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# WALKERCRIPS

## Investment Management

Terms of Service and Business for  
Retail and Professional Clients

Effective date:  
**28 June 2025**

# Contents

<b>Terms of Service and Business</b>	<b>Page</b>
1. SUMMARY OF OUR TERMS OF SERVICE & BUSINESS (TERMS)	1
2. INTRODUCTION	3
3. ABOUT US	3
4. OUR CLIENTS	3
5. OUR SERVICES	4
6. OUR INVESTMENT PROCESS	6
7. INFORMATION AND INSTRUCTIONS	8
8. YOUR INFORMATION OBLIGATIONS	10
9. CLIENT REPORTING	10
10. TAX AND LEGAL AFFAIRS	11
11. OUR CHARGES	12
12. POWERS OF ATTORNEY AND DEATH	12
13. REGULATORY MATTERS	13
14. OTHER GENERAL TERMS	16
15. COMMENCEMENT, VARIATION & TERMINATION	18

## Appendices

1. APPENDIX 1   ORDER EXECUTION POLICY (OEP)	19
2. APPENDIX 2   THE CUSTODIAN'S ORDER EXECUTION POLICY (OEP)	27
3. APPENDIX 3   USE OF ONLINE CLIENT PORTAL AND OUR OTHER WEBSITES	28
4. APPENDIX 4   INDIVIDUAL SAVINGS ACCOUNTS (ISAs) AND JUNIOR ISAs (JISAs) TERMS AND CONDITIONS	30
5. APPENDIX 5   PRODUCT DESCRIPTIONS & RISK WARNING	31
6. APPENDIX 6   GLOSSARY	36
7. APPENDIX 7   TERMS AND CONDITIONS SPECIFIC TO YOUR CUSTODY SERVICES, THE 'CUSTODY TERMS'	40

# 1. SUMMARY OF OUR TERMS OF SERVICE & BUSINESS (TERMS)

We understand that terms and conditions are not always the easiest documents to navigate, but it is important that you read these in full.

To help make our Terms easier to navigate we've provided a brief summary of the information you can expect each section to cover. This summary is not intended to replace the full Terms or any other referenced documents.

## Section 2 - Introduction

Here we provide an explanation around who the audience is for our Terms along with identifying other documents that help govern the relationship between the firm and you.

## Section 3 - About us

Here we explain Walker Crips Investment Management Limited ("Walker Crips" or "The Firm"), our trading name/s, the types of services we provide, where our head office is located, as well as details of our regulator, the *Financial Conduct Authority (FCA)*.

## Section 4 - Our clients

Regulations require us to categorise our customers as either 'Retail' or 'Professional'. Here we explain the difference. We also talk about the different parties that can be authorised to act on your behalf and what methods of communication are acceptable when placing instructions. We may use "clients" and "customers" interchangeably.

## Section 5 - Our services

Here we explain the various service types that we provide and the typical asset types we can provide advice on.

We provide three overarching *investment* services, discretionary, advisory, and *execution only*.

We offer the following discretionary services:

- Bespoke *Investment* Management Service
- Discretionary *Model* Portfolio Service (MPS)
- Discretionary Inheritance Tax Relief Portfolio Service

We offer the following advisory services:

- Advisory Managed *Investment* Management Service
- Advisory Dealing *Investment* Service

As part of our services, we will arrange on your behalf for a *custodian* to provide clearing, *settlement*, safe custody, and related services to you as applicable when using our services. As part of using our services, you authorise us to appoint a *custodian* on your behalf and further authorise us to change that *custodian* where we reasonably determine it appropriate.

These *custody services* are provided in accordance with the 'Custody Terms' we agree on your behalf with the *custodian* as included under Appendix 7 to these Terms.

## Section 6 - Our investment process

Here we talk about what you can expect from us in terms of how your *investments* will be dealt with and key considerations you should have before investing.

## Section 7 - Information and instructions

Here we explain who we can accept order instructions from and how we will communicate with you in relation to these. We also explain the obligations of all relevant parties in relation to order instructions.

## Section 8 - Your information obligations

Here we explain the importance of keeping us up-to-date with any personal information that is relevant and required in order to allow us to service your account appropriately, and the consequences of not keeping us up-to-date with the information.

## Section 9 - Client reporting

We explain what client reporting we will provide you with as part of our services, which may include trade confirmations, quarterly statements, *suitability* transaction reports, annual *suitability* reviews and a selection of other communications.

## Section 10 - Tax and legal affairs

Here we explain that we do not provide tax or legal advice and you are responsible for obtaining your own tax and legal advice.

## Section 11 - Our charges

This section explains our charges and how they are levied. Our Tariff sheet and the Supplementary Charges provides more detailed information around charges applicable to our services. If you require copies to be sent to you, please contact your investment manager / *account executive* or [client.services@wgcplc.co.uk](mailto:client.services@wgcplc.co.uk).

## Section 12 - Powers of Attorney and Death

Here we provide details around the use of a *Power of Attorney* (PoA) and how this affects your account. And to give our clients' peace of mind, we also describe what will happen to clients' accounts upon their passing. The impact

on the account will vary, depending on the type of account held.

### Section 13 - Regulatory matters

Here we explain various *rules* and regulations that govern us and how these *rules* impact you and how we will communicate with you.

In summary, we provide information about:

- our anti-money laundering controls and other requirements to prevent financial crime;
- the need for Legal Entity Identifier (LEI) on some company accounts;
- our various communication methods;
- other *Client Agreements* that you may be subject to;
- complaints and how these will be handled;
- our data protection obligations (our Privacy Notice can be found on our website at [www.walkercrips.co.uk/PrivacyNotice](http://www.walkercrips.co.uk/PrivacyNotice));
- conflicts of interest and how these will be managed;
- acceptable minor non-monetary benefits;
- order *aggregation* and allocation; and
- the protections afforded to you by the Financial Services Compensation Scheme (FSCS).

### Section 14 - Other general terms

Here we talk about your obligations to us, events beyond our control and how these affect your account and other conditions which apply to these Terms and our services.

### Section 15 - Commencement, Variation and Termination

Here we explain how the relationship between you and us is established, our right to vary our Terms and how we will go about this as well as all relevant parties' right to terminate an agreement and how this should be done.

### Appendix 7 - Terms and conditions specific to your custody services (the 'Custody Terms')

This section outlines the relationship between you (the client), us (the company providing *investment services*), and the *custodian*. Key points include:

- Walker Crips has an agreement with the *custodian* for the provision of clearing, *settlement*, safe custody, and related services to clients of Walker Crips.
- Clients enter into the Custody Terms as included in Appendix 7 with the *custodian* when they accept these Terms.
- By accepting these Terms, you agree to appoint Walker Crips to act as your agent to enter into Custody Terms with the *custodian* from time to time and to give

instructions to the *custodian* on your behalf.

- The *custodian* is registered in the UK and regulated by the *Financial Conduct Authority (FCA)*.
- Walker Crips and the *custodian* have different responsibilities: Walker Crips is responsible for the relationship with our clients, providing our services, account management and regulatory compliance, while the *custodian* is responsible for operational matters such as the custody and safekeeping of your cash and investments. The *custodian* will also be responsible for executing transactions when required.
- Clients should read and understand the responsibilities of Walker Crips and the *custodian*, as well as the client's own obligations under these Custody Terms.

## 2. INTRODUCTION

This document sets out the Terms on which Walker Crips and the *custodian* agrees to provide our services to you. Words in italics are defined in the Glossary.

These Terms, including the appendices, together with your Application Form, Tariff Sheet, Supplementary Charges and any additional documentation as required, collectively form our *Client Agreement* and will constitute the legal contract between you and the Firm and you and the *Custodian* and on which we will rely upon in the course of your relationship with us.

These Terms supersede all previous Terms of Service and Business for Walker Crips Investment Management Limited.

**It is important that you read and understand these Terms.** If you have any questions or need further information, please let us know as soon as possible by contacting your investment manager / *account executive* or [client.services@wgcplc.co.uk](mailto:client.services@wgcplc.co.uk). More contact details are shown below in Section 3: About Us.

Our latest Terms and Supplementary Charges are also found on our website at [www.walkercrips.co.uk/businessctc](http://www.walkercrips.co.uk/businessctc).

If for reasons of accessibility you would like documents in a different format, please contact us.

## 3. ABOUT US

### Trading names

“Walker Crips Investment Management”, “Walker Crips Share Dealing” and “Walker Crips Structured Investments” are trading names of Walker Crips Investment Management Limited.

### Who we are

Walker Crips Investment Management Limited (“WCIM”, “we”, “our”, or “us”) undertakes *investment* business including the provision of Discretionary (bespoke and *model* portfolios), Advisory (managed and non-managed) and *Execution Only* Services focused on stock market *investment* and other *financial instruments*.

### Our Location

WCIM’s registered office is at 128 Queen Victoria Street, London, EC4V 4BJ. A list of other addresses from which WCIM conducts its business is set out on our website here: [www.walkercrips.co.uk/ContactUs](http://www.walkercrips.co.uk/ContactUs)

### Contact details

Telephone: 020 3100 8000;  
Email: [client.services@wgcplc.co.uk](mailto:client.services@wgcplc.co.uk)

### Regulation and authorisation

WCIM is authorised and regulated by the *Financial Conduct Authority (FCA)* in the conduct of *investment* business. WCIM is entered on the *FCA* register, number 226344. This can be checked by visiting the register at <https://register.fca.org.uk/s/>

The *FCA* can be contacted at 12 Endeavour Square, London, E20 1JN, on 0800 111 6768 or 0300 500 8082 from the UK, or +44 207 066 1000 from outside the UK.

### Our group

WCIM is a wholly owned subsidiary of Walker Crips Group Plc (“WCG”). WCIM is also a member of the London Stock Exchange (LSE).

## 4. OUR CLIENTS

Clients and customers have the same meaning and are used interchangeably in these Terms.

### Retail clients

We are required under *FCA rules* to classify our clients. If *investment* services are to be provided to you, we will classify you as a *retail client*. A *retail client* is a client who is not a *professional client* or is not an eligible counterparty (e.g. a financial institution or government body).

Unless otherwise agreed, you alone will be treated as our client, even when you are acting as an agent for others and have identified your principal to us. The Contracts (Rights of Third Parties) Act 1999 shall not apply to these Terms.

Even if you have been categorised as a *retail client*, you may not necessarily have access to the Financial Ombudsman Service (FOS) or be eligible for the Financial Services Compensation Scheme (FSCS). Further information on eligibility is set out in section 13, “Regulatory matters” below.

### Professional clients

Provided you meet certain criteria specified by the *FCA*, you have the right to request to be treated as a *professional client* for some or all of the services we provide to you, although we are not obliged to agree to your request. A *professional client* should possess the experience, knowledge and expertise to make their own decisions, and is able to properly assess the risks they incur. You must inform us immediately regarding changes to relevant information that may impact on your classification as a *professional client*.

If you were to be treated as a *professional client*, there is a reduced level of client protection compared to a *retail client*. More information about this option can be provided upon request.

### **Third Party Authority (TPA) / Agents (agent)**

If you have authorised another party to act on your behalf, we will take instructions from them as if you had given them to us. To appoint an agent, you must complete a 'Third Party Authority' form and/or provide us with a relevant *Power of Attorney* (PoA) document, or certified copy of the document.

Please note, the authority delegated to the third party is limited and not as wide ranging as if they were the customer. A TPA's power is limited to the following:

- Buy or sell *investments*.
- Accept or reject corporate actions.
- Transfer funds from the client's WCIM account to the bank account that is on record in the client data of the WCIM account.
- Receive information about the customer's WCIM account.
- Discuss the customer's WCIM account.

### **Instructions**

We will accept instructions from you or your agent in person, by letter, telephone, email or the client portal (when available).

Please ensure that your contact details are correct at all times. We may try to contact you to confirm any withdrawal instruction received by electronic means in order to validate the instruction and mitigate the risk of fraud; this may create a delay. If we are unable to do so, and where we believe it is valid, we will carry out the instruction.

### **Conflicting instructions**

Where you have appointed one or more parties to act as your agent, there could be a situation where the instructions we receive from you and your agent(s) conflict, and we can therefore decline to carry them out. We will use our best endeavours to resolve the situation. If we are unable to do this, we will revert to you as the client to confirm the instruction; this may create a delay.

## **5. OUR SERVICES**

We offer the following main categories of services and our application form will specify the services we will provide to you:

### *WCIM's Discretionary Services*

Our discretionary services are intended to help make it easier for you to manage your portfolio. We will agree a suitable mandate with you based on your personal circumstances, objectives and restrictions which will be noted in an *investment* mandate document, and you authorise us to make trading decisions on your behalf without reference to you. Annually, our investment manager will conduct a *suitability* review with you in order to determine whether your circumstances or *investment* risk and aims have changed and we will adjust our discretionary management accordingly.

### **Discretionary Bespoke Investment Management Service**

Through this Discretionary Bespoke Service, our investment manager will manage your *investment* portfolio on your behalf, controlling the day-to-day decisions with expertise and care as we strive to achieve your *investment* aims. Our attention is focused on your objectives, taking account of your risk appetite and responding to changing events and market shifts as they occur. You do not have to make *investment* decisions on your portfolio because our investment manager will do it for you.

When constructing your bespoke portfolio, we create the strategy that we believe will achieve your *investment* aims in line with the mandate we have agreed with you.

Our investment managers have access to our own internal resources, as well as external market research and analysis. The Walker Crips Investment Oversight Committee (IOC) provides guidance to all investment managers and advisers, especially in the area of macroeconomic, market and sector risks.

### **Discretionary Model Portfolio Service (MPS)**

The MPS is designed to provide customers with a simplified and streamlined *investment* experience. As part of the MPS, we have created a number of *model* portfolios. Each of these are managed in accordance with an *investment strategy* and a target risk rating. We will advise you as to which *model* portfolio is suitable for you. We will then manage that *model* portfolio in line with its *investment strategy*.

The IOC oversees the *investment* process in order to provide common *investment* foundations and articulate company-wide *investment* philosophy and strategy. The IOC also reviews risk ratings of each *model* portfolio according to prevailing market conditions and economic environments and to ensure the appropriate asset allocations for the MPS.

### **Discretionary IHT Relief Portfolio Service**

The Discretionary IHT Relief Portfolio Service is designed to

mitigate customers' invested assets from Inheritance Tax (IHT) liability. The Walker Crips IHT Relief Portfolio Service utilises Business Relief\* through *investment* in shares listed on the Alternative Investment Market (AIM). Customers taking advantage of the Discretionary IHT Relief portfolio Service must be comfortable with a high *investment* risk and the returns they receive may be less than their invested amount.

This service does not allow for customer directed *investment* and is only available to customers who have taken financial advice from a financial adviser before proceeding.

\* Business Relief is researched through due diligence completed by the Investment Management team and the Analyst Team, but it cannot be guaranteed.

#### WCIM's Advisory Services

We will agree a suitable mandate with you based on your personal circumstances, objectives and restrictions which will be noted in an *investment* mandate document. Annually, our investment manager will conduct a *suitability* review with you in order to determine whether your circumstances or *investment* risk and aims have changed and we will adjust our advice to you accordingly.

Our investment managers will provide you with advice, which sets out suitable recommendations based on your personal circumstances and objectives. At all stages, you remain in control, and you instruct us to implement any of our recommendations, unlike our discretionary service where you authorise us to make the *investment* decisions for you.

For the avoidance of doubt, WCIM focuses on the stock market, on stock market-based investments, bond markets, *collective investment schemes* and other similar products but we do not consider the full range of *investment* products that are available to *retail clients*. If an *investment* solution is appropriate for you then we will recommend one of Walker Crips' own *investment* services and as a consequence, our *investment* advice will be "Restricted Advice" as defined under the *FCA rules*.

If you require financial planning advice on your wider financial affairs, including pension requirements, we are able to introduce you to financial planning companies within the Walker Crips Group, namely Walker Crips Financial Planning Limited (WCFP) for **Independent Advice**, or Barker Poland Asset Management LLP (BPAM) for **Restricted Advice**.

#### **Advisory Managed Investment Management Service**

This Advisory Managed Service is a portfolio service where

our investment managers actively monitor your portfolio's performance and risk and provide you with *investment* recommendations based on the *investment strategy* and aims agreed with you, but you make the final *investment* decision. If your portfolio drifts outside of the *investment strategy*, we will inform and advise you, but you make the final *investment* decision.

