

# Terms of business

## White List Portfolio and White List Portfolio ISA

These *Terms of business* are effective from August 2020 and replace all previous.

## Important information

The following terms and conditions relate to the White List Portfolio ISA and you are advised to read them carefully before completing the Application Form. If there is anything in them which you do not understand please contact Sanlam directly. The Agreement for your White List Portfolio ISA account will consist of these terms and conditions and the Application Form.

We want to make it straightforward for you to understand how we provide our services. It is important you understand these Terms of Business and are comfortable with your responsibilities and how your investment portfolio will operate before proceeding.

While you should make sure you read these Terms of Business, we have summarised below some key information to assist you.

## Summary of Important Information

<b>What do we provide?</b>	Access to the White List Portfolio ISA; Access to up to date information about your account via Sanlam Client Connect.
<b>What are your key responsibilities?</b>	<p>Ensure you understand and comply with these Terms of Business because they are binding on you;</p> <p>Comply with any eligibility requirements applicable to your account and pay all fees and expenses due;</p> <p>Promptly provide us with information we may request;</p> <p>Tell us if you see anything wrong with your Sanlam Client Connect account or any investment portfolio information provided to you;</p> <p>Notify us if you change adviser (if you have one);</p> <p>Ensure any information you provide is complete, correct and kept updated;</p> <p>Keep secure any login and passwords issued to you;</p> <p>Be responsible for any loss which may arise if you do not comply with these Terms of Business.</p>
<b>You should also note</b>	<p>By accepting these Terms of Business you will also become a client of the Appointed Custodian (currently Pershing Securities Limited) and agree to be bound by their terms in the appendix.</p> <p>We will exercise reasonable skill and care when appointing the Appointed Custodian but we will not be responsible for loss caused by the Appointed Custodian. The appendix explains the extent to which the Appointed Custodian is liable to you.</p> <p>If you have any queries regarding your account with the Appointed Custodian you should tell us and we will deal with the Appointed Custodian on your behalf.</p> <p>We shall not be responsible for any loss you may incur if we act on information you provide which is incorrect, incomplete or misleading.</p> <p>As a 'retail client' you are entitled to the highest level of protection under the regulatory rules.</p> <p>We may have to undertake maintenance and upgrades to Sanlam Client Connect to improve our services, so it may not be continually available.</p> <p>We will usually correspond with you via Sanlam Client Connect unless we have agreed otherwise.</p> <p>We may update these Terms of Business from time to time.</p> <p>We may (on your behalf) change Appointed Custodian or agree changes to your agreement with the Appointed Custodian, as explained in these Terms of Business. In each case we will always aim to minimise disruption to you and give you prior written notice (except in exceptional circumstances or if a change is not material).</p>

<b>Our key responsibilities</b>	<p>Provide our investment services in accordance with these Terms of Business and applicable laws.</p> <p>Appoint the Appointed Custodian, and agree the terms on which they will provide their services, in each case on your behalf.</p> <p>Be responsible if we do not comply with these Terms of Business or if we are negligent or fraudulent.</p> <p>Enable you to cancel or terminate your account in accordance with the rules of the Financial Conduct Authority (FCA) and these Terms of Business.</p> <p>Provide a clearly defined complaint process.</p>
<b>Custodian's key responsibilities</b>	<p>Provide custody, safekeeping and associated services in respect of your investments and cash, in accordance with the terms in the appendix, the FCA rules and applicable laws.</p>

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# 1. Definitions

- a) The ISA Manager is Sanlam Private Investments (UK) Ltd, trading as Sanlam Private Wealth (SPW), which is regulated by the Financial Conduct Authority (FCA), whose address is 12, Endeavour Square, London E20 1JN, in the conduct of investment business.
- b) The 'Regulations' referred to are the Individual Savings Account Regulations 1998 (as amended or re-enacted).
- c) Except where stated, or where the context otherwise demands, words and phrases defined in the FCA rules have the same meaning when used in this Agreement.
- d) The 'Client' is the person whose name and address are shown on the Application Form as the applicant.
- e) The 'Income Study' means our semi-annual research newsletter publication distributed to investors generally and in which are designated funds within the IMA UK Equity Income Sector, categorised into White, Black and Grey Lists, based on historic returns and volatility.

# 2. Investment mandate

To deliver the best combination of income and capital returns from UK equities by investing in a range of regulated unit trusts and OEICs from within the Income Study (we refer to this range of funds as 'Best of Breed').

The White List Portfolio ISA will apply the following rules:

- a) review the investments every six months against the current constituents of the White List;
- b) align the selection of investments with the Best of Breed funds drawn mainly from the White List by investing in a similarly weighted portfolio of funds. The Best of Breed funds selection will only include those directly available to retail investors;
- c) avoid exposure to more than one fund run by any individual manager or fund group;
- d) avoid excessive exposure to any one fund;
- e) avoid high turnover by switching out of funds that have dipped out of the White List but which remain in our Best of Breed selection.

We will maintain a residual cash balance in your portfolio to provide liquidity. This value will increase as dividend income is received from the funds in your portfolio, especially

if you have elected not to receive regular payments. Cash balances in excess of 2% will normally be reinvested when rebalancing transactions occur, subject to minimum transaction values.

We will treat your application for the White List Portfolio ISA, as your ongoing instruction to us to invest your ISA strictly in accordance with the Investment Mandate. We will execute against this mandate by automatically buying the Best of Breed funds on your behalf. The investment selection will be reviewed against the Investment Mandate every six months and if necessary adjusted or re-balanced in accordance with the rules of the Investment Mandate by switching between funds in the Income Study.

Please note that the Best of Breed fund selection cannot be changed according to any other selections you may wish to make. Under the White List Portfolio ISA, you cannot make any other investment selections nor vary the investment instruction in any way.

As your application for the White List Portfolio ISA is treated as an ongoing instruction you will not have to reinstruct us to invest in the Best of Breed, nor will you have to reinstruct us to carry out the Investment Mandate every six months. We will do this automatically.

### 3. Opening your ISA account

The Agreement will come into force on acceptance of your application by SPW.

In certain circumstances, because of applicable laws and regulations and/or internal business policies, SPW may be unable to accept your application. In such

circumstances we will endeavour to notify you as soon as reasonably practical, but you should not treat any failure to notify you as implying acceptance of your application. SPW will not be liable to you for any failure to accept your application.

### 4. Investing in the White List Portfolio ISA

Investments into a White List Portfolio ISA may be by cheque, by transfer of cash from an investment portfolio held with SPW or by transfer from another ISA manager (subject to HMRC's ISA transfer rules). In the case of transfers, on receipt of your Application, SPW

may wait until all the proceeds have been received from your present managers before investing the cash value into the White List Portfolio funds. This may sometimes result in delays outside SPW's control.

### 5. Cancelling your investment

If you decide to cancel within the cancellation period of 30 days from receipt of your cancellation notice we will return the market value of your assets after certain deductions which will apply if we have undertaken transactions on your behalf during the cancellation period. We will deduct from the market value of your assets our pro-rata management fee and any applicable dealing or stock transfer charges as stated in paragraph 13 of these terms and conditions. You may benefit from any rise or suffer from any fall in the market value of your assets.

In the case of an ISA transfer you will not be able to reverse the transfer itself but you will be able to close your account or transfer it to the original or another ISA manager, provided they agree to accept it. It will be

your responsibility to contact the other ISA manager to make arrangements to transfer your account.

If you cancel your ISA within the 30-day period following your subscription then you will be treated as though you have not subscribed to an ISA. You will be exempt from UK income and capital gains tax on any income or gains arising from your assets held in the ISA during that period. However, if you decide to cancel your ISA after the 30-day period then you will be treated as having already subscribed to the ISA and you will not be able to subscribe to another ISA of the same type in that tax year. In these circumstances you will not be exempt from UK income and capital gains tax arising from the subscription.

## 6. Custody of your investment

The investments held in your White List Portfolio ISA are beneficially owned by you. All securities or documents of title relating thereto will be held by SPW or its appointed agents as Custodian in accordance with the FCA rules. In certain circumstances we may appoint another custodian, regulated by the FCA, or an overseas equivalent, who will hold the stocks to our order. SPW or its Appointed Custodian will keep full and detailed records of each client's holdings, but individual entitlements to such investments may not be identifiable by separate certificates or other physical documents of title or equivalent electronic records.

You agree SPW may transfer any client money it holds for you to another firm (whether within the same corporate group or not) as part of transferring all or part of its business to that firm (for example if SPW is involved in a group re-organisation or all or part of its business is acquired by a third party) and that we do not need to obtain specific consent from you in advance of the transfer to the recipient firm provided we have put arrangements in place for the transfer in accordance with the relevant FCA rules, including ensuring that:

- a) the client money being transferred relates to the business being transferred;
- b) the firm to whom we transfer your client money will be required to return your client money held with them as soon as practicable on your request; and
- c) the firm to whom we have transferred your client money will hold it in accordance with the FCA's client money rules (insofar as they apply to that firm) until they return your client money or, if the FCA's client money rules do not apply to that person, SPW will take appropriate steps to satisfy itself that appropriate measures will be put in place to protect your client money until it is returned.

SPW may transfer responsibility for custody by appointing an alternative custodian, subject to the conditions for transferring client money above. We will give you at least 30 days' prior written notice. If you object to the transfer, you may terminate your agreement with us. We will not make any charge if, in these circumstances, you transfer to another provider or if you terminate your agreement with us within 30 days of receiving a notice from us under this section.

### General custody provisions

By accepting these terms you authorise SPW to appoint a custodian on your behalf to hold your client money and investments and to provide associated services as we may determine from time to time, in order to carry out investment transactions we execute or arrange on your behalf. We refer in these terms to such custodian as an "Appointed Custodian". The agreement under which an Appointed Custodian is appointed is referred to as the "Custodian Contract". Under this arrangement there will be a contract between you and us and between you and the Appointed Custodian. Consequently you will be bound by both these terms and the Appointed Custodian's terms.

