

SARANAC  
PARTNERS

SARANAC PARTNERS EUROPE, AGENCIA DE VALORES, S.A.

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# Services & Terms of Business

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# Introduction

This document sets out the legal relationship between you and Saranac Partners Europe, Agencia de Valores, S.A. (“**Saranac Partners Europe**”) which is a Spanish investment firm under the regulatory form of an *Agencia de Valores*. It outlines our range of services, and the terms and legal basis on which we offer them. Saranac Partners Europe is authorised and regulated in Spain by the *Comisión Nacional del Mercado de Valores* (“**CNMV**”) and is registered in the corresponding CNMV official registry under number 313.

# About Saranac Partners Europe

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# 1. About Saranac Partners Europe

## 1.1. Saranac Partners Europe core beliefs

The Saranac Partners Europe proposition and business model is underpinned by five core beliefs:

### **We believe in keeping it simple**

Wealth management is complicated, keeping it simple is an art. We believe that means being clear and focused.

### **We believe in talent**

We have the best pool of multidisciplinary private client expertise in the business. We believe deeply in intellectual capital, expertise, experience and credibility. We are also creative, lateral in our thinking, responsive and proactive. Our people and culture are our alpha.

### **We believe in specialists**

Our focus is knowing our clients and deploying expertise, creativity and resources to structure the best possible solutions. We work with partners freely and openly to do that.

### **We believe in the power of the network**

We are flexible, but we are obsessive about quality. We believe a network is greater than any individual firm. Our network consists of other organisations who are specialists. They put more time, energy and resource into their area of focus than we could ever do, and they are the best in the world.

### **We believe things work better when you're all on the same side**

In our firm clients, shareholders and staff are partners. We all want better client outcomes and a better firm. We aim to provide a service that clients are happy to pay for, a firm where the best professionals want to work and an enterprise that creates genuine value.

## 1.2. Which services do we offer?

We can engage with clients through the following investment services for which Saranac Partners Europe is authorised:

- Portfolio Management
- Investment Advisory
- Active Advisory
- Reception and Transmission of Clients' Orders
- Self-directed Investment

See Part 4 for a full description of these services.

## 1.3. How do we charge?

We recognise that every client has specific and different needs. We will therefore design a Bespoke Fee Profile in consultation with you. This will be agreed with you in advance of using any of our services. Our approach to fees and charging is based on the following core principles:

- Clarity and transparency
- Fiduciary alignment
- Structural flexibility

We will agree one or more of the charging methods and structures based on the services you require and your individual circumstances and preferences. More details can be found in the Schedule of Fees and Charges which your Client Advisor will provide to you along with this document.

## 1.4. Custodian services

Where you have chosen an investment service you need to appoint a custodian for the safe keeping of your assets. For further detail please see below and refer also to Part 7 Terms of Business Sections 5.2 and 5.3.

Saranac Partners Europe has existing bilateral contractual arrangements with two custodian banks based in Luxembourg; Bank Julius Baer Europe S.A (“**JB**”) and UBS Europe SE, Luxembourg branch (“**UBS**”) and one custodian bank based in Spain, Banca March, S.A. (“**BM**”). The JB and UBS custodian agreements are governed by Luxembourg law and are under the jurisdiction of the courts in Luxembourg (although UBS retains the right to use the courts of any relevant jurisdiction with regard to the business activity concerned). The BM custodian agreement is governed by Spanish law and is under the jurisdiction of the Spanish courts. As the Luxembourg law governed agreements are more complex with more stringent disclosure requirements we also set out a summary of the key terms of our agreements with JB and UBS are set out at the end of this section.

Please note that we are also required by custodians to inform you of their independence from us i.e. that we and they have separate duties and responsibilities towards you and that there is no supervisory function from them to us or from us to them. In summary, we are responsible for advising and/or managing your account as per the terms of our engagement with you, by instructing trades to the relevant custodian in relation to your account for you. Custodians are not responsible for making those trading decisions but they are responsible for executing the trades in a timely manner and as per our instructions. The custodians are also responsible for custodying your assets. Saranac Partners Europe does not act as a custodian representative, agent or appointee.

Please note that there are also procedures put in place by custodians as between us and them, for ensuring that data protection rules both within and outside of Europe are complied with. There are also detailed protocols that govern our respective responsibilities to ensure that security and confidentiality is maintained and that there is correct and careful usage of online or remote authenticated systems for trading. There are also detailed protocols around compliance with the

regulations around financial crime, for example client identification as part of the account onboarding process. It is therefore extremely important that we receive your full cooperation, accuracy and transparency with regard to all aspects of the onboarding process for example, VAT status, certification of documents including passports and corporate resolutions. Please also note that custodians require us to inform you that they do not perform suitability or appropriateness checks on the transactions that we instruct to them on your behalf – we are responsible for this (please see Part 3 Guide to suitability and appropriateness assessment below).

You will liaise with your Client Advisor as to your preference to engage with JB or UBS or whether you prefer to request to use another custodian. Your Client Advisor will then confirm whether Saranac Partners Europe is able to engage with the custodian you select and any specific requirements in order to facilitate this arrangement.

You will need to enter into a set of legal services agreements including the main framework document which is usually named “General Business Conditions” with your selected custodian for the provision of custody and trade execution services. Saranac Partners Europe can assist you with the opening of the necessary accounts with your preferred custodian. Please note that you will be required by the custodian to sign opening account documentation in the form of legal agreements and you will be legally liable to the custodian under those agreements in your own capacity and will not be able to pass that liability on to us. Please also note that as part of the set of legal agreements, you will be required to sign a Power of Attorney, in our favour, to enable us to manage your account. Once you have signed the necessary documentation, you will become a client of your selected custodian (as well as Saranac Partners Europe) and as such you will be liable to the custodian and you will also remain liable to us under our terms of engagement with you.

Full details of the services provided including the relevant risk warnings, as well as the liabilities and indemnities and duties and responsibilities of all parties will be contained within the documentation that your custodian will provide to you. Please also note that if you permit the use of derivatives on your account that you will receive derivatives specific disclosures from the custodians including detail around the sufficiency of collateral and the terms upon which the custodian may make margin calls and the consequences if your account does not have sufficient assets. Please note that Saranac Partners Europe is also obligated to provide you with proper information about the risks of certain transactions (please see Part 6 Investment Risks and Restrictions below).

Please also note that Saranac Partners Europe is obligated to inform custodians of exact trade allocations within the requisite timeframes and if we fail to provide correct information or fail to adhere to timelines we could be liable to them, in the first instance, and they could also refuse execution of an order.

Please be aware that the custodians require both your and our agreement within the respective terms of engagement such that they can comply fully with their international tax compliance and anti-money laundering obligations, as well as their regulatory obligations towards their home regulator (which in the case of JB and UBS will be the CSSF in Luxembourg).

Please note that most custodians include a 60 or 90 day notice termination provision without cause and a right to terminate immediately for cause. Custodians are obliged to cooperate fully and transparently with the transition to another custodian to ensure an orderly migration of assets. Custodians generally also retain the right, at their discretion, to end an existing relationship with a client without giving reasons.

Please note that as regards fees (which are subject to change by the Custodian on notice – your Client Advisor will liaise with you as to

any fee changes) Saranac Partners Europe will produce Investment Management statements quarterly, or more frequently upon request. These statements will be delivered via the internet portal and you will be notified of their availability via email. Your custodian will also provide you with custody statements separately which will contain each fee as a separate line item e.g. management, transaction, loan or administration fees as well as custodian fees. Custody rates or fees are set out as a single entry and the transaction fees are broken down within the trade advice. Saranac also supplies Costs and Charges information on an annual basis that will itemise the charges in the form of the total aggregate amounts per classification so that you have full transparency around remuneration and fees charged as well as costs and expenses.

Please be aware that some custodians may require you to place all transactions with the custodian's nominated trading partner(s). Where this is the case you agree to accept that this may impact the range of products we have access to and will impact our ability to achieve best execution in line with our Execution Policy as all such transactions will be treated as directed transactions.

## **JB**

Saranac Partners Europe has entered into a series of agreements with JB dealing with online servicing and permitted users, data delivery, fees, reporting and delegation including protocols around client identification for anti-money laundering purposes and authentication for online accounts. We have also entered into a Framework Agreement with JB which sets out the key terms of our engagement with them. In terms of liability and indemnities, in the absence of their gross negligence or wilful misconduct we are required to indemnify JB for any liability, direct loss or reasonable expense or claim in relation to the specific terms of our engagement with them. Please note that JB retain the right to transfer your data anywhere outside the European Union specifically to Switzerland and Singapore and you hereby agree that you are



aware of and agree to this right subject to their data protection disclosures.

## UBS

Saranac Partners Europe has entered into a series of agreements with UBS dealing with online servicing (connect trading and UBS Transact) and permitted users, data delivery, fees, reporting and delegation including protocols around client identification for anti-money laundering purposes and authentication for online accounts. We have also entered into a Framework Agreement with UBS which sets out the key terms of our engagement with them. In terms of liability and indemnities, in the absence of their gross negligence (and for certain indemnities their breach, gross negligence or wilful misconduct) we are required to indemnify UBS for any direct damages, losses and or costs (including fines) and reasonable expenses in relation to the specific terms of our engagement with them. Specifically, we are generally liable for our fraud, misconduct, negligence or breach of obligations. Please note that UBS retain the right to transfer your data anywhere outside the European Union specifically to Switzerland, Singapore, India and Eastern Europe and to “selected third parties” and that you hereby agree that you are aware of and agree to this right subject to their data protection disclosures.

### 1.5. Who regulates us?

Saranac Partners Europe is authorised and regulated by the CNMV.

- **CNMV's Register Number:** 313
- **Madrid's Mercantile Register Number:** Volume 43507, Section 8, sheet number M 768310 with CIF number A-72440142
- **Registered office address:** Calle Hermosilla, número 11, Planta 2. 28001 Madrid, Spain.

Our authorisation status is listed on the CNMV register and can be checked by you at any time by visiting the CNMV's website:

<https://www.cnmv.es/Portal/Consultas/BusquedaPorEntidad.aspx>

Or by contacting the CNMV:

Comisión Nacional del Mercado de Valores  
Oficina de Atención al Inversor Calle Edison 4,  
28006-Madrid (España)  
Tel. number (+34) 902 149 200  
[www.cnmv.es](http://www.cnmv.es)

### 1.6. What to do if you have a complaint

If you wish to register a complaint, please contact us:

- By writing to the following address:
- Customer Service Manager
- By email to: [sac@saranacpartners.com](mailto:sac@saranacpartners.com)
- By phone or post below full details can be found at the following link on our website: <https://www.saranacpartners.com/customer-services-eu/>

If you have not received a final response within two months from the submission of your complaint, or if you are not satisfied with Saranac Partners Europe's Complaints Office decision, you may address your complaint to the Complaints Service of the CNMV by the following means:

- By letter sent to C/Edison 4, Madrid, 28006, or C/ Bolivia 56, (4th Floor), Barcelona 08018.
- By electronic filing through the Electronic Headquarters of the CNMV, using either a certificate or electronic ID, or a username and password.
- By calling the Complaints Service Telephone number: (+34) 900 535 015

Before contacting the CNMV's Complaints Service, you must have previously submitted the complaint to the Saranac Partners Europe's Complaints Office.

# A Guide to our Client Classification Regime

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# 1. Client classification regime

Applicable Law classifies clients in three categories that are intended to reflect their level of knowledge and experience in the financial markets, in order to provide each client with an adequate level of protection.

In accordance with the above, Saranac Partners Europe classifies its clients in one of the following categories:

- a. **Retail clients:** those who are not considered professional clients or eligible counterparties. Retail clients are assigned the highest degree of protection as they are presumed to have a limited knowledge and experience in financial markets.
- b. **Professional clients:** those who are presumed to have the necessary knowledge, experience and qualifications to make their own investment decisions and correctly assess the risks associated with them. Professional clients therefore receive a medium level of protection.
- c. **Eligible counterparties:** those clients who are granted the minimum level of protection as they are entities that, by their nature, operate directly in financial markets. This category only applies when providing the service of Reception and Transmission of Clients' Orders.

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## 2. Client classification change request

You have the right to request a change in the classification initially given. You will need to request the change in writing using the standard form that Saranac Partners Europe will provide for this purpose.

Saranac Partners Europe's acceptance of this request will depend on the compliance with the legal and regulatory requirements established at any given time.

In case of a request of a change from retail to professional client, you will need to satisfy at least two of the following conditions:

- You must have carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters;
- Your financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR 500,000;
- You must work or have worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged

Once the request has been submitted, Saranac Partners Europe will inform you in writing of the new classification given, or the rejection of such request.

Elective professional clients shall not be deemed to have a level of knowledge and experience comparable to that of "per se" professional clients.

Saranac Partners Europe has the right to continue to offer its clients the highest level of protection, regardless of the assigned category.

Saranac Partners Europe is not responsible for any damages or liabilities that may arise from the inaccuracy or lack of veracity of the information that you provide when requesting a change of classification.

When a change of classification to a category with greater protection is requested, acceptance will be automatic, without the need for Saranac Partners Europe to carry out any verification.

# A Guide to Suitability and Appropriateness Assessment

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# 1. Suitability and appropriateness assessment

In accordance with Applicable Law, prior to the provision of any services, Saranac Partners Europe shall evaluate the suitability or appropriateness of the transaction or of the services.

## 1.1. **Portfolio Management and Investment Advisory services**

For the provision of these services, Saranac Partners Europe will use a questionnaire, to assess your knowledge and experience in the field, your personal financial situation (including your capability to bear losses) and your investment objectives (including your risk tolerance and your investment horizon).

Saranac Partners Europe will only recommend or purchase on behalf of the client investment products that are suitable for the client considering the suitability assessment.

## 1.2. **Reception and Transmission of Clients' Orders**

For the provision of this service, Saranac Partners Europe will assess your appropriateness for the specific type of investment products for which you are requesting this service. This assessment shall be made by means of a questionnaire, with which Saranac Partners Europe will understand your knowledge and experience in the field.

As this service is only available to clients who choose to receive another service from Saranac Partners Europe and is not offered in isolation, in practice the appropriateness assessment will be included as a part of the suitability assessment.

## 1.2.1. **Execution only services**

In accordance with the Applicable Law, Saranac Partners Europe is not obliged to carry out the appropriateness assessment provided that the following conditions are met:

- the financial instrument is classified as "non-complex" according to the Applicable Law; and
- the service is provided at the client's own initiative.

In such cases, Saranac Partners Europe will inform the client that appropriateness won't have to be assessed and that, therefore, the client will not have this protection.

Likewise, no appropriateness assessment will be necessary in the case of clients classified as professionals or eligible counterparties, as they are presumed to have the knowledge, experience and qualifications to make their own investment decisions.

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## 2. Assessment monitoring and client's responsibility

Saranac Partners Europe will assess the suitability or, where applicable, appropriateness:

- i. At the outset of the relationship; and
- ii. in the event of any change in your personal circumstances.
- iii. in any event after 3 years

Saranac Partners Europe will send you the result of the initial assessment and agree any changes with you thereafter.

