Terms of Business

These Terms of Business (the "Agreement") outline the basis upon which Hoxton Wealth (Europe) Ltd, formerly Hoxton Capital Management (Europe) Ltd, will provide investment services to you as a client. By signing this document, you confirm that you have read, understood, and accepted these terms, which form a legally binding agreement between you and the Company.

About Us

Hoxton Wealth (Europe) Ltd, formerly Hoxton Capital Management (Europe) Ltd, (the "**Company",** "We") was incorporated as a private Company limited by shares under the Companies Law, CAP. 113 on 19/01/2021, with registration number HE417287.

The Company was granted authorisation number 432/23 on July 2023, and is regulated and supervised, by the Cyprus Securities and Exchange Commission ('CySEC') to provide the investment services of 'Reception and Transmission of Orders' and 'Investment Advice' regarding the following financial instruments:

- Transferable Securities
- Money Market Instruments
- Units in collective investment undertakings.

The Company does not provide any ancillary services as defined in the Law.

Our services are provided on the basis of your objectives and individual circumstances, as assessed during onboarding and ongoing reviews.

Regulatory

Our Company is authorised, licensed and regulated by the Cyprus Securities and Exchange Commission (CySEC). Through EU passporting rights, we are permitted to provide investment services across the European Economic Area (EEA).

This authorisation and professional standing demonstrate our commitment to delivering financial services responsibly and transparently, in accordance with applicable laws and regulatory requirements.

Client Assets and Insurance

Our Company is not authorised to provide Ancillary Services and, as such, does not hold client money, assets, or securities. All client assets and securities are safeguarded with regulated third-party custodians, in accordance with the applicable safeguarding and custody arrangements.

The Company does not accept transfers of client funds to the Company. Should you receive any such request purporting to be from our Company, please do not respond and contact us immediately through our official communication channels.

To protect our clients and support the quality of our services, the Company maintains professional indemnity insurance. This covers claims for losses or damages that may arise from professional negligence, errors, or omissions in connection with the investment advice and/or reception and transmission services we provide. Coverage is subject to the policy's terms, conditions, exclusions, and limits.

We are committed to maintaining high standards of financial safety and security and to taking all reasonable steps to safeguard our clients' assets.

Complaints

The Company maintains a complaint handling process for the fair and timely handling of complaints in accordance with applicable regulatory requirements. If you wish to raise a complaint regarding any aspect of our service, please at your earliest convenience so that we can review the matter and work towards a prompt and fair resolution.

1. **Submitting your Complaint**
   Please refer to the Company's Client Complaints Policy, which sets out the complaint's submission process, handling timelines and escalation routes available on the Company's website.

2. **Receipt and acknowledgement of the complaint:**

Upon receipt of a complaint, we will acknowledge receipt of your complaint within five (5) business days and provide you with the unique reference number of your complaint. This unique reference number should be quoted in all future correspondence with the Company and, where relevant with the Financial Ombudsman and/or with CySEC. Please note that CySEC, as the Company's competent supervisory authority, does not examine or resolve individual complaints or disputes, and uses complaints for supervisory purposes.

3. **Handling of your Complaint:**

Once we acknowledge receipt of your complaint, we will conduct a thorough review and a careful investigation of the circumstances surrounding your complaint and may request additional information to help us understand and resolve the issue.

4. **Resolution of the complaint:**

We will aim to resolve the complaint as quickly as possible and will provide a written response no later than two (2) months from the date we receive the complaint. Within this two-month period, we will inform you whether the complaint has been resolved or, if additional time is required, we will explain the reasons for the delay. In such cases, we will provide a final response within a maximum of three (3) months from the date of receipt of the complaint. The response will outline our findings and any actions we intend take to address the issue.

5. **Further Actions:**

If you are not satisfied with our final response, or if you have not received a response within two (2) months from the date we received your complaint, you may submit your complaint to the Financial Ombudsman of the Republic of Cyprus and seek mediation for possible compensation.