You can take advantage of this Advisory Managed Service to have more control and flexibility over how the portfolio is managed compared to the discretionary service, but you can still receive support from our investment managers in helping you to make *investment* decisions.

#### **Advisory Dealing Investment Service**

This Advisory Dealing service is where you personally monitor and manage your own portfolio, and when you require advice, you contact the investment manager who will provide you with advice on the individual *securities* at the time of request. This is **not** a managed service, and the investment manager will **not** actively monitor your portfolio. We consider the *suitability* of an *investment* in light of your *investment* objectives and risk preferences at the time of giving the advice. We do **not** actively and continually monitor the *suitability* of your portfolio as a whole, nor manage your overall risk exposure; the responsibility for which remains with you.

You can initiate the request for advice by contacting us, however we may also contact you to make recommendations if we believe you may reasonably wish to receive that advice.

#### Execution Only Dealing Service

Our *Execution Only* Dealing Service is designed to execute or carry out customers' instructions to buy or sell stock and shares (*securities*). This service **does not offer investment advice** and the *account executive* executing or carrying out the instructions cannot advise a customer as to the merits of buying or selling a particular *security*, or whether it is suitable for them, and cannot manage or carry out any reviews of customers' investments. Factual information, such as share prices and market activity, may be given on request.

Customers would usually choose our *Execution Only* Dealing service because they are familiar with investing and are confident and able to make their own *investment* decisions, and do not require *investment* advice. This service is also generally cheaper than the Advisory Dealing, or Managed services.

Under the *FCA rules*, if you wish to deal in 'complex

*financial instruments*', we are required to carry out an 'appropriateness test' to assess your knowledge and experience of the risks of such instruments before facilitating your *investment*. We will carry out our assessment either at account opening or, if the assessment has not been previously undertaken, on receipt of your request to deal in '*complex financial instruments*'.

When assessing appropriateness, we will consider the knowledge and experience disclosed to us in the course of our relationship with you. Where we are required to consider appropriateness, and based on the information, or insufficient information, you have supplied to us, we may consider that an *investment* or transaction may not be appropriate for you, and we will not be able to act on an *execution only* basis for you.

#### **Ownership and Custody of client assets and cash**

We do not undertake custody of any *investment* or cash on your behalf. Instead, this service is provided by the *custodian*. Full details of the *custody service* they provide is set out in the Custody Terms included as Appendix 7 to these Terms. By accepting these Terms, you agree for us to act as your agent to appoint a *custodian* to provide *custody services* on your behalf from time to time.

By accepting these Terms you confirm our authority for us to arrange for your assets and cash to be transferred to a successor *custodian* in the event we change the *custodian* appointed by us on your behalf. We will notify you on the Client Portal and by email should this occur. Where your communication preference is to receive hard copy communications, we will notify you of this change by postal delivery.

**The purpose of our services is for *investment*, rather than holding cash.**

**If you have a managed service, there may be times your investment manager includes cash as part of their *investment strategy*, so please feel free to ask them any questions you may have about the levels of cash being held.**

**For clients who manage their own portfolios on an *execution only* or advisory basis, if you wish to hold cash you are likely to receive a better rate of interest by holding it within your personal bank account.**

## **6. OUR INVESTMENT PROCESS**

### **Before you invest**

Before deciding whether to invest, you may wish to consider financial planning advice; you should take into consideration your savings, pension arrangements, short and long-term savings schemes, other assets, life assurance and protection policies, as well as your levels of debt.

If you wish to invest in shares, you should be prepared to invest your funds for a minimum of five years, and preferably longer. However, if you invest for a shorter period, you need to be aware of the potential risks of stock market *investments*.

You should be aware that **past performance is not indicative and not a guarantee of future performance.**

The value of any *investment*, and the income from it, can fall and rise with movements in stock markets, currencies and interests. These can move irrationally and can be affected unpredictably by diverse factors, including political and economic events and you may not get back the original value of your *investment*.

A need to liquidate invested funds quickly may adversely affect the amount you receive if your need arises when markets have fallen. You should also be aware that, as political conditions change and the economic cycle shifts, the risk inherent in one type of *investment*, or market, may change.

If, having considered the above, you have made the decision to invest in the stock market, you should then decide the level of funds you wish to invest and your *investment strategy*. All *investment* decisions involve a degree of risk, and it is important to establish from the outset the degree of risk you are willing to accept, your ability to absorb falls in the value of your *investment*, and the intended time horizon for your *investment*, and then to also decide on your *investment* objectives.

### **Investment advice**

For our Discretionary and Advisory Managed *investment* management services and our Advisory Dealing service, your investment manager / *account executive* will discuss with you your personal circumstances, *investment* objectives and restrictions and assess your attitude to risk. Based on these discussions your investment manager / *account executive* will propose an *investment* approach with the aim of meeting your objectives and taking a level of risk that is suitable.

### **Ongoing investment service**

For our managed and advisory services, each year we will



aim to discuss with you if there are any changes to your personal circumstances, *investment* objectives and attitude to risk. Based on these discussions, we will determine if your *investment* approach remains suitable or, if it needs to be changed, then we will propose an adjusted *investment* approach with the aim of meeting your revised *investment* objectives and taking into consideration a level of risk that is suitable for you.

We will accept responsibility for the merits or *suitability* of any advice provided by us, *investment* or transaction on your account (other than those *investments* for which we have received specific instructions from you, or which have limitations provided by you (e.g. holdings with large capital gains which prevent their sale, or cherished holdings you have instructed us not to sell)). We will exercise reasonable diligence, skill and care in the light of circumstances which are, or should reasonably be, known to us at the time.

You understand that the value of investments, and the income arising from them, can go down as well as up and it is impossible to predict future performance with any certainty. We accept continuing responsibility for the *suitability* of:

- your *investments* which you have entrusted to us insofar as we are free to exercise our complete *discretion* over these *investments* or you accept our advice in a timely fashion in relation to them;
- the advice that we give to you about these or any other *investments*;
- transactions which we undertake for you in the exercise of our *discretion* or on your prompt acceptance of our advice; in the light of your circumstances, requirements and objectives of which you have given us reasonable notice, and in relation to which you undertake to notify us promptly of any material change.

### **Investment management**

Each Investment Manager whilst under the company's supervision, will maintain a degree of autonomy and freedom to provide clients with tailored services and *investments*, subject always to the monitoring and supervision carried out as part of our company's *investment* oversight process.

We may choose to recommend particular *investments* and offer guidance to our Investment Managers in relation to the accounts or make research and information available to them.

However, our Investment Manager may prefer to carry out their own research and select, subject to *suitability* controls, *alternative investments* on the basis of this research.

Consequently, it is likely that the advice given to one client will differ from that given to another client with the same *investment* objectives and risk outlook and as a result, it is likely that the individual performance of portfolios managed by our Investment Managers will differ.

### **Restrictions**

If you hold an Individual Savings Account (ISA), an *investment* bond or pension it must be held in *investments* permitted under HM Revenue & Customs (HMRC) regulations. There may also be additional *investment* restrictions applied by pensions and *investment* bond providers. If you have asked us to provide you with *investment* advice or *investment* management, any restrictions which you wish to make on the type of *investments* or the markets on which you wish to transact business, will be set out in writing.

Any *investment* restrictions that you request shall not be deemed to be breached by variations in the value or price of an *investment* brought about through market movements. It is not possible for any restrictions to be agreed in relation to our discretionary *investment model* portfolio service.

### **Key Information and Key Feature Documents and other notices**

If you are an Advisory Managed, Advisory Dealing or *Execution Only* client (i.e. not a Discretionary client), and wish to purchase units in a *regulated collective investment scheme* that is governed by the UCITS regulations within your account, or if we advise you to do so, we will provide you with the corresponding Key Features Document, Key Investor Information Document (KIID), or simplified prospectuses prepared by the relevant product provider in accordance with the *rules*.

If you are an Advisory Dealing or *Execution Only retail client* and wish to purchase units in a Packaged Retail *Investment* and Insurance-based Product (PRIIP) we will provide you with a PRIIPs Key Investor Document (KID) before we place the trade on your behalf. If, however, the trade has been instructed by you using a means of distance communication, for example, telephone or email, or you wish for us to share hard copies with you, and the provision of the KID before a transaction is concluded will not be possible, it will be provided as soon as possible after the transaction. If you wish, you may delay the transaction(s) in order to receive and read the KID before concluding the transaction(s), otherwise you consent to receiving it without undue delay after the conclusion of the transaction(s).

The requirement to provide a KIID or KID does not apply to Discretionary clients, nor does it apply if you already hold the same *investment* and have previously received that KIID or KID.

## 7. INFORMATION AND INSTRUCTIONS

### Notification of instructions

We will accept instructions from, and can provide information to, the account holder(s) named on the relevant application form. Instructions given to us by post or *electronic communication* are effective from the date we receive them.

### Joint accounts

In relation to any service or services held in joint names, we will accept instructions and information from any one signatory on behalf of all signatories. All communications that we share with you, such as notification of trade confirmations, statements and valuations will normally be made available on the Client Portal with notification sent to at least the first email address or posted to the physical address if the client prefers to receive paper copies. Any communication from us to any one of the joint account holders will be deemed to have been communicated to all joint account holders.

### Corporate, trust and charities

The relevant Account Application Form sets out from whom we can accept instructions. All communications that we share with you, such as notification of trade confirmations, statements and valuations will normally be made available on the Client Portal with notification sent to at least the first email address or posted to the physical address if the client prefers to receive paper copies. Any communication from us to any person named in the Application Form will be deemed to have been communicated to every person named in the Application Form.

### Order instructions

We will accept dealing instructions from you by telephone, post, email or in person. We will execute your instructions on a best endeavours basis and shall have no liability for any instructions until they are received by us.

We will not be responsible for failure of or delays caused by *electronic communications*, provided that such delay or failure has not been caused by our failure to put in place adequate systems as would reasonably be expected of us.

We may act on any instructions that we reasonably believe to have been sent by you.

We may, at our *discretion* and without giving any reason, accept or reject any instruction to carry out any transaction, but shall notify you as soon as reasonably practicable if any instruction is rejected.

When dealing on your behalf, we will act in reliance upon your instructions. You accept that you are responsible for ensuring that your instructions are clear and accurate. Any losses which may arise through the giving of incorrect instructions will be your responsibility. This responsibility also applies, without limitation, to any losses which you may suffer by reasons (other than through our *default*) of your inability to either deliver stock sold to the market on the due date, or losses arising from the purchase of stock to meet delivery obligations.

In giving an order to sell shares, you warrant that you are the beneficial owner of the shares, or have the authority to sell the shares, and that the shares are free from any charges, *lien* (legal right or interest) or encumbrances (claim or liability attached).

We do not allow 'short sales', which is when a client gives us an instruction to sell when the client does not currently own that stock (*securities or financial instruments*).

Any instruction given to us forms an irrevocable commitment to buy or sell shares, which cannot subsequently be cancelled, except prior to the execution of the instruction. If you wish to cancel, and the order has not yet been carried out, we will, on a best endeavours basis and without liability, seek to cancel it with the *custodian* subject to the Custody Terms. Where we carry out any order ourselves, we will seek to cancel it with the market or with the agents (if any) to whom we have routed it. In either case, we cannot give any assurance that we can affect such cancellation. In placing an order with us you accept full liability for the order unless we confirm that the order has been cancelled, and you accept full liability for any losses and costs arising from such cancellation.

We are not liable for the non-completion of, or delay in completing, any instructions given by you or accepted by us where this is caused by systems failure (provided that such failure has not been caused by our failure to put in place adequate systems as would reasonably be expected of us), market closure, a failure to perform by the *custodian* or by a third party *settlement* agent, depository, clearing or *settlement* agent or system, or as a result of other exceptional circumstances.

When we carry out dealing instructions directly on your behalf as agent, we will generally transmit your dealing instructions through the *custodian's* dealing systems. In such cases, we will do so in accordance with our Order Execution Policy (OEP) included as Appendix 1 to these Terms, as updated from time to time. However, there may be occasions where the *custodian* executes transactions for your account when we transmit orders to it and in this situation we have agreed that, rather than you, we will be

the *custodian's* client for the purposes of the *FCA Rules* in accordance with the Custody Terms included as Appendix 7 below. The *custodian* will execute such orders in accordance with the *custodian's* order execution policy as amended from time to time and provided to us.

### **Investment Service Limitations**

#### **Roll-overs**

**Walker Crips does not permit roll-over transactions.** We reserve the right to cancel any trade(s) that was traded on your instruction that is in breach of this rule. For information - A "roll-over" transaction is a mechanism whereby an *investment* is sold and simultaneously re-purchased for a forward *settlement* date.

#### **Agency Cross**

**Walker Crips does not facilitate agency cross transactions.** For information - an agency cross is a transaction where the broker matches orders between buyer and seller (rather than transacting through the market).

#### **Broker to Broker Trades**

**Walker Crips does not facilitate broker-to-broker trades.** For information - broker-to-broker trades involve two broking firms directly matching buy and sell orders (rather than transacting through the market).

#### **Private Placings**

**Walker Crips does not facilitate private placings,** including publicly listed and non-publicly listed *securities*. For information - a private placing (i.e. non public offering) is the process of raising capital that involves a selected group of investors, rather than being open to the public, and often involves the firm and clients being informed of sensitive information that makes them an 'Insider', and exposes the firm and clients to associated market abuse risks, like insider dealing.

#### **Non-permitted investments**

**Walker Crips does not intentionally facilitate transactions in,** nor the transfer in of, ***securities which are not quoted on a recognised stock exchange, leveraged instruments, crypto assets, recreational cannabis stocks, non-readily realisable securities (NRRS), speculative illiquid securities (SIS), or non-mainstream pooled investments (NMPI).***

These not-permitted investments are usually of higher risk, non-readily realisable, meaning they may be difficult to sell at any price, and it may be difficult to determine the current market value of such investments.

If a company is delisted from a recognised exchange, or if clients receive a non-permitted *investment* as a result of a

Corporate Action, or if clients currently hold non-permitted investments with WCIM, we shall have the right to, or instruct the *custodian* to, re-register these holdings, where possible, into the client's own name, and return them to the client for their own safekeeping.

#### **Default Remedies**

WCIM is entitled to an express lien, power of sale and right of set off over client *investments* in respect of properly incurred charges and liabilities arising from the provision of its services. WCIM may exercise such *discretion* in such a manner as it sees fit, including by consolidating accounts belonging to you.

In the event that you fail to make any payment or to deliver any *securities* due to WCIM (or agents used by WCIM), we reserve the right to instruct the *custodian* to retain any funds, *securities* or other assets due to you and to offset the liability against them. If *settlement* of a transaction is not received on the due date, WCIM reserves the right to take the following action either directly or through the *custodian*:

- Charge interest on unsettled balances at 5% over Bank of England Base Rate in addition to a late *settlement* levy as stated in the relevant Tariff sheet;
- Dispose of any *securities* which are held by the *custodian* or our appointed nominees on your behalf, including those held in another account to which you are a party, and apply the proceeds towards the discharge of any liabilities owed to us. If we take this action, we will likely dispose of the more liquid *securities* before the less liquid, using best endeavours to minimise the impact to you. The way this is executed shall be at our *discretion* and we shall not be liable for any losses, legal, tax, or other consequences to you;
- Institute legal proceedings for recovery of the debt and charge legal and other collection costs to you.

If WCIM is required to exercise its rights under this section we will seek to provide you notice, but we may exercise our rights immediately and without notice where we consider it appropriate to do so.

## 8. YOUR INFORMATION OBLIGATIONS

We rely upon the information you provide to us to form the basis of any advice we give to you or investment management services we provide to you.

Information may be provided in the Application Form and any subsequent 'Know Your Client' (KYC) updates, including, for any advisory or discretionary investment services, our periodic Client *Suitability* Reviews.

It is important that the information we hold about you is accurate and remains up-to-date. In relation to the information that you supply to us, you agree:

- that any information you have provided to us is complete and accurate;
- to notify us promptly if there are any material changes to the information you have provided to us including, but not limited to, up to date information regarding your circumstances, *investment* requirements, financial objectives and changes to your country of residence, country of tax residence or nationality, or if you hold dual nationality;
- to engage with us in completing periodic Client *Suitability* Reviews, KYC data refreshes and Risk Profile Questionnaires (RPQ) to assist us in the management of your portfolio / account; and
- to provide us with any additional information as we may reasonably request from time to time in order to enable us to comply with our legal, regulatory and contractual obligations in connection with the services we provide to you.