You therefore grant us all necessary power and authority to do the following on your behalf:

- to agree the terms of the Custodian Contract under which the Appointed Custodian will provide you with services and to enter into the Custodian Contract, and to agree any amendments to the Custodian Contract;
- issue instructions to the Appointed Custodian and receive instructions from that Appointed Custodian;
- give any consents, authorities and permission to the Appointed Custodian as may be determined by us and as required for the provision of our services to you;
- give any warranties, representations and undertakings to the Appointed Custodian where we, acting reasonably, believe we can give such warranties, representations and undertakings and such warranties, representations and undertakings are reasonable and in line with general market practice given the context in which they are given;
- agree to indemnities and other provisions under which you may become liable to meet certain costs and liabilities of the Appointed Custodian where we, acting reasonably, believe we can agree on your behalf to such indemnities and other provisions;
- to receive notices, statements and reports and other communications to you from the Appointed Custodian as the Appointed Custodian's client (including, without limitation, notices of variation of the Custodian Contract) on the basis that we then notify you and/or your adviser of such notice;

- enter into any assignment and/or novation of any existing contract with an Appointed Custodian to effect the appointment of an alternative custodian selected by us and make arrangements for your investments (including, without limitation, cash) to be transferred to an alternative custodian appointed by us in accordance with this clause 9;
- terminate an existing Custodian Contract with an Appointed Custodian and make arrangements for your investments (including, without limitation, cash) held by that Appointed Custodian to be transferred to an alternative custodian appointed by us in accordance with this clause 9, or to be transferred to us on the basis of a contract between you and us that is on terms the same as or better than the terms of the relevant Custodian Contract.

While exercising the permissions and authorities granted to us by you under this clause, we shall, at all times, act in accordance with all laws and the regulator's rules that are applicable to us.

Before arranging for the transfer of your investments from us to an Appointed Custodian (or any alternative Appointed Custodian or from an Appointed Custodian to us), we shall give you at least 30 days' written notice. If you object to the transfer, you may terminate your agreement with us. We will not make any charge if, in these circumstances, you transfer to another provider or if you terminate your agreement with us within 30 days of receiving a notice from us under this paragraph.

### **Appointing Pershing Securities Limited as Custodian**

We have entered into an agreement with Pershing Securities Limited ("PSL") pursuant to which PSL has been appointed as the Appointed Custodian. PSL's services under that agreement include order execution services, clearing and settlement services, custody and nominee services and such other services as we may agree with them from time to time. PSL is a company registered in England, company number 2474912, having its registered office at Royal Liver Building, Pier Head, Liverpool, England, L3 1LL. PSL is authorised and regulated by the Financial Conduct Authority (firm reference number 146576).

By entering into these Terms, you agree to be bound by your agreement with PSL, which will operate on the basis set out in the Appendix. You should review the provisions set out in the Appendix and ensure that you are comfortable with your and PSL's respective rights and obligations under them.

You should note that, under the terms of your agreement with PSL, PSL may have liens, rights of set-off or other security interests in respect of assets and/or cash that it holds on your behalf to the extent that your obligations to PSL remain outstanding. Further details in this regard are set out in the Appendix.

You may terminate your agreement with PSL at any time by providing written notice of termination to us, subject to any outstanding obligations you owe to PSL being discharged. On receiving such notice, we will terminate your agreement with PSL on your behalf.

PSL may terminate its agreement with you by providing 60 days' written notice of termination, subject to applicable law and regulatory requirements. PSL is able to stop providing its services to you and close any accounts it holds and maintains in your name in certain circumstances, further details of which are set out in paragraph 3.2 of the Appendix.

Please note that we may also terminate our agreement with you if your agreement with PSL is terminated, in which case this agreement will terminate on the date that your agreement with PSL terminates.

Further details regarding the consequences of termination of your agreement with PSL are set out in section 12 below.

All instructions regarding the administration of your investments and cash held by the Appointed Custodian on your behalf should be provided to SPW in accordance with section 9 and we will liaise with the Appointed Custodian where required. When the Appointed Custodian needs to provide you with information relating to investments it holds in safe custody on your behalf, we will normally notify you of this through Sanlam Client Connect or by writing to you. However, in cases of urgency, we may telephone you or send you a message electronically via email or fax.

Any cash withdrawals from the portfolio must normally be requested by you in writing and payments will only be made to a nominated bank account. No third party payments will normally be permitted on the account(s).

By signing the White List Portfolio ISA Application Form you agree to give consent to the transfer of client monies and assets held by SPW in the unlikely event of a business sale to a third party outside of the Sanlam group.

You should be aware that the protections offered under the FCA client money and client asset rules only apply when such money or assets are treated as client money or client assets as defined in the FCA Handbook.

## 7. Cash held in your ISA

We will pay interest to you on cash you hold with us in our client money accounts at rates determined by us. Rates are determined by reference to the interest we receive and the cost to us of managing the cash and the wider operation of your Account. Current rates can be found at [www.sanlam.co.uk](http://www.sanlam.co.uk). Charges for holding cash will apply. We will publish the charge for holding cash on our website. We will notify you of any changes to interest rates or charges.

Such interest will be calculated daily and credited to your portfolio every six months.

Interest which is not credited to your portfolio will be retained by SPW.

Income distributions, tax claims and interest on cash held will be retained within the ISA on your behalf and credited to the Client Accounts and may be reinvested within limits laid down by the Regulations. If you have elected to take monthly income payments, an amount estimated by SPW to be one-twelfth of the annual gross income receivable on the investments will be remitted to your bank account on the last working day of every month.

## 8. Income generated by your plan

We will pay interest to you on cash you hold with us in our client money accounts at rates determined by us. Rates are determined by reference to the interest we receive and the cost to us of managing the cash and the wider operation of your Account. Current rates can be found at [www.sanlam.co.uk](http://www.sanlam.co.uk).

Such interest will be calculated daily and credited to your portfolio immediately upon receipt. Interest which is not credited to your portfolio will be retained by SPW.

Income distributions, tax claims and interest on cash held will be retained within the ISA on your behalf and credited to the Client Accounts and may be reinvested within limits laid down by the Regulations. If you have elected to take monthly income payments, an amount estimated by SPW to be one-twelfth of the annual gross income receivable on the investments will be remitted to your bank account on the last working day of every month.

## 9. Communication & client instructions

All communications will be sent to the address (or email address) shown on your White List Portfolio ISA Application Form unless you notify us otherwise in writing. Communications to SPW should be sent to your usual contact. SPW shall be entitled to consider that any correspondence or emails properly despatched and correctly addressed have been received.

Without prejudice to section 25, we will acknowledge your instructions by acting upon them unless we advise you that we believe such compliance may not be practicable or might involve either party in a

contravention of any law, rule or regulation. We will normally require you to give us written instructions in relation to the exercise of any rights attaching to investments held in safekeeping by us for you.

We may rely and act upon any instruction whether given or purported to be given by you, or by a third party where you have notified us in writing that the relevant third party may give instructions on your behalf. We may continue to rely and act upon instructions from such third party (whether or not in writing) until we receive written notice from you to the contrary.



We may not act upon instructions left verbally on a telephone answering service or device without additional written confirmation.

Where you send us a communication via post or email it should not be assumed this has been successfully received by the recipient unless this instruction has been acknowledged by the firm. Where no acknowledgement of an instruction is received you should telephone the firm to confirm safe receipt. Failure to do so may result in delays for which the firm cannot be held responsible.

Where you have provided an email address, you agree to be provided with information via email and, where appropriate, you agree to be provided with information through the Sanlam website [www.sanlam.co.uk](http://www.sanlam.co.uk) unless you inform us to the contrary. These communications will be in respect of the services covered in your relationship with Sanlam and will include but are not limited to links to relevant Sanlam policies, the delivery of reports,

transaction information and valuations. These communications do not include marketing communications. If you have provided us with an email address but you would prefer to receive communications via post instead, please inform your usual Sanlam contact.

Where we primarily communicate with you by email, you acknowledge that we are authorised to continue to use the email address provided until we have received notification of any change to your email address. We will not accept a notification by email of an email address change. You accept that email is not a secure form of communication and acknowledge that we shall not be liable for any loss caused by this form of communication.

We may record telephone and other electronic conversations for training, monitoring and any other purposes permitted by law. We may use these recordings as evidence.

## 10. Plan valuations and statements

SPW will acknowledge receipt of your application in writing. In the case of transfers, as soon as practicable after receipt of cash from the transferring ISA managers, we will supply you with a statement showing the composition of your ISA and its value.

Thereafter, we will supply you with a statement made up to 31 December, 31 March, 30 June and 30 September setting out details of all transactions carried out within the ISA for the previous three months

including details of purchases, sales, re-investment of tax claims, distributions, interest and any additions or withdrawals from the ISA. We will send you a valuation of the investments held in safe custody on your behalf by SPW on a quarterly basis.

Your ISA investments will be valued at the bid prices prevailing on the valuation date (or, in the case of OEICs, at the closing price).

## 11. Other information

If you so request in writing, we will arrange for you to:

- a) receive the annual report and accounts issued by every unit trust or OEIC which forms part of your ISA when such reports are published.

- b) exercise the normal fundholder rights in respect of attending fundholder meetings, voting (either directly or by proxy) and receiving other information issued to the fundholders.

A charge will be levied for this service, as detailed in section 14 of these terms and conditions.

## 12. Withdrawing or transferring your investment

You can withdraw all or part of the investments within your White List Portfolio ISA at any time without incurring additional charges, other than the 1% transaction charge on the sale of any units. In the case of partial withdrawals, the minimum withdrawal is £300 and the value of the remainder must be £3,000 or more. Requests for withdrawals must be made in writing. You will not incur any tax liabilities by withdrawing. We will acknowledge your instructions by writing to you at the address you have supplied to us. We will promptly account to you, or to your personal representatives, for all securities and cash held.