Where you fail to provide the required information or provide insufficient information, Saranac Partners Europe will not be able to provide you this service. You shall in any case be responsible for the information provided for the purposes of assessing suitability or appropriateness and must inform Saranac Partners Europe upon any change that may entail an amendment of the suitability or appropriateness' assessment made.

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### 3. Co-ownership

In the event of the designation of several co-owners or authorized persons, the assessment will be carried out as follows:

- For the suitability assessment, on the person who appears as the first owner.
- For the appropriateness assessment, on the person who transmits each order on a case-by-case basis.

In addition, in the case of the client being a legal person, for the purposes of the assessment Saranac Partners Europe will consider the knowledge and experience of the authorised or representative person, and the financial situation and investment objectives of the legal person.



# A Guide to our Services

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# 1. Investment Services

Saranac Partners Europe offers a comprehensive range of investment services on an open architecture basis. Our investment team evaluates and selects investment products from across the market to create our Approved List. These investment products and securities are subject to our robust due diligence and approval process.

Saranac Partners Europe offers a range of investment services to suit your preferred approach

- Portfolio Management
- Investment Advisory
- Active Advisory
- Reception and Transmission of Clients' Orders
- Self-directed Investment

## 1.1. Portfolio Management

The Portfolio Management service is for clients who wish to delegate the management of their assets to a dedicated Saranac Portfolio Manager. The PM will work with you to establish a clear mandate for the management of your assets which will be documented within the Investment Mandate. The Investment Mandate will clearly articulate the Risk Profile, return requirements and investment and service preferences for the Account. Once the Investment Mandate is agreed, the PM will have the information to understand your individual situation, your knowledge and experience of investments, your personal financial situation, your investment objectives and your willingness and capacity to bear loss. This is the suitability assessment and will determine an asset allocation based on the views of the Saranac Partners Europe Investment Committee. The PM will then construct a portfolio using a blend of the products referred to in 1.1.1 below. The PM will actively manage the portfolio subject to the instructions and constraints within the mandate. The PM will maintain the Risk Profile

of the portfolio while simultaneously looking for opportunities to achieve returns through asset allocation and product / manager selection. The portfolio will always be suitable for you as a whole, notwithstanding the fact that it may contain financial instruments or assets that individually exceed or are lower than the client Risk Profile. All portfolios will be reviewed annually with you as part of the Client Review process.

### 1.1.1. Product coverage

Saranac Partners Europe only provides Portfolio Management services on those instruments or products in which it is authorised to provide such service according to its programme of activities registered with the CNMV.

Our Portfolio Management service encompasses a broad range of asset classes and products including equities, public debt, bonds, funds, structured products / deposits and derivatives. The range will include financial instruments issued both by third party entities and companies belonging to the same group as Saranac Partners Europe or with close links to it (this is, any entity having close legal or economic relationship with Saranac Partners Europe), as well as other types of non-financial assets (real assets such as real estate or infrastructure). Portfolio Managers will typically maintain a high degree of liquidity in the portfolio but may access less liquid investment opportunities where permitted by the mandate. PMs may also use derivatives in order to manage volatility or to hedge currency or interest rate risk.

### 1.1.2. **Decision making**

When selecting the Portfolio Management service, clients choose to fully delegate decision-making to their PM who has full discretion to manage risk and assess opportunities in the market, subject to the instructions within the Investment Mandate. You can request a meeting or discuss your portfolio and its performance with your Client Adviser and Portfolio Manager at any point to understand how it is meeting your objectives.

### 1.1.3. **Reporting**

You will receive the following reports:

- a. A valuation or statement of assets provided by your custodian; and
- b. A Client Report provided by Saranac Partners Europe, at least quarterly.

In addition, a contract note for all purchase and sale transactions will be made available to you via your custodian's preferred method and can be requested from Saranac Partners Europe.

## 1.2. **Investment advisory**

The Investment Advisory service is for Clients who wish to work collaboratively with a (PM) to manage their investments as an holistic portfolio. The PM will work with the Client to establish a series of investment objectives which will clearly articulate the Risk Profile, return requirements and investment and service preferences for the account (this is the Investment Mandate). These investment objectives constitute the mandate for the account identified in the Client Application Form. The PM will then present a series of suitable investment ideas and provide ongoing, holistic investment advice to ensure client holdings are aligned with their investment objectives and mandate. The portfolio will always be suitable for you as a whole, notwithstanding the fact that it may contain financial instruments or assets that individually exceed or are lower than the client Risk Profile. All Investment Objectives will be reviewed annually with you as part of the Client Review process, or when market

circumstances or your personal circumstances require us to do so.

### 1.2.1. **Product coverage**

Saranac Partners Europe will only advise on those instruments or products in which it is authorised to provide this service according to its programme of activities registered with the CNMV.

Our Investment Advisory service encompasses a broad range of asset classes and products including equities, public debt, bonds, funds, structured products / deposits and derivatives, which include financial instruments issued both by third party entities and companies belonging to the same group as Saranac Partners Europe or with close links with it (this is, any entity having close legal or economic relationship with Saranac Partners Europe PMs will make recommendations on both liquid and illiquid investment opportunities depending on your Investment Mandate.

Saranac Partners Europe will only advise you and allow you to hold assets in the portfolio that it deems suitable for you according to your Investment Mandate. Saranac Partners Europe reserves the right to decline to arrange any transaction requested under the Investment Advisory service if it is not deemed suitable for you or in accordance with the Investment Mandate. You may be able to execute the transaction via the Reception and Transmission of Client's Orders service, in which case it will not be held in your managed portfolio.

### 1.2.2. **Decision making**

The Investment Advisory service is an advisory service and therefore decision-making authority rests with you. The PM provides guidance, advice and information to assist you in making investment decisions that match your stated investment objectives. No transaction will be executed without your

approval with the exception of involuntary corporate action events. In certain situations, it may be necessary to raise funds to meet a previously agreed obligation such as payment of fees. We will make every effort to contact you but where we are unable to reach you the PM will sell the most liquid assets to meet the commitment and confirm to your nominated email address or mailing address the details and reason for the transaction.

### 1.2.3. **Reporting**

You will receive the following reports:

- c. A valuation or statement of assets provided by your custodian; and
- d. A Client Report provided by Saranac Partners Europe, at least quarterly.

In addition, you will receive a contract note for all purchase and sale transactions executed on your account sent to your nominated recipient and made available to you via your custodians preferred method and can be requested from Saranac Partners Europe.

### 1.3. **Active advisory**

The Active Advisory service is for clients who wish to actively engage in the markets and access short and medium term opportunities. These opportunities are not managed as part of a holistic portfolio but rather as standalone, high conviction ideas. The CA will work with you to establish your Investment Mandate. The CA will then offer advice, thematic commentary and trade and investment ideas that are suitable for you. The CA will also work with you to arrange transactions in the individual ideas or act on your instruction should you wish to close out an investment. Your Investment Mandate will be reviewed annually with you as part of the Client Review process.

#### 1.3.1. **Basis of investment advice**

Saranac Partners Europe will provide you with independent advice and suitable recommendations. The fact that the advisory service is provided on an independent basis

implies (i) that Saranac Partners Europe will evaluate a sufficient range of financial instruments available in the market that is sufficiently diversified in terms of their types and their issuers or providers to ensure that the client's investment objectives can be adequately met; and (ii) that Saranac Partners Europe shall not accept or retain fees, commissions and other monetary or non-monetary benefits paid or provided by a third party in relation to the provision of the service to the client (i.e. third party inducements).

### 1.3.2. **Product coverage**

Our Active Advisory service is primarily focused on liquid capital markets products e.g. equities, bonds, FX, structured products /deposits and derivatives but will be driven primarily by your Investment Mandate.

### 1.3.3. **Decision making**

The Active Advisory service is an advisory service and therefore decision-making authority rests with you. The CA provides guidance, advice and content to assist you in making investment decisions. Saranac Partners Europe will only advise on assets it deems suitable or appropriate for your Risk Profile. Saranac Partners Europe reserves the right to decline to arrange any transaction requested under the Active Advisory service if it is not deemed suitable for you or in accordance with your Investment Mandate. You may be able to execute the transaction via the Reception and Transmission of Clients' Orders service.

### 1.3.4. **Reporting**

You will receive the following reports:

- e. A valuation or statement of assets provided by your custodian; and
- f. A Client Report provided by Saranac Partners Europe, at least quarterly.

In addition, you will receive a contract note for all purchase and sale transactions executed on your account sent to your nominated

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recipient or made available to you via your custodians preferred method and can be requested from Saranac.

#### 1.4. **Reception and Transmission of Clients' Orders**

This service is for clients who require execution services without advice. This service is only available to clients who choose to receive another service from Saranac Partners Europe and is not offered in isolation. Saranac Partners Europe is able to receive and transmit your orders to brokers for execution and to arrange transactions according to your instructions. Saranac Partners Europe will ensure order reception and transmission for clients in accordance with the Execution Policy.

##### 1.4.1. **Product coverage**

Our Reception and Transmission of Clients' Orders service is restricted to liquid capital markets products e.g. equities, bonds, spot FX transactions, exchange-traded derivatives and funds that the custodian is able to trade in and settle.

You are able to trade in any asset:

- a. meeting the above criteria;
- b. where you have the necessary custody accounts and available cash; and
- c. Saranac Partners Europe is able to access the market through its trading partners. Our traders will be able to confirm whether your proposed transaction can be accepted. New custody and cash accounts can be opened for you with your custodian and the time required to complete this will depend on the markets and currencies requested. Saranac Partners Europe reserves the right to decline to execute any transaction requested under the Reception and Transmission of Clients' Orders service.

##### 1.4.2. **Decision making**

In this service all decision-making authority rests with you.

#### 1.4.3. **Reporting**

You will receive the following reports:

- g. A valuation or statement of assets provided by your custodian; and
- h. A Client Report provided by Saranac Partners Europe, at least quarterly.

In addition, you will receive a contract note for all purchase and sale transactions executed on your account sent to your nominated recipient and made available on the custodian client website. This information shall be made available to you by Saranac Partners Europe on the next business day following the day on which we have been informed of the execution of the transaction.

#### 1.5. **Self-directed investment**

The Self-directed Investment Service is for sophisticated and experienced investors who wish to receive general investment ideas and information to assist them to make their own investment decisions. Pursuant to this service, Saranac Partners Europe will share information on products, markets and trading strategies that may be of interest to sophisticated clients. This information will consist of standalone high conviction ideas, general in nature and not designed to form part of a particular strategy. Saranac Partners Europe provides the ideas for clients to consider and reach their own decision on whether to act upon any of these ideas on a self-directed basis.

Under the Self-directed Investment Service, Saranac Partners Europe does not tailor or make personal recommendations taking into account your personal circumstances (if known to us) or advise on the merits or suitability of purchasing, selling or otherwise dealing in particular investments or executing particular transactions. Please note that we do conduct a suitability assessment and the ideas do not constitute investment advice. Decision making responsibility rests with the clients.

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Please note that Saranac Partners Europe is also under no obligation to update the ideas from time to time or to contact any client should Saranac Partners Europe's convictions change.

1.5.1. **Product coverage**

Saranac Partners Europe's Self-directed Investment Service encompasses a broad range of asset classes and products including equities, bonds, funds, passive instruments, structured products / deposits and derivatives. These investment products may include products designed and manufactured by Saranac Partners Europe. Saranac Partners Europe provides information on both liquid and illiquid investment opportunities but will not filter these opportunities taking account of your personal circumstances or risk tolerance.

1.5.2. **Decision making**

You should keep in mind that merely explaining the terms of an idea concerning a financial instrument or its performance characteristics does not itself amount to advice on the merits of an investment. If you are unsure of the implications of this non-advised service, please contact us. If you would like advice on particular investments, rather than investment ideas and information, you will need to use one of our advisory services or seek investment advice from a third party.

If you decide to purchase, sell or otherwise deal in particular investments and you meet our eligibility criteria, we may only deal with you on Reception and Transmission of Client Orders basis in accordance with paragraph 1.4 of Part 4, and applicable regulatory requirements (as the appropriateness assessment). No transaction will be executed without your explicit instruction with the exception of involuntary corporate action events. In certain situations, it may be necessary to raise funds to meet a previously agreed obligation such as payment of fees. We will make every effort to contact you but

where we are unable to reach you, Saranac Partners will sell the most liquid assets to meet the commitment and will confirm to your nominated email address or mailing address the details and reason for the transaction.

1.5.3. **Reporting**

You will receive the following reports:

A valuation or statement of assets provided by your custodian; and

- i. A Client Report provided by Saranac Partners Europe, at least quarterly.
- j. Where your account contains Contingent Liability Transactions you will receive a consolidated client report monthly].

A contract note will be issued by your custodian for all purchase and sale transactions executed, delivered to your nominated recipient or made available to you via your custodian preferred method and can be requested from Saranac Partners Europe.

1.5.4. **Use of Research and Disclaimers**

Saranac Partners Europe sources research from multiple vendors and publicly available sources as well as generating our own. All investment decisions, taken across all investment platforms, reflect only the views of the investment team. The information taken from external providers ensures breadth and depth in terms of the information flow received by the investment team, but it is analysed in the context of Saranac group specific research processes. Please note that where Saranac Partners Europe's research and recommendations are based on publicly available information, this publicly available information may not be accurate or complete. Please also note that the past performance of an investment is not necessarily a guide to future performance. Saranac Partners Europe makes no commitment to the frequency with which investment research will be published. As our publication is designed to react to

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perceived market opportunities rather than according to a predetermined timeframe published research will become out of date. Saranac Partners Europe is under no obligation to update you or re-issue research where our views change or the data becomes out of date.

# A Guide to our Internal Policies



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# 1. Information on our Policy of Conflicts of Interest and Inducements

## 1.1. Conflict of Interest Policy

Entities providing investment services shall take measures to identify potential conflicts of interest between their clients and the entity itself or its group, including its directors, employees, agents or persons related to the entity, directly or indirectly, by a relationship of control; or between the different interests of two or more of its clients, to each of whom the entity has obligations.

Saranac Partners Europe has a Conflicts of Interest Policy aimed at preventing conflicts of interest from harming its clients. This allows Saranac Partners Europe to detect, prevent or, where appropriate, manage potential conflicts of interest that may arise in the provision of investment services.

This Policy therefore:

- Identifies the circumstances that, as a consequence of the provision of investment services, give or may give rise to a conflict of interest that implies a significant risk of impairing the client's interests.
- Establishes the measures to prevent the appearance of conflicts of interest.
- Specifies the procedures to be followed and the measures to be taken to manage conflicts of interest that cannot be avoided.

This Policy applies to managers, employees or persons linked to Saranac Partners Europe, directly or indirectly, by a control relationship.