You should advise us in writing if:

- you change your name, address or contact details;
- you wish to change the bank account details we hold for you (in order to help us protect your account, you must provide us with a copy of a bank statement from the new bank account, and also a bank statement from the old bank account which matches the old details that we have on record);
- your country of residence or tax residency status changes;
- there are changes to your account details or changes to any agent authorised to act on your behalf;
- your financial or personal circumstances change;
- your attitude to risk, your capacity for loss (your ability to withstand investment losses), your investment time horizon or your investment objectives change.

You should not assume or infer that we are aware of changes in any of the above on the basis of other communications, such as receipt of a cheque from you from a new bank account. Failure to keep us up to date with any of the above may impact the quality of the services we provide to you or affect the receipt of communications between us (you, us, and/or your agent). We may contact you to request an update of the information we hold for you from time to time. You are able to update a range of data fields from within the online Client Portal but where fields are greyed out (blocked from updating online), please submit your changes in writing as mentioned above.

Where we are obliged to provide counterparties with information as a condition of conducting a transaction for you, or to the issuer of *securities* in which you have invested as a condition of you wishing to exercise voting or attendance rights or to receive shareholder perks, you consent to such disclosure.

### Failure to provide up-to-date information

We reserve the right to transfer any advisory or discretionary service to *Execution Only* where we consider that we have insufficient information to manage your account adequately, or to provide suitable advice on your *investments*, or where the information we hold about you has not been updated or re-confirmed for more than 12 months.

## 9. CLIENT REPORTING

Trade confirmations, quarterly statements, *suitability* transaction reports, annual *suitability* reviews, and a selection of other communications, are viewable via our online Client Portal. We will notify you by email wherever we make a document available to you on the Client Portal. Where you arrange with us to receive hard copies, we will share any relevant document with you by postal delivery.

### Trade confirmations

If you receive an advisory or *Execution Only* service, and where we are required to do so, you will be issued with a trade confirmation for each transaction as evidence of the purchase or sale. If you are a Discretionary client, you will be notified of trade confirmations, unless you elect not to receive them.

The trade confirmation will detail our remuneration and any remuneration received from a third party in respect of the transaction(s). When we carry out a *Limit Order* for you, the trade confirmation will disclose this fact.

Trade confirmations will normally be issued on the day of the transaction and you should check them immediately to ensure that they accurately reflect your instructions.

You will also receive, as part of quarterly *periodic reporting*, equivalent information regarding the transactions undertaken during that period.

### **Periodic Reporting**

We will provide you (or your appointed agents) with quarterly statements showing your transactions, *investments*, cash held, and fees and charges. Discretionary clients will also receive performance reporting chart(s) in their quarterly statements.

We can also provide valuations for legal and tax purposes, such as for gifts or probate. Your investment manager / *account executive* would be pleased to discuss your specific requirements, and the associated charges. If you wish to receive statements more frequently, please contact your investment manager / *account executive* and there may be a charge for this request and we shall inform you before the charges are applied.

### **Costs and charges**

Annually, we will provide you with a list of the costs and charges applied to your account and illustrate the effect of those charges on your portfolio. Where applicable, this will include charges levied by the firm for the provision of our services, charges that you have asked us to pay to others from your portfolio, and the underlying costs of any collective *investments* you may hold within your portfolio.

### **Suitability Transaction Report**

(previously known as memorandum of advice) - This is a 'Suitability Report'. If you receive an advisory service from us, whenever we provide you with investment advice, we will issue a *Suitability Transaction Report* to you specifying the advice given and how it meets your preferences, *investment objectives* and other relevant characteristics.

Where our advice leads to an agreement from you to buy or sell one or more *financial instruments*, but is provided by means of distance communication, for example, telephone or email, which prevents the delivery of the *Suitability Transaction Report* prior to the transaction(s), you have the option of delaying the transaction(s) in order to receive the *Suitability Transaction Report* before the transaction(s) is concluded. In the event that you wish to proceed without having received the *Suitability Transaction Report*, you consent to receiving it without undue delay after the conclusion of the transaction(s).

If you are a Discretionary client, we would not normally issue a *Suitability Transaction Report* to you.

## **10. TAX AND LEGAL AFFAIRS**

### **Documentation**

After the end of each United Kingdom tax year, and where you have received dividends from your *investments*, we will provide you with a tax pack that includes a consolidated tax certificate. A Capital Gains Tax (CGT) Report is included in the tax pack for Discretionary and Advisory Managed clients. CGT reports may be made available for Advisory Dealing and *Execution Only* clients subject to the Firm's agreement to do so, and if agreed, it will be at the rate as described in the Supplementary Charges document.

You shall remain responsible for identifying and obtaining all information that you may require to fulfil your legal and tax obligations.

### **Responsibility**

You agree that you are responsible for your own tax liability, and any and all costs, both your own and any costs incurred by WCIM, arising in relation to transactions we entered into on your behalf. You are responsible for the management of your tax and legal affairs, including all applicable tax filings and payments and for complying with all applicable laws and regulations.

We do not provide tax or legal advice and recommend that you obtain your own independent tax and legal advice tailored to your individual circumstances.

### **Recommendations**

We will undertake *investment* transactions that we believe are in your best *investment* interests. This may mean that we will not actively seek to utilise your annual capital gains tax allowance each year or that we may undertake or recommend you undertake a transaction which results in capital gains exceeding the annual capital gains tax allowance, if the allowance is applicable.

We will not be responsible for any unforeseen tax consequences of advice given or *discretion* taken unless specified otherwise in writing.

### **Deductions**

You agree that tax may be deducted from payments due to you if it is due to be deducted under any applicable law or practice.

## 11. OUR CHARGES

Details of our charges are set out in our Tariff sheet and the Supplementary Charges, which are provided to you at the point of account opening. Alternatively, you may request a copy from your investment manager / *account executive* or [client.services@wcgplc.co.uk](mailto:client.services@wcgplc.co.uk). Changes to Tariff and Supplementary Charges will be made known to you by Client Portal, email or, if you have requested for hardcopy, by post. The latest Supplementary Charges is also available on [www.walkercrrips.co.uk/businesstc](http://www.walkercrrips.co.uk/businesstc).

Where clients use third party financial advisers, their charges are separate from WCIM's charges. For the avoidance of doubt, WCIM's charges are in addition to the financial adviser charges and the financial advisers will also be responsible for considering fair value throughout the distribution chain under the Consumer Duty regulations.

Details of the fees and charges payable in respect of the services provided to you by the *custodian* will be disclosed to you in accordance with the Custody Terms included as Appendix 7 below.

### Collection of charges

We, or the bank(s) or *custodian(s)* appointed by us, may deduct any charges due in relation to services provided by us to you from any of the accounts or portfolios which we administer for you.

### Annual management charges

Annual management charges are charged quarterly in arrears in January, April, July and October, or on termination of services, and will be charged to your account. If there is insufficient cash to pay for the charges, we reserve the right to sell (or instruct the *custodian* to sell) sufficient assets from your portfolio to cover the charges. We will notify you by email that the fee invoice is available in the Client Portal when the fees are charged. The fee invoice will also be included in the next quarterly client pack for clients who require paper packs.

### Termination of services

When our provision of services to you is terminated, we will deduct any outstanding charges up to the date of termination plus any re-registration charges from your cash balance in the account.

Where all portfolio holdings are to be sold and the cash withdrawn, transaction charges may be levied by the *custodian* or external brokers and may include charges applied by third parties for transactions in overseas *securities*.

Where stocks are to be transferred to a beneficiary, the

portfolio holder or a new manager, we will recover from your account any charges levied on us by registrars, *custodians*, agents, or any other third party. We reserve the right to liquidate (or instruct the *custodian* to liquidate) sufficient *investments* within your account to recover our costs.

### VAT

VAT will be applied at the prevailing rate where relevant based on our understanding of applicable legislation from time to time.

### Insufficient funds

In the event that there are insufficient funds available to meet our charges in one portfolio we will be entitled to recover our charges from another portfolio managed or administered by us on your behalf except where that portfolio is held within a trust, pension or *investment* bond.

If sufficient funds are not available we have the right to realise funds by arranging to sell (or arranging the *custodian* to sell) all or part of a portfolio's *investments*. If we are unable to do this, we will send to you a Remittance Notice which you must pay for within 14 calendar days of the issue date of that Notice.

### Failure to pay

If you fail to pay any amount due to us by the due date, we reserve the right to charge interest at the Bank of England base rate plus 5% on any amount owing to us.

We shall be entitled to deduct charges due to us from any assets held by the *custodian* on your behalf, to recover any costs incurred by us in collecting any overdue amount, not to carry out any further work for you and to retain all documents in our possession relating to your account(s) until the outstanding amount has been paid in full.

## 12. POWERS OF ATTORNEY AND DEATH

### Legal incapacity

If in the unfortunate circumstance you become legally incapacitated, we cannot continue to act for you unless you have granted a *Power of Attorney* under which we can continue to act. If you have not granted a *Power of Attorney* we will suspend the active management of your portfolio and administer it on an *execution only* basis until an individual has been legally appointed to act on your behalf. Any outstanding charges will be brought up to date and applied to your account. Thereafter the relevant Tariff and Supplementary Charges will apply.

We reserve the right to ask for further details regarding

your legal incapacity. Where a *Power of Attorney* has been granted, we will continue to administer your portfolio in accordance with the Attorney's instructions until such time as the *Power of Attorney* is revoked, or until the time of your death.

#### **Death of a sole account holder**

In the event that you, as a sole account holder, should die whilst still our client, then, immediately upon notification of your death, your account will be suspended and we may close any open position which carries a future contingent liability, together with any associated stock positions. Any outstanding charges at the date of death will be brought up to date and applied to your account. Thereafter the relevant *Execution Only* Tariff and Supplementary Charges will apply.

Until such time as the title of your personal representatives has been satisfactorily established, by them sending to us a copy of the grant of probate or letters of administration (as the case may be), we are not obliged to accept any instructions over any account in your name or take any other action in respect of it.

We will operate your account on a "care and maintenance" basis and we will cease to actively manage your *investments*. If we have received a death certificate for you and a copy of your Will, we may (but will not be obliged to) act on an instruction given by your personal representatives for the purposes of payment of inheritance tax if your personal representatives undertake to pay all costs, claims and demands arising in connection with their instruction(s).

When a copy of the grant of probate or letters of administration (as the case may be) has been received by us, your personal representatives may thereafter instruct us (as appropriate) to sell, transfer or re-materialise your *investments* subject to their authority and our relevant Tariff sheet and Supplementary Charges at the time.

If your personal representatives did not complete new application forms, the account will be designated an *Execution Only* account. However, if requested by your personal representatives, we may agree at our sole *discretion* to provide advice on the sale of your *investments*, such advice being limited to which assets to sell and the timing of any sales.

We will not be responsible for any losses to your account which arise as a result of a delay in being formally notified of your death. Nor shall we be liable for any losses to your account which arise as a result of our operating your account in accordance with the provisions in this section.

#### **Death of a joint account holder**

Joint holders own the whole of the cash and *investments* to which these Terms relate, without any distinction between them regarding share of ownership. Therefore, on the death of one of the joint holders the ownership of such cash and *investments* passes automatically to the surviving joint holder(s) unless we are advised otherwise at the time of the first death. The surviving joint holder(s) must notify us immediately of the death of a joint holder(s), and provide us with a copy of the death certificate. Unless we give you written notice of termination, these Terms will continue in force notwithstanding the death or other incapacity of any or all of the joint holder(s) until we receive either:

- written notice of the death or legal incapacity of all the joint holder(s);
- written notice of termination from any one of the joint holder(s). However, if we become aware of a conflict between joint holders, we may, in our absolute *discretion*, require that we receive instructions from all joint holders;
- subject to the other provisions of this clause, these Terms will thereupon be terminated in respect of all of all joint holder(s).

Notice issued by us shall be valid and effective in relation to each joint holder if served on any joint holder.

#### **Exceptions**

Pension portfolios will continue to be actively managed until such time as we receive instructions from the pension trustee. The relevant Tariff and Supplementary Charges will continue to apply.

## **13. REGULATORY MATTERS**

#### **Anti-money laundering**

To fulfil our obligations under anti-money laundering and other anti-financial crime requirements, we are required to verify the identity of our clients and conduct due diligence on the source of their funds and wealth. We will therefore require you to provide us with evidence of your name and permanent address prior to us opening an account for you and reserve the right to request additional information at any time during our relationship with you.

As part of our due diligence process we undertake electronic screening for identity verification, fraud prevention and other relevant checks on clients, including related parties such as appointed third parties, trustees, beneficiaries, directors and shareholders. If we do not receive the relevant identification or source of wealth or funds documents, we reserve the right to return or freeze your funds/*investments* unless, or until,

the necessary evidence of identity/source of funds/wealth can be obtained. We reserve the right to ask for additional information, or decline your request, if you request us to remit funds or *securities* to, or receive funds or *securities* from, persons who are not party to these Terms and your *Client Agreement*.

We do not accept physical cash from clients, or from representatives of clients, whether in payment of our fees or otherwise.

### **Legal Entity Identifier (LEI)**

Any legal entity, such as a trust, company, charity or small self administered pension scheme (SSAS), that uses a regulated exchange to invest in *financial instruments* needs to provide us with a Legal Entity Identifier (LEI). The LEI is a unique 20-character alpha-numeric code used to identify the legal entity when it makes a transaction. We are unable to transact on a regulated exchange on behalf of any legal entity that does not have an LEI therefore it must be provided at account opening or at our request.

You will be responsible for obtaining your own LEI and for ensuring its ongoing validity, which may require its renewal from time to time, both of which may incur charges.

### **Communication**

When we have sent you an instruction via electronic mail, posted a message on our website or Portal, or communicated with you via post, we will consider that the message has been received by you and we are not liable for any delay or non-delivery of a communication sent out.

### **Telephone call and *electronic communications* recording**

We will record and retain telephone conversations made through the firm's telephone system, and other *electronic communications* that took place between you and the firm. You are entitled to request a copy of such recordings for a period of 5 years from the date of each such recording.

Telephone conversations are recorded in accordance with regulatory requirements to assist with our monitoring and compliance procedures, including fraud and financial crime prevention purposes, to help maintain quality of service; and to avoid misunderstandings.

### ***Electronic communications***

We are not responsible for the transmission or the reception of (or the failure to transmit or to receive) information where such transmission, reception or failure is caused by or relates to your own systems or that of a third party unconnected to us.

It is your responsibility to advise us of your current and correct email, including the address that we should use to send communications under these Terms. If you communicate with us from an email which we do not recognise, we may not act on any instruction contained in it.

We also reserve the right to cease or temporarily suspend *electronic communications* and begin communication with you by post or by telephone if, in our reasonable opinion, we consider that it is prudent or necessary (for example, to ensure information security, to comply with relevant regulation or if we receive an automatically generated message indicating that our *electronic communication* transmitted to you has failed to reach its intended recipient).

### ***Client Agreements***

You may be required to sign additional documentation before we can offer certain services to you. Separate forms will be provided to you for this. These Terms will apply to all of our services, except to the extent that they are expressly varied in writing. We will treat you as our client where your signed *Client Agreement* for your own named account is accepted by us.

Where you sign as an authorised person on behalf of a corporate entity we will treat the company as our client. Where you sign as a Trustee we will treat the Trustees as our client.

We are not liable for any obligations that you may have to any third party, such as company shareholders or trust beneficiaries. For trusts, companies, charities and other entities; we will accept instructions from, and deal with, any nominated contact person who has been authorised on the entity's behalf and we are entitled to rely upon the instructions given by that person as properly authorised, unless we are formally advised to the contrary.

Communications from us, such as trade confirmations and valuations, will be shared on our Client Portal or sent to the nominated person, and the account holder can also share these communications with other persons by using the Client Portal's 'give viewing permissions' facility.

Where these Terms are issued jointly to more than one individual we shall deal with you on the basis that you are equal joint holders of all the cash and *investments* to which these Terms relate, however lodged with us or registered. You shall be jointly and severally liable, so that you are both, individually and together, bound by these Terms and for any debt or charge arising out of these Terms. Any reference to 'you' in these Terms shall be deemed to be any one or all of such joint holders as the context requires.



## Complaints

If you have a complaint, please contact our Compliance Department at [compliance@wcgplc.co.uk](mailto:compliance@wcgplc.co.uk) or call our switchboard on 020 3100 8000. Your complaint will be handled in accordance with our Complaints Policy and Complaints Handling Procedures, available on our website at [www.walkercrisps.co.uk/PoliciesAndDisclosures](http://www.walkercrisps.co.uk/PoliciesAndDisclosures).

