, licences and permits necessary for it to perform its obligations under this Custody Agreement;
- (iv) it does not require the consent of any governmental or other regulatory body except for such consents already obtained and disclosed to the other party; and
- (v) this Custody Agreement constitutes a legal, valid and binding obligation, enforceable in accordance with its terms.

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### 23 LIABILITY

- 23.1** Subject as provided in this Custody Agreement, Mainspring will only be liable to the Manager or the Investor for losses or costs suffered by the Manager or the Investor to the extent that they have resulted from the negligence, fraud or wilful default of Mainspring Entities in performing obligations under, or Material Breach of, this Custody Agreement. Material Breach includes, without limitation, any breach of this Agreement which (i) derives from non-compliance by Mainspring with laws and regulations applicable to this Custody Agreement or to the performance of the Custody Services provided by Mainspring under this Custody Agreement; or (ii) relates to a series of persistent breaches or an accumulation of different breaches, and which together materially adversely affect the relationship between the Manager and the Investors or the Manager's reputation and standing with Investors; and which, in either case, are either not capable of being remedied or, if capable of remedy, remain unremedied after a reasonable period for remediation following written notice from the Manager requesting such breaches be remedied.
- 23.2** Mainspring shall not be liable for any loss the Investor suffers as a result of complying with instructions accepted by Mainspring in good faith from the Manager.
- 23.3** Mainspring shall not be liable to the Investor or the Manager for the acts or omissions of any bank.
- 23.4** Mainspring shall not be liable for losses suffered as a result of delays to or the inability to effect re-registration.
- 23.5** In no event shall Mainspring be liable for any indirect or consequential losses or loss of profits, goodwill, reputation, business opportunity or anticipated saving or for special or consequential damages, whether Mainspring has been advised of the possibility of such losses or damages or not.
- 23.6** Nothing in this Custody Agreement shall exclude or restrict any duty or liability which Mainspring may have to the Manager or the Investor under the Financial Services and Markets Act 2000 or the FCA Rules or exclude any liability of a party for fraud or wilful default.

### 24 INDEMNIFICATION OF MAINSPRING

- 24.1** When required, the Investor agrees to ratify all acts properly carried out by Mainspring or a Mainspring Entity in the proper performance of and in accordance with the terms of this Custody Agreement.

- 24.2** The Investor agrees to fully and effectively indemnify and keep indemnified Mainspring on an after-tax basis against any and all losses suffered and costs incurred (but excluding Mainspring Entities' normal operating costs and expenses associated with the provision of the Services) by a Mainspring Entity (including direct losses sustained by a Sub third party used for the performance of the Services and passed to a Mainspring Entity) in connection with the Investments or the performance of the Services, provided that Mainspring shall not be indemnified against any losses or costs to the extent that they arise:

- (i) directly out of the negligence, fraud or wilful default of, or Material Breach (as defined in clause 24.1) of this Agreement by a Mainspring Entity; or
- (ii) as a result of a claim made by a third party and Mainspring has not used its reasonable endeavours to mitigate such claim.

### 25 BUSINESS INTERRUPTION

Under no circumstances whatsoever shall Mainspring be responsible or liable for any claim, loss, damage, expense or cost suffered arising in consequence of any breach, failure to perform or delay in performing any of Mainspring's obligations to the Investor under this Custody Agreement to the extent that such breach, failure, delay or inability results from or relates to any cause beyond Mainspring's reasonable control, including, but not limited to: (a) war, terrorism, riot, civil unrest, strike, lockout or other labour action, Acts of God, storm, fire, earthquake, explosion, flood, electrical failure, confiscation and/or action of any government or governmental agency; (b) any breakdown in communications whether between Mainspring and the Manager or between Mainspring and any exchange or any intermediate broker or other third party with or through whom Mainspring are dealing on the Investor's behalf or the failure or defective operation of any computer system; (c) the absence or inaccuracy of any information provided to Mainspring by the Investor, the Manager or on the Investor's behalf by any exchange, information provider or any intermediate broker or other third party with or through whom Mainspring is dealing on the Investor's behalf.

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### 26 MISCELLANEOUS

#### Invalidity

- 26.1 If any provision of this Custody Agreement is or becomes illegal, invalid or unenforceable, in whole or in part, the validity and enforceability of the other provisions of this Custody Agreement and its validity and enforceability shall not be affected.

#### Assignment

- 26.2 Mainspring may assign the benefit of the terms of this Custody Agreement to a successor firm.

#### Language

- 26.3 All communications between the parties and any documents or information will be in English.

### 27 APPLICABLE LAW

These terms are governed by and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

# Contact

☎ 020 7391 4747

@ questions@time-investments.com

🌐 time-investments.com



TIME Investments  
338 Euston Road  
London NW1 3BG

Tel: 020 7391 4747

Fax: 020 7391 4770

Email: [questions@time-investments.com](mailto:questions@time-investments.com)

Web: [time-investments.com](http://time-investments.com)

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All information correct as at January 2018.