When identifying whether a situation is potentially giving rise to a conflict of interest, Saranac Partners Europe takes into account, as a minimum criterion, whether Saranac Partners Europe itself, or a competent person or another

person directly or indirectly linked to it through a control relationship, is in any of the following situations:

- a. Saranac Partners Europe or the particular person can obtain a financial benefit, or avoid a financial loss, at the expense of the client;
- b. It has an interest in the outcome of the service provided or the transaction carried out on behalf of the client, other than the client's own interest in that outcome;
- c. Has financial or any other type of incentive to favour the interests of third party clients, as opposed to the client's own interests;
- d. The professional activity is identical to that of the client;
- e. Receives, or is about to receive from a third party, an incentive in relation to the service provided to the client, in money, services or others, other than the usual commission or remuneration for the particular service.

Where the measures taken are not reasonably sufficient to avoid the risk of a client or group of clients being harmed, the client must be informed of the nature of the conflict and of the other circumstances that will allow him/her to make a reasoned decision about the financial instrument or investment service. Disclosure of conflicts of interest to the client may only be done by Saranac Partners Europe in the event that the other established measures have not been sufficient.

Our Conflicts of Interest Policy, which includes information on the types of conflicts which may arise as a result of providing services to you and how these are identified and managed and informed to you, is provided on our website at [www.saranacpartners.com](http://www.saranacpartners.com).

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1.2. **Information on inducements**

In the provision of investment advisory, active advisory and portfolio management services, Saranac Partners Europe may not receive any fees, commissions and monetary or non-monetary benefits from third parties in connection with the provision of services to the client, i.e. inducements. Should Saranac Partners Europe identify and inadvertently receive any inducements for these services, these shall be accounted for in full to the client as soon as possible.

[Minor non-monetary benefits that are of such a nature or amount that they cannot affect Saranac Partners Europe's obligation to act honestly, fairly and professionally in the best interests of the client shall not be considered inducements.] Such minor non-monetary benefits are those set forth in the Applicable Law.

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## 2. Information on our Execution Policy

When providing Reception and Transmission of Clients' Orders, Applicable Law requires us to take measures in order to obtain the best possible result for clients, i.e. "best execution".

Saranac Partners Europe has established an Execution Policy, which covers the mechanisms and procedures adopted for the purpose of ensuring that the execution of orders by selected financial intermediaries (brokers) is done in the best interests of their clients. This policy defines, therefore, the criteria of Saranac Partners Europe when selecting brokers responsible for executing client orders and specifies the measures and procedures to be followed for their adequate monitoring and control.

For this purpose, Saranac Partners Europe shall select the brokers that best ensure their clients' best interests, taking into account a series of qualitative and quantitative criteria. Saranac Partners Europe shall receive information to verify that the orders have been executed taking into account their respective order execution or best execution policies and the Applicable Law seeking to obtain the best possible results for clients.

Saranac Partners Europe, at the client's request, will demonstrate that it has transmitted its orders in accordance with its Execution Policy.

Where a client requests Saranac Partners Europe to transmit and execute an order following specific instructions, the provisions on best execution shall not apply, and Saranac Partners Europe shall be deemed to have fulfilled its obligation to take the required measures to obtain the best possible result for the client.

Further information about the Execution Policy is available from any of Saranac Partners Europe's communication channels.

Saranac Partners Europe shall also publish on its website, on an annual basis and for each type of financial instrument, information on the top 5 financial intermediaries to which it has transmitted client orders for execution, in terms of trading volume and information on the quality of the execution during the preceding financial year.

# Investment Risks and Restrictions

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# 1. General investment risk warnings

Trading and investing in financial products always involves risk and we want you to be well informed about the risks inherent in investments. This part of the document describes a range of investments and the risks they carry. It is not intended to be a substitute for legal or financial advice. It is your responsibility to take legal and financial advice on your particular circumstances and to satisfy yourself as to those aspects. The following risks outlined below are not exhaustive and you should be aware that other risks may apply that are not covered under this document.

## 1.1. **Volatility of returns**

The value of investments and the amount of income derived from them may go down as well as up. All investments can be affected by macro-economic market conditions, such as the interest or exchange rate environment, political factors or other factors. You may lose all capital invested.

## 1.2. **Liquidity and non-readily realisable securities**

Some investments, such as those that are not government securities, listed investments or investments that regularly trade on an exchange, may be illiquid. This means they are infrequently traded and so it may be difficult to sell them in a reasonable timeframe or at a price which reflects "fair" value. In extreme cases, you may not be able to realise your investment and could lose the whole amount invested. It may be difficult to obtain reliable independent information about the ongoing value of such an investment.

## 1.3. **Borrowing, investment leverage or gearing**

Borrowing increases the volatility and the risk of investing. This is true whether a company in which you invest has significant borrowing

or whether you borrow money for the specific purpose of investing or a product borrows as a part of your investment strategy. The impact of borrowing, leverage or gearing can be as follows:

- a. Movements in the price of an investment lead to much greater volatility in the value of the leveraged position and this could lead to sudden and large falls in value;
- b. The impact of interest charges could lead to an increase in any rate of return required to break even;
- c. You may receive back nothing at all if there are large falls in the value of the investment; and,
- d. In extreme circumstances, certain products can result in a liability in excess of the amount invested.

This is particularly important when engaging in derivative or contingent liability transactions.

## 1.4. **Contingent liability transactions (margin trading)**

Contingent liability transactions may require you to make additional payments in respect of an investment account. If you trade in instruments such as futures, contracts for differences or options you may sustain a total loss of the margin you deposit with your broker to establish or maintain a position. If the market moves against you, you may be called upon to pay additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you may be liable for any resulting deficit. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange (OTC transactions) may expose you to greater risks than those which are so traded. Saranac does not consider a forward

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foreign exchange transaction entered into for the purposes of hedging to be a contingent liability transaction.

1.5. **Foreign exchange / currency risk**

Investments denominated in foreign currencies open up additional risks related to the relevant exchange rate. Movements in exchange rates may cause the value of an investment to fluctuate either in a favourable or unfavourable manner when compared to the reference base currency.

1.6. **Counterparty risk**

There is a risk that a financial institution or other counterparty fails to meet its obligations and does not or cannot pay amounts due to you. This is particularly relevant where you have invested in structured products or OTC derivatives that often rely on the counterparty's ability to repay the sums owed to you under the terms of the contract. Cash held with deposit takers and the issuers of fixed income assets also give rise to counterparty risk if these entities are unable to meet their obligations to you.

1.7. **Legal and tax**

The tax treatment of investment products can be complex, and the level and basis of taxation may alter during the term of any product. Prospective investors should therefore obtain professional tax and legal advice appropriate to their own circumstances and the circumstances of the particular investment before and while investing.

1.8. **Market suspension**

In extreme circumstance an exchange may suspend trading on all or select securities traded through the exchange. In these instances, you may not be able to realise your investment at least during the period of any suspension.

1.9. **Fund gating**

In certain circumstances a fund may be able to limit the amount of withdrawals from a fund during a redemption period. The decision to implement a gate is at the discretion of the fund.

The purpose is normally to prevent a run on the fund which could trigger the fund manager having to sell off a large number of positions, potentially at a loss, and significantly impact the ability of the fund to operate or preserve the value of its investments. This may result in a delay in realising your investment.

1.10. **Foreign markets**

Transactions on markets in certain jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation, which may offer different or diminished investor protection to the markets in which you are used to investing.

1.11. **Over the counter (“OTC”) transactions**

Transactions executed or entered into on an OTC basis are not subject to exchange rules and instead are subject to bespoke terms agreed between the parties to the transaction. It may not always be possible to clearly see if a transaction has been completed OTC rather than on an exchange. OTC investments may be hard to value, and difficult or impossible to liquidate. Therefore, these transactions carry additional risks.

1.12. **Charges**

Before you trade, you should obtain a clear explanation of all fees and other charges for which you will be liable. These charges will affect your net profit or loss. Saranac Partners Europe will provide a Bespoke Fee Profile prior to any new service being provided to a client.

1.13. **Deposited cash / assets**

The protections afforded to money and assets deposited with foreign and domestic institutions can vary greatly, particularly in the event of insolvency or bankruptcy. The extent to which you may recover your money or other assets is governed by the legislation and local rules applicable to the institution in question. That legislation and those rules may be more restrictive than in markets in which you already invest.

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1.14. **10% Market loss**

Within any given reporting period (default quarterly) you will be informed if the market value of your discretionary managed portfolio drops by increments of 10% below the market value last reported to you.

1.15. **10% Absolute loss**

Where your portfolio contains a leveraged asset monitoring will be against the market value of the asset at the point the loan or leverage is drawn. You will be advised if the market value of your asset drops by increments of 10% below the market value of the asset at the point the loan / leverage is drawn.

Where your portfolio contains a contingent liability transaction monitoring will be against the market value of the asset against the purchase cost of the asset. You will be advised if the market value of your asset drops by increments of 10% below the purchase cost. A forward foreign exchange transaction not entered into for the purposes of hedging a portfolio will be considered a contingent liability transaction.

Unless otherwise requested by the client Saranac Partners Europe will consider all contingent liability transactions to have notification of loss threshold of 10% of market value.

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## 2. Product Specific Investment Risks

All investment products carry risks and some products inherently contain more risks than others. You must ensure you understand the risks associated with products in which you invest. Saranac Partners Europe views an asset's risk to be made up of a number of factors. These factors give rise to two key characteristics we assess when rating the risk level of an asset:

- Capital loss i.e. what is the potential for decline in the value of an asset to cause a high level of capital loss. In the case of some derivatives or structured products this loss could well exceed the initial investment; and
- Volatility i.e. how much the asset may fluctuate in price or income over a given time given its inherent characteristics.

We have summarised below some of the specific risks linked to certain asset types. These are not intended as an exhaustive list, but as an illustration. The specific risks associated with a given investment or opportunity will be explained to you prior to any investment and included in any recommendation we make to you. It is your responsibility to be aware of all the risks associated with an investment.

**If at any point you are:**

- a. unclear on the risks associated with your investments or a prospective opportunity, asset or investment; or**
- b. feel your Risk Profile is not representative of the level of risk you are willing to accept** you should contact your Client Adviser in the first instance, who will clarify the specific risks of an asset with you or review your risk categorisation and suitability, where appropriate.

### 2.1. **Equity securities and equity funds**

Ownership of an equity security represents a direct stake in the underlying company concerned and is generally considered higher risk.

Non euro-denominated equities are subject to currency risk which exposes investors to additional risks related to the relevant exchange rate.

Equity funds are invested entirely in equities and, while this spreads the risk wider than investing in a single company, will be exposed to the overall market.

In accordance with Order ECC/2316/2015 on product information and categorisation, Saranac Partners Europe informs you that equity instruments are classified in terms of risk as:

**6 / 6**

**This number identifies the risk of the product, with 1/6 indicating lower risk, and 6/6 indicating higher risk.**

### 2.2. **Smaller companies**

Shares in smaller companies may have low liquidity. These shares may not be readily sold, and could therefore be difficult to realise. Furthermore, such shares may trade at very low prices, a feature which is often characterised by significant price volatility associated with such stocks.



### 2.3. **Debt securities and fixed income funds**

The value of debt securities (or "bonds") can generally be expected to be more stable than that of equity investments. However, in some circumstances, particularly when interest rate expectations are changing, the value of most bonds may become more volatile.

The value of a bond can be adversely affected by a number of factors, such as:

- a. The issuer's credit rating, which reflects their ability to repay the amounts payable when they fall due;
- b. The market expectations of future interest and inflation rates;
- c. The amount of interest payable (the coupon);
- d. The length of time until the debt falls due for repayment; or
- e. (The seniority of a bond within the capital structure of a company, and the quality of any security taken to secure the relevant obligor's obligations in relation to such bond.

Bonds issued by major governments or supranational bodies tend to be lower risk investments, while the risks of debt securities issued by other types of issuer (such as those with emerging market or corporate issuers) can vary greatly.

If an issuer is in financial difficulty, there is an increased risk that they may default on their repayment obligations. In this event, little or no capital may be recovered and any amounts repaid may take a significant amount of time, and effort to recover.

Some bonds are structured with embedded options and similar features. These bonds are considered complex bonds in nature. The impact of these structures can impact returns to investors and increase risks associated with such an investment.

### 2.4. **Alternative investments**

#### 2.4.1. **Unregulated funds**

Many alternative investments are structured as unregulated funds. This means that standards of operation, administration and management can be different from those applicable to regulated products and in many cases will be less stringent. It is important to understand that it may be difficult to liquidate or sell an investment of this type, or to identify an independently determined fair valuation for an interest in this kind of vehicle. It is important that you are familiar with the terms of, and risks associated with, any fund that you invest in.

#### 2.4.2. **Physical property or property development funds**

As a result of the illiquid nature of real property, it may take time to realise any investment made even when exposure is by way of an investment in a property fund. All real property is subject to local risks which may be unique in nature, which may be caused by factors such as the prevailing legal, economic, environmental or political circumstances particularly in the case of property development. Returns available from real property funds may be affected by leverage. These funds may be issued in regulated or unregulated form - see 2.4.1 above.

#### 2.4.3. **Hedge funds**

Hedge funds employ a wide variety of different trading strategies in order to produce returns. Strategies may range from lower risk absolute return funds up to high risk or speculative funds which make use of extensive leverage in an attempt to maximise returns from their investment strategy. Investments undertaken by hedge funds may be narrowly based around a specific type of asset or trading strategy, and the returns experienced by investors in these funds may be adversely affected by very

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specific market or industry circumstances. It is therefore important to understand the type of strategy and investment to be used in any hedge fund prior to investment. These funds may be regulated or unregulated - see 2.4.1 above.

#### 2.4.4. **Private equity funds**

Private equity funds commonly invest in equity or equity like investments in companies that are not openly traded via a public investment exchange. They may be small start-up companies with little or no proven track record. As a result these funds may have unique risk factors which should be detailed in their prospectus or offering documents. These funds may be issued in regulated or unregulated form. Private equity funds require a long term commitment. They may require you to commit to several tranches of capital payment and offer no, or limited, redemption rights. Failure to meet subsequent payments may result in the loss of the payments made previously. They are often illiquid with no secondary market making selling the investment difficult.

### 2.5. **Derivatives**

Derivatives are financial instruments which can be used either for low cost risk management purposes or for achieving speculative exposure to specific economic risks. Before investing in, or making use of, derivatives you should take care to ensure you understand the volatility, margin calls and potential of capital loss and, more generally, whether transacting is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances including the specific purpose for which this investment is being made. You may lose more than the amount of your initial investment.

#### 2.5.1. **Futures or forwards**

Transactions in futures or forwards require a contracting party to either buy ("long") or to

sell ("short") a specified amount of an asset at expiry at a pre-determined price. These transactions usually carry a high degree of risk, which may be accentuated by gearing or leverage. An investor is exposed to the movement of a proportionately large amount of the underlying assets in return for a small upfront payment. These types of investment may also be contingent liability transactions and you may be required to make additional margin payments to maintain the contract. It is important that you understand the potential amounts you could be liable for, and are comfortable that you will be able to afford to pay such amounts when they fall due if required to do so.

#### 2.5.2. **Options or warrants**

There are many different varieties of options and warrants with differing characteristics and subject to different conditions. Before investing in or becoming exposed to options or warrants, you should obtain appropriate advice as to the risks (whether legal, tax or otherwise) that may be applicable to you.