Alternatively, if you do not wish to accept the decision made by the Financial Ombudsman, you may pursue your case through an Alternative Dispute Resolution (ADR) body or, refer the matter to the competent courts.
Further information, including contact details and procedures, is available at http://www.financialombudsman.gov.cy.

Fees and Charges

The Company charges fees for the financial services and products we provide. The specific fee structure depends on the nature and complexity of the services and products provided.

- Initial Fee: Up to 5% of the invested amount, covering portfolio establishment and implementation of the investment strategy.

- Ongoing Fee: Up to 1.5% annually of the total value of assets under our management, covering investment advice, monitoring, and reviews. The fee is charged monthly, quarterly or annually depending on the product provider and the relevant end-of-period values.

- Commissions and Third-Party Payments: We may receive commissions, trail fees, or a share of fees from fund managers, and other third-party providers in connection with transactions arranged on your behalf. These payments generally represent a percentage of the management, custody, or related fees charged by the relevant provider and may typically range between 10% and 50%. Where we provide non-independent investment advice, you consent to our retention of such payments as part of our remuneration.

Investor Categorisation

In accordance with the Markets in Financial Instruments Directive II (MiFID II) and the Investment Services and Activities and Regulated Markets Law 87(I)/2017), the Company is required to categorise clients as Retail Clients, Professional Clients, or Eligible Counterparties. This categorisation ensures that clients receive the appropriate level of information, services, and regulatory protection.

By default, all clients will be classified as Retail Clients. A Retail Client is any client who is not a Professional Client or an Eligible Counterparty and is therefore afforded the highest level of regulatory protection, including detailed disclosures, suitability assessments, and access to the Investor Compensation Fund.

A Professional Client is a client who possesses the experience, knowledge, and expertise to make their own investment decisions and properly assess the risks involved. Professional Clients benefit from access to a wider range of services but are afforded a lower level of regulatory protection in comparison to Retail Clients.

An Eligible Counterparty is a client category that may be treated differently from Retail or Professional Clients in accordance with applicable regulatory requirements. Eligible Counterparties typically include regulated entities such as credit institutions, investment firms, insurance undertakings, collective investment undertakings and their management companies, pension funds, and other authorised or regulated financial institutions.
When dealing with an Eligible Counterparty in relation to certain investment services, such as reception and transmission of orders, an investment firm is not subject to certain conduct of business obligations that would otherwise apply. This categorisation provides the lowest level of regulatory protection compared to Retail and Professional Clients. The Company remains subject to overarching obligations to act honestly, fairly and professionally and to manage conflicts of interest in accordance with the applicable regulatory requirements.

Clients may request a different categorisation by submitting a written request to the Company in a durable medium. Such requests will be assessed against the regulatory criteria set out in the Investment Services Law (Second Appendix). Clients will be informed in writing of the outcome of their request and the implications of any reclassification, including the reduced protections that may apply.

Clients are responsible for notifying the Company of any changes that may affect their categorisation. Should the Company become aware that a client no longer meets the conditions of their current classification, it will take the necessary steps to re-categorise the client in line with regulatory requirements.

The Company applies client categorisation requirements to ensure clients receive the applicable level of regulatory protection and disclosure.

Termination of Business Relationship and AML Obligations

In compliance with the Company's Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) obligations and client monitoring framework, client relationships are categorised based on inactivity periods as follows:

- Inactive: Six (6) months with no interaction or instruction from the client;
- Dormant: Twelve (12) months with no interaction or instruction;
- Terminated: Eighteen (18) months with no interaction or instruction;
- Deceased: Upon receipt of official notification or documentation evidencing death.

The Client may terminate this Agreement at any time by giving written notice to us. Similarly, the Company may also terminate the engagement by written notice at its discretion.

The Company may reserve the right to terminate the business relationship immediately and without prior notice, where necessary to comply with AML/CFT laws and regulatory obligations. Where clients have outstanding advisory engagements or pending instructions, the Company will provide a reasonable period to conclude or withdraw such engagements. If no action is taken, the Company may cancel instructions on a predetermined date, which will be duly communicated to the client.