If you are dissatisfied with our response and you are an eligible complainant, you have the right to refer your complaint to the independent Financial Ombudsman Service (FOS) without charge. The *rules* state that eligible complainants must be one of the following:

- a consumer – a natural person acting for purposes outside their trade, business or profession,
- a "micro enterprise" - a business that employs fewer than 10 persons and has a turnover or annual balance sheet of less than 2 million Euros,
- a charity with an annual income of less than £6.5m at the time of the complaint,
- a trustee of a trust which has a net asset value of less than £5 million at the time of the complaint, or
- a small or medium-sized enterprise (SME) (not a micro-enterprise) and has an annual turnover of less than £6.5 million and employs less than 50 persons or has a balance sheet of less than £5 million at the time of the complaint.

You can write to the FOS at Exchange Tower, London, E14 9SR or by telephone 0800 023 4567, switchboard 020 7964 1000, or by email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk).

Further information can be found on the Financial Ombudsman Service website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## Data protection

In accordance with UK data protection laws, we will handle all personal data in the course of providing our services lawfully and fairly in accordance with our role as a data controller.

Details of how we handle your personal data are set out in our Privacy Notice, a copy of which will have been provided to you alongside these Terms and is also available on our website at [www.walkercrisps.co.uk/PrivacyNotice](http://www.walkercrisps.co.uk/PrivacyNotice).

For more information about how we handle your personal data, please contact us at [data.protection@wcgplc.co.uk](mailto:data.protection@wcgplc.co.uk).

## Conflicts of interest

Walker Crips Group (WCG) provides diversified financial

services to a range of clients. These services include stockbroking, investment management, financial planning and pension services and they are delivered to clients that include individuals, companies, charities and trusts. Across WCG, these services are provided by different investment managers / *account executives*. It is therefore feasible that circumstances may occasionally arise whereby the interest of a client may conflict with the interests of the WCG, or with those of another client. In particular, conflicts may arise between:

- WCG and a client;
- two or more clients of a WCG entity in the context of the provision of services by WCIM to those clients; and
- the personal interests of the WCG's staff and a client.

We take appropriate steps to identify potential conflicts between WCIM and our clients, and one client and another. We maintain and operate effective organisational and administrative arrangements designed to prevent and manage conflicts of interest that pose a material risk of damage to client interests, including a comprehensive Conflicts of Interest Policy which defines the steps that we take to identify, prevent, manage, mitigate and/or disclose conflicts of interest when providing various *investment* and other services.

We will disclose any conflicts that cannot be managed effectively and will maintain records of our services and activities in which conflicts have arisen or may arise. Where we determine that we are unable to manage a conflict of interest to protect a client's interest, we may decline to act on behalf of a client. For further details of how we identify, prevent, manage, mitigate and otherwise avoid any potential conflicts of interest that WCIM might face, in light of the services we offer, please see a summary of our Conflicts of Interest policy available on our website at [www.walkercrisps.co.uk/PoliciesAndDisclosures](http://www.walkercrisps.co.uk/PoliciesAndDisclosures).

There is no special shareholder discount in fees and commissions for shareholders of Walker Crips Group PLC.

## Minor non-monetary benefits

We may only provide or accept minor non-monetary benefits in relation to the provision of an investment service that:

- are designed to enhance the quality of our service to you;
- does not impair our ability to act honestly, fairly and professionally in your best interests; and
- is reasonable, proportionate and of a scale that is unlikely to influence the firm's behaviour in any way that is detrimental to your interests.

Such minor non-monetary benefits that we may receive may consist of:

- participation in conferences, training events, seminars and meetings on the benefits and features of a specific *financial instrument* or service;
- hospitality of a reasonable value such as food or drink during an event such as those mentioned above;
- information or documentation relating to a *financial instrument* or service that is generic in nature or personalised to reflect the circumstances of an individual client;
- software that gives information about a product provider's retail investment products which is appropriate to the business;
- access to third party electronic dealing or quotation systems that are related to the business;
- research or other written material relating to a *new issue* which is available to prospective investors prior to the issue being completed;
- research provided during a trial period to allow us time to evaluate the services of a potential research provider;
- research on listed or unlisted companies with a market capitalisation below £200m provided for free;
- research that relates to fixed income, currency or commodity instruments; and
- written material that is made openly available.

#### **Order aggregation and allocation**

Our *custodian* may combine your order with that of other clients where they reasonably believe that it is likely that the aggregation will work more to your advantage overall than if your order had been carried out separately. Allocation is then either split equally or on a pro rata basis, all the while trying to yield the best result for the clients at the time.

Please note that *aggregation* of orders, although likely to work to your advantage overall, is not guaranteed and it could also work to your disadvantage.

#### **Investor protection**

In the unlikely event that we or our insurers cannot meet a liability of ours to you, you may be able to claim compensation under the Financial Services Compensation Scheme (FSCS).

In general, if you are a private individual you will be eligible to make a claim to the FSCS. If you are a business (in particular a small business) or a charity you may be able to make a claim to the FSCS depending on the type of claim. In respect of *investments* or cash, an eligible investor is currently entitled to claim up to £85,000 in total.

For information about protection for any client money or assets held by the *custodian*, please see the Custody Terms included as Appendix 7.

For further information about the FSCS (including amounts covered and eligibility to claim) please contact us or go to the FSCS website [www.fscs.org.uk](http://www.fscs.org.uk) or telephone the FSCS on 020 7741 4100 or 0800 678 1100.

## **14. OTHER GENERAL TERMS**

#### **Market abuse**

You agree that you will not deliberately, recklessly or negligently, by act or omission, engage in market abuse (within the meaning of the UK Market Abuse Regulation 596/2014/EU as onshored in the UK and amended from time to time and any successor legislation) or require or encourage another person to do so.

Market Abuse is a civil offence for which you can be subject to a fine and ordered to pay unlimited restitution. Criminal sanctions under UK legislation, including custodial sentences of up to seven years, can also be imposed for market abuse offences.

#### **Individual provisions**

Each provision of these Terms is severable. This means that if for any reason any provision of this document becomes unenforceable due to a change in law for example, this does not affect the validity of all the remaining provisions. In such circumstances, the provision in question and only that provision will be deemed not to be included.

If any of these Terms are determined by any competent authority to be invalid, unlawful or unenforceable to any extent, such term, condition or provision will to that extent be severed from the remaining terms, conditions and provisions. The remaining terms, conditions and provisions will continue to be valid to the fullest extent permitted by law.

#### **Enforcement**

These Terms are enforceable between you and us and no other person shall have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of these Terms.

You agree that you may not assign, dispose of or grant *security* over any of your rights and obligations under these Terms without our prior written consent. We will not unreasonably withhold such consent.

We may assign or transfer any of our rights or obligations

under these Terms or delegate all or any of the functions under these Terms to a third party. We will give you written notice of any assignment. If you object to such assignment, you may terminate these Terms with immediate effect. We shall not make a charge for transferring any *investments* that we hold for you if you terminate under this clause.

### Your obligations

By accepting these Terms, you confirm that:

- you or your agent have the full power and authority to enter into and perform your obligations,
- you will provide any documentation that we may require through the duration of this Agreement,
- you are not insolvent or bankrupt or subject to any insolvency proceedings,
- entering into these Terms does not breach, conflict or result in a *default* under any Law or other recognised governing factor which affect you and/or your assets or any person whom you are acting on behalf of, and
- you will not use the service or any aspect of its offering in a way which is unlawful, libellous, obscene or threatening.

### Failure to meet your obligations

If we fail, at any time, to insist on strict performance of any of your obligations under the relevant agreement(s) or these Terms, or if we fail to exercise any of the rights or remedies to which we are entitled under these Terms and relevant agreements, this will not constitute a waiver of such rights or remedies and will not relieve you from compliance with such obligations.

A waiver by us of any *default* will not constitute a waiver of any subsequent *default*. No waiver by us will be effective unless it is expressly stated to be a waiver and is communicated to you in writing.

### Events beyond our control

Under no circumstance, to the extent permitted under the applicable *rules*, whatsoever shall we be responsible or liable for any claim, loss, damage, expense or cost suffered arising in consequence of any breach, failure to perform or delay in performing any of our obligations to you to the extent that such breach, failure, delay or inability results from or relates to any cause beyond our reasonable control. This includes but is not limited to:

- war, terrorism, riot, civil unrest, strike, lockout or other labour action, Acts of God, storm, fire, earthquake, explosion, flood, electrical failure, confiscation and/or action of any government or governmental agency;
- any breakdown in communications whether between

us and you or between us and the *custodian*, any exchange or any intermediate broker or other third party with or through whom we are dealing on your behalf, or the failure or defective operation of any computer system;

- the absence or inaccuracy of any information provided to us by you or on your behalf by, the *custodian* or any exchange, information provider or any intermediate broker or other third party with or through whom we are dealing on your behalf;
- unanticipated dealing volumes.

### Governing Law

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

### Language

The *Client Agreement* (including these Terms) are in the English language and all communications between us will be in English.

### Current version

These Terms supersede and replace any previous negotiations between us and you confirm that you have not relied upon any representation, warranty, undertaking, covenant or statement given by us which are not set out in this document.

## 15. COMMENCEMENT, VARIATION & TERMINATION

Commencement of business is:

- Firstly upon confirmation of receipt of your signed *Client Agreement*, the required supporting AML documentation, the *investment* mandate for managed and advised clients, and other required information; and
- Secondly upon review and approval by WCIM.

### Variation of these Terms

We may change our arrangements with you at any time for a valid reason, such as:

- to respond proportionately to changes in law (including decisions of the Financial Ombudsman Service);
- to meet regulatory requirements;
- to reflect new industry guidance and codes of practice which raise standards of consumer protection;
- to respond appropriately to changes in the Bank of

England Base Rate or other specified market rates, indices or tax rates;

- to proportionately reflect other legitimate cost increases or reductions associated with providing the particular product or service;
- to reflect a change of *custodian* appointed by us on your behalf.

Terms, policies, and agreements may include (but are not limited to) the suite of documents which form the *Client Agreement*, including these Terms and the Custody Terms included as Appendix 7 below. We will endeavour to give you reasonable notice of any changes, or proposed changes, in writing or by *electronic communication*. Where there are changes to any relevant charges which result in an increase, we will give you reasonable notice of those changes, usually a minimum of 28 calendar days, before they come into effect. If, as a result of the changes, you wish to terminate your *Client Agreement* with us, you may do so in accordance with these Terms.

#### Your rights to terminate

You may terminate your agreement with us with immediate effect at any time by giving us written notice. You will remain liable for any charges due on any *investment* service you may have with us and/or in relation to any advice given or any work carried out at your instruction in preparation for that advice.

Wherever possible, the termination of the agreement will be without prejudice to the completion of transactions already initiated but there may be circumstances when the completion of transactions may not be possible. All instructions to buy or sell *investments*, which are pending at the time of receipt of such notice, will be binding.

On fulfilment of your obligations to us, including payment of fees and relevant Supplementary Charges, we will either transfer your *investments* to you or sell your holdings and remit the proceeds to the bank account details that we hold for you, or as otherwise instructed by you.

#### Our rights to terminate

We may terminate the agreement between us by giving you not less than 28 calendar days notice in writing unless:

- there has been a change in the law or *rules* requiring us to terminate these Terms; or
- your account has been inactive for a period of at least 2 years, in which case we reserve the right to terminate your account without notice, remitting any assets held on your account to you in accordance with these Terms
- your account is being (or has been) used for illegal

purposes, or for a purpose which we reasonably consider to be inappropriate (taking into account customary market practice);

- you have ignored all our reasonable efforts to contact you for further information or response, thus concluding that you are uncontactable; or
- you have been in serious and/or persistent breach of these Terms.

In such instances, we may give less than 28 days' notice to terminate, or give no notice at all. However, we shall notify you of the termination of the account without undue delay.

Upon termination, either by you or by us, these Terms will remain in force in respect of any outstanding commitments, but no new commitments will be entered into (except with a view to ending outstanding commitments).

## APPENDIX 1 | ORDER EXECUTION POLICY (OEP)

### 1. Purpose and Scope

The purpose of this document is to provide customers of Walker Crips Investment Management Limited (“WCIM”) with general information about our Order Execution Policy (OEP) which applies (together with its Annexes) where we directly carry out any dealing instructions on your behalf and to seek your consent for this policy. Please note that you provide your consent when you sign the declaration in the Account Opening Form.

As a firm regulated by the *Financial Conduct Authority (FCA)* in the United Kingdom (UK), we are subject to best execution *rules*, which require firms to ensure that customer orders are executed on terms which are most favourable to the customer, by taking all sufficient steps to obtain the best possible result for the customer. This is a key concept in the protection of investors dealing on financial markets through intermediaries.

This document sets out WCIM’s OEP and approach to providing the best possible result when executing customer orders for retail and *professional clients*, as required by regulation: ‘MiFID II’ and the FCA’s Conduct of Business Sourcebook (“COBS”).

The firm does not deal on its own account with customers, which under MiFID II is defined as “trading against proprietary capital resulting in the conclusion of transactions in one or more *financial instruments*.” It only carries out principal orders for its own account and does not provide quotes to customers. The firm does not deal in orders that involve a *securities* financing transaction (SFT).

The obligation to take all sufficient steps to obtain the best possible result for customers when executing customer orders, or receiving and transmitting orders on their behalf in *financial instruments*, includes orders that arise in relation to portfolio management and stockbroking activities, and in these circumstances the obligation to provide best execution applies to both the ‘dealer’, in executing the order, and to the Investment Manager or *account executive*, when providing the order details.

Please note that our *custodian* provides clearing, *settlement*, nominee and *safe custody services*, and there may be occasions where the *custodian* executes transactions, in respect of ‘*financial instruments*’ covered by MiFID II, for our customers’ account when we transmit orders to it

and in this situation we have agreed that, rather than our customers, we will be our *custodian’s* customer for the purposes of the *FCA Rules* in accordance with the Custody Terms.

### 2. Customers and Client Categorisation

This Policy applies when the firm is executing orders on behalf of **Professional** and **Retail** customers or when providing the service of reception and transmission of customer orders to other entities for execution. All customers are notified of their client categorisation during the establishment of the relationship.

For the purposes of providing best execution, we will treat Retail and Professional customers in the same way. Professional customers can request being reclassified as Retail customers at any time.

This policy does not apply to **Eligible counterparties** and the firm does not owe any best execution obligations to customers categorised as an Eligible counterparty, including customers that have opted up to become Eligible counterparties. However, we undertake to treat all customers fairly and manage any conflicts of interest that may arise in respect of the services we provide to our customers.

### 3. Specific Customer Instructions

We will take into account any specific requirements that you may have, or instructions that you may give. If you provide us with a specific instruction to deal for you, it may prevent us from following some or all of the steps outlined in the Policy, which is designed to obtain the best possible results for you. When you give us a specific instruction in relation to any aspect of the carrying out an order (for example, to execute an order on a particular venue, at a particular time or at a particular price), we will take all reasonable steps to obtain the best result for you, but there is always a risk that we may not be able to achieve best execution, because of aspect(s) covered by your specific instruction.

Any specific instructions given by you regarding a suggested trading strategy will override or limit our ability to follow the steps outlined in this policy that are designed to assist us in attaining the best possible result on your behalf. Equally, we acknowledge that any specific instruction you give to us pertaining to one factor of the order, does not release us from our best execution obligations for other factors of that order.

**You acknowledge that a Specific Instruction from you may prevent the firm from taking the steps described in this Policy to obtain the best possible result for the execution of those orders, in respect of the trade covered by your Specific Instruction.**

#### 4. Financial Instruments

The obligation to deliver the best possible result when executing customer orders applies in relation to 'in scope' *financial instruments*. The list of 'in scope' *financial instruments* is shown in Annex 1. The firm transacts in many, but not all, *financial instruments* that are within the scope of MiFID II.

#### WCIM is able to transact in the following financial instruments:

- *Equities*, including shares and depositary receipts;
- Debt instruments, including index linked gilts, gilts, corporate bonds;
- Money market instruments;
- *Investment trusts*;
- Units and shares in *collective investment schemes*
- Exchange traded funds (ETFs) and exchange traded commodities (ETC); and
- Structured products.

#### 5. Execution Factors and Criteria of Order Execution

In seeking to achieve best execution with respect to a particular order, the firm will consider all relevant factors (known as execution criteria) as described below:

- Your characteristics, including your regulatory **client classification**;
- The characteristics of the **financial instrument** concerned, such as the degree of liquidity, spread and depth, and any historical trading patterns that are exclusive to that particular stock;
- The characteristics of the order, including any instructions given; and
- The characteristics of the **execution venue** to which that order can be directed.