#### 2.5.3. **Buying options or warrants**

These contracts offer a time limited right to subscribe for or dispose of a defined amount of an asset in the future at a predefined price. The maximum loss is limited to the amount paid for the contract, plus any commission or other transaction charges. Buying options therefore involves less risk than selling options. It is essential for anyone who is considering becoming exposed to such contracts to understand that the right to subscribe (which a warrant confers) or right to buy/ sell (which an option confers) is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time-scale, then the investment becomes worthless. The volatility of these assets can be extremely high. Furthermore, if you buy a call option and you later exercise the option, you will acquire the underlying asset, and

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may be directly exposed to risks associated with such asset.

#### 2.5.4. **Granting options**

By granting an option, you accept a legal obligation to purchase or sell the underlying asset at a predefined price, regardless of whether or not the market price has moved away from the exercise price. If you grant (write) an option, the risk involved is generally considerably greater than buying options. Writers of options may be liable for margin to maintain their position and losses may be sustained. If you already own the underlying asset that you have contracted to sell (known as "covered call options") the risk is reduced. If you do not own the underlying asset (known as "uncovered call options") the risk can be unlimited. Only experienced persons should contemplate granting uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

#### 2.5.5. **Contracts for difference (Swaps)**

Contracts for difference are similar to futures or forwards. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for difference carries similar risks as investing in a future and you should be aware and understand the risk warnings set out in paragraph (2.5.1 above). Contracts for difference may operate on a margined basis, under which buyers do not pay the full premium at the time they purchase it. In this situation you may subsequently be called upon to pay margin and if you fail to do so, your position may be closed or liquidated in the same way as a futures position.

#### 2.5.6. **Over the counter derivatives ("OTC Derivatives")**

It may not always be apparent that a derivative is traded on or off-exchange. As more fully described in paragraph (1.11 above) regarding OTC transactions generally, some off-exchange products may be highly illiquid,

and many such products are not transferable and there is no exchange market on which to close out an existing position. It may not be possible to liquidate a position held in such a contract, or to accurately assess its value or exposure to risk. Off-exchange transactions may be less regulated or subject to a separate regulatory regime and you will be open to the counterparty risk of the issuer.

#### 2.6. **Structured products**

Structured products are products which provide economic exposure to a wide range of underlying asset classes, the returns on which are linked to underlying investments or assets and are often modified by bespoke contractual terms. Investors should be aware that early redemption or secondary market trading could result in a capital loss, even where the product terms protect or guarantee return of the nominal amount purchased. These products may not be readily realisable, which means that it may be difficult to liquidate or sell a product of this type. These products tend to be complex leading to difficulties in valuation. Moreover, the purchaser is subject to counterparty risk.

#### 2.7. **Forward FX transactions**

Forward FX is a specific type of derivative and as such carries all the risks associated with a derivative in addition to inherent currency exchange rate risk and interest rate risk. FX forwards are normally traded on a margin basis and may be highly leveraged products giving rise to potentially large positions on maturity. They place legal obligations on clients that must be fully understood. FX forwards can be used to speculate on fluctuations in a foreign currency thereby creating investment risk. Saranac Partners Europe considers these type of transactions to be contingent liability transactions.

FX forwards may also be used to reduce investment risk by creating FX contracts that offset fluctuations in the value of assets held in a foreign currency.

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## 2.8. **Structured deposits**

Structured deposits are a combination of a traditional savings account and a stock market investment, where returns are linked to the performance of a particular index or indices. While the capital is protected, the returns can be uncertain or zero and the return can be less than the rise in the relevant index, reflecting the protected nature of the product. Structured deposits are considered complex products.

# Terms of Business

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# Section 1: Terms of Business

The purpose of these Terms of Business is to establish the rights and obligations of the Parties, as defined below, in relation to the provision of investment services.

## 1. Parties

- 1.1. These terms form part of the “Client Agreement” between Saranac Partners Europe , Agencia de Valores, S.A. and any Client who has signed the Client Application Form representing acceptance to these terms.
- 1.2. References in these terms to "the firm", "we", "us" and "our" or “Saranac Partners Europe” mean Saranac Partners Europe, Agencia de Valores, S.A.
- 1.3. References in these terms to "client", “you”, “yours” and "your" refers to any person entering into a Client Agreement with Saranac Partners Europe, including their legally authorised representatives and successors.

## 2. Commencement and term

- 2.1. The Client Agreement between us and you with respect to the services comes into effect on the day on which you sign the Client Application Form.
- 2.2. Execution of the Client Application Form will be whatever means determined by us and may include electronic signature methods, as agreed with you by us.
- 2.3. Where you are an existing client and we have sent you these terms by way of an amendment to the agreement between us, these terms will come into force in accordance with the amendment provisions contained in Clause 9 below.
- 2.4. These terms supersede any previous terms of business and shall apply to any future services we may carry out at your request unless varied or replaced.

## 3. Definitions and interpretation

- 3.1. The meaning of certain words and phrases used within these terms are set out in Part 8 Glossary of Terms and Definitions or within the body of these terms.
- 3.2. If any provision in these terms is inconsistent with the Client Application Form, any further agreement between you and us regulating the provision of a specific investment service, or any specific letter of amendment, the Terms of Business will apply.
- 3.3. Any reference in these terms to any statute, statutory provision, European directive or regulation, CNMV rules and any other Spanish or European legislation, rules or regulations shall include those statutes, Statutory provisions, European directives or, European or Spanish regulations, rules, other legislations, rules or regulations as amended, extended or consolidated, substituted or re-enacted from time to time and to any subordinate legislation, regulation or rules made thereafter.
- 3.4. Headings are for information only and shall not affect the construction of these terms.

## 4. Structure of the Client Agreement

- 4.1. The Client Agreement between you and us will be made up of the following documents, dependent on the services we are providing to you:
  - 4.1.1. These Terms;
  - 4.1.2. Client Application Form and Investment Mandate, both signed by you, which:
    - a. sets out the services to be provided by us to you;
    - b. general information about you to allow us to complete appropriate due diligence;

- c. information about your attitude to risk, capacity to deal with loss and your level of knowledge and experience; and,
  - d. account investment mandate(s) where taking an investment advisory service.
- 4.1.3. Schedule of Fees and Charges which details the range of potential charges Saranac Partners Europe levy for the services requested and the detailed terms covering how these will be calculated, collected and amended;
- 4.1.4. Bespoke Fee Profile, which is part of the Investment Mandate signed or acknowledged by you detailing the fees you have agreed for the services provided by Saranac Partners Europe and the detailed terms covering how these will be calculated, collected and amended;
- 4.1.5. Privacy Notice outlining how we use your data to be read in conjunction with clause 3 2; and
- 4.1.6. Suitability & Appropriateness Questionnaire
- 4.2. The Client Agreement creates a contractual legal relationship which has important consequences. For your own protection you should read carefully these Terms of Business and the other documents referred to in clause 4.1 above before signing the Client Application Form and Investment Mandate, which contains your Bespoke Fee Profile. You may wish to take independent legal advice.
- 4.3. If you have any questions about the documents referred to in this clause 4 or the services Saranac Partners Europe provides please do not hesitate to contact your Client Adviser.

## 5. Purpose

- 5.1. This document sets out the terms on which we will offer one or more of the following investment services:
- a. Investment Advisory;
  - b. Portfolio Management;
  - c. Reception and Transmission of Clients' Orders.

The nature of the services are described in Part 4 : A Guide to our Services.

- 5.2. Where you have elected for us to assist in arranging custodial services for you, we will introduce you to one of our strategic custodian relationships. You acknowledge that you will be required to complete the client on-boarding process and client due diligence processes with this custodian. The agreement relating to the services provided by the custodian is set out in their branded documentation and represents an independent and direct relationship between you and the custodian.
- 5.3. Where you have elected not to engage one of our strategic custodian relationships, but another third party custodian, you acknowledge that you are governed by the terms of that custodian's agreement with you. You will appoint Saranac Partners Europe as investment adviser/ manager to the account via a limited Power of Attorney (LPOA) and hence the terms of the LPOA and the agreement of your custodian will control the relationship between all parties.

## 6. Fogain

- 6.1. Saranac Partners Europe is required to be, a member of the "Investment Guarantee Scheme" (*Fondo de Garantía de Inversiones*, "FOGAIN") as a licensed entity providing investment services in Spain. FOGAIN is funded by the contributions of its member entities and provides coverage for certain scoped indemnities that FOGAIN is obligated to pay. FOGAIN is managed by *Gestora del Fondo General de Garantía de Inversiones, S.A.* The legal and operating regime of both is regulated by Spanish Royal Decree 948/2001, of August 3, on Investor Compensation Systems.
- 6.2. You can obtain more information on FOGAIN and on the coverage details (maximum amount, etc.) at the following website: [www.fogain.com/inversores/](http://www.fogain.com/inversores/)

## 7. Anti-money laundering and counter-terrorism financing ("AML")

We are subject to money laundering and terrorist financing legislation. Consequently, we are required to obtain evidence to verify

your identity and, in certain circumstances, the identity of other persons such as directors or beneficial owners, and to keep that information updated before accepting new instructions from you. You therefore agree to provide us with such information as we may reasonably require in order to verify your identity. We will only be able to provide services to you once your identity has been verified in line with the applicable money laundering regulations and our own anti money laundering policy.

You agree that we may make checks using online electronic verification systems or other databases as we may decide. If we do not receive evidence of your identity satisfactory to us, we will not be able to act or continue to act on your behalf and will be obliged to terminate the engagement. Our professional duty to keep your affairs confidential is subject to the statutory exception which obliges us, in certain circumstances (and with criminal penalties for any failure), to report to the relevant authorities, any knowledge or suspicion of criminal activity, or involvement in money laundering or criminal property or terrorist financing by a client or third party arising during the course of our professional work.

We may also be obliged to make such reports without reference to you, or without your consent, as it is also an offence to “tip-off” any party or any other third party suspected of money laundering. In certain cases, we may also be obliged to cease acting for you temporarily or to terminate the engagement, without being able to explain why.

In those circumstances, we will not be able to accept responsibility for any resulting loss or inconvenience. We will not be liable for loss or damage arising out of any delays or failures caused by our compliance with any statutory or regulatory requirements.

Finally, under the money laundering legislation, we are obliged to keep our records, including

financial records, on each engagement, and we will keep these records for a period of at least ten years from cessation of any instructions.

## 8. **Bribery and Corruption**

Our policy is to conduct all of its business in an honest and ethical manner, and to comply with all applicable anti-corruption legislation. We have a zero-tolerance approach to bribery and corruption and are committed to acting professionally and with integrity in all our business dealings and relationships wherever we operate. Where we instruct any third party for or on behalf of you to perform services in relation to any provision of the Services, we will implement procedures designed to restrict, on a risk-based and proportionate basis, applicable third parties from offering, promising or giving any bribes or being corrupt in relation to those services.

In the course of providing services to you we may introduce you to or engage the services of overseas brokers and / or counterparties with respect to business conducted outside Spain. Your attention is drawn to the fact that in some or all respects the regulatory systems and systems of law applicable to such third parties, including any compensation schemes, may differ from that of Spain. You may not receive the same level or indeed any protection as you would if that business was conducted in Spain.

## 9. **Amendment**

- 9.1. We may amend these Terms, our services and the Client Application Form at any time and for any reason by giving you not less than 30 days’ notice in writing.
- 9.2. We may also amend these Terms, our services and the Client Application Form on notice in writing to you in order to comply with any changes to law or regulations which apply to us, with immediate effect, where:
  - 9.2.1. Reasonable notice such as change to law or regulation has not been provided by the relevant authorities or body imposing the changes;



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- 9.2.2. Where the change in law or regulation is applied retrospectively to us; or
  - 9.2.3. Where we believe in our reasonable opinion that the amendment will have no adverse impact on you.
  - 9.3. You or we may amend addresses for correspondence as detailed in the Client Agreement by providing notice in writing (but not fax) or email (a confirmation may be required) to the other, with immediate effect.
  - 9.4. The amendments referred to in this section shall take effect on the date specified in the notice, notifying you of these amendments.
  - 9.5. The provisions of this clause do not affect your right to terminate the Client Agreement with immediate effect as covered in clause 24.

## 10. **Attorney**

- 10.1. You hereby appoint us as your attorney for the period in which you are a client of Saranac Partners, for the purposes of fulfilling our role pursuant to this Client Agreement including, but not limited to the placing of orders receiving and transmitting orders to brokers for execution and issuing instructions to your custodian.
- 10.2. You may revoke this power of attorney at any time, but such revocation may result in our inability to provide some or all of the services.
- 10.3. It is your intention that, in the event of your death or other incapacitation, that we should continue to operate under this power of attorney until such time as a personal representative or other legally responsible person has been appointed to have control of your assets or estate. The provision of such services under these circumstances will be on the same basis as prior to such death or other incapacitation.

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## Section 2: The Services

This section contains the terms that relate specifically to the way we provide services to you and how we may communicate with one another with respect to those services.

### 11. General

- 11.1. You acknowledge that the general advice and personal recommendations and other information provided to our other clients may be different from that given to you.
- 11.2. We do not provide tax advice. We strongly recommend you consult with a professional tax adviser in relation to any tax matters including the consequences of investments made on your behalf or recommended to you by us in the performance of our services.
- 11.3. We may agree to discuss the tax consequences of certain investments in general where you have requested that we do so. However, such discussions are not and should not be relied upon as tax advice.
- 11.4. Information regarding any restrictions on:
  - Types of investment;
  - Markets on which transactions may be executed on your behalf;
  - The amount which may be invested in a single investment; or
  - The proportion of the portfolio or overall asset than can be invested in a single asset class, should be included in your Client Application Form and Investment Mandate (included in the) or communicated in writing to Saranac Partners Europe.
- 11.5. **Nature of investment risk**
  - 11.5.1. In accordance with the Applicable Laws, we are required to provide you with a general description of the nature and risks of investments which may be held in your portfolio (the "Risk Disclosure"). This

information is provided in Part 5: Investment Risks. Please read the information, and if you have any questions or concerns, please contact your Client Adviser.

### 11.6. Instructions and communications

- 11.6.1. All communications between you and us shall be in Spanish. However, you may require all communications to be in English.
- 11.6.2. You may contact us, and we may contact you, by phone, in writing or electronically. We might require you to set up security procedures or take other steps before being able to give us certain instructions via phone or email.
- 11.6.3. We will assume that you have received our electronic messages to you unless we receive a message from the system provider that the message has failed to be delivered.
- 11.6.4. All written communications, including instructions, between you and us will be sent to the correspondence address outlined in the Client Agreement or other address as notified to us by you in accordance with clause 8.3 above. All written communication from you to us will only be effective from the date of receipt by us. Where we have contacted you by post we will assume that you have received our correspondence no later than four Working Days after posting to a Spanish address or ten Working Days if sent internationally.
- 11.6.5. You can instruct us not to contact you by post, where there is a risk to the security or integrity of information in documents sent by post in a particular country. We can also refuse to send documents or other materials by post to certain countries for this reason. If we do this, we will agree a secure location for collection with you.