At your request, we will transfer all or part of your White List Portfolio ISA investments (with the associated rights and obligations) to another ISA manager, subject to HMRC's ISA transfer rules.

Transfers of ISAs to another manager will normally be made in cash, subject to our normal transaction charge; however, if you request an in specie transfer of a ISA then a charge of £30 per fund holding will apply.

We will process your withdrawal or transfer request promptly and normally within the 30-day maximum period stipulated by HMRC, subject to circumstances outside our control. Should you wish the withdrawal or transfer to take place at a particular time, we will endeavour to meet this request. However, in the case of transfers, we are reliant on the receiving manager and cannot guarantee to do so.

Any cash withdrawals from the portfolio (which are not ISA transfers) must normally be requested by you in writing and payments will only be made to a 'nominated' bank account. No third party payments will be permitted on the account(s) unless agreed as an exception when we may be required by the Money Laundering Regulations to verify the identity of any unknown third party to whom payment is instructed.

Your White List Portfolio ISA may also be terminated:

- a) by SPW, if the value of the ISA falls below the minimum amount specified above, subject to one month's written notice;
- b) otherwise by SPW, though only if we have arranged for you to be offered a transfer to another ISA manager, by giving written notice to that effect to you;
- c) on SPW receiving written notice of your death or that you have had a trustee or custodian of your assets appointed by a court. Under the Regulations, and depending on the date of death, your ISA may cease to benefit from the tax advantages of ISAs from the date of your death. You agree that these terms and conditions shall bind your personal representatives.

Any realisation of your ISA investments will be made at the prevailing bid prices and will normally be carried out promptly following receipt of your withdrawal/termination request unless you request a longer time period in which case we will make every effort to meet your requested realisation date.

Termination will be without prejudice to the settlement of any outstanding fees and the completion of any transactions already initiated. Our fee will be charged up to the date of termination, and SPW will be entitled to retain such securities and cash as may be necessary to discharge such fees.

Where our agreement is terminated, we will terminate your agreement with the Appointed Custodian on your behalf. In these circumstances, you must provide us with instructions to arrange the transfer of custody of the assets and cash held by PSL on your behalf to an alternative custodian appointed by you.

## Death

If we are notified that your death occurred on or after 6 April 2018, your ISA will be designated a 'continuing account of a deceased investor' until the earlier of:

- (a) completion of the administration of your estate;
- (b) closure of the ISA; or
- (c) the third anniversary of the date of your death.

We will advise your executors or personal representatives of their options and that the ISA can continue during the administration period for a maximum of three years.

A 'continuing account of a deceased investor' will continue to receive the tax advantages as per the ISA regulations and any interest, dividends or gains arising after the date of death are exempt from tax.

No subscriptions can be made into a 'continuing account of a deceased investor'. Your executors or personal representatives cannot request the transfer of a 'continuing account of a deceased investor' to an alternative ISA manager.

If, after a period of three years, the administration of the account is ongoing and the ISA has not been closed, the ISA will cease to be a 'continuing account of the deceased investor'. In these circumstances, on the next working day following the third anniversary of your death, we will remove the ISA wrapper from the account and all subsequent income or gains will become taxable in the hands of the estate.

## 13. Fixed charges

SPW charges a combination of fees and commissions for following the Investment Mandate for your White List Portfolio ISA investments, as outlined below:

- a) An initial charge of 3% (+VAT) is payable on all investments (including transfers) into your White List Portfolio ISA. This will be deducted from the investments or cash received.
- b) An annual management fee of 0.75% (+VAT) is payable quarterly in arrears, based on the value of your ISA on a daily weighted average basis over the quarter, and will be deducted from the assets included in the ISA. Where cash is left uninvested in an ISA, a management charge calculated on the

daily balance at the annual rate of 0.75% will be made.

- c) An annual platform fee of 0.4% is payable quarterly in arrears, based on the value of the funds held in your ISA on a daily weighted average basis over the quarter, and will be deducted from the assets included in the ISA.
- d) A transaction charge of 1% plus any stamp duty and expenses payable will be made on all purchases and sales, other than on the initial structuring of the portfolio.
- e) As the White List Portfolio is invested in other managers' funds, charges are levied by the managers of those funds.

## 14. Optional charges

A charge of £10 (+VAT) will be levied each time: the report and accounts of a unit trust or OEIC are forwarded; a letter of authority to attend and vote at a general meeting is issued; a form of proxy is lodged. You should write to SPW to receive any of these

services and charges will be deducted from the assets of your ISA. We reserve the right to charge a fee of £100 (+VAT) for work carried out in voiding a subscription which is the fault of the Client.

## 15. Adviser's remuneration

SPW may pay client agreed remuneration to your financial adviser from the fixed charges. Rates are available on request. Your financial

adviser is responsible for obtaining your prior agreement to such remuneration and disclosing the method of payment to you.

## 16. Changes in charges

SPW reserves the right to change the amount, rate or basis of charges on your White List Portfolio ISA, but three months'

prior written notice of any such change will be given to you.

## 17. Safeguarding your rights

SPW will at all times follow the procedure laid down by the FCA for the effective consideration and proper handling of complaints from clients. If you wish to make a complaint, or would like to receive details of our complaint handling procedure, please contact the Head of Client Operations at our Bristol office. In the unlikely event that a client's complaint(s) cannot be resolved, an eligible complainant will also have a right of complaint direct to the Financial Ombudsman Service under whose adjudication the client may have a right to compensation. The Financial Ombudsman Service offers to investors, without charge,

an independent consideration of complaints against firms regulated by the FCA. A statement is available from our Head of Compliance on request, detailing the main points of the Ombudsman system and the way it operates. Full details of the FOS can be found on its website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). Certain clients, such as larger companies, trusts, pension funds and elective professionals, may not be considered eligible complainants by the Financial Ombudsman Service. If you have a complaint about a service provided online you may wish to complain via <http://ec.europa.eu/consumers/odr>.

## 18. ISA regulations

You authorise us to disclose to HMRC all such information as required by law. We will notify you in writing if, by reason of

any failure to satisfy any provision in the Regulations, your ISA has or will become void for tax purposes.

## 19. Other changes to the terms and conditions

We can change these terms and conditions to make them fairer to you or more easily understandable, or to correct a mistake (provided that this correction would not adversely affect you).

We may also, at any time, change these terms and conditions for any valid reason including, but not limited to, the following reasons:

a) to reflect a change in the law or any regulation (or the way in which they are applied);

b) to reflect a change in technology, to cover an improvement or change in our services or in the facilities that we provide;

c) to reflect a change in market conditions or the overall cost of providing our services to our clients;

d) to ensure the good management or competitiveness of our business.

You will be given at least one month's notice (unless the circumstances dictate a shorter period) in respect of any changes to these terms and conditions

## 20. Extent of SPW's duties

We will carry out the duties described in these terms and conditions using all reasonable care and skill, subject to the Regulations and to section 71 of the Financial Services and Markets Act and to any overriding requirements of the FCA but, with the exception of section 6 above, will only be liable in respect of:

a) negligence, wilful default or fraud committed by us, any Associate to which we have delegated any of our functions, any of our employees or the employees of any such Associate;

b) breach of these terms and conditions;

To the extent that they come into our possession or control, we will be responsible for the safe custody of securities and documents of title relating to them (or, where applicable, for entrusting to the safe custody of our appointed custodian such securities and documents of title). We will also be responsible for depositing with an

approved bank (as described in section 8 of these Terms of Business) cash held or received for your account at any time. Whilst we will undertake a risk assessment of each bank and custodian intended to hold your cash or investments before appointing them (as required by the FCA rules) and will act in good faith and with due diligence in the use and monitoring of them, neither we nor our nominee shall be liable for any act, omission or default of any bank or custodian.

No warranty is given by us as to the performance or profitability of any investments, cash or other property forming part of, or constituting, your ISA.

We will not be responsible for any loss of opportunity whereby the value of your ISA investments could have been increased or for any decline in the value of your ISA investments, howsoever arising, except to the extent that such loss or decline is due to our negligence, default or fraud, or that of our employees.

## 21. Material interests and potential conflicts of interest

SPW has the right, without prior reference to you, to effect transactions in which we or another company in the Sanlam group of companies has a material interest or conflict of duty without accounting to you for any commission, profit or other remuneration received by us or another company in the

Sanlam group of companies. However, we will at all times abide by the principles of best execution and appropriateness. A policy explaining how we manage such conflicts of interest is available on request from our Head of Compliance, or on our website: [www.sanlam.co.uk](http://www.sanlam.co.uk).

## 22. Basis of dealing

In the course of management of your ISA, we may effect or arrange transactions (for the ISA) through or with any person, firm or company that we may select. We will not normally deal as SPW in any transaction with you, but may do so in specific circumstances to facilitate the orderly management of your ISA investments. Where we instruct the Appointed Custodian on your behalf to execute a transaction, the Appointed Custodian will normally deal as our agent. Further details regarding how the Appointed Custodian will execute transactions for your account are set out in Appendix and the Appointed Custodian's order execution policy, which can be found at [www.sanlam.co.uk](http://www.sanlam.co.uk).

Subject to the FCA rules, we may aggregate transactions for your portfolio with those of other clients and of our employees and of our Associates and their employees without prior reference to you or such other clients. Aggregation may operate on some occasions to your advantage and on other occasions to your disadvantage. Also, we may act as your agent in relation to transactions in which we are also acting as agent for the account of other clients and Associates.

We will not be entitled to lend to a third party any investment or other property belonging to you, nor are we entitled to borrow on your behalf whether against such investment or other property, or generally, nor shall we have power to commit you to a contract the performance of which may require you to supplement the assets under the White List Portfolio ISA. Your ISA investments must not be used as security for a loan. We will not be entitled to commit you to any underwriting obligations.

All transactions under this Service will be executed directly with an execution venue, ie directly with the manager of the relevant unit trust or OEIC.