Before termination, the Company may impose restrictions on the client's relationship if the required AML/CFT documentation or information is not provided. Such restrictions may include suspension of services, refusal to receive or transmit new orders or instructions, limitation of access to certain services or account functionality, suspension of operational processes linked to an execution venue, and any other proportionate measure necessary to ensure compliance with AML/CFT, legal or regulatory obligations.

The Client agrees to promptly provide updated information or documentation upon request, including where changes occur in personal, financial, employment, business or residency circumstances that may affect the Company's regulatory or AML/CFT obligations.

Conflicts of Interest and Inducements

A conflict of interest may arise where the interests of the Company, its directors, employees, appointed representatives, related entities or any person directly or indirectly linked to the Company could potentially influence the impartiality or objectivity of the investment and/or ancillary services provided to clients.

In connection with the investment recommendations and services provided during the course of the business relationship, potential conflicts of interest may arise where the Company, associated persons and/or related entities may receive advisory fees, ongoing servicing fees,

introducer fees, distribution-related remuneration and/or other monetary or non-monetary benefits linked to investments, financial instruments, platforms, product providers or associated services. The Company may also benefit from increases in Assets Under Management ("AUM") and ongoing client retention.

Additional conflicts may arise where the Company, related entities and/or their personnel maintain existing, historical or commercial relationships with issuers, product manufacturers, platforms, counterparties, insurance undertakings, service providers or other third parties connected to a recommended investment or transaction.
Where applicable, the Company will disclose relevant fees, inducements, commissions and/or other benefits received in connection with investment services and recommendations in accordance with MiFID II and the applicable regulatory framework, including through pre-contractual disclosures, Suitability Reports and/or other client communications, as appropriate.

The Company maintains and operates effective organisational and administrative arrangements, policies and procedures designed to identify, prevent, manage, monitor and, where necessary, disclose conflicts of interest in accordance with MiFID II and the applicable regulatory requirements of Cyprus Securities and Exchange Commission. Such measures include segregation of duties, remuneration controls, approval and oversight processes, inducement assessments, staff training and ongoing compliance monitoring.

Where the arrangements established by the Company are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, the nature and/or source of the conflict will be clearly disclosed to the client in a clear, fair and not misleading manner prior to the provision of the relevant service or transaction.

Notwithstanding the existence of any potential conflict of interest, the Company acts honestly, fairly and professionally in accordance with the best interests of its clients at all times.

Capacity

The present Agreement sets out the terms under which the Company provides Investment Advice and where required, Reception and Transmission of your Orders arising from the investment advice provided.

We act on a non-discretionary basis, meaning we require your written authorisation before taking any action. While we may accept verbal instructions, we reserve the right to request

written confirmation. All client instructions will be transmitted to the relevant financial institution for execution. Where you appoint a Discretionary Fund Manager ("DFM") under a separate agreement, the DFM will manage your portfolio on a discretionary basis in accordance with the agreed investment mandate and applicable regulatory requirements. Further details are set out in the section below titled "Introduction of a Discretionary Fund Manager (DFM)".

The language of communication is English, and all communications between us must be in English. We may rely on and act upon any instruction that reasonably appears to be duly authorised by you or by a party you have designated in writing. The client agrees to indemnify the Company, its subsidiaries, and related companies against any liabilities, actions, proceedings, claims, losses and expenses arising from such reliance.

Upon acceptance of this agreement, the Company will act as your investment adviser. Our role is limited to providing advice on the purchase, sale, or subscription of investments, and on the exercise of rights attached to them, except where you appoint a DFM under a separate agreement, in which case the DFM will manage your portfolio on a discretionary basis in accordance with the agreed mandate, as explained below. Where the Company provides services on a non-advisory basis, our role is limited to the receipt and transmission of your orders to the relevant financial institution for execution.

The Company does not act as the tied agent of any investment provider, does not hold client money or client financial instruments and does not own or control the investments on which it advises. All transactions are carried out in your name, and our involvement is restricted to advising you on their merits and arranging their execution at your instructions.