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- 11.6.6. You will provide us with a list of specimen signatures, email addresses and contact telephone numbers of those persons authorised to give us instructions pursuant to your accounts held with us. It is your responsibility to notify us of any changes to those lists or email addresses on an ongoing basis.
- 11.6.7. Subject to clause 10.6.8 below you authorise us to act on any instructions given / received in any manner (including but not limited to in person, telephone, writing or in electronic form) and in line with our standard procedures at the time of receipt. You agree that you will be bound by instructions we accept in good faith and reasonably believe to have come from a person or persons authorised to act on your behalf.
- 11.6.8. We will not notify you on receipt of your written or electronic instructions, your instructions will be acknowledged by us acting on them, unless the instruction is un-clear or we believe that the action required may not be practicable or might involve a breach of any rule or regulation. When permitted by Regulatory Requirements, we will try to tell you if we refuse to or are unable to act on any instruction and our reasons for refusing.
- 11.6.9. If you have granted access to your accounts, portfolio or investments to a third party whether in hard copy or Electronically, including the provision of log in details, such access shall be subject to the terms of this Client Agreement.
- 11.6.10. You agree that we may contact you by phone, or otherwise communicate with you without prior express invitation if we reasonably believe this will assist in the provision of services to you. We will only contact you on Working Days between the hours of 8am and 8pm unless otherwise agreed with you in writing including email.
- 11.6.11. Any telephone conversations involving trading instructions with you will be recorded by us for monitoring and authenticating instructions or training and any other purposes permitted by law. We may use the recordings in evidence if there is a dispute between us and you.
- 11.6.12. You expressly authorise us to communicate Electronically with you and all third parties on all matters related to the Client Agreement to the extent and in any permitted manner by applicable law, regulations or rules. This authority includes, but is not limited to, the delivery of reports, transaction information and valuations, such as Client Statements (where applicable) and other written information to you and any other party in relation to the services provided by us under the Client Agreement.
- 11.6.13. There are cut-off times by which instructions must be received by us on a Working Day in order for us to process them on the same day. If we receive an instruction before the relevant cut-off time on any Working Day, we will process it on that day unless you have asked us to process it on a specific future date. Instructions or payments received after the cut-off time or on, or for, a non-Working Day will be processed on the next Working Day. Cut off times are available on request.
- 11.6.14. You may need us to act on an instruction before a deadline, in which case, you must ensure that you allow reasonable time for us to process your instruction and communicate it to relevant third parties. We will not be liable for any failure to meet a deadline where clear instructions are not received from you within a reasonable time before the deadline.
- 11.6.15. You confirm that:
- a. you have regular access to the internet and that you will notify us immediately if you cease to have regular access to the internet. If you do not have regular access to the internet we may be required to communicate with you in paper form only with respect to and under applicable rules and regulations;
  - b. you have provided us your email address(es) for the purposes of receiving communications and documents in connection with the services. You acknowledge and agree that we are

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authorised to continue to use the email address(es) provided until otherwise notified by you in writing of any change in accordance with clause 9.3, where such notice is via an email notification we will require a telephone confirmation; and

- c. you acknowledge and understand that the electronic transmission of information via the internet has inherent risks and that (except where the loss is directly caused by our own negligence, wilful default or fraud) we are not responsible for any technical problems with the internet or with your use of the internet (including any loss or damage caused by electronic communication hazards such as but not limited to computer viruses, Trojan horses or other malware).

11.6.16. We cannot guarantee the confidentiality, accuracy or completeness of the documents provided to you Electronically. We accept no responsibility for any loss arising from the use of electronic communications.

## 12. **Contact Details and Prevention of Fraud**

To help prevent fraud and protect your assets, you must contact us without delay if you know or suspect that someone is impersonating you.

Please tell us when your contact details change, because we will use the most recent contact details on our records whenever we send you correspondence. If you do not tell us of a change:

- a. The security of your information could be at risk; and
- b. You might not receive communications that could be important, including notices about changes to the Client Agreement.

If we try to notify you of a change to the Client Agreement but we are unable to reach you using reasonable methods because your contact details have changed and you have not informed us, the change will be applied as set out in that notice.

You must also tell us without delay if your residency or citizenship status changes or if there is any other material change to the information you have given us as this may affect our provision of the Services. You must give us any information we reasonably require about your identity or affairs including whether you have the status of a dual or multi-nationality.

You must ensure that your information can be accessed or used only by people who have your permission to do so.

## 13. **Arranging, dealing, execution and settlement**

13.1. In providing the services to you, Saranac Partners Europe will transmit or place your orders with other entities for execution, and is required to take all reasonable steps to obtain the best possible outcome. In order to comply with this obligation, arrangements have been put in place which include an Execution Policy. For the purposes of Reception and Transmission of Clients' Orders, we will treat all clients as Retail clients. The latest version of the Execution Policy is provided on our website at [www.saranacpartners.com](http://www.saranacpartners.com). For your own benefit and protection you should read this Execution Policy. If you do not understand any point please ask for further information. By signing the Client Agreement Form, you will consent to the Execution Policy. In particular, you agree that we may execute transactions outside of a regulated market, MTF or OTF.

13.2. Subject to any specific instructions from you when executing orders on your behalf we will always comply with the Execution Policy.

13.3. Specific instructions from you in relation to the execution of transactions may prevent, or impact the ability to follow the Execution Policy such as limit orders or specific requirements to split orders.

13.4. You acknowledge and agree that when arranging to deal for you, your order may be split into more than one trade if it is reasonably believed that this is in your best interests. On some occasions,

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- a split of your order may result in you obtaining a less favourable price.
- 13.5. “**Limit Orders**” - you may give us an instruction to pass to the broker to buy or sell an investment at a specified price limit. You instruct us not to make public Limit Orders in respect of shares admitted to trading on a Regulated Market which are not immediately executed under prevailing market conditions.
- 13.6. Subject to the Execution Policy, we may transmit orders to such counterparties we consider appropriate. Where applicable, all transactions will be effected in accordance with the rules and regulations of the relevant market.
- 13.7. We will use reasonable endeavours to select the broker(s) who will, on an ongoing basis, execute your orders to an appropriate standard, taking account of the standard generally available in the market in which they operate. You acknowledge that standards in overseas markets may not be equivalent to those in the jurisdiction in which we provide services to you. We will use reasonable endeavours to agree any third party contracts on terms that, in our reasonable opinion, are standard in the relevant market.
- 13.8. You authorise us to arrange to execute deals on your behalf outside of a regulated market or on a Multilateral Trading Facility or an Organised Trading Facility. We will do so when we believe it is in your best interests to transact in this way.
- 13.9. We may at our sole discretion aggregate orders with those of other clients. If all orders cannot be fulfilled or a series of orders results in transactions at different prices we will ensure that all transactions effecting such aggregated orders are allocated on a fair and reasonable basis in accordance with the requirements of the Applicable Law. You acknowledge that aggregation may operate to your advantage or disadvantage.
- 13.10. You must promptly give us any instructions that we may require. If you do not give us prompt instructions, or we are unable to contact you, we may, at our reasonable discretion, take such steps as we consider necessary or reasonable on your behalf or for your protection.
- 13.11. You must pay us in full and immediately available funds for any assets or investments we arrange to purchase on your behalf, whether by payment of the purchase price, or otherwise as the relevant market requires.
- 13.12. If you do not pay us in full, we may arrange to, but are not obliged to, take one or more of the following actions (“**Default Actions**”):
- If practicable, not to arrange the transaction; or
  - Settle the transaction on your behalf at our expense and recover that expense from you; or
  - Sell, at the prevailing market price, sufficient of the investments for which settlement is outstanding to recover the amount of any shortfall.
- 13.13. We will act reasonably in deciding whether to take any of the Default Actions and which of those actions to take, having regard to the relevant circumstances at the time and your best interests.
- 13.14. If we need to take any Default Action:
- You will be liable for any Losses we incur in connection with the Default Action;
  - Where reasonably practicable, we will attempt to notify you and obtain your agreement before we take any Default Action; and
  - We will notify you of the action we have taken, together with the details of any amounts that you are required to pay as a result (if any).
- 13.15. We are not responsible for delivery or payment by the counterparty to any transaction we place. The relevant? custodian will only make delivery or payment if they receive the relevant assets or sale proceeds from the counterparty.
- 13.16. There may be circumstances beyond our control which mean that the custodian or counterparty is unable to settle your transactions (a settlement failure). If this occurs, we will notify you as soon as reasonably practicable, discuss with you your options for settlement and use our reasonable endeavours to aid in settlement of the trade for you. You will remain liable for your obligations

- in relation to the transaction until settlement or other conclusion of the transaction occurs.
- 13.17. Except where you have instructed us otherwise, we may advise you on and / or effect transactions on your behalf in Unregulated Collective Investment Schemes and other complex financial instruments to the extent permitted by the Applicable Law. You acknowledge that these types of asset carry additional risk as detailed in Part 5: Investment Risks. For example, they may not be subject to the same regulatory requirements or oversight, may use gearing and may not be easy to sell or redeem.
14. **Portfolio Management**
- 14.1. Saranac Partners Europe shall carry out the portfolio management activity, being able, in the name and on behalf of the client, among other transactions, to purchase, subscribe, dispose of, make redemptions, exercise economic rights, make the relevant collections, conversions and exchanges of the securities and any financial assets under management, carrying out the actions, communications and initiatives required for this purpose, being able to sign any documents that may be necessary.
- 14.2. Saranac Partners Europe will under no circumstances carry out transactions prohibited by applicable legislation, nor those requiring official or express authorisations from the client until such authorisations are obtained.
- 14.3. Saranac Partners Europe, in order to rationalize asset purchase and sale orders, may group transactions from different clients within the limits established in the regulations in force. In order to avoid a possible conflict of interest between clients arising from this or other actions, Saranac Partners Europe has the criteria, procedures and order management systems that allow rapid and correct execution and subsequent allocation, so as not to prejudice the interests of any client when carrying out transactions for several clients. These procedures and systems include objective criteria for the pro rata distribution of transactions among clients, and for the resolution of possible conflicts of interest in general. If grouped orders are issued for a given security and, for whatever reason, the entire order cannot be executed, or if the securities covered by the order are acquired or transferred at different prices, Saranac Partners Europe shall pro-rate the securities acquired or transferred among the clients concerned, according to the volume of the order corresponding to each client. Saranac Partners Europe undertakes to apply these objective criteria in all cases, which will only be modified after prior notification to and acceptance by the client.
- 14.4. When the transactions in securities or financial instruments are those with which Saranac Partners Europe has any kind of interest or connection (for example, whose management by delegation has been entrusted to it, or corresponds to any entity of the group, and on their own, or added to the positions of these same securities or instruments in the client's managed portfolio represent more than 25% of the total amount, the client expressly authorizes Saranac Partners Europe to carry out these transactions.
- 14.5. When the management activity involves public or private fixed income securities issued to qualified investors and traded in illiquid markets, whether Spanish or foreign, the client expressly authorises Saranac Partners Europe to carry out this type of transaction. In any case, the transactions must be adjusted to the client's investment profile and objectives.
- 14.6. The client expressly authorises Saranac Partners Europe to carry out transactions in derivative financial instruments for hedging and investment purposes.
- 14.7. Without prejudice to the increase in value of the managed portfolio, management may in no case exceed the sum of the assets contributed by the client, plus the amount of the credits or loans that the client may obtain for this purpose, from legally authorised third parties. In this latter case, the amount of the loan or the amount drawn down against the credit must be paid into the account identified in the Client Application Form.
- 14.8. Saranac Partners Europe may only deviate from the agreed general investment criteria



- when Saranac Partners Europe's professional judgement advises such a deviation or when incidents occur in the contracting process. In these cases, Saranac Partners Europe, in addition to registering the deviations, will inform the client immediately.
- 14.9. The valuation of the assets of the managed portfolio shall be determined in accordance with the valuation criteria for financial portfolios established by the applicable regulations. This valuation shall be based on the latest information provided by various entities at the date of generation of the periodic information, which in some cases may not coincide with that of the last day of the period indicated in the report. For the valuation of financial assets, market prices obtained from reliable sources of information are used, without prejudice to the use of any other source, as well as, where appropriate, the website of the issuer or supplier of the product, when deemed appropriate to faithfully reflect the price of the financial instrument. For assets that are denominated in a currency other than EURO the counter-value shall be fixed at the relevant exchange rate. The main sources for the valuation of assets will depend on the type of asset, the multilateral system or the market in which they are listed. Furthermore, in cases where the market price cannot be obtained, securities or financial instruments shall be valued at fair value by applying an alternative system consisting of obtaining the value information from other sources.
- 14.10. In order to enable the client to assess the result of the management of the managed portfolio, in the event that no specific benchmark or reference parameter has been established for the comparison of the performance of the managed portfolio, Saranac Partners Europe will include in the periodic information sent to the client the performance of the indicators of the fixed income and equity markets, so that the client may assess the result obtained by Saranac Partners Europe in the management of the portfolio, except in those management modalities for which another method of assessment and comparison is established.
- 14.11. Saranac Partners Europe is expressly exonerated by the client from any liability arising from the ultimate economic result of the management, and the client expressly assumes any possible operating losses that may arise as a result of the evolution of the markets or as a consequence of the risk inherent in any investment in securities.
- 14.12. The client may withdraw cash or assets from its account, restrict or modify the assets over which portfolio management is extended or remove them from the management regime provided for in these Terms of Business, informing Saranac Partners Europe, where appropriate, sufficiently in advance so that the corresponding transaction can be carried out. Likewise, the client shall notify Saranac Partners Europe sufficiently in advance of any act of disposal or encumbrance on the securities, assets or cash in its portfolio.
- 14.13. The client may limit Saranac Partners Europe's management powers and the various forms of investment of the managed portfolio, give instructions to Saranac Partners Europe or modify existing instructions upon prior notice.
15. **Investment Advice and Active Advice**
- 15.1. Our advice and opinions will be provided in written form and you should not place any reliance on oral advice or representation until confirmed to you in writing. For the avoidance of doubt all client advisor telephone lines are recorded.
- 15.2. Our reports, information, opinions and advice should only be used and relied upon for the purposes for which they were prepared. They should not be reproduced, referred to in any other non-Saranac Partners Europe documentation or made available to any third parties without our express permission in writing.
- 15.3. Recommendations shall be understood to be valid only for the time at which they are made and, where applicable, for the period of time established in the corresponding Suitability Report.
- 15.4. We are subject to regulatory requirements to take reasonable steps to ensure that any personal recommendation we make is suitable but do