#### Execution Factors:

- **Price** of the *financial instruments*;
- **Costs** related to the execution of the order;
- **Speed** of executing the order; and
- **Likelihood** of execution and *settlement*.

When dealing in a *financial instrument* on your behalf we will exercise our *discretion* in assessing the criteria that we need to take into account to achieve best execution. The relative importance of these criteria will be judged on an order-by-order basis, in line with our commercial experience and with reference to market conditions. In executing orders for customers, in the absence of any specific instructions, we generally give precedence to the factors that allow us to deliver the best possible result to the customer.

#### **WCIM generally gives the factors of price and costs (“total consideration”) higher relative importance when executing orders.**

MiFID II constrains the meaning of “best possible result” for *retail clients*. In respect of orders from *retail clients*, firms must define the best possible result in respect of the price of the *financial instrument* and the costs directly related to execution, including clearing and *settlement* fees. They can only take into account the other execution factors to the extent that they influence price and costs.

For most orders, it will primarily be a case of achieving the best price, although other features will be considered where relevant. For most orders, the choice of *execution venue* will involve no extra charges, but if there are extra charges, the best overall outcome for you will be the priority.

#### 5.1 Price

This is the price a *financial instrument* is traded at.

For most liquid *financial instruments*, market price will be the overriding factor in attaining best execution. For other factors, such as costs remaining equal, our execution arrangements will mean that we will do our best to find the most advantageous (best) price available. This will be the case for the vast majority of orders for customers where the size of the order does not limit our choice of venue. But where size is a constraint, then we may be limited in the venue(s) for the execution of the trade and the price may be less advantageous. Certain instruments, such as collectives, may only have one price and one venue. However, in some circumstances for some of our customers, orders, *financial instruments* or markets, other execution factors may become more important than price in obtaining the best possible execution result.

#### 5.2 Costs

This includes all fees and costs related to best execution, including implicit and explicit costs.

Explicit costs could include transaction costs (such as clearing and *settlement* fees) and the costs of *Execution Venues*. Implicit costs will depend on how a trade is executed (immediately, in a block, *aggregated* with other trades or in separate parts at different *Execution Venues*). Where explicit costs would make the overall consideration of the execution prohibitive (e.g. the cost of many small executions on an order book) then this factor may become relatively the most important.

In some circumstances, for example overseas brokerage commissions, other costs may be the most important factor. The firm may consider that the large size of an order potentially moving the market, or the fact that requesting an electronic quote that might not be accepted are grounds for considering cost as being of higher importance than other factors.

Although other factors might be more favourable to the execution of your order, where these costs have an adverse impact on your total transaction, we will consider cost to be of higher importance than other factors.

### 5.3 Speed of execution

This is the time it takes to execute a transaction.

Similarly, the speed of execution may be important for some types of order, or customer. Speed will be a high priority for customers executing an order in a liquid equity in a fast moving market. Whilst speed is an important factor for immediately marketable orders speed will take a lower priority specifically where an order is worked slowly to limit market impact. This is usually the case for orders in *securities* that could be illiquid or orders that are over-sized.

### 5.4 Likelihood of Execution and Settlement (Liquidity)

This is the likelihood that we will be able to complete the transaction, and that it will settle the *security* or cash into your account efficiently.

In some instances, our ability to execute and settle the order (the likelihood of execution and *settlement*) will be the primary factor to be considered. Where the *financial instrument* is illiquid (i.e. rarely traded), the size of the order is prohibitive, or some other factor determines this, our Policy is to prioritise the execution of the order, within reason, over other factors.

Application of the “total consideration” (representing the price of the *financial instrument* and the cost related to execution for the purpose of achieving “Best Execution”) may determine that this factor is given precedence over the immediate apparent price of a *financial instrument* in so far as it will, in our opinion, deliver a better overall result for the customer.

### Other factors

#### 5.5 Size and shape of the order

The best price in a market is usually represented by the opportunity to trade in a particular size (i.e. number of shares, units, contracts etc.), which may not match the size of the customer’s order. Where the order is larger than

the quoted size, then the part of the order executed over and above the quoted size may only be available at a less favourable price. There are various strategies for trading large orders and we will exercise our *discretion* in the absence of other instruction(s) from the customer. Large or illiquid orders may be dealt on a manual basis, e.g. over the telephone with market counterparties or market makers, using the skills of our central dealing team to achieve the best overall outcome for the customer based on the resources available to us at that time, which may include a variety of market participants like other regulated firms, *Multilateral Trading Facilities (MTF)* or *Organised Trading Facilities (OTF)*.

### 5.6 Nature of the Order

This is how particular characteristics of the transaction can affect best execution.

We will take into account any other factor relevant to the order that we believe warrants consideration in terms of how the order should be executed. This could simply be whether it is a buy or sell order, or whether the *security* is dealt in another market.

The Firm does not operate a 24 hour trading desk, we are open during UK market hours. Where orders have been placed overseas, we cannot trade outside UK market hours. Any trades placed outside those hours may risk not being traded until the UK market opens. Any trades requested outside UK market hours shall be completed on a best endeavours basis, or when the market reopens.

For most orders, it will be a case of achieving the best price, although other features will be considered where relevant. For most orders, the choice of *execution venue* will involve no extra charges, but if there are extra charges, the best overall outcome for you will be the priority.

### 6. Execution Venues

The firm selects and maintains a significant number of *execution venues*, which include market counterparties on which we place reliance in enabling us to obtain, on a consistent basis, the best possible result for the execution of customer orders.

We do not charge commissions/fees to clients in a way that discriminates unfairly between different *execution venues*. The commissions/fees we charge does not change regardless of what venue we trade on. It is our responsibility to ensure we trade on venues that offer the best possible outcome in terms of all the execution factors.

The types of venues we currently use, or may use, are as follows:

- *Regulated Market* (“RM”) such as the London Stock Exchange and Aquis Stock Exchange;
- *Multilateral Trading Facilities* (“MTF”) via a broker;
- *Organised Trading Facilities* (“OTF”);
- Retail Service Provider (RSP) network such as the IRESS RSP gateway which gives us direct access to the RSPs;
- *Systematic Internalisers* (SI) via brokers;
- Other venues we are using now or may use in the future.

There may be instances when we pass an order to a third party other than our *custodian* (i.e. a broker) for execution. Typically, this may occur when we are not a member of the RM, or require access to alternative liquidity sources. In these circumstances, we will still monitor the counterparty’s performance and we continue to endeavour to obtain the best possible result for our customer.

We consider a number of factors to determine the appropriate venue or market counterparty for each asset class and instrument type. We typically access a number of *execution venues*, especially for UK *securities*, and our RSP gateway will select the most appropriate venue based on size, price, and other considerations as required. Approval and removal of Counterparties and *Execution Venues*, and their periodic review will be conducted in accordance with our Counterparty and *Execution Venues* approval policy and procedures.

Our selection criteria takes into account, but is not limited to, the following:

- **Reliability:** Over and above any other criteria, we will only trade on *execution venues* where we see them to be reliable from a systems perspective.
- **Financial health and reputation:** We will not trade on new venues whereby we consider the financial health of the venue to be questionable in terms of its backing and structure. This applies to existing venues also.
- **Settlement risk:** If we encounter issues with a venue over *settlement* or matching, which proves to be detrimental to our ability to efficiently execute your orders, then we will stop trading with that venue.
- **Costs:** Unless prohibitive, we generally do not allow cost to have a high priority in our venue selection criteria. If the venue has liquidity, good prices, and is proven to be a reliable destination for executing your orders, we will maintain connection/relationship with them.
- **Depth of Liquidity:** We will not connect to or trade with *execution venues* where there is not enough liquidity, either on a passive or aggressive basis.

We may deem it appropriate or advantageous to execute your order outside a RM, *MTF* or *OTF*, even where the *financial instrument* concerned is trading on a RM, *MTF* or *OTF*.

The firm is required to obtain your **express prior** consent before executing orders outside an RM, *MTF* or an *OTF*.

Customers should be aware that counterparty risk may occur, where the counterparty to a transaction fails to honour its obligations by failing to pay for the transaction, or failing to deliver stock for the transaction.

## 6.1 Connected Parties

Our *custodian* from time to time may use a ‘connected party’ to execute order flow. Our *custodian* manages these relationships in the same way as similar third-party execution relationships at an ‘arms-length’ basis, using the same transaction costs analysis tools.

## 7. Execution Methodology

Having assessed the relevant criteria and any specific instructions provided by you, we will select the most appropriate venue(s) from those available and execute your order accordingly.

## 8. Limit Orders

*Limit orders* are orders which you give us with specific parameters, for example orders with a specific price or specific size, which cannot be immediately executed. *Limit orders* placed on the RM order book will be automatically executed if the limit price, which you have set, can be achieved. *Limit orders*, which cannot be accepted on the RM order book will only be accepted for execution on a best endeavour basis. *Limit orders* will expire at the end of the business day and must be renewed, if required, the following day. If you give us an investment instruction at a specified price limit or better and for a specified size, then it may not always be possible to execute that order under the market conditions at that time.

### 8.1 Publishing Limit Orders

If you instruct us to execute a customer *limit order* of shares admitted to trading on a Trading Venue and these orders are not immediately executed under prevailing market conditions, we are required to make the customer *limit order* public (i.e. show the order to the market) unless you expressly instruct us otherwise. Depending on the size of the *limit order*, relative to the liquidity profile of the stock, and the method of trading, it may be suitable not to publish the *limit order* as a full publication could work against you by having an adverse effect on the price of the *financial instrument*. Ultimately you are allowed to expressly tell us NOT to publish



the *limit order* in those cases. *Regulated Markets* and *MTFs* shall be prioritised for the publication of your *limit orders*.

## 9. General Dealing Arrangements Equities

In normal market conditions and for orders concerning liquid (i.e. frequently traded) UK *equities*, we will use the *custodian's* order management system to identify the best available terms by polling a variety of *execution venues* including the RSP network. Large or illiquid orders may be dealt on a manual basis, see the section "Size and shape of the order" above.

In general, we will regard price as the most important of these factors for obtaining the best possible result. For immediately tradeable orders we see 'speed' as having a high importance also, but not at the expense of price. However, we recognise that there are also circumstances for some orders, or some stocks whereby price and speed will not be the most important factors.

### Fixed Income

We will normally regard price as the most important factor in delivering the best possible result and will take all sufficient steps to seek the best price. However, in certain circumstances where price transparency or liquidity is adversely affected, as is so often the case in bond markets, we may regard that the likelihood of execution, or other factors, depending on the circumstances, could be a more important factor than price. For fixed income we generally do not prioritise 'speed' and do not give it a high level of importance.

### Exchange Traded Funds (ETFs)

In normal market conditions and for liquid ETF orders, the firm will use its order management system to identify the best available terms by polling available *Execution Venues*. Larger or less liquid orders may be executed on a manual basis.

In determining the relative importance of the execution factors for ETF orders, we will use our own commercial experience and judgement, together with the size and nature of your order, the characteristics of the *financial instruments* to which the order relates, as well as the possible *execution venues* to which that order can be directed.

In general, we will regard price as the most important of these factors for obtaining the best possible result. For immediately tradeable orders we see 'speed' as having a high importance also, but not at the expense of price. However, we recognise that there are also circumstances for some orders, or some stocks whereby price and speed will not be the most important factors.

## Structured Products

Structured Products, including those provided by our structured *investments* department, Walker Crips Structured Investments (WCSI), are executed with the product provider concerned.

When trading in our Structured Products, we are required to undertake transactions on your behalf. This Policy is designed to ensure that we achieve the best possible result for you on a consistent basis. We categorise our Structured Product customers as *retail clients*, unless you elect to opt-up to a *professional client*, so that you receive the highest level of customer protection.

We transact directly with the issuing counterparty of the Product and the costs associated with doing so are built into the Product, and are reflected in the returns as outlined at the outset. As a result, you cannot trade our Products through a 'Trading Venue', such as a stock exchange.

When you place an order to invest into one of our Structured Products, during the offer period for an investment, you will receive the same price irrespective of when you invest during that period. If you encash early during the investment term, the price that we receive for you, from the issuing counterparty, is determined by the performance of the underlying index, the prevailing level of interest rates, and fluctuations to the credit worthiness of the counterparty, amongst other factors. We have no control, or discretion, over the price received.

We will endeavour to execute your instruction to invest within 24 hours of receipt, unless you specify otherwise. Specific trading instructions, stipulating price, time or other criteria, will be executed on a best endeavours basis. When you place an order to transact in our Structured Products, you are giving us permission to trade on your behalf, and you are expressly consenting to our Order Execution Policy in relation to Structured Products.

## 10. Customer Order Handling and Allocation

### 10.1 Overview

When we execute orders on behalf of customers, we will ensure that orders are recorded and allocated as soon as reasonably possible. In the event that comparable orders are received from two or more customers, the orders will be executed immediately and sequentially unless market conditions make this impracticable. In the event of material difficulties that would prevent us from properly carrying out an order for a *Retail client*, the customer will be informed.

## 10.2 Order Aggregation and Allocation

Our *custodian* may combine your order with that of other clients where they reasonably believe that it is likely that the aggregation will work more to your advantage overall than if your order had been carried out separately. Allocation is then either split equally or on a pro rata basis, all the while trying to yield the best result for the clients at the time.

Please note that *aggregation* of orders, although likely to work to your advantage overall, is not guaranteed and it could also work to your disadvantage.

## 11. Monitoring

We actively monitor our compliance with our OEP, and we use these tools and processes:

First line of defence - Ongoing monitoring of execution quality and controls are undertaken by the Dealing team members, who review all orders and trades on a real-time basis, and are responsible for identifying and managing remedial actions where required.

Second line of defence - Independent monitoring of execution quality is undertaken by the compliance monitoring team, testing on a monthly basis, applying quantitative and qualitative methods.

The first and second lines of defence are responsible for ex-ante and ex-post monitoring of best execution respectively on an ongoing basis.

The Firm's front office staff is subject to regular training, including our best execution obligations.  
Policy review and oversight

## 12. Policy review and oversight Compliance

reviews this policy annually, or whenever material change occurs, to identify, and correct any deficiencies.

The Board reviews and approves this policy, as well as any material changes. We will also review in line with our *custodian's* Order Execution Policy to ensure they continue to be in alignment.

## 13. Customer Declaration

**By consenting to this Order Execution Policy, you are expressly consenting to WCIM using *Execution Venues* which are outside a RM, MTF or OTF as noted in section 6.**

**Please note that if you do not provide your consent to this policy, you may be limiting our ability to execute your orders on the most advantageous terms for**

**you. Accordingly, if you do not consent to our Order Execution Policy we may be unable to open an account for you, or trade for you.**

## 14. Policy Accessibility

If you require further information or assistance in relation to this policy, or would like us to demonstrate how best execution has been achieved on any order executed for you, please contact your investment manager / *account executive*, who will be able to assist.

We will notify you of any material changes to our Order Execution Policy by providing you with an updated version of this document, or pointing you to [www.walkercrrips.co.uk/PoliciesAndDisclosures](http://www.walkercrrips.co.uk/PoliciesAndDisclosures), where the latest version is hosted.

## APPENDIX 1 | ANNEX 1

### FULL LIST OF FINANCIAL INSTRUMENTS IN SCOPE FOR OUR OEP

1. Transferable *securities*;
2. Money market instruments, excluding Money Market instruments that meet the definition of spot contract according to the Article 10 (2) of the Commission Delegated Regulation (EU) 2017/565 supplementing Directive 2014/65/EU;
3. Units in collective *investment* undertakings;
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to *securities*, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
5. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties otherwise than by reason of a *default* or other termination event;
6. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a *regulated market*, a UK *MTF* or a UK *OTF*, except for wholesale energy products (having regard to article 6 of the MiFID Org Regulation) traded on a UK *OTF* that must be physically settled where the conditions of article 5 of the MiFID Org Regulation are met;
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled, not otherwise mentioned in point 6 and:
  - a. not being for commercial purposes or wholesale energy products traded on an EU *OTF* that must be physically settled, having regard to article 7(4) of the MiFID Org Regulation;<sup>107</sup>
  - b. which have the characteristics of other derivative *financial instruments* having regard to article 7(1) of the MiFID Org Regulation; and
  - c. not being spot contracts having regard to articles 7 (1) and (2) of the MiFID Org Regulation.
8. Derivative instruments for the transfer of credit risk;
9. Financial contracts for differences; and
10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to:
  - a. climatic variables;
  - b. freight rates;
  - c. emission allowances;
  - d. inflation rates or other official economic statistics;
  - e. telecommunications bandwidth;
  - f. commodity storage capacity;
  - g. transmission or transportation capacity relating to commodities, whether cable, pipeline or other means;
  - h. an allowance, credit, permit, right or similar asset which is directly linked to the supply, distribution or consumption of energy derived from renewable resources;
  - i. a geological, environmental or other physical variable;
  - j. any other asset or right of a fungible nature, other than a right to receive a service, that is capable of being transferred;
  - k. an index or measure related to the price or value of, or volume of transactions in any asset, right, service or obligation;
  - n. a derivative contract to which article 8 of the MiFID Org Regulation applies; where the conditions in articles 7 (3) and (4) of the MiFID Org Regulation are met;
  - m. emission allowances consisting of any units recognised for compliance with the Emission Allowance Trading Directive and emission allowances created under article 18 of the trading scheme order 2020.

