

## **2. DAVY ACCOUNTS**

Davy will make payments for the following accounts:

- The Approved Retirement Fund (ARF) Account (Execution Only, Advisory and Discretionary);
- The Approved Minimum Retirement Fund (AMRF) Account (Execution Only, Advisory and Discretionary);
- The Executive Pension Portfolio (EPP) Account (Execution Only, Advisory and Discretionary);
- The Personal Retirement Savings Account (PRSA) Account (Execution Only, Advisory and Discretionary);
- The Personal Retirement Bond (PRB) Account (Execution Only, Advisory and Discretionary);
- The Trading Plus Account (Execution Only); and
- The Trading Account (Advisory and Discretionary).

(each an "Account" and together the "Accounts").

## **3. INITIAL & ONGOING PAYMENTS FOR EXECUTION ONLY ACCOUNTS**

### **3.1 INITIAL PAYMENTS**

Davy will make initial payments of 0.5% on the aggregate sum of cash and/or assets paid into and/or transferred into client accounts less the aggregate sum of cash and/or assets paid out of and/or transferred out of client accounts in each calendar month. For the purposes of calculating the net aggregate sum set out above the following are excluded:

- 3.1.1 Annual Approved Retirement Fund ("ARF") imputed distributions;
- 3.1.2 Approved Minimum Retirement Fund ("AMRF") imputed distributions; and
- 3.1.3 Vested PRSA imputed distributions.

The firm will each year as soon as practicable following the previous year end, calculate the total distributions made in the previous financial year for each of the accounts listed at 3.1.1, 3.1.2 and 3.1.3 above. Where the aggregate sum of withdrawals exceeds 10% of the value of the relevant account either:

- as of the close of business at 31 December in each preceding year; or
- as of the value of the relevant account at the close of business on any date in the preceding year;

then the amount of withdrawal over 10% will be included in the next due calculation of initial and/or ongoing commission payments to the Intermediary. For the avoidance of doubt this means that withdrawals of up to 10% from the three account types listed above are not treated as withdrawals in the normal course of calculating initial and/or ongoing payments.

Initial payments will only be paid where the net aggregate sum in the relevant calendar month is positive. Net negative initial payments if any, arising under any previous Intermediary Remuneration Agreement and/or for any previous calendar month and/or any previously agreed payment period within this Remuneration Agreement which are negative will be carried forward to offset future positive payments.

### **3.2 ONGOING PAYMENTS**

Ongoing payments of 0.5% per annum will be paid based on the total value of cash and/or assets at the end of each calendar month less an amount calculated for Net New Funds, with Net New Funds being the net aggregate sum of cash and/or assets introduced and withdrawn in the previous calendar month.