- not accept responsibility for the subsequent performance of your investments made on the basis of the advice. Saranac Partners Europe does not guarantee any return or capital in relation to transactions that you decide to carry out as a result of a recommendation made by Saranac Partners Europe. You acknowledge and accept the possibility that there will be a negative return in relation to investments and divestments in your assets as a result of the recommendations you receive from Saranac Partners Europe. You further acknowledge and accept that such negative return may entail a total or partial loss of your capital. When being provided investment services, you assume the risk of possible losses and you will not hold Saranac Partners Europe liable for any loss you may suffer.
- 15.5. Regarding the Active Advice service, you acknowledge that the service may not be suitable for all investors and that:
    - 15.5.1. A trading strategy investing in high risk investments over a short period of time may result in significant losses including the loss in value of your entire investment;
    - 15.5.2. You should only commit sums to investments that you are willing and able to put at risk and should seek advice from us or a third party professional adviser
    - 15.5.3. Where we provide our active advisory service, we will not be advising you on the correct course of action to meet your wider financial needs unless expressly agreed otherwise with you.
  - 15.6. When we want to make an investment recommendation, we will make all reasonable efforts to contact you using the agreed channels and the most recent and updated contact details which we hold for you. However, we will not be liable where we try, but are unable, to contact you.
16. **Reception and transmission of clients' orders**
    - 16.1. Unless otherwise agreed in writing by us we will not undertake any Forward FX, Derivative or contingent liability transaction on a Reception and Transmission of Clients' Orders account.
    - 16.2. You may instruct us to arrange for execution of transactions by a broker whom we will select following our Execution Policy. Where we arrange to execute transactions on your instructions in circumstances where we have not advised you on that transaction, this will be on a reception and transmission of clients' orders basis.
    - 16.3. In addition, we do not take any financial responsibility for transactions we arrange to execute for you on a Reception and Transmission of Clients' Orders basis.
    - 16.4. A trade will only be confirmed as executed when we have confirmation from the broker that we have matched the trade with the market counterparty.
    - 16.5. When you so instruct us, you authorise us to:
      - 16.5.1. take, or omit to take steps, including refusing to place an order, which we reasonably believe necessary to comply with rules or Regulatory Requirements;
      - 16.5.2. negotiate and execute contracts with third parties which we reasonably consider to be necessary on your behalf; and
      - 16.5.3. otherwise act as we reasonably consider to be appropriate.
    - 16.6. You authorise us to arrange to execute deals on your behalf outside of a regulated market or on a Multilateral Trading Facility. We will only do so when we believe it is in your best interests to transact in this way.
    - 16.7. You must promptly give us any instructions that we may require. If you do not give us prompt instructions, or we are unable to contact you, we may, at our reasonable discretion, take such steps as we reasonably consider necessary or reasonable on your behalf or for our own protection. It is your sole responsibility to exercise, in a proper and timely manner, any right, privilege or obligation under any asset held in your account.



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## 17. **Client reporting**

- 17.1. Details of the reports which we will provide to you as a part of the service and the frequency of their production are set out in Part 4 Guidance to Services or will be confirmed to you in writing by us under separate cover as a part of specific piece of advice or transaction.
- 17.2. You acknowledge that any valuation of the assets held in your portfolio or accounts on which Saranac Partners Europe provides advice or commentary are provided by us in good faith and using reasonable endeavours to ascertain the fair market values (including accrued income if any) based on pricing and valuation information believed by us to be reliable. You acknowledge that variations in market conditions will mean that the prices shown in statements and any other reports provided to you do not necessarily reflect the prices at which your investments maybe sold or redeemed.

## 18. **Third party providers - custody**

- 18.1. Where you hold assets within a product provided by a Third Party Provider, you authorise us:
- to transmit dealing instructions we receive from you to issue dealing instructions to the Third Party Provider in respect of investments within your portfolio; and
  - to liaise with the Third Party Provider in such manner as we consider necessary in order for us to perform our duties under the Client Agreement.
- 18.2. You undertake to ensure that you have authorised the Third Party Provider to:
- accept instructions from us; and,
  - act as your paying agent and facilitate the payment of agreed fees due to us in respect of products provided by the Third Party Provider.

## 19. **Online services**

### **(Website & digital client portal)**

- 19.1. You hereby consent specifically to the provision by us to you of information required by the CNMV and Applicable Law by means of our company website or client specific portal (where

provided) without it being personally addressed to you. We will notify you Electronically, in writing or via a recorded line of the address of the website that should be accessed and the information that has been made available.

- 19.2. We may at our sole discretion agree to provide you access to a “Digital Client Portal” containing details of some or all of your investments advised by Saranac Partners Europe and client specific documents. The terms governing the access and use of the Digital Client Portal will be provided in a separate document.
- 19.3. We will take reasonable care to provide, ensure the security of and prevent unauthorised access to our online services.
- 19.4. We may suspend the operation of our online services where we reasonably consider it necessary. If we suspend the operation of our online services, we will give you notice by email where reasonably practicable; in any case, we will make it clear at the point of entry to the online services that they have been suspended. If we reasonably consider it necessary to suspend the online services or if the online services have failed for reasons beyond our reasonable control, we will not be liable for any losses you may suffer due to any suspension of the online services.
- 19.5. You must carry out your own regular virus checks and security updates on any devices you use to access our online services.
- 19.6. You must follow the instructions we give you as to use of any authentication device or process we require to enable you to access our Digital Client Portal. You must tell us as soon as you can if you become aware of any problem or suspected fraud in the sending or receiving of instructions online.

## 20. **Arranging custody**

- 20.1. Where we arrange custody services for you with one of our strategic custodians, the contract will be a direct contract between you and the custodian, the terms of which are set out in the documentation that will be provided to you.
- 20.2. We will use reasonable skill and care in making arrangements for the custodian to provide custody services, however we will not

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be responsible for any acts or omissions of the custodian or any of the custodian employees or nominees or sub-custodians.

- 20.3. At the request of the custodian, we may, from time to time, pass certain documents to you which we have received from the custodian. This may include documents which are required to be completed by you and returned to us.

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## Section 3: Your Representations and Obligations

This section deals with the obligations placed on you under the terms of this Client Agreement and the representations you are required to make in order for us to provide the services to you.

### 21. Your representations

21.1. You represent and warrant to us, as at the commencement of the Client Agreement and at each time a transaction is arranged or executed on your behalf or other service provided to under the Client Agreement that:

21.1.1. you have full power and authority to appoint Saranac Partners Europe on the terms of the Client Agreement;

21.1.2. you have full power and authority to execute the Client Agreement and enter into the transactions and services contemplated by the Client Agreement, and such transactions and services will be legally binding, valid and enforceable against you;

21.1.3. where you are not an individual (or one of more than one individuals), you are duly organised and validly existing under the laws of your jurisdiction of incorporation or establishment;

21.1.4. neither your entry into the Client Agreement nor into any transaction contemplated by the Client Agreement will breach any Applicable Law, rule or regulation applicable to you;

21.1.5. you are acting as principal (i.e. on your own behalf and not on the behalf of any other person) with respect to the transactions contemplated under the Client Agreement and you shall accordingly be liable as principal for all obligations under the Client Agreement;

21.1.6. the assets in portfolios or accounts are either:

- free of all charges, liens or other encumbrances and no such charges, liens or encumbrances will arise from your acts or omissions; or
- are subject only to charges, liens or other encumbrances which you have fully disclosed to us and these have been acknowledged by us in writing to you including the limit of liability in relation to the advice provided in respect of the impact of those charges, liens or other encumbrances;

21.2. where you are a sole account holder, you are the sole beneficial owner of all the assets in the portfolios or accounts managed or advised on by us;

21.3. where you are a joint holder you are both beneficially entitled to a share of the assets of the portfolios or accounts managed or advised on by us;

21.4. where you are acting as a trustee, you are acting on the behalf of the beneficial owner(s);

21.5. information and documentation provided by you or your agents to us pursuant to the Client Agreement including, but not limited to, the disclosures set out in the Client Agreement is accurate, complete, up-to-date and not misleading in any respect and you have notified us of all such information which is reasonably relevant to the performance of our duties in addition to the services you have requested under the Client Agreement; and

21.6. you are not insolvent and are not subject to bankruptcy or similar proceedings;

21.7. you will notify us immediately in the event that any of the representations and warranties set out in clause 20.1 ceases to be true, accurate or complete in any material respect.

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## 22. **Your obligations**

- 22.1. To help prevent fraud and protect your accounts and Assets, you must contact us without delay if you know or suspect that someone is impersonating you.
- 22.2. Please tell us when your contact details change, because we will use the most recent contact details on our records whenever we send you correspondence. If you do not tell us of a change:
  - a. The security of your information could be at risk; and
  - b. You might not receive communications that could be important, including notices about changes to the Client Agreement.
- 22.3. If we try to notify you of a change to the Client Agreement but we are unable to reach you using reasonable methods because your contact details have changed and you have not informed us, the change will be applied as set out in that notice.
- 22.4. You must also tell us without delay if your residency or citizenship status changes or if there is any other material change to the information you have given us as this may affect the services we provide. You must give us any information we reasonably require about your identity or affairs including whether you have the status of a dual or multi-nationality.
- 22.5. You must ensure that your information can be accessed or used only by people who have your permission to do so.
- 22.6. When we undertake to purchase investments on your behalf, you agree to pay the cash amount required to settle the transaction on the settlement date in advance of actual delivery of securities to your account.
- 22.7. You must check any confirmation of transactions or statement that we send you when you receive it and contact us without delay if you think it is inconsistent with your instructions or there is any inaccuracy.

## 23. **Your legal and tax obligations**

- 23.1. We do not provide legal or tax advice. You have sole responsibility for complying with any Applicable Laws and regulations and the management of your tax affairs. We recommend that you obtain your own independent advice,

tailored to your particular circumstances. You cannot rely on our information as a substitute for taking your own independent advice.

- 23.2. You confirm that you have been and are compliant with all tax declaration and reporting obligations relating to the Assets in respect of which we provide our services and any income or gains they produce.
- 23.3. If you are paying us interest or fees, you may be required by law to deduct tax from the amounts payable to us.

## 24. **International taxation arrangements**

- 24.1. The Client is responsible for; (i) complying with all applicable legal, regulatory and fiscal obligations concerning its affairs; and (ii) ensuring that any reporting obligations to the competent authorities have been or will be complied with diligently and in the time and manner prescribed by the regulations. It is recommended that the Client obtains legal and tax advice from a competent specialist before undertaking or not undertaking any action based on Saranac Partners Europe's general communications in the context of the services provided. Under no circumstances will Saranac Partners Europe's communication be considered advice or a substitute for it, and Saranac Partners Europe does not assume any liability for any actions taken by the Client which is the sole responsibility of the Client.
- 24.2. The disclosure to third parties of personal data and the provision of further information regarding the Client or the transactions carried out by the Client, or a person with whom the Client holds a joint Asset, including Saranac Partners Europe's involvement, may be required in connection with the services provided under the Client Agreement (e.g. reportable cross-border arrangements). Saranac Partners Europe may be obliged to disclose such information to third parties (including regulatory and tax bodies or other authorities as the case may be), at their specific request and/or have a reporting duty to disclose such information without request. The Client agrees to provide Saranac Partners Europe with the necessary information

- to comply with its obligations in this regard and authorises Saranac Partners Europe to disclose all such information deemed to be required now and, in the future, according to the relevant applicable laws and regulations as applicable from time to time.
- 24.3. If you are not an individual, we may also have to report information about your direct and indirect shareholders or other owners or interest holders and, if you are a trust, your beneficiaries, settlors or trustees.
- 24.4. If we are required to report information about you, this would include information about you, your Assets and Asset value(s), your name, address and country of residence and your social security number/taxpayer identification number or similar. If we ask for it, you will provide us with further information about your identity and status.
- 24.5. If some of your income is reportable and some is not, we will report all income unless we can reasonably determine the reportable amount.
- 24.6. If a withholding tax under a European Directive or any equivalent measure applies in the jurisdiction where your Asset is, we will withhold tax at the rate specified in the applicable EU Directive or equivalent law.
- 24.7. To the extent permitted by law, we will not be liable to you for any Losses you may suffer as a result of our complying with the law or agreements with tax authorities, or if we incorrectly determine that you should be treated as being subject to tax or reporting requirements where the incorrect determination results from our reliance on incorrect information you or a third party provided to us, unless that loss is caused by our gross negligence, wilful default or fraud.
- 24.8. If you ask us to make a payment to an account at a financial institution which does not participate or comply with relevant tax legislation, regulations, orders or agreements with tax authorities we may be required, and you authorise us, to withhold certain amounts from the payment. We will tell you if this is the case.
- 24.9. This clause will override any inconsistent term or consent provided by you under any other agreement with us to the extent that such agreement provides fewer or lesser rights for us, whether before or after the date of this Client Agreement.
25. **Requirements relating to specific types of account holder**
- 25.1. **Sole accounts**, where you enter into the Client Agreement on your own account the following shall apply:
- 25.1.1. Any, notice, demand, acknowledgement or request given under the terms of the Client Agreement must be given to you, unless you authorise another person to give or receive instructions, notices or demands on your behalf via a power of attorney or other form of letter of authority duly signed by you and accepted by us in writing or Electronically.
- 25.1.2. You acknowledge that your liabilities in respect of the Client Agreement are your sole responsibility.
- 25.1.3. On your death, or other incapacity, control over your portfolio or accounts will be transferred to your personal representatives.
- 25.1.4. Upon notification of your death, we will continue to provide services under the Client Agreement until we receive further instructions from your Personal Representatives or the Client Agreement is terminated by a Personal Representative. We reserve the right to liquidate holdings in your portfolio and hold cash pending receipt of instructions from your Personal Representatives.
- 25.2. **Joint accounts**, where you enter into the Client Agreement jointly with one or more other persons the following shall apply:
- 25.2.1. You acknowledge that your liabilities in respect of the Client Agreement are joint and several. This means that we will hold each of you individually bound to perform all obligations under the Client Agreement.

- 25.2.2. Any notice, demand, acknowledgement or request given under the terms of the Client Agreement may be given by or to any one of you unless agreed otherwise by you in writing to us.
- 25.2.3. On death or other incapacity of any one of you the Client Agreement will not be terminated and we shall treat the remaining holder(s) as entitled to the assets. We may however accept instructions from the Personal Representative of the deceased, or in the event of incapacity, the attorney of the incapacitated holder subject to receipt by us of satisfactory documentation conveying that person's authority in respect of the assets, portfolio or account.
- 25.3. **Corporates**
- 25.3.1. Any instruction, notice, or demand to be given by or to the board of directors of a corporate client may be given by or to any one of them or to their duly appointed representative (as notified to us in writing) unless otherwise notified to us in writing.
- 25.3.2. We shall not be concerned with the claims of any person or organisation under the articles of association or other documentation constituting any corporate client.
- 25.4. **Trustees**, where you enter into the Client Agreement as a trustee:
- 25.4.1. Any instruction, notice, or demand to be given by or to the trustees (or in the case of an estate trust, the personal representatives) must be given by or to any one of them singularly or by to their duly appointed representatives (as notified to us in writing) unless otherwise notified and agreed to by us in writing.
- 25.4.2. We may require valid instructions from all the duly appointed trustees of the trust or, at our sole discretion, two such trustees.
- 25.4.3. Notwithstanding the terms of the trust,
- 25.4.4. the liability of the trustees (or in the case of an estate trust the personal representative) with respect to the Client Agreement shall be personal, joint and several. This means that we will hold each of them individually bound to perform all obligations under the Client Agreement in their personal capacity.
- 25.4.5. We shall not be concerned with the claims of any person or organisation under the terms of any trust.
- 25.4.6. On the death, removal, or incapacity of any trustee or, in the case of an estate trust any personal representative, you agree that the Client Agreement will not be terminated. The continuing trustee(s) (or personal representative(s)) undertake to inform us in writing as soon as reasonably practicable of the details of the successor trustee (or personal representative) as the case may be and any authority of such successor, and we shall treat the remaining trustees (or personal representative(s)) as our client for the purposes of the Client Agreement.
- 25.4.7. In relation to pension trusts, here appropriate, the identity of the pension member shall be disclosed to us and the written authority of that member to the Client Agreement obtained.
- 25.5. **Legal entity identifiers**
- 25.5.1. Where you are a corporate body, unincorporated business or partnership ("**Undertaking**") you will be required to provide Saranac Partners Europe with a valid Legal Entity Identifier ("**LEI**") and provide this to Saranac Partners Europe prior to any investment service being provided.
- 25.5.2. Where you do not have an LEI number Saranac Partners Europe can assist you in obtaining an LEI number.
- 25.5.3. There are three bases on which Saranac Partners Europe can work with you with regard to LEIs: (a) We can apply for your LEI and maintain it on an annual basis; (b) If you already have an LEI, we can maintain this for you on an annual basis; (c) If you already have an LEI and do not wish Saranac Partners Europe to maintain it. Saranac Partners Europe informs the client that the processing of LEI registration and maintenance may involve costs from third party entities involved in these tasks.