By agreeing to these Terms you agree to the SPW Order Execution Policy, further details of which can be found on our website: [www.sanlam.co.uk/legal-and-regulatory](http://www.sanlam.co.uk/legal-and-regulatory).

Transactions exceeding £10,000 in value may incur a levy of £1. Where you instruct a transaction, or we instruct a transaction on your behalf, which exceeds £10,000 and to which this levy applies, the Appointed Custodian will deduct the levy from the value of the transaction.

## 23. Delegation

We may delegate any of our functions, powers, discretions, privileges and duties under the terms of our appointment to an Associate and may provide information about you and your ISA to any such Associate but our liability for all matters so delegated shall not be affected thereby.

We may also employ other agents to perform (or advise in relation to our performance of)

any of the services required to be performed or provided by us under the terms of this Agreement. We will ensure that any delegation of our functions and responsibilities under the terms agreed with you will be with a party whom we are satisfied is competent to carry out these functions or responsibilities.

## 24. Unsolicited calls

In the interests of the proper administration of your ISA and for related investment purposes, SPW, its representatives or employees, may call upon you by telephone, visit or otherwise communicate orally with you without express

invitation. In doing so, we will abide by the FCA rules on 'unsolicited real time financial promotions'. This does not apply to marketing communications.

## 25. Client's warranties and indemnity

By signing the Application Form, you warrant that you have full and unrestricted power to employ SPW to manage your ISA in accordance with the Investment Mandate and these Terms and Conditions and, insofar as may be appropriate, that you have the power to delegate the custody of investments. You warrant that the investments and/or cash comprising your ISA are held by you free from all liens, charges and encumbrances except as may be stated by you to us in writing.

You undertake not to deal except through SPW with any of the investments and/or cash in your ISA or to authorise anyone else so to deal.

Because SPW is permitted to apply for shares on your behalf in public issues or offers for sale, you undertake that no separate applications for such offerings will be made by you, or for your benefit, where such applications are prohibited without prior arrangement with SPW.

You agree to compensate SPW for any claims which may be made against us as a result of your failure to meet your obligations under this Agreement.

## 26. Governing law

This Agreement is subject to English law, the Regulations and other applicable law and rules. In the event of conflict between this Agreement and any such laws, regulations and

rules, the latter shall prevail. Failure or delay by either party in enforcing its rights hereunder shall not be treated as a waiver of such rights.

## 27. Money laundering

In order to satisfy our obligations under the Money Laundering Regulations and the FCA rules, we may need to request sight of certain documents (such as your passport) as proof of identity. As an alternative, or in addition, we may verify your identity by a search with a credit reference agency. To do so, the credit reference agency may check the details you supply against any particulars on

any database (public or otherwise) to which it has access. It may also use your details to assist other companies for verification purposes. A record of the search will be maintained. Any delay in providing such identity documentation, when requested, or in obtaining a satisfactory search at a credit reference agency, may result in a delay in the commencement of your ISA.

## 28. Data protection

In the course of providing our products and/or services to you, we will receive information from and about you and will act as data controller which means we are responsible for deciding how we hold and use your personal data. We take the security of your personal data very seriously. We will only process your personal data in accordance with applicable data protection laws. Further information

about the way in which we use your personal data is set out in the Application Form and the *Sanlam privacy statement* which is available on our website at [www.sanlam.co.uk](http://www.sanlam.co.uk).

Telephone calls may be recorded and monitored for quality control and regulatory purposes.



## 29. Sanlam Client Connect

We may at our discretion provide you with access to Sanlam Client Connect, our online client portal, which provides secure online access to view information in respect of your portfolio(s) and will be available in early 2019. SPW will issue documents and correspondence relating to your account via Sanlam Client Connect, including regulatory reports, valuation statements, contract notes and tax information reports, as applicable. Sanlam Client Connect also enables secure messaging. If you elect not to use Sanlam Client Connect we will send you information in respect of your portfolio(s) using the email and/or postal address you have provided us.

The following provisions apply if you use Sanlam Client Connect. We make no warranty or representation that Sanlam Client Connect can be accessed at all times. We reserve the right to limit, suspend or withdraw the availability of Sanlam Client Connect for maintenance and operational reasons if we have any concerns about the use of or access to the service. We will use reasonable endeavours to give you notice in such event. If we have to limit, suspend or withdraw Sanlam Client Connect for reasons beyond our control we will not be liable to you for any loss you may suffer as a result. You acknowledge the service is provided 'as is' without any warranty as to its purpose, functionality and appropriateness. You also acknowledge it may not be error free and may be interrupted.

We use reasonable endeavours to ensure the accuracy of information available in Sanlam Client Connect and to correct any errors or omissions within our control as soon as practicable once we are aware of them. However we do not represent the accuracy, completeness or timeliness of the information available on Sanlam Client Connect. We do not accept responsibility for information obtained from third parties and we use reasonable endeavours to identify such information.

You agree you will not disclose any login and password details issued to you to use Sanlam Client Connect. If you become aware your login and password security has been breached, you agree you will notify SPW immediately. You will not use Sanlam Client Connect for any unlawful, obscene, abusive or libellous purpose. You shall use reasonable endeavours to ensure you do not introduce computer viruses, worms or similar items into Sanlam Client Connect. You will be asked to agree to separate terms governing your use of Sanlam Client Connect when accessing the service.

# Appendix: Pershing Securities Limited – Terms of Business

## 1 Relationship between you, us and Pershing Securities Limited

- 1.1 To help us provide our services to you we have entered into an agreement with Pershing Securities Limited (PSL) under which PSL provides clearing and settlement, safe custody and other associated services to our clients (“the PSL Agreement”) in order to carry out the investment transactions we execute or arrange for our clients and to hold the related investments and cash. When we consider it necessary or desirable in connection with our services to you, we may agree with PSL that it will also provide other services, such as investment dealing services, under the PSL Agreement. The PSL agreement covers both us and you as one of our clients. Please note that any terms set out in bold in these terms of business are described further in the Glossary which is set out in Annex 1 to these terms of business.
- 1.2 PSL is a company registered in England, company number 2474912. Its registered office is at Royal Liver Building, Pier Head, Liverpool, Merseyside L3 1LL. PSL is authorised and regulated by the Financial Conduct Authority (“FCA”) which is located at 12 Endeavour Square, London E20 1JN. PSL is also a member of the London Stock Exchange (“LSE”).
- 1.3 So that you can understand your rights and obligations in relation to the PSL Agreement, the main terms of the PSL Agreement which affect you are summarised below. If you have any questions about the PSL Agreement or these terms of business you should contact us to discuss this as soon as possible, and before you accept the terms of business or instruct us to act for you. As with any agreement or contract, you should also take any independent legal, financial or other advice which you think you need before accepting these terms.
- 1.4 By accepting these terms of business, you agree that:
  - (a) we are authorised to enter into the PSL Agreement on your behalf, acting as your agent;
  - (b) accepting these terms means that there is a contract between you and us and also between you and PSL. As a result of that contract, you will be bound by both our terms of business and the PSL Agreement (as set out or summarised below);
  - (c) we may give instructions to PSL on your behalf as allowed by our terms of business and the PSL Agreement and may provide information about you to PSL. When PSL receives such instructions or information from us, PSL is entitled to rely on them without making any further checks or enquiries; and
  - (d) PSL is authorised to hold cash and investments on your behalf and can transfer such cash or investments from your account to meet your settlement or other obligations to PSL.
- 1.5 When you read these terms, it is important you understand that you will be a client or customer of ours, but you will also become a client of PSL for settlement and safe custody purposes.
- 1.6 We retain responsibility (including responsibility for complying with any related regulatory requirements) and PSL shall not have any responsibility for the following matters:
  - (a) our own operations;
  - (b) the opening of an account for you;
  - (c) the supervision and operation of your account for you;
  - (d) our ongoing relationship with you;
  - (e) making all necessary anti-money-laundering compliance checks;
  - (f) explaining to you the types of investments covered and any risks relating to investments, investment transactions or any investment strategy to be pursued on your behalf;

- (g) accepting and executing orders for investment transactions, following your instructions or within the mandate given by you;
- (h) any required assessment of the suitability or appropriateness of transactions and investments for you or, where permitted and necessary, warning you of any possible inappropriateness of an investment;
  - (i) if required, providing any investment advice to you or taking investment management decisions on your behalf;
  - (j) reviewing your accounts for market abuse, insider trading and compliance with FCA Rules and any other applicable legal and regulatory requirements to which we or you may be subject; and
- (k) giving instructions to PSL which are proper, accurate and in accordance with any instructions or mandate you give us.

1.7 It is important that you understand that PSL is not responsible to you for the matters for which we are responsible. In particular, PSL will not provide investment advice nor will it offer any opinion regarding the suitability or appropriateness for you of any particular transaction or order. When it provides settlement and clearing or safe custody services, executes transactions or provides other services to you, it does so relying on the instructions and information we provide and is only responsible for following those instructions.

## 2 Client Classification and the roles and obligations of people acting together or for one another

- 2.1 For the purposes of the rules of the Financial Conduct Authority (“FCA Rules”), you will be classified as either a retail client, professional client or an eligible counterparty. PSL will rely on information received from us in relation to your status and will adopt the same client classification for you. We will notify you in writing if there is any change to this position.
- 2.2 If you hold an account jointly or otherwise hold assets jointly, with any other person, then you and any such other person(s) shall have joint and several liability to PSL. Examples of situations where such joint and several liability may arise are as follows:

- (a) Joint account holders: As well as joint account holders being jointly and severally liable in the way described above, any payment or accounting made by PSL to any one or more of those account holders will be treated as made to all of them.
- (b) Trustees: As well as the trustees of any trust being jointly and severally liable to PSL in the way described above, PSL will treat the trustees as its client and not any beneficiary of the trust. Any payment or accounting made by PSL to any one or more of the trustees will be treated as made to all of them.
- (c) Partners: If a partnership is PSL’s client then each partner will be personally, jointly and severally liable to PSL in the manner described above. Any payment or accounting made by PSL to any one or more of the partners will be treated as made to all of them.
- (d) Agents: If you are an agent acting on behalf of someone else (whether or not that person (the “Principal”), has been identified to PSL as the person for whom you act) you will be treated as PSL’s client under the FCA Rules and you will also be fully liable to PSL under these terms as if you were acting for yourself. You and your Principal will be jointly and severally liable in the manner described above.