## APPENDIX 1 | ANNEX 2

### OEP DEFINITIONS

**Best execution** is the obligation to take all sufficient steps to obtain the best possible result for customers when executing customer orders or receiving and transmitting orders on their behalf in *financial instruments*, taking into account factors such as price, speed, likelihood of execution and *settlement*, size, nature or any other considerations relevant to the execution of the order.

**Customer Limit Order** means an order to buy or sell a *financial instrument* with specified parameters, at its specified price limit or better and for a specified size.

**Customer Order** is a verbal, electronic or written agreement to execute a transaction on behalf of a customer.

**Customer Specific Instructions** are instructions provided by a customer when placing an order for execution, examples of such instructions are, but are not limited to, the selection of a limit price, a period of time the order may remain valid or a request to execute the order on a specific venue.

**Eligible Counterparty** is a customer that is either per se Eligible Counterparty or Elective Eligible Counterparty. A customer can only be categorised as an Eligible Counterparty in relation to Eligible Counterparty business.

**Execution Venue** refers to *Regulated Markets*, *Multilateral Trading Facility (MTF)* or *Organised Trading Facility (OTF)*, *Systematic Internaliser*, *Market Makers*, other liquidity providers or entities that perform a similar function in another country.

**Financial Instrument** is defined in Appendix 6.

**Investment Firm** Under MiFID II, Investment Firm means any legal person whose regular occupation or business is the provision of one or more investment services to third parties and/or the performance of one or more investment activities on a professional basis.

**Market Maker** person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling *financial instruments* against his proprietary capital at prices defined by him.

**MiFID II** means Markets in *Financial Instruments* Directive 2014/65/EU of 15 May 2014 (“MiFID II”).  
**Multilateral Trading Facility (MTF)** Under MiFID II,

**Multilateral Trading Facility (“MTF”)** means a multilateral system, operated by an Investment Firm or a Market Operator, which brings together multiple third party buying and selling interests in *Financial Instruments* – in the system and in accordance with non-discretionary *rules* – in a way that results in a contract in accordance with the Directive.

**Organised trading facility (“OTF”)** Under MiFID II, **Organised trading facility (“OTF”)** means a multilateral system which is not a *Regulated Market* or an *MTF*, and in which multiple third party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with the Directive.

**Professional Client** means a customer who possesses the experience, knowledge and expertise to be able to appropriately assess the risks associated with their own investment decisions (e.g. financial institutions, other authorised or regulated institutions, *collective investment schemes* and management companies of such schemes, pension funds, and other institutional investors). **Retail Clients** who fulfil two out of three criteria set up to demonstrate their knowledge and experience might also be considered **Professional Clients** upon their own request.

**Regulated Market** means a multilateral system operated and/or managed by a Market Operator, which brings together or facilitates the bringing together of multiple third party buying and selling interests in *Financial Instruments* – in the system and in accordance with its non-discretionary *rules* – in a way that results in a contract, in respect of the *financial instruments* admitted to trading under its *rules* and/or systems, and which is authorised and functions regularly and in accordance with the Directive.

**Retail Client** is a customer who is not a **Professional Client** or an Eligible Counterparty.

**Systematic Internaliser** means an Investment Firm which, on an organised, frequent systematic and substantial basis, deals in principal capacity when executing customer Orders outside a *Regulated Market*, an *MTF* or an *OTF* without operating a multilateral system.

**Trading Venue** includes *Regulated Markets*, *Multilateral Trading Facility (MTF)* or *Organised Trading Facility (OTF)*.

**Total Consideration** is price of the *Financial Instrument* and the costs relating to execution, which shall include all expenses incurred by the customer that are directly relating to the execution of the order, including *Execution Venue* fees, clearing and *settlement* fees and any other fees paid to third parties involved in the execution of the order.

## APPENDIX 2 | THE CUSTODIAN'S ORDER EXECUTION POLICY

Please refer to our [custodian's Order Execution Policy](#).

If you need a printed copy, please contact client services at [client.services@wcgplc.co.uk](mailto:client.services@wcgplc.co.uk) or call 020 3100 8000.

## APPENDIX 3 | USE OF ONLINE CLIENT PORTAL AND OUR OTHER WEBSITES

(Both Client Portal and our Other Websites can be referred to as 'Website')

All direct clients of WCIM can use our online Client Portal ('Client Portal') and its use is on the condition that you maintain the security over its access, where you must not disclose your login details, or allow them to be disclosed to any other person, and you will take all appropriate measures to prevent any person, other than yourself, gaining access to them.

When you become aware, or have a suspicion, that another person has, or could have, acquired knowledge of your login details, you must:

- (a) change your login password immediately
- (b) inform us at [client.services@wgcplc.co.uk](mailto:client.services@wgcplc.co.uk), and where appropriate, also inform your investment manager / *account executive*

You are exclusively responsible for any instructions placed or purported to be placed by you under your login details, and we shall be entitled to treat all such instructions as authentic.

You should use complex hard-to-guess passwords, include large letters, small letters, numbers and symbols, and avoid familiar names or dates. You should also change your password regularly, monthly is recommended.

We may use the Client Portal to provide information to you, for example, trade confirmations, *securities* holdings list, account information, letters, statements and *periodic reports*. Where appropriate, we will notify you via email when information like letters, statements or reports are available for you to view. It is important that you provide us with your accurate and up to date email address, and notify us immediately when you change your email address.

### Reliability of service and content

We will use all reasonable endeavours to provide you with continuous access to our Client Portal but we do not guarantee or represent that there will be no periods where the Client Portal is not accessible either due to scheduled maintenance, service upgrade, or vendor/supplier service outage. You acknowledge that services may not be error free, that they may be interrupted and can be variable. In the event that the Client Portal is not available, you can contact

your investment manager / *account executive* or Client Services during regular business hours, and we will do our best to provide you with the information that you need.

We reserve the right to temporarily suspend our services to conduct scheduled maintenance, make repairs, or implement upgrades at any time. We will avoid conducting the above when the UK stock market is open, but we reserve the right to do so in significantly urgent circumstances.

We may publish market commentary on our Website and you understand that the availability of such information, or opinion, does not constitute a recommendation, or offer of solicitation, by us, or a person connected with us, to buy, sell or otherwise trade all or any of the *investments* mentioned therein. Neither we nor any person connected with us, nor our agents nor our suppliers make any representation as to the accuracy, completeness or timeliness of any information or opinions made available to you on the Website. You should seek professional advice as to the *suitability* of any *investment* referred to on the Website.

### Copyright

All information and opinions on the Website are protected by copyright and other intellectual property laws. They may be displayed and printed for your personal non-commercial use only. You agree not to reproduce, transmit or distribute them to anyone (including, but not limited to, bulletin boards, mailing lists, news groups or chat groups) without our prior written consent.

### Abuse, corruption or misuse of equipment, transmission or data

We use reasonable endeavours to ensure that the data on the Website is accurate and to correct any errors or omissions within our control as soon as practicable after we become aware of them. However, we do not guarantee that the Website and any stock related or other information available from it will be error free or uninterrupted. We will not be liable for any inaccuracies, errors or omissions in the stock related information which may be caused by any event beyond our reasonable control (including the electronic transmission of data, content, material and timeliness of the information or decryption of it by others) or for any damages resulting therefrom.

You agree and are fully aware of the fact that information accessible over the Internet may contain viruses or other harmful and destructive components.

For the reasons set out above you agree to accept the services "as is" and "as available" without any warranty of any kind either express or implied, including but not limited

to warranties of merchantability, speed of data transmission, of any kind whatsoever, fitness or purpose, title or non-infringement.

You are responsible for providing and maintaining at an appropriate standard the computing, software and hardware security systems (including anti-virus and firewalls), and communications equipment necessary for accessing and using the Website, and for all fees and charges incurred by you in such use and access.

You will not use the Website for any unlawful, obscene, abusive or libellous purpose.

### **Liability**

You accept that we have no liability to you arising from breach of confidentiality or otherwise if, through no fault of our own, any other person sees any communication which is deemed to have been delivered to your email address. You acknowledge that any third party you may have appointed to act on your behalf in connection with your account (or to whom you have given consent to view your account) will, once accepted by us, be able to discuss your account with us and view your account details online for administrative purposes. Such authorisation includes the imposition on the third party of our normal security measures. You will also be fully responsible for the people you allow to view your account via the 'linking' and/or the 'give viewing access' feature in the Client Portal.

We obtain and display on our Website information from third party sources and although we believe them to be of good repute we do not check or monitor it, and we accept no responsibility for the accuracy or timeliness of process or any other information obtained from such third parties.

We are not and cannot be held liable under any circumstances, for any loss or damages of any kind which results or may result from your use of the Website (including but not limited to system errors, deletion or loss of files, defects or delays in transmission of instructions or other information, any failure of our server, services or the Internet, or any other event beyond our control) or your access to the Internet or use thereof for any purpose whatsoever or for any reliance on or use of information received on or through the Website or the Internet. You agree that your sole and exclusive remedy if dissatisfied with the Website for any reason, is termination of our services, in accordance with the provisions of this agreement.

### **Cookies**

Our Cookie Policy is published on our website at [www.walkercrisps.co.uk/CookiePolicy](http://www.walkercrisps.co.uk/CookiePolicy)

## **APPENDIX 4 | INDIVIDUAL SAVINGS ACCOUNTS (ISAs) AND JUNIOR ISAS (JISAs) TERMS AND CONDITIONS**

Please refer to our *custodian's* Terms and Conditions for ISA and JISA in Appendix 7, Annex 4 and Annex 5.

ANNEX 4 - Terms and Conditions for ISA Accounts

ANNEX 5 - Supplemental Terms and Conditions for Junior ISAs



## APPENDIX 5 | PRODUCT DESCRIPTIONS & RISK WARNING

### Introduction

These notices contain information about the types of *investments*, including guidance on and warnings of the risks associated with those *investments*. We strongly advise that you read this document carefully because they are provided to assist you in understanding the nature and risks of the specific types of *investment* being offered and, consequently, to be in a position to take *investment* decisions on an informed basis.

However, these notices cannot disclose all the risks of investing. You should not deal in products unless you understand their nature and the extent of your exposure to risk and potential loss. Except where we have expressly agreed to provide you with advice, either upon your request or at our initiative, in respect of one or more transactions relating to *financial instruments*, you should also be satisfied that the *investment* is appropriate and suitable for you in the light of your circumstances and financial position.

You should have regard for your own particular experience, objectives, financial circumstances, capacity for loss and other relevant factors in entering into any *investment*. Not all the products we deal in are suitable for all investors, and some may be unsuitable for you. Different instruments involve different levels of exposure to risk. In deciding whether to trade in such *investments*, you should be aware of the following points.

The information provided below is for your information and should not be read to imply that WCIM will be able or willing to trade in a particular *financial instrument*.

### Shares (or equities)

A share is an instrument representing a shareholder's rights in a company. One share represents a fraction of a company's share capital. Dividend payments and an increase in the value of the *security* are both possible, although not guaranteed. The shareholder has financial and ownership rights which are determined by law and the issuing company's articles of association. The following are different types of shares:

- **Ordinary shares:** issued by limited liability companies as the primary means of raising capital. Ordinary shares carry a right to vote on certain issues at general meetings of the company. There is no guaranteed

return on an *investment* in ordinary shares and, in liquidation of the company, ordinary shareholders are amongst the last to have the right to receive repayment of their capital which could lead to a loss of a substantial proportion, or all, of their original *investment*.

- **Preference shares:** give shareholders the right to a fixed dividend, the calculation of which is not based on the success of the company. These types of shares are therefore considered a less risky form of *investment* than ordinary shares. Preference shares do not usually give shareholders the right to vote at general meetings of the company but, in liquidation of the company, preference shareholders will have higher priority to receive payment from any surplus funds of the company, compared to ordinary shareholders.
- **'Penny shares':** there is an extra risk of losing money when buying shares in some smaller companies, including penny shares. It is likely that there will be a big difference between the buying price and the selling price of penny shares. The price may change quickly and go down as well as up and, if you need to sell them quickly, you may get back much less than what you paid for them. Penny shares may become illiquid, or difficult to trade, and under these circumstances, you may not receive back any of your original *investment*.
- **Depository receipts:** receipts representing ownership of shares of a foreign-based company. They are designed for US and European *securities* markets as alternatives to buying underlying shares in their corresponding national markets or currencies and are typically issued by a bank. The risks involved therefore relate both to the underlying share and to the bank issuing the receipt.

Dealing in shares may involve risks including but not limited to the following:

- **Company risk:** a share purchaser becomes a co-owner of the company and therefore participates in its development as well as in its opportunities and risks for profits and losses, which makes it difficult to forecast the precise yield on such an *investment*. An extreme case would be where the company becomes bankrupt, and likely resulting in the total loss of the sums invested.
- **Price risk:** share prices may undergo unforeseeable price fluctuations over time, be it short, medium or long-term, causing risks of loss and it is not possible to predict the duration of those cycles. General market risk must be distinguished from the specific risk attached to

the company itself. Both risks, jointly or in *aggregate*, influence share price.

- **Dividend risk:** the dividend paid per share mainly depends on the issuing company's earnings and on its dividend policy. In situations of low profits or where there are losses, dividend payments may be reduced or may not be paid at all.

### Collective investment products

*Collective investment products include investment trusts, unit trusts, open-ended investment companies (OEICs), real estate investment trusts (REITs) and exchange traded funds (ETFs) which are deemed to be qualifying under the Undertakings for Collective Investment in Transferable Securities (UCITS), these are all investment vehicles that invest their assets in the securities of other issuers, or in cash, in accordance with their own internal rules. Collective investment products allow you to spread risk by diversifying your investment across a range of companies.*

*Investment trusts, REITs and ETFs are listed companies with their shares traded on the London Stock Exchange (LSE). Unit Trusts and OEICs are not traded on a stock exchange but are traded through the manager of the product. Investment trusts and REITs may trade at a discount or premium to the cumulative value of their underlying investments, depending on the demand for their shares. The liquidity of the market in their shares can vary, exposing you to the risk of abrupt, significant price movements that exceed the movements in prices of the underlying investments. Unit Trusts and OEICs are usually priced daily using a set formula based on their net assets minus charges. As with individual equities, the value of your investment can go down as well as up and you might not get back the original amount you invested. Any income you receive from your investment in a collective investment product may vary with the dividends or interest paid by the underlying investments and so could fall as well as rise.*

*Collective investment products that focus on a country, sector or market index may display greater volatility than those focussed on the wider market and so should be considered as higher risk than more widely invested collective investment products.*

### Bonds and Gilts

Bonds are negotiable debt instruments issued by a company or a government body to creditors and whose par value at issuance represents a fraction of the total amount of the debt. The maturity date of the debt as well as the terms and conditions of repayment are determined in advance. Unless otherwise stipulated, the bond is repaid either at the

maturity date, annual payments, or it could be at different rates determined by drawing lots. The interest payments on bonds may be either (i) fixed for the entire duration; or (ii) variable and often linked to reference rates (e.g. LIBOR). The purchaser of a bond (the creditor) has a claim against the issuer (the debtor).