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- 25.5.4. Where you are an Undertaking and to conform with the European Market Infrastructure Regulation (“**EMIR**”) for the reporting of OTC derivatives trades you must report all transactions in OTC derivatives including forward foreign exchange contracts.

Saranac Partners Europe have arranged for custodians to complete the EMIR reporting and submissions on your behalf.

25.6. **National client identifier**

Where you are an individual we are required under MiFID II to be able to identify you to the regulator via a unique national identifier. In most cases this will be your national insurance number. However this may require us requesting certain documents from you.



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## Section 4: Termination and Cancellation

This section sets out how the Client Agreement between us may be terminated and the consequences of termination.

### 26. **Your right to cancel**

- 26.1. Unless you are a corporate entity, you may have the right to cancel services that you entered into without a face-to-face meeting with us, within 14 calendar days.
- 26.2. Where you have a right to cancel, the cancellation period will start on the date on which we agree to provide the relevant service, or, if later, the date you receive the relevant terms.
- 26.3. The previous clause 25.2. shall not apply when Saranac Partners Europe has already fully executed its services and fully provided its services; for which you confirm that you are aware that, once the Client Agreement has been fully executed from our side, you will have lost his right of withdrawal.
- 26.4. If you wish to cancel, you must send us a written notice Electronically. You will have no further obligations in relation to the service you cancel and you will not be charged any fee for cancelling. There may, however, be a shortfall if we have carried out transactions on your behalf during the cancellation period and you will bear that market risk.
- 26.5. If you do not exercise the right to cancel, the Client Agreement will remain in effect until terminated under its terms.

### 27. **Termination**

- 27.1. The Client Agreement has no minimum term unless otherwise stated in writing by us to you and shall continue until terminated in accordance with the terms listed below. The Client Agreement shall remain in full force and effect until terminated under the terms below.

- 27.2. Unless we have told you that restrictions apply to a particular service, you can end your relationship with us, or any Service, at any time by giving us written notice in accordance with your contractual terms with us. Such notice shall designate a date as the Termination Date. Where the notice is received by us following the stated Termination Date the date of receipt of the notice by us will be considered the termination date. Where no Termination Date is designated, we will terminate the service as soon as practicable.
- 27.3. Unless the service terms state that there is a fixed term, we may terminate individual services or our entire relationship with you by giving thirty (30) calendar days' written notice to you.
- 27.4. We may also terminate the Client Agreement or any service without giving notice in advance in the event of non-payment of commissions or credit risk with the client, non-compliance with AML Regulations, or non-compliance with market-abuse regulations. These cases cover the following situations:
  - a. Giving us any false information, either with the purpose of altering the recommendations, portfolio management or transmission of orders placed by Saranac Partners Europe, or with the purpose of committing market abuse or money laundering offences;
  - b. Using, or allowing anyone else to use, any services we provide illegally, whether for market abuse or for criminal activity or otherwise;
  - c. Putting us in a position where we might not be in compliance with any Applicable Law, regulation, code or other duty that applies to us if we maintain the provision of services to you;



- d. You have become bankrupt, insolvent or you are unable to pay debts as they fall due;
  - e. If Saranac Partners Europe has a reasonable suspicion the client or the transaction could be related to money laundering; or
  - f. Any step, application or proceeding has been taken by you or against you or in respect of the whole or any part of your undertaking, for a voluntary arrangement or composition or reconstruction of your debts, winding up, bankruptcy, dissolution, administration, receivership or otherwise or any analogous proceeding in any jurisdiction.
- 27.5. We may also terminate the Client Agreement or any service without giving notice if we reasonably believe that maintaining our relationship with you or providing services might expose us to action or censure from any government, regulator or law enforcement agency; or reputational damage.
28. **Consequences of termination**
- 28.1. Unless otherwise agreed between us in writing, in circumstances where you give us or we give you notice to terminate the Client Agreement subject to clause 27.3 below we shall cease to provide any services from the designated Termination Date. To the extent relevant and practicable, we will endeavour to complete any one-off services which are not complete up until the Termination Date.
- 28.2. Ceasing to provide services from the Termination Date means
- a. Your assets will no longer be managed on a discretionary basis. Saranac Partners Europe will be obligated to give an account of the management within fifteen (15) business days and follow any instructions given by the Client for the termination of the Client Agreement. If, due to unforeseen circumstances, instructions cannot be obtained from the Client, Saranac Partners Europe will be hereby authorised to carry out the necessary transactions in order to maintain the value of the managed portfolio, keeping the Client informed about it);
  - b. We will no longer provide investment advice;
  - c. (except as provided for below in clause 27.3) the authority to deal or arrange transactions on your behalf will be terminated; and
  - d. (except as provided for below in clause 27.3) all other activities which we are performing as part of the services will cease.
- 28.3. To the extent that it is lawful to do so, where possible, we will use reasonable endeavours to ensure that transactions which we have initiated on your behalf prior to the Termination Date and which are still outstanding are completed.
- 28.4. We shall where relevant use reasonable endeavours to arrange an orderly transfer of investments on your instructions. However, we reserve the right to convert your holdings into cash.
- 28.5. For the avoidance of doubt we reserve the right to continue to charge the fees as defined within your Bespoke Fee Profile unless otherwise confirmed by us in writing to you, up to and including the date all assets have been moved.
- 28.6. In circumstances where Saranac Partners Europe has provided portfolio management or investment advisory services, the Client shall pay any fees corresponding to the time the portfolio was under the management or advisory service dating from the last period in which fees were collected. This is without prejudice to Saranac Partners Europe's right to additionally receive fees for transactions pending settlement at the time of termination of the Client Agreement.
- 28.7. Custodians (if appropriate) shall be entitled to retain and / or realise such assets (including cash) as may be required to settle outstanding transactions and to pay any of your outstanding liabilities under the Client Agreement and the Custody Agreement, including but not limited to any fees due and payable to us or the relevant custodian.
- 28.8. On termination of an investment service with Saranac Partners Europe, your custody services (governed by a separate bilateral agreement with your selected custodian) will not be subject to automatic termination. We will transfer your shares in their current form subject to clauses 28.9, 28.10 and 28.11 below.

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- 28.9. We may at our sole discretion charge a transaction fee per line of stock (plus VAT where applicable) for arranging the transfer of asset in-specie to your new custodian.
- 28.10. We may in our sole discretion charge a Saranac Partners Europe Execution Charge in line with our standard Schedule of Fees and Charges for Reception and Transmission of Clients' Orders where you have requested that we arrange the sale of an asset post termination in order to transfer cash to the new custodian.
- 28.11. We shall use reasonable endeavours to arrange for any assets (including cash) received by any relevant custodian which are due to you to be transferred to you or your new custodian as instructed by you or your duly appointed agent in writing.

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## Section 5: Legal and Data Protection

This section covers the various legal clauses, complaints and data protection elements of the Client Agreement.

### 29. **Assignment, successor firm**

29.1. You may not transfer or assign any of your rights or obligations under the Client Agreement or charge your accounts under the Client Agreement unless we permit it in writing.

29.2. You acknowledge and agree that the Client Agreement will not terminate in the event that Saranac Partners Europe Limited is merged or consolidated with another business or firm (a Successor Firm) and that we may transfer our rights under the Client Agreement or where we propose to transfer a group or class of accounts or a material part of our assets, our rights, powers, obligations and liabilities under or in connection with the Client Agreement, to a third party without your specific consent, provided that:

- a. we reasonably consider that the transfer will not materially prejudice your rights under the Client Agreement; and
- b. we have given you 30 calendar days' notice and you have not given notice terminating the Client Agreement on a date before the date of transfer.

29.3. You agree to take all such action as the third party or Successor Firm or us may reasonably require in order to effect the transfer of the Client Agreement as described above.

### 30. **Language**

30.1. The Client Agreement is supplied in Spanish. You may request a translation of the Client Agreement or any communication into English. The Spanish language version will be the only legally binding version and will prevail if there is any inconsistency.

### 31. **Entire agreement, waivers and remedies**

31.1. The Client Agreement constitutes the entire agreement between us and you with respect to the services. The Client Agreement supersedes all prior understandings, arrangements, agreements, representations, proposals or communications between us, whether written or oral. Neither you nor we have relied on any statements or representations made by the other in entering into the Client Agreement, except for those expressly incorporated in the Client Agreement.

31.2. No failure by you or us to exercise or enforce your or our rights under the Client Agreement, in whole or in part, shall act as a waiver of any subsequent breaches. The rights and remedies provided in the Client Agreement are cumulative and not exclusive of any rights or remedies provided by Applicable Law.

31.3. The provisions of the Client Agreement are severable and the illegality or unenforceability of any provision of the Client Agreement shall not affect the legality, validity or enforceability of any other provision.

### 32. **Law and legal proceedings**

32.1. In signing the Client Application Form, you agree that the Client Agreement will be governed by the laws of Spain and that the courts of Madrid (Spain) will have exclusive jurisdiction to determine any dispute that arises between us.

### 33. **Confidentiality & data protection**

33.1. The Data Controller is Saranac Partners Europe with its registered office at Calle Hermosilla 11, Planta 2, 28001 Madrid, Spain

- 33.2. These Terms contain a summary of how we use your personal information. You can find fuller details on our Privacy Notice available at <https://www.saranacpartners.com/policies-and-disclaimers> or ask us for a copy.
- 33.3. In order to provide you with products and services, we need to collect, use, share and store personal and financial information about you, which includes personal data we obtain from you or from third parties, including credit reference and fraud prevention agencies.
- 33.4. You must update us with any changes to the information you have given us.
- 33.5. We will use your information, for the following purposes:
- Based on the request prior to entering a contract:
    - information we need to establish the business relationship.
  - Based on contractual obligations:
    - to fulfill the contract and to provide our services.
    - to manage your requests, claims and exercise of rights.
  - Based on legal and regulatory obligations we need to comply with:
    - anti-money laundering laws.
    - MiFID.
    - regulations on customer care service.
  - Based on “legitimate interest”:
    - data from publicly available sources and identity cards and documents such as passports, driving license or other legal documents for our due diligence process.
    - for the prevention, investigation and/or discovery of fraudulent activities.
    - in compliance with our regulatory obligations we may record communications to check the instructions received, to resolve queries or issues, to improve our services, to prevent fraud and other crimes, as well as for staff training purposes.
    - for research and development of products and services.
    - to improve our website and apps.
- to notify you about changes to our website or policies.
  - to grant you access to our tools in the website and apps.
  - to inform you about our products and services.
  - Based on your consent:
    - to inform you about associates’ or Saranac Partners affiliates’ services.
- 33.6. We may disclose your personal data to third parties, located anywhere in the EEA (European Economic Area) and/or UK. Your personal data may also be disclosed to our service providers outside the EEA/UK or be processed by staff operating outside of the EEA who work for our affiliates or for one of our suppliers. Where we transfer your personal data outside the EEA/UK, we will ensure that it is protected in a manner that is consistent with how your personal data will be protected by us in the EEA/UK. This can be done in a number of ways, for instance:
- the country that we send the data to might be approved by the European Commission or UK Government (as applicable); or
  - the recipient might have signed up to a contract based on “model contractual clauses” approved by the European Commission or UK Government (as applicable), obliging them to protect your personal data. In other circumstances the law may permit us to otherwise transfer your personal data outside the EEA and/or UK.
- In all cases, however, we will ensure that any transfer of your personal data is compliant with data protection law.
- 33.7. Where you provide information about others, you confirm that you have their consent or are otherwise entitled to provide this information to us and for it to be used by us.
- 33.8. Your data protection rights: to exercise the rights of access, rectification, deletion, limitation, portability, objection, revocation of the consent granted to send alerts or other information, as well as any claim you may wish to file in relation to data protection, you may contact our Data

Protection Officer at [dpo@saranacpartners.com](mailto:dpo@saranacpartners.com)  
Likewise, you may contact the Spanish Data Protection Agency, the competent supervisory authority, at <https://www.aepd.es> or Calle Jorge Juan, 6, 28001 Madrid.

#### 34. **Questions or complaints**

34.1. If you have any questions or are dissatisfied with any aspect of the service you have received, please in the first instance contact your Client Adviser or if that is not appropriate our Complaints Office for Saranac Partners Europe. We will be happy to discuss how our service to you can be improved.

34.2. All formal complaints should in the first instance be made in writing or email to our Complaints Officer. We have procedures for handling your complaints fairly and promptly. We will try to resolve your complaint as quickly as possible and to your complete satisfaction. You may request a copy of our complaints handling procedure at any time.

#### 35. **Force majeure**

35.1. We will not be liable to you for any delay (or for the consequence of any delay) or failures in performing our obligations under or pursuant to the Client Agreement, or for breach of contract, to the extent that such delay or failure arises as a result of any acts, events or circumstances outside our reasonable control. Events outside our reasonable control shall include, without limitation, liabilities arising from:

- any changes in any Applicable Law orders or regulations of a governmental, supranational or regulatory body;
- nationalisation, expropriation or other governmental actions;
- regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations;
- market conditions affecting the execution or settlement of transactions or the value of assets;
- breakdown, failure or malfunction of any

third party transport, telecommunications, computer services or systems;

- natural disasters or acts of God; and
- war, terrorism, insurrection, civil disturbance or revolution, strikes or industrial action, epidemic. or pandemic

35.2. In the circumstances to which Clause 34.1 applies, we shall as soon as reasonably practicable notify you of what has happened, and the steps taken or to be taken to resume performance of our obligations and the reasonable extension of time we feel will be required to enable us to perform our obligations.