## 3 Your Accounts with PSL

- 3.1 PSL will open and maintain accounts on its books in your name in order to provide its services to you. When PSL receives any cash and investments from you, or on your behalf, then it will record them in your accounts.
- 3.2 PSL will have the right at its absolute discretion (but subject to compliance with applicable law and regulation) to stop providing services under these terms and close any accounts it holds and maintains in your name which may occur, for example:
  - (a) if PSL is obliged to stop providing services under any applicable law or regulation (such as anti-money laundering provisions);
  - (b) if PSL is not able to provide the services effectively or providing the services would materially adversely affect PSL’s operation;

- (c) where you are in material breach of these terms or we are in material breach of the terms of the PSL Agreement;
- (d) if providing the services to you or to us in relation to your account will have a materially adverse effect on PSL's reputation; or
- (e) if your liabilities in relation to your account, and amounts owing by you to PSL, exceed or are likely to exceed the value of the cash and investments PSL holds for you.

We will notify you if PSL chooses to exercise this discretion and the reasons for its decision unless we or PSL are prevented from doing so by some legal or regulatory constraint.

- 3.3 You may at any time when there are no outstanding obligations owed by you to PSL, give notice in writing to us to stop receiving services from PSL and close your accounts with PSL.
- 3.4 If either you or PSL decide to close your accounts with PSL you will need to give instructions on the future custody of your investments so that PSL can transfer your money and investments (after deducting amounts owed to it) to your new custodian.

#### 4 Communication and Instructions

- 4.1 PSL will only accept instructions for your accounts from us and not directly from you.
- 4.2 PSL may rely on and act on any instructions which PSL in good faith believes were given by us or our representatives. Such instructions can only be cancelled or changed if we give written notice to PSL sufficiently in advance to enable PSL to prevent the processing of the instructions. If PSL seeks instructions from us and we do not respond within a reasonable time, then PSL may take such action as it considers appropriate on the relevant matter. PSL is not responsible or liable to you for any delays or inaccuracies in the transmission of instructions or other information (or any resulting action or failure to act) where that delay or inaccuracy is as a result of factors outside the reasonable control of PSL. This means that if the delay or inaccuracy is not PSL's fault, then you cannot obtain redress from PSL.

- 4.3 There may be circumstances where PSL refuses to accept any order or other instruction for your account. For example, PSL may do so for any of the reasons set out in paragraphs 3.2(a)-(e) above or where:

- (a) the transactions falls outside the dealing criteria that PSL applies;
- (b) PSL cannot carry out the instruction because it cannot access a market; or
- (c) we or PSL do not have the necessary FCA permission to deal in a particular investment.

We will inform you if PSL refuses to accept an instruction and the reasons for its decision unless we or PSL are prevented from doing so because of any legal or regulatory constraint.

- 4.4 If you have any questions or concerns relating to your account with PSL, you should tell us and we will deal with PSL on your behalf. You should not contact PSL directly.
- 4.5 All communications whether written, spoken, electronic or in any other form between you, us and/or PSL shall be in English.

#### 5 Dealing

- 5.1 We have agreed with PSL that it is to execute transactions for your account when we transmit orders to it and also that, rather than you, we will be PSL's client for the purposes of the FCA Rules. In order for PSL to provide dealing services for your account, you need to ensure that:
  - (a) where you are buying investments, there is sufficient cash in your account; and
  - (b) where you are selling investments, documents of title or transfer forms that are required are delivered to PSL, in either case, prior to the execution of the transaction by PSL.
- 5.2 PSL will provide dealing or execution services on the following basis:
  - (a) execution by PSL will be subject to the FCA Rules and the rules of any investment exchange or other trading facility on which the transaction is executed;

- (b) PSL will treat the instructions we give them as binding on you. Any express instruction from us to PSL on your behalf concerning order execution will override PSL's order execution policy and will remain binding on you;
- (c) PSL will execute such orders in accordance with PSL's order execution policy as amended from time to time and provided to us;
- (d) PSL may combine your orders with orders for its other clients or PSL's own orders. PSL will only do this if it considers that it is unlikely to work to the overall disadvantage of you or any of its clients involved however it is possible that aggregating orders in this way may sometimes operate to your advantage and sometimes to your disadvantage by giving you a higher or lower price than might have been the case if your order had been placed individually; and
- (e) once PSL executes any transaction on your behalf, PSL will, unless you previously instructed us otherwise, send a contract note to you. It is very important that you check the detail of all contract notes you receive, and notify us (and not PSL directly) immediately if there is any error or if you have any question about them, because the contract note will be considered a conclusive and final record of any detail contained in it, unless we notify PSL of an error within 1 working day after receipt by you and in any event no later than the settlement date for the transaction concerned.

## 6 Settlement of Transactions

6.1 When transactions are undertaken on your behalf, they will be due for settlement in accordance with market requirements and the relevant contract note or advice. These settlement terms will vary dependent upon the market and securities dealt in. The contract note will specify the settlement date. As stated above, it is your responsibility to ensure that PSL receives the necessary investments, documents or cash (as the case may be) in order for PSL to settle the transaction on your behalf. PSL must receive any cash in cleared funds in sufficient time prior to the settlement date in order that it can make the necessary payment.

- 6.2 You hereby undertake that any cash or investments held by or transferred to PSL by you will be free from any right of a third party to make claims against that money or those investments. In particular, it is your obligation to make sure that no other person will be entitled to:
- (a) security rights over them, such as a mortgage or a charge;
  - (b) any right to withhold or retain them, such as a lien;
  - (c) any other rights to have any of the cash or investments paid or transferred to them or to prevent any transfer of such cash or investments from going ahead; or
  - (d) any right to be paid all or any of the proceeds of a transaction; so that settlement on your transaction can take place.
- 6.3 In order to settle transactions on your behalf, PSL will need to deal with the other party to the transaction (the "counterparty"). If a transaction has to be settled through a CCP or CSD the specific provisions set out in Annexes 2 and 3 shall apply.
- 6.4 You agree that you will not have any rights to cash or investments which are due to be received by you following a transaction until you have performed your own obligations in relation to that transaction and PSL has been able to settle that transaction on your behalf. Similarly, PSL has no obligation to account to you for any such cash or investments until you have performed your obligations and the transaction has been settled. Until that has happened, PSL is entitled, without giving you any further notice, to sell or otherwise dispose of any such investments and apply the proceeds or any cash it receives in relation to the transaction in order to discharge or reduce any of your obligations in relation to the transaction.
- 6.5 PSL is not obliged to credit any cash or investments it receives to your account until it has received them in irrevocable and unconditional settlement of the relevant transaction without the sender being able to reverse the settlement or require redelivery. If for any reason PSL does credit cash or investments to your account earlier than this and PSL reasonably considers that irrevocable and unconditional settlement is unlikely to take place then PSL will be entitled to reverse the entry and require you to give back or redeliver the cash or investments or their equivalent.

6.6 In some cases, transactions will be subject to netting. You agree, in respect of any transaction which is subject to netting, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant CCP, CSD or agreement with the counterparty. You acknowledge that if net settlement takes place then PSL will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.

6.7 If a transaction is undertaken on your behalf on non-UK markets, the specific provisions set out in Annex 3 shall apply.

6.8 Transactions executed on your behalf may settle in the books of a CCP, CSD or other body or custodian combined with transactions for the account of other clients of ours. If this happens then PSL will allocate between our clients the cash or investments received by it or on its behalf as a result of the settlements in accordance with the client trades we have notified to it. If PSL receives cash or investments for trades that were intended to settle at the same time (but which, for whatever reason, do not do so), then PSL will allocate that cash or investments received by it on the following basis:

- (a) in accordance with any priority for settlements determined by PSL prior to the transactions taking place;
- (b) if transactions have the same priority, then the allocation will be in order of time, by reference to the intended settlement date of the transaction which we specified to PSL, so that the earliest in time will settle first in each case;
- (c) where transactions have the same priority and intended settlement date, then the allocation will be by value so that the larger or largest trade by value (not by number of units or size) will be settled first in each case.
- (d) where these allocations are necessary, they will also be subject to the operation of the relevant CCP, CSD, custodian or other entity. Such operations may include a netting rule or practice, automatic splitting of unsettled transactions or other automatic aggregation, splitting or allocation.

6.9 Time shall be of the essence with respect to any payment, delivery or other obligation of yours to PSL.

## 7 Client Money

7.1 Money held by PSL for your account, will be held in compliance with the FCA Client Asset Rules when these apply to the money. This means, amongst other things, that PSL will hold your money in a special designated client bank account which is an account kept separate from PSL's own funds.

7.2 When considering where that client bank account should be, PSL will exercise due skill, care and diligence and will periodically review the adequacy and appropriateness of any bank or credit institution where your money is deposited and of the arrangements for holding your money (such as which banks or credit institutions are used, the amount of client money deposited with the bank or credit institution and any use of fixed term deposits for client money). These requirements will not apply where your money is held with a central bank of a country. It is important to note that PSL is not responsible for any acts, omissions or default of a credit institution or bank chosen by it but only for taking care in its choice and monitoring.

7.3 When PSL holds your money in a client account it may be pooled with money belonging to other clients of PSL. Where funds are pooled in this way, you will not have a claim for the specific sum in a specific account. Your claim would be against the client money pool in general and if there is a deficiency in the pool you would share pro rata in that loss. Such a deficiency is likely to arise if a relevant bank or credit institution with which client money is deposited by PSL becomes insolvent or otherwise defaults on its obligations to pay out money when due.