The Company does not provide legal or tax advice. We strongly recommend that you seek independent professional legal and tax advice where appropriate. We may introduce you to third-party service providers, but such introductions are made without liability on the part of the Company.

All investments will be registered in the name of the client (or his/her nominee(s) if we are so instructed in writing), and policies, certificates or other documents of title will be sent to the client (or to his nominee(s) as the case may be). Where investments are registered jointly or in the name of a third party at your instruction, the Company accepts no liability for their default.

The Company may be required to obtain, verify or share client information with regulated third-party providers, custodians, product issuers or discretionary managers where necessary to comply with AML/CFT, regulatory or legal obligations.

Introduction of a Discretionary Fund Manager (DFM)

Where suitable and in your best interests, the Company may recommend or introduce you to a Discretionary Fund Manager (DFM) to manage all or part of your portfolio.

The DFM is a separately regulated entity and assumes full regulatory responsibility for discretionary management under its own licence and applicable laws. The DFM will manage your investments on a discretionary basis, making day-to-day investment decisions without prior reference to you, within the parameters agreed in the DFM's investment mandate and applicable regulatory requirements. The Discretionary Management Agreement ("DMA") outlines the terms of the arrangement, including the scope of the DFM's discretionary authority, investment objectives and restrictions, fees and charges, and reporting obligations.

All fees, including the DFM's management fees and our ongoing service fee, will be disclosed to you in advance and are subject to your written consent.

The Company acts in an advisory and introducing capacity and does not exercise discretion or hold client assets. Our role is to assess whether a discretionary service is suitable for you based on your financial situation, investment objectives, and risk tolerance and, liaise with the DFM on your behalf as necessary.

Once appointed, the DFM is directly responsible for the ongoing portfolio management and investment selection within the agreed mandate.

Risk Warnings

- Discretionary portfolio management involves risks, including market risk, credit risk, and potential loss of capital.
- Investments carry the risk of loss, including the potential loss of your invested capital. Past performance is not indicative of future results.

- The value of investments can fluctuate due to changes in market conditions, including economic, political, financial events or currency movements.
- Certain investments may be difficult to sell or realise promptly at a fair market price.
- Investments in debt instruments or with third-party issuers carry the risk that the issuer may default on its obligations.
- Some investments may be complex and difficult to understand. Such products can carry higher risks, and you should not invest in them unless you fully understand their nature, the associated risks, and are satisfied that they are appropriate for your investment objectives, financial situation, and risk tolerance.
- The Company does not provide legal, tax, or accounting advice, and you should consult independent professional advisers regarding such matters where appropriate.
- You are responsible for your investment decisions. You should carefully review all risk disclosures and, where necessary, seek clarification before acting on any recommendation.

Marketing and Communications

For direct marketing purposes, you agree that we may use the information you have provided to contact you from time to time via email, telephone, or other means, to inform you about additional products or services which may be of interest or benefit to you.

Please indicate your preference by ticking the appropriate box:

Yes ☐ or

No ☐

Note: Where you tick 'No', we will not contact you for marketing purposes, but we still have the obligation to contact you for the purpose of providing services to you as agreed by the signing of this agreement.

Where we do not meet face to face to conclude this Agreement, but instead our communication is conducted electronically, by telephone, or by written correspondence, we will provide you with the relevant documents by email or post.

Agreement

By entering this engagement with the Company and/or using our financial services, you acknowledge that you have read, understood, and agreed to the terms of business set out above. These business terms will apply to our relationship and supersede any previous agreements or arrangements. This Agreement is accompanied by the policies and policy summaries that can be found on our website. These policies shall be incorporated into and form part of this Agreement as if each had been set out in full herein.

We reserve the right to update or revise these terms of business and included policies at any time, and we will provide you with notice of any material changes. Your continued use of our financial services will constitute your acceptance of such changes.

If you do not agree to the terms of business set out above, please contact us to terminate any existing engagements.