Dealing in bonds may involve risks including but not limited to the following:

- **Insolvency risk:** the issuer may become temporarily or permanently insolvent, resulting in its inability to repay the interest or redeem the bond. The solvency of an issuer may change due to one or more of a range of factors including the financial prospects of the issuing company, the issuer's economic sector and/or the political and economic climate of the countries where it and/or its business is located. The deterioration of the issuer's solvency will influence the price of the securities that it issues.
- **Interest rate risk:** uncertainty concerning interest rate movements means that purchasers of fixed-rate securities carry the risk of a fall in the prices of the securities if interest rates rise. The longer the maturity of the bond and the lower the interest rate, the higher a bond's sensitivity to a rise in the market rates.
- **Credit risk:** the value of a bond will fall in the event of a *default* or reduced credit rating of the issuer. Generally, the higher the relative rate of interest (that is, relative to the interest rate on a risk-free security of similar maturity and interest rate structure), the higher the perceived credit risk of the issuer.
- **Early redemption risk:** the issuer of a bond may include a provision allowing early redemption of the bond if market interest rates fall. Such early redemption may result in a change to the expected yield.
- **Liquidity risk:** the liquidity of the market for individual bonds may vary, potentially causing a delay between the decision to sell and receiving the proceeds. Bond prices may also be affected by changes in market liquidity.
- **Risks specific to bonds redeemable by drawing:** bonds redeemable by drawing have a maturity period that is difficult to determine, so unexpected changes in the yield on these bonds may occur.
- **Risks specific to certain types of bond:** additional risks may be associated with certain types of bond, for

example floating rate notes, reverse floating rate notes, zero coupon bonds, foreign currency bonds, convertible bonds, reverse convertible notes, indexed bonds, subordinated bonds, collateralised bond obligations and asset backed *securities*. For such bonds, you are advised to make enquiries about the risks referred to in the issuance prospectus and not to purchase such *securities* before being certain that all risks are fully understood. In the case of sub-ordinated bonds, you are advised to enquire about the ranking of the debenture compared to the issuer's other debentures. If the issuer becomes bankrupt, those bonds will only be redeemed after repayment of all higher ranked creditors and as such there is a risk that you will not be reimbursed. In the case of reverse convertible notes, there is a risk that you will not be entirely reimbursed, but will receive only an amount equivalent to the underlying *securities* at maturity.

### **Warrants**

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government *securities* and is exercisable against the original issuer of the underlying *securities*.

Warrants often involve a high degree of gearing, therefore a relatively small movement in the price of the underlying *securities* results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can be volatile.

It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe, which a warrant confers, is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time scale then the *investment* becomes worthless.

You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

Some other instruments are also called warrants but are actually options, which WCIM does not deal in (for example, a right to acquire *securities* which is exercisable against someone other than the original issuer of the *securities*, often called a "covered warrant").

### **Foreign markets & Foreign Denominated Securities**

Transactions on foreign markets will involve different risks from transactions on the UK markets. In some cases, the risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign denominated

contracts and *securities* will be affected by fluctuations in foreign exchange rates.

*Investments* in Emerging Markets (the financial markets of developing countries) may be exposed to additional risks, including accelerated inflation, exchange rate fluctuations, adverse repatriation laws and fiscal measures, and macroeconomic and political distress.

### **Commissions**

Before you begin to trade, you should make yourself sufficiently aware and understand the commissions and other charges for which you will be liable, some of which might not be expressed in monetary terms, for example, a percentage of total contract value.

### **Suspensions of trading**

Under certain trading conditions, it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the *rules* of the relevant exchange trading is suspended or restricted. Please note that we do not accept stop loss orders, which, in any event, will not necessarily limit your losses to the intended amounts because market conditions may make it impossible to execute such an order at the stipulated price.

### **Insolvency**

Our insolvency or *default*, or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent.

### **Non-readily realisable security**

You may have difficulty in selling *non-readily realisable security* at a reasonable price. In some circumstances, it may be difficult to sell them at any price. It can be difficult to determine the current value of such *investments*. You should not invest in these unless you have thought carefully about whether you can afford it and whether it is right for you.

### **Structured Products**

A structured product is an *investment* which offers a pre-packaged *investment strategy* based on derivatives and which delivers a known return for given conditions.

Structured products typically provide *investment* exposure to an underlying basket of assets or indices (single or several) with returns dependent upon a series of targets being met over the life of the product. Your capital is at risk and may not be returned in full in the event that certain targets are not met. Equally, the terms of the product may allow for the *investment* to close early or "kicks out", when certain targets are met.

Structured products also involve exposure to counterparty risk, i.e. the risk that the issuer of the product may be unable to meet its financial obligation to repay the capital on the termination date of the product. Structured products may include an element of leverage (borrowing to increase the *investment* returns) in order to achieve high returns which means that small fluctuations in underlying asset values can have a large impact on the value of the product.

You should review the product term sheets and any product literature and carefully consider the risk elements that will affect the value of any *investment* and in particular the performance hurdles set out in those documents that impinge upon the duration of the product and the return of capital and interest. Their reliance on derivatives means that structured products are higher risk *investments* and you could lose all the money you have invested.

Some structured products are not covered by the Financial Services Compensation Scheme or the Financial Ombudsman Service and you should only consider an *investment* once you understand the circumstances relevant to the particular product.

### Stabilisation

Stabilisation enables the market price of a *security* to be maintained at an artificial level during the period when a *new issue* of *securities* is sold to be public. Stabilisation may affect not only the price of the *new issue* but also the price of other *securities* relating to it. The FCA allows stabilisation in order to help counter the fact that, when a *new issue* comes into the market for the first time, the price can sometimes drop before buyers are found.

Stabilisation is carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a *new issue* to market). As long as a strict set of *rules* are followed, the manager is entitled to buy back *securities* that were previously sold to investors or allotted to institutions, who have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation. The fact that a *new issue* or a related *security* is being stabilised should not be taken as any indication of the level of interest from investors, or of the price at which they are prepared to buy the *securities*.

### The Stabilisation Rules:

- Limit the period when a stabilising manager may stabilise a *new issue*;
- fix the price at which the manager may stabilise (in the case of shares and warrants but not bonds); and
- require the manager to disclose that he/she may be stabilising but not that he/she is actually doing so.

## GENERIC RISK WARNING DISCLOSURE

### General

The price or value of an *investment* will depend on fluctuations in the financial markets outside of anyone's control. Past performance is no indicator of future performance. The nature and extent of *investment* risks varies between countries and from investment to *investment*. These *investment* risks will vary with, amongst other things, the type of *investment* being made, including how the financial products have been created or their terms drafted, the needs and objectives of particular investors, the manner in which a particular *investment* is made or offered, sold or traded, the location or domicile of the issuer, the complexity of the transaction and the use of leverage. The generic risk types set out below could have an impact on each type of *investment* product or service.

### Liquidity

The liquidity of an instrument is directly affected by the supply and demand for that instrument and also indirectly by other factors, including market disruptions (for example a disruption on the relevant exchange) or infrastructure issues, such as a lack of sophistication or disruption in the *securities settlement* process. Under certain trading conditions it may be difficult or impossible to liquidate or acquire a position. This may occur, for example, at times of rapid price movement if the price rises or falls to such an extent that under the *rules* of the relevant exchange, trading is suspended or restricted.

### Credit risk

Credit risk is the risk of loss caused by borrowers, bond obligors, or counterparties failing to fulfil their obligations, or the risk of such parties' credit quality deteriorating.

### Market risk: General

The price or value of an *investment* will depend on fluctuations in the financial markets outside our control such as market supply and demand, investor perception and the prices of any underlying or allied *investments*.

### Market risk: Overseas

Any overseas *investment* or *investment* with an overseas element will be subject to the risks of overseas markets, which may involve different risks to the UK market. In some cases the risks will be greater. The potential for profit or loss from transactions on overseas markets, or from contracts denominated in a foreign currency will be affected by fluctuations in exchange rates.

### Market risk: Emerging Markets

Price volatility in emerging markets can be extreme. Price discrepancies can be common and unpredictable

movements in the market are not uncommon. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and downswings in prices during a very short period of time. Emerging markets generally lack the level of transparency, liquidity, efficiency, market infrastructure, and regulation found in more developed markets. For example, these markets might not have robust regulations governing manipulation and insider trading or other provisions designed to “level the playing field” with respect to the availability of information and the use or misuse thereof in such markets. They may also be affected by political risk. It may be difficult to employ certain risk and legal uncertainty management practices for emerging markets *investments*, such as forward currency exchange contracts or derivatives.

### **Currency risk**

In respect of any foreign exchange transactions and transactions in derivatives and *securities* that are denominated in a foreign currency, a movement in exchange rates may have a favourable or an unfavourable effect on the gain or loss achieved on such transactions.

### **Interest rate risk**

Interest rates can rise as well as fall. A risk exists with interest rates that the relative value of a *security*, especially a bond, will worsen due to an interest rate increase. This could impact negatively on other products.

### **Regulatory / Legal risk**

All *investments* could be exposed to regulatory or legal risk. Returns on all, and particularly new, *investments* are at risk from regulatory or legal actions and changes which can, amongst other issues, alter the profit potential of an *investment*. Regulatory changes could even have the effect that a previously acceptable *investment* becomes illegal. Changes to related issues such as tax may also occur and could have a large impact on profitability. Such risk is unpredictable and can be affected by political changes, economic changes and other factors. For this reason, this risk is likely greater in emerging markets. In emerging markets, there is generally less government supervision and regulation over business and industry practices, stock exchanges and over-the-counter markets. The type of laws and regulatory standards with which investors are familiar in the UK may not be as mature in some of these markets. Therefore, investors must make themselves fully aware of the risks before investing in these markets.

### **Operational risk**

Operational risk, such as breakdowns or malfunctioning of essential systems and controls, including IT systems, can impact on all financial products. Business risk, especially

the risk that the business is run poorly, could also affect shareholders of, or investors in, such a business. High numbers of personnel and organisational changes can severely increase such risks and, in general, operational risk may not be apparent from outside the organisation.

## APPENDIX 6 | GLOSSARY

This glossary contains definitions of some of the terms used in our Terms of Service and Business for Retail and *Professional clients* and other documents relating to our service.

<b>Account Executive</b>	Your contact person at WCIM who is responsible for managing your portfolio, providing advice to you or executing your instructions depending on the nature of the service we provide to you. They may also be referred to as Investment Manager or Portfolio Manager.
<b>Aggregate / Aggregation</b>	<i>Aggregation</i> is the process of combining a number of clients' orders for purchase or sale of a single type of <i>security</i> when carrying out a transaction.
<b>Alternative Investments</b>	<i>Investment</i> vehicles which may include exposure to commodities, infrastructure and cash-plus targeted return strategies.
<b>Client Agreement</b>	The suite of documents that we provide to the client which set out the services we will provide, our terms and conditions for providing such services, our fees and charges and the client's obligations. The <i>Client Agreement</i> will include, as appropriate, these Terms of Service and Business for Retail and <i>Professional Clients</i> and the relevant Application Form, relevant Tariff Sheet, Supplementary Charges and mandate letter.
<b>Custodian</b>	The firm which provides <i>custody services</i> and any other firms which may be contracted by us on your behalf to provide such services from time to time.
<b>Custody services</b>	The service of safeguarding and administering, or arranging for the safeguarding and administration, of <i>investments</i> belonging to a client.
<b>Collective investment scheme</b>	An arrangement that enables a number of investors to 'pool' their assets and have these managed by a specialist manager. The assets that are pooled may typically include gilts, bonds and quoted <i>equities</i> , but depending on the type of scheme may go wider. For example some <i>investments</i> may be in unquoted <i>investments</i> or property.
<b>Complex financial instruments</b>	<i>Complex Financial Instruments</i> are defined by the <i>FCA</i> and include, for example, warrants, options, futures, contracts for differences, spread-betting, some <i>investment trusts</i> and most structured products and other complicated instruments. The risks associated with <i>Complex Financial Instruments</i> are set out in this document. The principal risk is higher volatility, meaning that the price of the instrument can move significantly and rapidly. You should be aware that this could result in the loss of some or all of your <i>investment</i> and you may be required to make additional payment (top up) to maintain your <i>investment</i> . Further, dealing in some complex derivative instruments, such as options and contracts for difference, could result in you losing more than the original value of your <i>investment</i> .
<b>Default</b>	A failure to honour obligations including financial obligations.
<b>Discretion</b>	Where we have been contracted by the client to make decisions on the client's <i>investment</i> portfolio without needing to refer to the client for every decision or transaction.
<b>Electronic Communication</b>	Communication between you and us by email or other electronic means.
<b>Equities</b>	The part of a company's capital which confers a share of the company's ownership and a share of the company's risk.

<b>Execution Only</b>	The service relationship where the Firm does not give any <i>investment</i> or financial advice to the client, but merely acts on the instructions given by the client. The client is responsible for all decisions and trade instructions for the account.
<b>Execution Venue</b>	<i>A regulated market (RM), a multilateral trading facility (MTF), a systematic internaliser, an organised trading facility (OTF) or a market maker or other liquidity provider.</i>
<b>Financial Instrument(s)</b>	<p>The term <i>Financial Instruments</i> include:</p> <ul style="list-style-type: none"> <li>i) transferable <i>securities</i>;</li> <li>ii) money-market instruments;</li> <li>iii) units in collective <i>investment</i> undertakings;</li> <li>iv) various options, futures, swaps, forward rate agreements and any other derivative contracts relating to <i>securities</i>, currencies, interest rates or yields, or other derivative instruments, financial indices, financial measures or commodities;</li> <li>v) derivative instruments for the transfer of credit risk; and</li> <li>vi) financial contracts for differences.</li> </ul> <p>For the avoidance of doubt, <i>Financial Instruments</i> do not include spot transactions or loans and certain exclusions apply to commodities.</p>
<b>Financial Conduct Authority (FCA)</b>	The UK regulator for financial services firms, and in our documentation, any successor body.
<b>FCA rules</b>	The handbook of <i>rules</i> and guidance issued by the <i>FCA</i> , and in our documentation, any handbook(s) of <i>rules</i> and guidance issued by successor bodies to the <i>FCA</i> .
<b>ICVC</b>	An <i>Investment Company</i> with Variable Capital.
<b>Investment</b>	In our documentation, this term refers to shares, debentures, loan stocks, debt instruments, warrants, Crest Depository interests, certificates representing <i>securities</i> , units, options, futures, contracts for differences, rights to interests in <i>investments</i> , unquoted <i>investments</i> , <i>collective investment schemes</i> and certain long-term insurance contracts (such as pensions), or a term relating to the action of purchasing, subscribing for or otherwise obtaining any of the above.
<b>Investment strategy</b>	The portfolio's <i>investment strategy</i> reflects a long-term risk and objective framework, which guides the way in which we will allocate the portfolio to a wide range of asset classes.
<b>Investment trust</b>	A limited company which invests in other companies, offering a collective <i>investment</i> with the management expertise of professional fund managers.
<b>Leveraged Instrument</b>	A type of <i>investment</i> that has the potential of magnifying an investor's exposure to an underlying risk.
<b>Limit Order</b>	An order to buy or sell an <i>investment</i> at a specified price limit or better and for a specified size.
<b>Model</b>	The <i>model</i> represents the <i>investment</i> approach we are taking for the portfolio(s). This will either be on a total return basis (returns from a combination of capital growth and income) or on an income basis (which aims to generate a higher and growing income, accepting that this may impact on capital performance). We select the appropriate <i>model</i> in accordance with your <i>investment</i> objectives and risk profile. When investing in a <i>model</i> , each individual asset will be separately identified within your portfolio.