7.4 If PSL holds money which is not immediately required to settle an investment transaction, such money will be deposited with a bank or credit institution, together with other clients' money. Money may earn interest at a rate determined by the relevant bank or credit institution. However, the amount of any interest on money that would be credited to your account and made available to you (subject to clauses 11 and 12.3), will be determined by us, and will be as notified by us to you from time to time.



Any interest will be calculated on a daily basis and credited to your account every six months. We may decide not to credit your account if the amount of the interest falls below a threshold notified to you by us. Unless we notify you otherwise, you will be entitled to interest at the central bank base rate for Sterling, US Dollars, and the Euro, and the applicable local agent credit rate for other currencies, less a money management fee charged by PSL. PSL charges a fee for managing the balance on your account (the money management fee) and that fee will be applied to the balance on your account and may be higher than any interest which would otherwise have been credited to your account in which case a charge in the form of debit interest may be charged for that balance as notified to you by us.

- 7.5 If we, or PSL, are unable to contact you (for example if you move and fail to update your address with us), so that we are unable to deliver money held for your account to you, or you fail to respond to our communications requesting any instructions from you concerning such money, with the result that any of your money held by PSL is unclaimed, PSL may transfer such money to a pooled client unclaimed money account subject always to PSL undertaking to make good any valid claim by you. The money held in the client unclaimed money account will be held by PSL in compliance with the FCA Rules.
- 7.6 Sometimes we or PSL will undertake a transaction for you which requires your money or investments to be passed to an Relevant Party in order to meet the obligations under that transaction or as Margin or Collateral. When a Relevant Party is involved then any money or investments passed to the Relevant Party may be at risk in the event of its insolvency. By accepting these terms, you acknowledge that this is the case.
- 7.7 Please refer to the provisions of Annex 3 which will apply if your money is held by a credit institution or bank outside the UK or EEA.
- 7.8 PSL may use a bank which is affiliated to PSL to hold client money on your behalf subject always to any specific FCA Rules concerning the use of such affiliated bank.

- 7.9 Money held by PSL in pooled client money accounts as set out in this clause 7, may (in part) be deposited (where permitted under FCA Rules) into a fixed term deposit. Money held in fixed term deposits cannot be withdrawn by PSL until the fixed term expires. This means that the part of the client money pool (as described in clause 7.3 above) which is held in fixed term deposits would not be available for immediate (or next day) withdrawal by you and the return of such client money would be delayed until the fixed term expires. In addition, PSL would not be able to move client money held in a fixed term deposit until the expiry of such fixed term and therefore would not be able to mitigate the risk of any default or insolvency of the relevant bank or credit institution and the possible creation of a deficiency in the client money pool (resulting in a loss as described in clause 7.3) which may arise during such fixed term. By accepting these Terms of Business you acknowledge you are aware of and accept the risks set out in this clause 7.9.

## **8 Custody and administration of your investments**

- 8.1 Subject to clause 8.2, where PSL holds investments for your account it will register those investments in the name of a nominee company controlled by PSL or by a member of PSL's group.
- 8.2 In some situations, for example where the rules of a particular market or CSD require, PSL will register your investments in the name of an Eligible Custodian. PSL will not usually register investments in your name but if it is required to do so, you shall remain responsible for the consequences of any such registration.
- 8.3 If your investments are held overseas the provisions of Annex 3 shall also apply.
- 8.4 When your investments (including any money held for your account) are held by a depository or an Eligible Custodian, such depository or Eligible Custodian may have rights against your investments, arising out of the operation of local law, local regulatory rules, or market practice which may include:
- (a) security rights over them including but not limited to a mortgage or charge;
  - (b) rights to withhold or retain them, such as by way of a lien;

- (c) other rights to have the asset paid or transferred to them or to prevent a transaction involving such asset from going ahead; and/or
- (d) rights to be paid any or all of the proceeds of a transaction involving the asset.

PSL has agreed with the Eligible Custodians that such rights as set out in this clause 8.4 are limited to those in respect of debts arising out of (i) properly incurred charges and liabilities arising from the safekeeping, administration and provision of services (including the settlement of transactions as set out in clause 6) with respect to the investments held by the Eligible Custodian; or (ii) arise under the rules of a CSD, CCP or local settlement system.

8.5 PSL shall keep a record of your entitlement to your investments in situations where PSL or an Eligible Custodian (or a nominee company) have registered or recorded your investment in a combined account or pooled in some other way with investments belonging to other clients of ourselves, of PSL or of the Eligible Custodian. In such a situation you should note the following effects and by accepting these Terms of Business you expressly acknowledge and accept these risks:

- (a) your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register;
- (b) In the course of settlement of transactions from the omnibus account (due to the nature of such holding and the operation of settlements into and from an omnibus account) circumstances could arise whereby your assets as held in the pool are used to satisfy the transaction of another client whose assets are also held in the omnibus account. You should note that Pershing has in place systems and controls to reduce the occurrence of such events and to mitigate the risk to you from such circumstances as required under FCA Rules;
- (c) if there is an irreconcilable shortfall following any loss by or default of, PSL or the Eligible Custodian (or a nominee company) then you may not receive your full entitlement and may share in any shortfall on a pro rated basis with any other investors;

- (d) sometimes PSL will receive investments or money on behalf of more than one client in connection with pooled holdings (for instance in a bonus or rights issue or takeover). In such circumstances PSL may, in accordance with FCA Rules, allocate such investments between clients on whatever basis it considers fair and reasonable in accordance with its allocation policy in force at the time;
- (e) if a share issue or other corporate event favoured the small investor (as defined by the issuer making the issue or creating the corporate event) your actual allocation may be less than it would be if your investments were registered in your own name; and
- (f) sometimes amounts or investments may arise which would not have arisen if the investments had been registered in your own name. You may not be entitled to any such additional amounts.

8.6 Any instructions you wish to give about the administration of investments held by PSL should be given to us in writing for us to send to PSL. We will not accept instructions from anyone but you and will not send instructions to other people on your behalf unless in either case you have previously provided us with a copy of a valid power of attorney authorising us, or the relevant person, to send such instructions.

8.7 PSL will inform us of any rights issues, takeover offers, capital reorganisations, conversion or subscription rights (collectively "corporate actions") that affect or relate to investments held on your behalf by PSL or an Eligible Custodian. It will do so as soon as reasonably practicable after receiving notice of those events. We will, in turn, inform you.

8.8 You should contact us and not PSL if you need any advice in connection with any corporate actions. PSL is not responsible for taking decisions in relation to any corporate actions and will require instructions from you or us on matters such as:

- (a) exercising conversion and subscription rights;
- (b) dealing with takeovers or other offers or capital reorganisations;
- (c) exercising voting rights (where PSL exercises such rights on your behalf).



8.9 If any notification is given to you pursuant to clause 8.7 from PSL, you must ensure that you provide instructions to us, for onward transmission to PSL in sufficient time to ensure that PSL is able to act upon such instructions. The instructions given, their consequences, and the consequences of failing to give us instructions, will be entirely your responsibility. Neither we nor PSL is obliged to do more than give one notification on the relevant matter.

8.10 PSL will be responsible for claiming and receiving dividends, interest payments and other entitlements automatically arising in respect of the investments held for your account.

8.11 Sometimes PSL or an Eligible Custodian who is holding your investments may receive dividends, interest and other rights or payments after local withholding or similar taxes or other deductions are made from those sums. You accept that PSL or any Eligible Custodian may, if it is required to do so to comply with legal or regulatory requirements, withhold or deduct tax or other amounts from any such payments. Any costs PSL or an Eligible Custodian incurs when complying with these obligations may be deducted by PSL from your account. If you are eligible to reclaim any such withholdings or deductions then this will be your responsibility and not that of PSL or an Eligible Custodian, to do so.

8.12 PSL will arrange for you to receive safe custody statement showing the investments and cash balances it holds for you, reported on a trade date basis. The frequency of such statements is determined by FCA Rules. PSL may provide such statement to you via appropriate on line or electronic means and provided we or PSL notified you of the availability of such statement, it shall be your responsibility to access and review such statement.

8.13 In some circumstances PSL may refuse to hold any investment or investments for you. This may occur in any of the circumstances outlined in clause 3.2 of these terms or if the investment concerned is of a kind for which PSL does not have facilities, or arrangements with appropriate Eligible Custodians, to hold or if holding the investment would expose PSL to liabilities. We will notify you if PSL chooses to exercise this discretion unless legal or regulatory constraints prevent such disclosure.

8.14 PSL will not loan your investments or use them to raise finance.

## 9 Consequences of your default

9.1 If you fail to pay cash or investments (as relevant) when due to meet any settlement obligations or if you otherwise fail to meet any of your other obligations to PSL then you should be aware that there will be certain consequences as a result of such failure, as further described in the remainder of this clause 9.

9.2 You will not have a right to title or interest in any cash or investments received for your account. PSL will have no obligation to deliver or account to you for any such cash or investments and PSL will be entitled to retain any such cash or investments until such time that you have met your obligations.

9.3 PSL may, without providing any advance notice, use any cash, or sell any securities, held or received for your account and use the proceeds (after deducting any costs in doing so) to eliminate or reduce any unpaid obligations owed to PSL. Any surplus remaining after discharging the obligations owed to PSL will be paid to you. If the cash and proceeds of disposals do not cover all the obligations owed to PSL, you will still owe PSL the balance.

9.4 PSL may, among other things, and without giving you further notice:

- (a) enter into any other transaction (including those with the effect of closing-out a position, or reversing or cancelling a transaction previously entered into);
- (b) take or refrain from taking further action which it considers would, or could, reduce or eliminate any liability under any transaction undertaken for you. PSL may take similar action where it reasonably considers that you have not, or are unlikely to perform your obligations under these terms.