#### 36. **Liability and indemnity**

36.1. Extent of Saranac Partners Europe's liability to you:

36.1.1. We accept responsibility for loss suffered or incurred by you in respect of our provision of the Services under the Client Agreement to the extent that such loss is caused by the negligence, wilful default or fraud of Saranac Partners Europe.

36.1.2. Nothing in the Client Agreement will exclude or limit any duty or liability that we may have to you under Regulatory Requirements or that Applicable Law does not allow to be excluded or limited.

36.1.3. We are not liable to you for:

- a. any Losses arising from any cause beyond our reasonable control and the effect of which is beyond our reasonable control to avoid; or
- b. any Losses that we could not reasonably have anticipated when you gave us an instruction; or
- c. any loss of business, loss of goodwill, loss of opportunity or loss of profit.

36.1.4. We are not liable to you if we fail to take any action that in our opinion would breach any Regulatory Requirement. To the extent there is any conflict between the Client Agreement and our duties under any Regulatory Requirement, we will act in a way we reasonably consider necessary to comply with such Regulatory Requirement. We will

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- not be treated as having breached the Client Agreement as a result.
- 36.1.5. Saranac Partners Europe does not provide tax advice and is not liable for the accuracy of any income tax, CGT or other tax report provided to you.
- 36.1.6. For the avoidance of doubt, we do not accept any responsibility for the custody services provided by any custodian, for which you should refer solely to the applicable custody terms.
- 36.1.7. You acknowledge and agree that our employees do not owe you a duty of care directly. You will not bring any claim against any employees personally with respect to the matters covered by the Client Agreement, except to the extent that the claim relates to fraud perpetrated by the employee.
- 36.1.8. No representation or guarantee is provided by Saranac Partners Europe:
- a. in respect of the performance or profitability of your portfolio;
  - b. (in respect of the performance or profitability of any personal recommendation; or
  - c. that your investment objectives will be successfully achieved.
- 36.2. Where you are acting as a trustee, your liability under the Client Agreement shall be limited, in the absence of fraud, to the assets of the trust in respect of which you are acting as trustee. Where you are acting on behalf of a limited partnership, your liability under the Client Agreement shall be limited, in the absence of fraud, to the assets of the relevant limited partnership.
- 36.3. **Indemnity**
- 36.3.1. You hereby indemnify us, and any delegate against all Losses which may be suffered or incurred by us or made against us in the course of providing the Services to you under the Client Agreement, including losses which arise:
- a. as a result of any person claiming to be entitled to investments which form part of the portfolio at the time when we first commence the provision of services;
  - b. as a consequence of any breach by you of the Client Agreement;
  - c. as a result of us carrying out or relying on instructions provided by you or on your behalf, and any information provided or made available to us by you or on your behalf; or
  - d. out of any action properly taken by us in accordance with the Client Agreement,
  - e. except in each case, to the extent that such Losses arise as a direct result of our gross negligence, wilful default or fraud or breach of the Client Agreement between us.
  - f. Any indemnity provided by you under the Client Agreement is in addition to, and without prejudice to, any indemnity which we or any delegate may have under any Applicable Law to us.

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## Section 6: Fees and Charges

This section provides information on how our fees and charges are calculated and paid and what if any other costs or charges are payable with respect to your portfolio or services selected. This should be read in conjunction with your Bespoke Fee Profile and the Saranac Partners Europe Fees and Charges summary.

### 37. **Fee Profile**

Saranac Partners Europe will agree a bespoke fee with you for any service you require. We will produce a Bespoke Fee Profile in writing (including email) which will detail the fees incurred for each service provided. Your Bespoke Fee Profile will be contained in the Investment Mandate provided to you either prior to opening an account or prior to us undertaking any work on your behalf and constitutes the fee agreement between you and Saranac Partners Europe.

### 38. **How we calculate your fees**

Unless set out separately in your Bespoke Fee Profile, the method by which we will calculate your fees is described below:

#### 38.1. **Management fee calculation**

38.1.1. Fees will be calculated based on the daily weighted average value of the portfolio multiplied by the agreed basis point rate for the portfolio. Therefore, if your portfolio value grows, the amount of management fee charged will increase. Where the portfolio was opened / closed within a reporting period the fee will be adjusted to reflect the correct number of days held. Fees will be charged on a quarterly basis.

#### 38.2. **Saranac Partners Europe transaction advice fee and Reception and Transmission of Clients' Orders fee**

38.2.1. Fees are calculated as a basis points charge on

the gross consideration of a transaction based on the asset type and the value as detailed in the Saranac Partners Europe Fees and Charges summary on a monthly basis. Fees will be charged on a monthly basis.

38.2.2. Where a Spot FX is performed to convert currency any applicable Saranac Partners Europe fee will be calculated as a basis points charge on the gross consideration of the transaction based on the deliverable currency.

### 38.3. **Foreign exchange spreads**

38.3.1. Where Saranac Partners Europe arranges transactions between currencies the executing party may apply a spread to the exchange rate expressed as a percentage of the transaction value.

### 39. **Fee collection**

39.1. Unless otherwise agreed by us in your bespoke Fee Profile all fees (excluding Transaction based fees) will be calculated and collected quarterly in arrears.

39.2. Saranac Partners Europe Transaction based fees will be calculated at the end of the month for all trades in the previous month.

39.3. Where the Management fee is to be charged in a different currency to the currency of calculation the closing spot FX rate on the last day of the period will be used to convert the fee to the agreed payment currency.

39.4. Where Transaction Advice Fee and Reception and Transmission of Clients' Orders fee is to be charged in a different currency to the currency of calculation the FX rate will either be the end of day spot fx rate for the trade date or the rate for any associated spot fx completed on the same day as the transaction.



- 39.5. For any other fee charged in a different currency to the currency of calculation you will be notified of the FX rate and the basis of its application.
- 39.6. The fees and charges due to us under the Client Agreement can be paid by you as follows:
- a. Where you have appointed any of our preferred custodians you may elect to have your Reception and Transmission of Clients' Orders fee deducted from your portfolio. Where you have not appointed any of our preferred custodians we will agree with you and your elected custodian how fees may be debited.
  - b. Where you have elected to have your fees deducted from your advisory account we will require you to maintain a minimum cash balance of 0.5% of the value of the account.
  - c. We or you may elect for all fees to be invoiced. Where this option is elected, fees may be invoiced in arrears where applicable or in line with the agreed Bespoke Fee Profile. Unless otherwise agreed by us in writing all monies will be due no later than 20 working days from the date of the invoice.
  - d. All fees charged by invoice will be payable in EUR unless agreed with you in advance.

#### 40. **Other fees**

- 40.1. You will be liable for all reasonable expenses, liabilities, charges, disbursements and costs including such as brokerage charges, commissions, registration fees, taxes or other fiscal liabilities, arising out of a transaction incurred by us or any delegate or third party in performing services under the Client Agreement. This may include costs, including taxes related to transactions or services we provide or advise on that are not paid via us or imposed by or on us.
- 40.2. You will be responsible for Custody fees and all charges levied by your elected custodian.
- 40.3. Please refer to Part 1 About Saranac Partners Europe Section 1.4. A summary of all fees levied by Saranac Partners Europe will be provided to

you not less than annually.

#### 41. **Late payment of fees**

- 41.1. If you do not pay us the amounts when due, we may charge default interest, this will be at a maximum rate of the Bank of Spain base rate plus 2%. You are liable for any losses we suffer if you fail to carry out your obligations to pay us or any third parties under the Client Agreement. We may also immediately cancel, terminate and/or suspend any contract with you without having any resulting liability to you.
- 41.2. We reserve the right to take legal or other action to recover debts that you owe us.

#### 42. **Amending errors in fees**

Where there are any errors in the fees that have been charged we reserve the right to issue a revised invoice.

#### 43. **Closing accounts**

- 43.1. If you terminate your relationship with us, you will owe us any outstanding fees and charges up to the date that our relationship is terminated in accordance with the terms of your Client Agreement. [To the extent that it is practicable this will be the date stated by us as the Termination Date.]
- 43.2. For investment accounts with strategic custodian relationships the accounts will remain open with them and it will be your sole responsibility to instruct them regarding your assets. If you request that we manage the transition of your assets from such custodian to another provider as a termination service then our fees for this service will be agreed with you and will cease when the final asset has been moved.

#### 44. **Variations to charges and fees**

- 44.1. Your fees and charges will be reviewed at least annually. Fees and charges may be reassessed more frequently, in circumstances including:
- a. a material increase or decrease in the value of the portfolio/assets;
  - b. a change in Regulatory Requirements;



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- c. a change to the costs we incur in carrying out the activity for which the charge is being made; or
  - d. failure to meet an AUM or revenue commitment made to secure a specific fee level.

We may also change our charges for a valid reason which is not set out above. Any change or new charge will be a fair proportion, as reasonably estimated by us, of the impact of the underlying change on the costs that we incur and will be notified by us to you in writing as soon as is reasonably practicable in advance of the change being made.

45. **VAT**

- 45.1. Depending on the fee type and your individual tax circumstances certain fees will be subject to Spanish Value Added Tax (“VAT”). This will be made clear on your Fee Profile.
- 45.2. If the VAT rate changes, we will adjust the VAT you pay from the date of the change.
- 45.3. If as a result of any change of Spanish law relating to VAT, any change in interpretation of law relating to VAT it appears, in our reasonable opinion, that any of the services are or have become, exempt of VAT, we will cease to charge VAT on that service, with effect from the date of our notification to you of the event.

# Glossary of Terms and Definitions

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# Glossary of Terms and Definitions

<b>Term</b>	<b>Definition</b>
<b>AML Regulations</b>	means the <i>Spanish Law 10/2010, of April 28, 2010, on the Prevention of Money Laundering and Terrorist Financing and the Spanish Royal Decree 304/2014, of May 5, approving the Regulations of Law 10/2010, of April 28, on the Prevention of Money Laundering and Terrorist Financing</i> , as well as any European regulations on this matter.
<b>Applicable Law</b>	means any law, statute, rule, regulation, code of practice, order or determination by a court of competent jurisdiction or relevant governmental authority relating to the services contemplated hereunder, whether at the national or supranational level.
<b>Assets</b>	means the client's assets (including uninvested cash) in respect of which we provide our services under the Agreement.
<b>Basis Point</b>	one hundredth of one percentage point (0.01%)
<b>Bespoke Fee Profile</b>	the personalised details of the fees to be charged to you for the services listed. It forms part of the Investment Mandate.
<b>Client</b>	means you, following your acknowledgement of, and agreement with, the terms set out herein as evidenced by your execution of a Client Application Form.
<b>Client Adviser or "CA"</b>	the individual assigned by Saranac Partners Europe to be your primary point of contact for the duration of your relationship with us as notified to you (and as may be amended on further notice by us from time to time).
<b>Client Agreement</b>	means this document, comprising, inter alia, our Terms of Business and description of Investment Risks, as constituted by your execution of a Client Application Form and acceptance of the bespoke Fee Profile, as well as any specific terms that may be applicable for the specific investment service that is provided.
<b>Client Application Form</b>	means the application form or forms completed and signed by you requesting the provision of services from us.

<b>Client Review</b>	Saranac Partners Europe will review not less than annually your current financial position and goals and complete a review of the services provided to you over the preceding year including a review of investment performance. The review will be managed and arranged by your relationship manager and/or client advisor
<b>CNMV</b>	means the <i>Comisión Nacional del Mercado de Valores in Spain</i> .
<b>CNMV Rules</b>	means the legal rules and guidance published by the CNMV.
<b>Collective Investment Scheme</b>	means a scheme for the management of property of any description which enables participants in the scheme to receive income or profits from that property, such as open-ended investment companies, unit trusts and investment trust companies.
<b>Contingent Liability Transaction</b>	means a transaction that involves any actual or potential liability for you that may exceed the cost of initially acquiring an investment.
<b>Electronic and Electronically</b>	means any form of message or communication made by any type of telecommunication, digital or IT device. This includes, for example, text messages, email or communications using online tools we make available to you.
<b>Limit Order</b>	means an instruction to place a trade at or above a set price (for a sale) or at or below a set price (for a purchase).
<b>Losses</b>	means all reasonable losses, costs, expenses, damages and liabilities, excluding indirect or consequential losses.
<b>Margin</b>	means cash or assets that you deposit with us in connection with a Contingent Liability Transaction.
<b>MiFID II</b>	means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments, as well as its delegated regulations, and its transposition regulations in Spain.
<b>MTF or Multilateral Trading Facility</b>	is an execution venue that is a privately operated, order matching system which acts in a similar way to an order driven market. Where an MTF is located in countries in the EU, it is subject to the requirements of MiFID II and its successors.
<b>Personal Representative OTF or Organised Trading Facility means:</b>	<ol style="list-style-type: none"> <li>a. the individuals who have obtained probate, confirmation, letters of administration or their equivalent on your death and who have the power to give us competent instructions relating to your estate; or</li> <li>b. those individuals who, after your death, have satisfied us on reasonable grounds that it is appropriate for us to take instructions from them in relation to your estate. In the case of (b), before we act, we will satisfy ourselves there is no person willing and able to apply for the authorisations normally required by law to administer your estate.</li> </ol>

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<b>Portfolio Manager</b>	the individual assigned by Saranac Partners Europe to manage your portfolio where you have chosen either the Portfolio Management or Investment Advisory Service for the duration of your relationship with us as notified to you (and as may be amended on further notice by us from time to time)
<b>Regulatory Requirement</b>	<ul style="list-style-type: none"> <li>a. any obligation that we or, where relevant, another person, has to comply with under any law or regulation (including any tax legislation or rules made by an applicable regulatory body), or as the result of a decision by a court, ombudsman or similar body; or</li> <li>b. any obligation under any industry guidance or codes of practice which we or, where relevant, another person, follows; or</li> <li>c. any other legal or regulatory requirement governing the provision of financial services in the jurisdiction in which we provide services to you under the Agreement.</li> </ul>
<b>Schedules of Fees and Charges</b>	the schedule of fees and charges relating to services supplied by Saranac Partners Europe, which may be amended from time to time.
<b>Security or Securities</b>	means shares, stocks, bonds, debentures, notes, certificates of indebtedness, warrants or other securities or financial instruments (whether represented by a certificate or by a book-entry on the records of the issuer or other entity responsible for recording such book-entries).
<b>Stop-Loss Order</b>	means an instruction to place a trade at a rate (agreed with us) that is less advantageous to you than the market rate at the time the order is placed, for example, an instruction to sell at a rate that is lower than is currently available or to buy at a rate that is higher than is currently available.
<b>Termination Date</b>	the date on which we agree to terminate the provision of a service or services to you subject to the provisions and requirements of the Client Agreement.
<b>Third Party Custodian or “custodian”</b>	means any provider of services to you that you have notified to Saranac Partners Europe.
<b>Unregulated Collective Investment Scheme</b>	means a Collective Investment Scheme that is not authorised for distribution to the public generally in the jurisdiction in which we provide services to you.
<b>US</b>	means the United States of America
<b>Working Day</b>	means a full day on which the Stock Exchange and banks are open in Spain, other than on a Saturday, Sunday or a bank holiday.
<b>Written Notice</b>	is any written communication including email

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