9.5 Where PSL exercises its rights to use your cash or dispose of your investments under clause 9.3 above, it will have no further obligation to you (and neither you nor we will have any right to require PSL to account to you, or to anyone else, for any investments or cash received when the relevant transaction is settled.

9.6 You agree that PSL may set off transfer or apply (without further notice to you) any obligations or monies owed by PSL to you in order to satisfy in whole or in

part any debt or obligation or sum that is due from you to PSL. This applies even if the obligations are in different currencies and includes the payment of any fees or charges due to PSL and any amounts due under your indemnity obligations to ensure PSL does not lose money as a result of your default under these terms or the services it provides you with.

- 9.7 In exercising its rights under these terms PSL may convert currencies and carry out foreign exchange transactions with you or on your behalf at such rates and in a manner that PSL may in its discretion determine. In such circumstances, PSL shall be acting on its own behalf and not executing your orders. It shall therefore not be liable to you for the result obtained, nor for its choice of which investments are to be sold.
- 9.8 The provisions in this clause 9 will continue to apply even if we or PSL stop providing services to you, so long as any obligations for your account remain outstanding. They apply in addition to any other right PSL has, and they will not be affected by any failure by PSL or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

## 10 Limits on PSL's Liability to you and Indemnities you give to PSL

- 10.1 The liability of PSL (and where relevant its directors, employees or agents) to you for any loss or damage which you suffer in connection with these terms shall be limited to circumstances where any such loss or damage has arisen directly as a result of negligence, fraud or wilful default or a breach of the FCA Rules by PSL or any associate of PSL (or where relevant, its directors, employees or agents). In any event, PSL will not be liable to you for any indirect or consequential losses (howsoever arising). PSL will also not be liable for any loss that is a loss of profit or for any losses that arise from any damage to your business or reputation.
- 10.2 This means that PSL will only be liable for losses that arise as a result of its negligence, fraud or wilful default and then only, for any losses which:
- (a) arise naturally from a breach by PSL of its obligations; and
  - (b) which were reasonably foreseeable to PSL at the time these terms are entered into.
- 10.3 It is important that you understand that you are responsible for making sure that PSL does not suffer by reason of acting
- for you. You agree to make good and reimburse (indemnify) PSL and each of its directors and employees and agents ("Indemnified Persons"), after the deduction of any applicable taxes, for and against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than PSL's corporation tax) which are caused by;
- (a) PSL providing its services to you;
  - (b) material breach by you of any of these terms;
  - (c) default or failure by you to make a delivery of investments or payment when due; or
  - (d) any challenge to the validity of, or requirement for proof or ownership, or in respect of any fraud or forgery in relation to any investments delivered to PSL by you or on your behalf, or in relation to any document of transfer regarding such investments. This will include any electronic instruction or information, which appears to transfer such investments.
- 10.4 You will not be liable to indemnify PSL under this clause 10 and PSL will have no right or claim against you or us if any consequences to PSL are caused by its own negligence, wilful default, fraud or any breach of the FCA Rules.
- 10.5 PSL has no liability to you or us for failure to provide any of the services under these terms if that failure is caused wholly or partly by events beyond PSL's reasonable control. This includes (but is not limited to) any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action, suspension or limitation of trading by any exchange or clearing house or any fire, pandemics, flood or other natural disaster. In any of these (or other similar) circumstances any or all of PSL's obligations will be suspended until the state of affairs giving rise to the failure of PSL is remedied.
- 10.6 The provisions in this clause 10 will continue to apply even if we or PSL stop providing services to you. They apply in addition to any other right of indemnity or claim of any Indemnified Person whether or not under these terms, and they will not be affected by any failure by PSL or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

## 11 Charges

- 11.1 The fees and charges payable by you in relation to the services provided by PSL (in particular, the money management fee), and any taxes payable through PSL, will be set out in the fees and charges information provided to you by us from time to time. PSL can either pay these out of the assets and money it holds for you for your account or by way of set off as described at clause 9 above or require you to pay them directly to PSL or to PSL through us. You may also be liable for other taxes or charges which are not payable through PSL.

## 12 PSL's Conflicts of Interest

- 12.1 PSL, its associated group companies (associates) or nominees may provide services or enter transactions under these Terms in circumstances in which PSL or its associates have a material interest. This interest could be direct or indirect and PSL or its associates could also have a relationship with someone else, which may involve a conflict of interest or potential conflict of interest with you. Examples where such actual or potential conflicts may happen include situations where PSL or any of its associates:
- (a) is, or is acting on behalf of, the counterparty to a transaction that is executed by PSL (whether or not involving a fee or commission or increased or reduced price offered or received by PSL or its associates);
  - (b) has a long or short position in the relevant investment; or
  - (c) is otherwise connected to the issuer of the investment to which any instructions relate.
- 12.2 PSL may receive payments from fund managers if PSL provides services to those fund managers through the PSL Nexus Funds Trading Platform. Any payments of this kind are calculated by reference to the value of the assets that PSL holds in custody for its clients.
- 12.3 PSL may place money held for your account with a bank or other financial institution (in accordance with the FCA rules) and earn interest and retain some or all of that interest from that bank or financial institution.
- 12.4 A summary of PSL's conflicts policy (including further disclosure concerning the payments PSL may receive from fund managers) is published on PSL's website at [www.pershing.co.uk](http://www.pershing.co.uk) under the heading

of "compliance disclosures" (a hard copy is available on request from us).

- 12.5 You acknowledge that neither PSL nor any of its associates is required to disclose or account to you for any profit made as a result of acting in any manner described above.

## 13 Data Protection and Confidentiality of Information

- 13.1 PSL may store, use or otherwise process personal information about you which is provided by you or us on your behalf. The purposes for which it can store, use or process such personal information are providing investment and other services under these Terms, administering your account and other purposes closely related to those activities. This includes (but is not limited to) using information for the purposes for credit and anti-money laundering enquiries or assessments. In the United Kingdom PSL operates and has made all the appropriate notifications in accordance with applicable data protection legislation.
- 13.2 Any information that we and PSL hold about you is confidential to you and will only be used in connection with providing services under these Terms (as may be set out in more detail in PSL's published privacy policy as referred to in clause 17). Information of a confidential nature will be treated as such provided that such information is not already in the public domain. PSL will only disclose your information to third parties in the following circumstances:
- (a) If required by law or if requested by any regulatory authority or exchange having control or jurisdiction over you, us or PSL (or any associate of us or PSL);
  - (b) to investigate or to prevent fraud, market abuse or other illegal activity;
  - (c) in connection with the provision or services to you by us or PSL;
  - (d) for purposes closely related to the provision of the services or the administration of your account including without limitation for the purposes of credit enquiries or assessments;
  - (e) if it is in public interest to disclose such information; or
  - (f) at your request or with your consent.

- 13.3 The restrictions on the use of confidential information described above are subject at all times to a general proviso that PSL may disclose your information to certain permitted third parties including members of its own group (associates) and its professional advisors (including accountants and lawyers) who are subject to confidentiality codes.
- 13.4 Neither we nor PSL will sell rent or trade your personal information to any third party for marketing purposes unless you give your express consent.
- 13.5 You should note that by signing or otherwise accepting these Terms you agree that PSL is allowed to send your information internationally including to countries outside the EEA such as the United States of America. Some countries where your information is sent will offer different levels of protection in relation to personal information, not all of which will be as high as the UK. PSL will however, always take steps to ensure that your information is used by third parties only in accordance with PSL's policy.
- 13.6 You are entitled to a copy of any information PSL holds about you. In the first instance, you should direct any such requests to us and we will pass your request on to PSL. You should let us know if you think any information PSL holds about you is inaccurate and we will ask PSL to correct it.

## 14 Complaints

- 14.1 If you have a complaint you should notify our compliance officer in the first instance. If however, your complaint concerns an aspect of the service provided to you by PSL and you wish to copy your complaint to PSL directly copies should be sent to: The Compliance Officer Pershing Securities Limited Royal Liver Building Pier Head Liverpool Merseyside L3 1LL
- 14.2 Where you make a complaint both we and PSL will endeavour to resolve your complaint as quickly as possible but in any event we will acknowledge receipt of your complaint within 3 business days. The acknowledgement sent will include a full copy of our or PSL's internal complaints handling procedure. We aim to resolve your complaint within 4 weeks of receipt. Where this is not possible we will contact you to explain why resolution will take longer than 4 weeks and indicate when we anticipate being able to resolve your complaint. Upon resolution of your complaint we or PSL will send you a

final response letter, which sets out the nature of our response of any proposed resolution, and any appropriate remedy. If for any reason you are not satisfied with our or PSL's final response, or we have failed to resolve your complaint within 8 weeks of receipt, you may be entitled to refer your complaint to the Financial Ombudsman Service. A leaflet detailing the procedure is provided in our or PSL's final response.

## 15 Investor Compensation

- 15.1 PSL is covered by the UK's Financial Services Compensation Scheme ("FSCS"). Compensation may be available from the FSCS if PSL cannot meet its obligations to you. Your possible entitlement to compensation will depend upon the type of business and the circumstances of the claim. Most types of investment businesses are covered for £85,000 per person per firm. Further information about compensation arrangements is available from the FSCS, [www.fscs.org.uk](http://www.fscs.org.uk).

## 16 Amendment

- 16.1 PSL reserves the rights to alter these terms at any time. It will only do so after giving prior written notice to us in reasonable time for you to consider the impact of those changes, unless it is impractical in the circumstances to give such notice.

## 17 Provision of Information via a website

- 17.1 PSL may provide the following information to you via their website [www.pershing.co.uk](http://www.pershing.co.uk) (under the "disclosures" section). Such information may be amended from time to time by PSL:
- General disclosures of information about PSL, its services and disclosures relating to such Services in general;
  - Information concerning the safekeeping of investments and money held by PSL or any of its appointed Eligible Custodians;
  - Information on costs and charges;
  - Information relating PSL's order execution policy, order handling and conflicts of interest;
  - PSL's privacy policy covering the processing of any personal data under the relevant data protection legislation; and

- (f) Disclosures and policies containing general information in relation to the Services provided by PSL to you which PSL is required to publish or which is addressed to the generality of its clients (excluding amendments to these terms and conditions)

PROVIDED Always that such information provided via the website does not include any confidential information or personal data relating to you.

## **18 General**

- 18.1 PSL's obligations to you are limited to those set out in these terms. PSL shall in particular not owe any wider duties of a fiduciary nature to you.
- 18.2 No third party shall be entitled to enforce these terms in any circumstances.

18.3 Any failure by PSL (whether on an ongoing basis or not) to insist upon strict compliance with any of these Terms is not deemed to amount to PSL giving up or waiving any of any of its rights or remedies under them. The rights and remedies conferred on PSL will be cumulative and the exercise or waiver of any part of them will not stop or inhibit the exercising by PSL of any other additional rights and remedies.

18.4 These terms are governed by English Law and you irrevocably agree to submit, for the benefit of PSL, to the non exclusive jurisdiction of the Courts of England.

## Annex 1: Glossary

<b>Business Days</b>	Means any day on which the London Stock Exchange is open for trading.
<b>CCP</b>	<p>This stands for central counterparty, which is typically an institution that acts as an intermediary between two market participants. The seller of a security sells to the central counterparty. The central counterparty simultaneously sells to the buyer. This means that if one party defaults then the central counterparty will absorb the loss. This reduces the amount of counterparty risk that market participants are exposed to.</p> <p>Certain markets that PSL trades in on your behalf will involve a CCP and such transactions will be subject to the rules of the CCP.</p>
<b>Charge</b>	A charge does not involve a transfer of ownership but gives a degree of control to a third party over any dealing or disposal of the asset.
<b>Clearing and Settlement Services</b>	The process by which, once an investment has been bought or sold on your behalf, the money is transferred from the buyer to the seller and the investments or the title to the investments is transferred from the seller to the buyer.
<b>CSD</b>	<p>This stands for central securities depository which is a financial institution that custodies securities and provides securities settlement services to one or more markets.</p> <p>When settling a transaction on your behalf PSL may have to settle such transaction through a central securities depository or other securities settlement system and the transactions will be subject to the rules of the CSD.</p>
<b>Dealing or Execution Services</b>	The buying or selling of investments on your behalf.
<b>Eligible Custodian</b>	This refers to a third party custodian (or its nominee company) who PSL selects under the FCA Rules to register your investments with.
<b>Joint and Several Liability</b>	If joint and several liability applies, the effect is that both you and the other person(s) separately promise to meet all obligations under these terms in respect of the account either (1) jointly with the other person(s); and (2) individually.
<b>Lien</b>	A Lien allows the person holding the asset to withhold or retain such asset pending the satisfaction of your obligations to them.
<b>Margin or Collateral</b>	This is where your money or investments are passed to a Relevant Party in order to provide security against the performance of obligations.
<b>Mortgage</b>	A mortgage transfers the ownership of an asset to a third party on the condition that it will be re-transferred on the discharge of the obligations owed to that third party.
<b>Netting</b>	Netting is the process under which PSL and/or the counterparty, CCP, CSD or other body concerned with settling a transaction are entitled to reduce their obligations to each other by setting off their obligations to deliver cash or securities to one another. This will give a single amount owing to one party from the other rather than a two-way payment. This single amount will then be paid or delivered to the relevant party.
<b>Nominee Company</b>	A nominee company is one which is used solely for holding investments separately and which does not carry on any other business.

<b>Relevant Party</b>	This includes (but is not limited to) an exchange, clearing house, intermediate broker, settlement agent or a counterparty dealt with directly (over the counter) outside of any exchange. The Relevant Party may be located in the UK or elsewhere.
<b>Safe Custody Services</b>	The safekeeping and administration of any investments held by PSL or its nominee company on your behalf.
<b>Set-Off</b>	This may arise where both you and PSL owe sums to each other. In such circumstances PSL may deduct any sums owed to it by you from any sums that are owed by PSL to you so as to either eliminate or reduce PSL's liability to you.
<b>Time shall be of the Essence</b>	The use of this term in relation to any payment, delivery or other obligation you have to PSL means that PSL shall be entitled to terminate these terms and, if appropriate, claim damages from you if you fail to perform your obligation in accordance with the time specified. It is intended to ensure that the relevant deadlines are strictly complied with.



# Annex 2: CCP and CSD Transactions

## 1 Settlement of CCP and CSD Transactions

1.1 In order to settle transactions on your behalf, PSL will need to deal with the other party to the transaction (the “counterparty”) and sometimes transactions will be settled through a central counterparty (“CCP”) or a central securities depository or other securities settlement system (CSD) or other depository transfer agent or similar body. When PSL deals with these parties, it does so as your agent, in good faith and on the basis that:

- (a) PSL is not responsible for any default or failure of the CCP, CSD or other counterparty or of any depository or agent of those entities; and
- (b) the delivery of any securities or payment to you as a result of the transaction is entirely your risk and not that of PSL.

1.2 In some cases, transactions will be subject to netting. You agree, in respect of any transaction which is subject to netting, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant CCP or CSD. You acknowledge that if net settlement takes place then PSL will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.

1.3 We and you acknowledge and agree that:

- (a) PSL does not owe any duty to us, you or any other person to verify the appropriateness, adequacy or effectiveness of the rules, requirements and procedures of any market or CCP; or in relation to any exercise or non-exercise by the market or the CCP of its rights or powers under such rules, requirements and procedures; and
- (b) PSL shall have no liability for any loss or damage suffered or incurred by us or you by reason of PSL taking or failing to take any action, where such action or failure to take action is authorised, permitted or required by a market or a CCP or is otherwise deemed necessary by PSL under the rules, requirements and procedures of the market or the CCP.

## 2 Limits on PSL’s Liability to you and Indemnities you give to PSL

If any net settlement takes place then PSL’s only obligation to account to you will be to account for the net investments and/or cash received by it from any relevant CCP, CSD, or their respective agents, corresponding to the transactions relevant to the net settlement entered into on your behalf. In addition you agree that PSL shall have no liability to you in connection with the exercise by any CCP, CSD, or their respective agents of their powers under any Power of Attorney or equivalent right or power in respect of any settlement account operated by or on behalf of PSL in connection with the settlement of any transaction.



## Annex 3: Additional Clauses

### Agent as Client

If you are an agent acting on behalf of someone else (whether or not that person (the “Principal”), has been identified to PSL as the person for whom you act) you will be treated as PSL’s client under the FCA Rules and you will also be fully liable to PSL under these terms as if you were acting for yourself. You and your Principal will be jointly and severally liable in the manner described above. In addition, you represent warrant and undertake to us and PSL on a continuing basis that:

- (a) You have full power and authority to instruct us on these terms;
- (b) You have no reason to believe that any such underlying client will not be able to meet any settlement or other payment obligation under these terms;
- (c) At the time you instruct us to undertake a transaction for such underlying client there are sufficient funds or assets under your authority to permit settlement and you will not subsequently execute transactions which could result in insufficient funds or assets being available;
- (d) To your knowledge any transaction undertaken for any such underlying client will be its valid and binding obligation enforceable against it in accordance with its terms subject to bankruptcy and other applicable laws;
- (e) You have no reason to consider that any such underlying client is or is likely to become insolvent;
- (f) You have obtained and recorded evidence of the identity of any such underlying client or any underlying principal of such person in accordance with applicable laws and regulations (including without limitation anti money laundering regulations); and
- (g) You will provide to us and PSL such information and written confirmations in relation to any such underlying client as we or PSL reasonably require to comply with all applicable laws and regulations.

### Trustee as Client

Where you are acting as a Trustee on behalf a trust (the “Trust”), as well as being jointly and severally liable to PSL in the way described above, PSL will treat the trustees as its client and not any beneficiary of the Trust. We shall warrant to PSL that:

- (h) We will only cause PSL to be obliged to settle any transaction where we have full management control and full authority to instruct use of sufficient of the assets or cash of the Trust to meet any obligation incurred by PSL on behalf of the Trust and that we have full authority to direct the custodian, if any, of the underlying customer’s assets and cash to meet any obligations so incurred and that we have sufficient authority and consents to perform our obligations under these terms.
- (i) We are not aware of any reason why the cash or assets of the Trust which are the subject of our management (as described above) could not be used to meet such obligations.
- (j) We will not effect any transaction for the account of the Trust if we have any reason to believe that the Trustees of the Trust will not be willing or able to meet their obligations in respect of such transaction and will notify PSL as soon as reasonably practicable if we have any reason to believe that the Trustees will not be willing or able to meet their obligations in respect of any transaction; and
- (k) We believe on reasonable enquiry and on reasonable ground that the Trustees of the Trust will have all requisite power and legal capacity to enter into any such transaction and to perform their obligations under these terms. In your capacity as Trustees of the Trust you acknowledge and agree with PSL that:
- (l) You will supply us with all relevant information of which you are aware in relation to the matters covered by our above warranties and you will not do anything to cause us to be in breach of our obligations as set out above;
- (m) Any payment or accounting made by PSL to any one or more of the trustees will be treated as made to all of them;
- (n) If you (or where you are more than one person any of you) become aware that any warranty given to PSL above has become untrue you will notify PSL and us in writing as soon as reasonably practicable on becoming so aware; and
- (o) Your aggregate liability to us PSL and any other person under these terms shall be limited to the net value of the asset from time to time under your control in your capacity as the Trustees of the Trust save that this limitation shall not apply in respect of any liability to PSL for any breach of your obligations to PSL under this sub-clause.

Sanlam Private Wealth is a trading name of Sanlam Private Investments (UK) Ltd which is authorised and regulated by the Financial Conduct Authority. Registered in England and Wales 2041819. Registered office: Monument Place, 24 Monument Street, London, EC3R 8AJ.

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