<b>Multilateral Trading Facility (MTF)</b>	A multilateral system, operated by an <i>investment</i> firm or a market operator, which brings together multiple third-party buying and selling interests in <i>Financial Instruments</i> – in the system and in accordance with non-discretionary <i>rules</i> – in a way that results in a contract.
<b>New issue</b>	The issue of new shares as part of a public offer for sale, placing with a restricted list of institutions or other such offer.
<b>Nominee Company</b>	A company in whose name a <i>security</i> is registered and held on behalf of the beneficial owner(s).
<b>Non-Readily Realisable Security</b>	<i>Investments</i> which are not a <i>readily realisable security</i> .
<b>Open-ended investment company (OEIC)</b>	An <i>open-ended investment company</i> – a structural hybrid between <i>unit trusts</i> and <i>investment trusts</i> . Also known as an <i>ICVC</i> .
<b>Organised Trading Facility (OTF)</b>	A multilateral system, which is not a <i>regulated market</i> or <i>MTF</i> and in which multiple third party buying and selling interests in bonds, structured finance products, emissions allowances or derivatives are able to interact in the system in a way which results in a contract.
<b>Periodic reports</b>	Reports and valuations which are sent to all our <i>investment</i> administration and management clients at regular intervals.
<b>Pooling / Pooled account</b>	The practice of maintaining a single account for the <i>aggregate</i> of clients' assets or cash, with the company (for example the <i>custodian</i> ) maintaining its own records of each individual's sub accounts.
<b>Power of Attorney</b>	A <i>Power of Attorney</i> is a legal document which authorises one or more people to make decisions on your behalf. An Ordinary <i>Power of Attorney</i> can be general or you can specify which matters your attorney can deal with, it can be limited to certain acts or you can end it at any time. An Enduring or Lasting <i>Power of Attorney</i> can work in the same way as an Ordinary <i>Power of Attorney</i> but will remain valid if you become 'mentally incapable'. You can also choose not to invoke it until after you lose mental capacity. We will need sight of the document to act on the <i>Power of Attorney</i> .
<b>Professional client</b>	Under <i>FCA rules</i> , there are three client categorisations: a <i>retail client</i> , a <i>professional client</i> or an eligible counterparty. There are two types of <i>professional client</i> , an elective <i>professional client</i> or a <i>per se professional client</i> . An elective <i>professional client</i> is generally an experienced high net worth investor who is capable, in terms of knowledge, experience and financial capacity, of making their own <i>investment</i> decisions and understanding the risks involved. Generally a <i>per se professional client</i> is a client who is an entity required to be authorised and regulated to operate in financial markets, another authorised financial institution, a large corporate body, partnership or unincorporated association meeting certain size criteria, a national or regional government, a public body that manages public debt, a central bank, an institutional or supranational institution or similar organisation or another institutional investor whose main activity is to invest in <i>investments</i> .
<b>Readily Realisable Security</b>	Either: a) a government or public <i>security</i> denominated in the currency of the country of its issuer; or b) any other <i>security</i> which is: <ul style="list-style-type: none"> <li>admitted to official listing on an exchange in the UK or an EEA State</li> </ul>



## Regulated Collective Investment Scheme

- is regularly traded on or under the *rules* of such an exchange, recognised *investment* exchange or a designated *investment* exchange
- a newly issued *security* which can be expected to fall into any of the above categories.

An *ICVC* or *OEIC*, an authorised unit trust scheme, or a scheme recognised by the FCA under the Financial Services and Markets Act.

## Regulated Market

A multilateral system operated and/or managed by a market operator which brings together or facilitates the bringing together of multiple third-party buying and selling interests in *financial Instruments* – in the system and in accordance with its non-discretionary *rules* – in a way that results in a contract, in respect of the *financial Instruments* admitted to trading under its *rules* and/or systems.

## REIT

A real estate *investment trust (REIT)* is a closed-end *investment* company that owns assets related to real estate such as buildings, land and real estate *securities*.

## Restricted Advice

Advice provided to a *retail client* that is not based on consideration of all *investment* markets and products that might address a client's financial needs.

## Retail client

Under *FCA rules*, there are three client categorisations: a *retail client*, a *professional client* or an eligible counterparty. Regulated firms are required to give a greater level of protection and disclosure to *retail clients* than to eligible counterparties or *professional clients*. We will generally classify our clients as *retail clients*.

## Rules

The *rules* and financial regulations of the *FCA*, HMRC, the London Stock Exchange, the London International Financial Futures and Options Exchange, any other *execution venue*, *investment* exchange, clearing house or regulatory authority having jurisdiction in relation to business which we transact for you and of Euroclear UK & Ireland Limited.

## Security/Securities

Generic term applied to all *investment* instruments which are quoted or traded on the financial markets. The term encompasses bonds, stocks, shares, rights, warrants and derivatives.

## Settlement

The process of exchanging payment for the delivery of legal title to shares (or vice versa).

## Suitability

*Suitability* is the assessment of the client's needs including the determination of the amount and type of *investments* that suit the client's requirements.

## APPENDIX 7 | TERMS AND CONDITIONS SPECIFIC TO YOUR CUSTODY SERVICES, THE 'CUSTODY TERMS'

The terms and conditions in this appendix, together with its annexes, apply to the custody service provided by Pershing Securities Limited (PSL). If anything in this Appendix 7 conflicts with any other part of our *Client Agreement*, this Appendix 7 will take priority.

Please note that terms set out in italics in this Appendix 7 are defined in the glossary included as Appendix 6 unless otherwise defined in the glossary included under Annex 1 to this Appendix 7.

### 1. Relationship between you, us and the custodian 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 your investment manager / account executive or [client.services@wcpplc.co.uk](mailto:client.services@wcpplc.co.uk) 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.

1.8 As a part of its offering, PSL shall provide a **Stocks and Shares ISA** (including a **Flexible Stocks and Shares ISA**) for which PSL will act as the ISA Manager. If you wish to use this ISA then you should read the terms and conditions set out in Annex 4.

1.9 As a part of its offering, PSL shall provide a Junior **Stocks and Shares ISA** for which PSL will act as the ISA Manager. If you wish to use this JISA then you should read the terms and conditions set out in Annex 5.

1.10 In order to receive the Junior *Stocks and Shares ISA* services you must:

(a) be under 18 years of age, and (i) born on or after 3rd January 2011; or (ii) born before 3rd January 2011, but not hold a Child Trust Funds Account;

(b) procure that your Registered Contact return to us a copy of the application form and terms relating to the services;

(c) not be a citizen or resident of the United States for the purposes of the United States IRS Code or be designated at any time as having a substantial presence in the United States or act on behalf of any such person, including as trustee or agent or in

partnership with such a person; and

(d) satisfy, together with your Registered Contact, our anti-money laundering and know your customer requirements.

## 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* 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 Normally we will be responsible for executing any order or transaction on your behalf. This means that PSL will not owe you a duty of best execution under the *FCA Rules* or otherwise when it carries out transactions executed by us on your behalf. We shall be responsible for ensuring best execution and for any decision to *aggregate* transactions for you with those of other people.
- 5.2 We may sometimes agree with PSL that it is to execute transactions for your account when we transmit orders to it. If we do this, we have agreed 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*, you have sufficient stock in your account; or 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.

5.3 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 on your behalf 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 central counterparty (**CCP**) or central *securities* depository (**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 in the Client Portal or you may request this information from your investment manager / *account executive* or from [client.services@wcgplc.co.uk](mailto:client.services@wcgplc.co.uk). 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. Where we notify you of an interest rate lower than zero this denotes that 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 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 PSL 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 Custodian**, 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 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 [bny.com/pershing/emea](https://www.bny.com/pershing/emea) 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. 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 [bny.com/pershing/emea](http://bny.com/pershing/emea) (under the "disclosures" section). Such information may be amended from time to time by PSL:
- (a) General disclosures of information about PSL, its services and disclosures relating to such Services in general;
  - (b) Information concerning the safekeeping of investments and money held by PSL or any of its appointed **Eligible Custodians**;
  - (c) Information on costs and charges;
  - (d) Information relating PSL's conflicts of interest;
  - (e) 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

Annual Subscription Limit	The maximum subscription allowed in an ISA in any one year as prescribed by <i>HMRC</i>
Business Days	means any day on which the London Stock Exchange is open for trading
CCP	This stands for central counterparty, which is typically an institution that acts as an intermediary between two market participants. The seller of a <i>security</i> sells to the central counterparty. The central counterparty simultaneously sells to the buyer. This means that if one party <i>defaults</i> then the central counterparty will absorb the loss. This reduces the amount of counterparty risk that market participants are exposed to.  Certain markets that PSL trades in on your behalf will involve a <i>CCP</i> and such transactions will be subject to the <i>rules</i> of the <i>CCP</i> .
Charge	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.
Clearing and Settlement Services	The process by which, once an <i>investment</i> has been bought or sold on your behalf, the money is transferred from the buyer to the seller and the <i>investments</i> or the title to the <i>investments</i> is transferred from the seller to the buyer.
CSD	This stands for central <i>securities</i> depository which is a financial institution that custodies <i>securities</i> and provides <i>securities settlement</i> services to one or more markets.  When settling a transaction on your behalf PSL may have to settle such transaction through a central <i>securities</i> depository or other <i>securities settlement</i> system and the transactions will be subject to the <i>rules</i> of the <i>CSD</i> .
Dealing or Execution Services	The buying or selling of <i>investments</i> on your behalf.
Eligible Custodian	This refers to a third party <i>custodian</i> (or its <i>nominee company</i> ) who PSL selects under the <i>FCA Rules</i> to register your <i>investments</i> with.
Flexible Stocks and Shares ISA	a <i>flexible stocks and shares ISA</i> as defined in the <i>ISA Regulations</i>
HMRC	Her Majesty's Revenue and Customs
ISA Account	A <i>stocks and shares ISA account</i> (including a <i>flexible stocks and shares ISA account</i> where applicable) containing qualifying <i>investments</i> . Enables you to invest up to the current <i>HMRC</i> ISA limits in any given tax year. <i>Investments</i> into an ISA are free of UK Income and Capital Gains tax.
ISA Regulations	The Individual Savings Account Regulations 1998 (S.I 1998 No. 1870) as amended or replaced or superseded from time to time.

Joint and Several Liability	If <i>joint and several liability</i> 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.
Lien	A <i>Lien</i> allows the person holding the asset to withhold or retain such asset pending the satisfaction of your obligations to them.
Margin or Collateral	This is where your money or <i>investments</i> are passed to a <b>Relevant Party</b> in order to provide <i>security</i> against the performance of obligations.
Mortgage	A <i>mortgage</i> 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.
Netting	<i>Netting</i> is the process under which PSL and/or the counterparty, <b>CCP, CSD</b> 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 <i>securities</i> 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 <i>relevant party</i> .
Nominee Company	A <i>nominee company</i> is one which is used solely for holding <i>investments</i> separately and which does not carry on any other business.
Qualifying Investment	An <i>investment</i> permitted under the <i>ISA Regulations</i> to be held within an ISA
Relevant Party	This includes (but is not limited to) an exchange, clearing house, intermediate broker, <i>settlement</i> agent or a counterparty dealt with directly (over the counter) outside of any exchange. The <i>Relevant Party</i> may be located in the UK or elsewhere.
Safe Custody Services	The safekeeping and administration of any <i>investments</i> held by PSL or its <b>nominee company</b> on your behalf.
Set-Off	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.
Share Exchange	Where <i>investments</i> held by an investor outside an ISA are sold, the proceeds used to subscribe to an ISA and the subscription then used to purchase the same <i>investments</i> .
Stocks and Shares ISA	A <i>stocks and shares ISA</i> (including a <i>flexible stocks and shares ISA</i> ) as defined in the <i>ISA Regulations</i>
Time shall be of the Essence	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 | Overseas Investments

### 1. Settlement of Transactions

If a transaction is undertaken on your behalf on non-UK markets, it will be subject to the *rules* of the relevant overseas exchange, clearing system and/or depository and to any terms of any foreign agent or *custodian* employed by PSL. These *rules* and terms may include, but are not limited to, such persons having the right to reverse a transaction (including reversing the delivery or re-delivery of any *investment* and any payment) even after it has been settled. In view of the number of markets and counterparties which may be used it is not possible to outline all of the potential *rules* and obligations that may apply in such cases.

### 2. Client Money

If your money is held by a credit institution or bank outside the UK or EEA or your money or *investments* are passed to a third party then it is important you understand that the legal and regulatory regime applying to that credit institution, bank or other third party will be different from that of the United Kingdom or the EEA. This means, amongst other things, that the rights and protections you have under the *FCA Rules* will not be available in respect of those banks or credit institutions or third parties. Other *rules* and regulations may apply to them under local law but your rights and obligations are likely to differ, particularly if such party is in *default*.

### 3. Custody and administration of your *investments*

3.1 Whether or not they are registered or recorded in the name of PSL, or an **Eligible Custodian**, *investments* belonging to you which are held abroad may be subject to different *settlement*, legal and regulatory requirements from those applying in the UK or the EEA. Your rights may therefore also differ. In particular, such *investments*, by their nature may require, in order to effect *settlement* of your transaction, that the *investment* is held in a country that may not impose specific regulation covering the safekeeping of *investments*. Subject to PSL, satisfying itself that the arrangements for the holding of your *investment* in such market by the **Eligible Custodian** it appointed are adequate (based on the due diligence referred to in clause 3.2 of this Annex 3), PSL will deposit such *investment* with such **Eligible Custodian** notwithstanding the risks outlined in this Annex 3.

3.2 PSL will exercise due skill, care and diligence in

the selection, appointment and periodic review of any **Eligible Custodian** it appoints (including the regulatory *rules* applicable to such **Eligible Custodian**) and the arrangements for the holding and safekeeping of your *investments*. It is important that you understand PSL is not responsible for anything done or not done, or any *default* of an **Eligible Custodian** unless that *default* is caused by the negligence, fraud or wilful *default* on the part of PSL or any of its nominee companies. Although PSL will seek to make sure that adequate arrangements are made to look after your ownership rights in any *investments* (especially in the event of its own insolvency) you should understand that your *investments* may be at risk if an **Eligible Custodian** becomes insolvent.

3.3 Overseas *investments* may be registered or recorded in the name of PSL or in the name of an **Eligible Custodian**. Your acceptance of these terms indicates your consent to the possibility of registration in such manner. However any such registration in one of these ways will only be done after PSL has taken reasonable steps to determine that it is in your best interests to do so or that it is not feasible to do otherwise because of the nature of the applicable law and market practice in the jurisdiction where the transaction occurs. Registration in this way means that your *investments* may not be kept separate from other *investments* belonging to PSL or the relevant **Eligible Custodian**. Your protection may therefore be less, as if the person in whose name your *investment* is recorded *defaults* on its obligations, your *investment* may not be separately identifiable as yours. Accordingly it may be subject to other third party claims including claims by the general creditors of the defaulting person.



## ANNEX 4 | TERMS AND CONDITIONS FOR ISA ACCOUNTS

The terms of business set out in this section (the “additional terms of business”) only apply if you have applied to open a Pershing ISA (including a BNY Pershing Flexible ISA unless otherwise stated). Please note that these additional terms of business apply in addition to the Terms of Business. Should any terms within this Annex 5 conflict with the Terms of Business, this Annex 5 shall prevail.

### 1. Applications and subscriptions

- 1.1 Your application for a BNY Pershing ISA can only be accepted after completion and submission of a BNY Pershing **Stocks and Shares ISA** Application Form. PSL reserves the right to refuse any application.
- 1.2 *Investment* in a BNY Pershing ISA may be only in the form of a cash subscription, **Share Exchange** or approved **HMRC** profit sharing or SAYE scheme. The BNY Pershing ISA is a **Stocks and Shares ISA**.
- 1.3 *Investment* in an ISA is subject to any minimum *investment* threshold notified to you by us and the **annual subscription limit** as determined by **HMRC**.
- 1.4 You may only invest your own cash in an ISA. An ISA cannot be held in joint names and cannot be transferred to another person.
- 1.5 PSL may disclose to **HMRC** or to any other regulatory body any information concerning your BNY Pershing ISA from time to time.
- 1.6 PSL will notify you if your BNY Pershing ISA has or will become void as a result of any failure to satisfy the **ISA Regulations**. A breach of the **ISA Regulations** may result in the ISA being declared void and no longer qualifying for tax relief. Tax credits may have to be repaid and, where appropriate, all the interest credited in respect of cash on deposit will be subject to a deduction of tax at the appropriate rate. PSL will not be liable to you in circumstances where your ISA has become void as a result of any failure outside of its control, including but not limited to a failure by you or your financial adviser, to satisfy the **ISA Regulations**.

### 2. Dividends and benefits in your ISA

- 2.1 Dividends will be paid in cash, unless indicated otherwise, by you on the application form.
- 2.2 PSL will automatically add the shares arising from any bonus or capitalisations to your **ISA** provided that they are **Qualifying Investments**.
- 2.3 Where *investments* arising from rights issues, takeovers or mergers, or other corporate events, are not **Qualifying Investments**, PSL is required by the **ISA Regulations** to either sell the *investments* within thirty days of the date on which they ceased to be **Qualifying Investments** (in which case the proceeds can remain within your ISA or to transfer the *investments* to you to be held outside of your ISA. You will be liable for any applicable withdrawal charges or dealing costs or any other costs. In the event that all *investments* within the ISA cease to be **Qualifying Investments**, PSL reserves the right to apply any associated transaction fees as set out in the information about fees and charges we provided to you. PSL will use reasonable endeavours to seek instructions from us in this regard before taking any action.
- 2.4 You must ensure that cleared funds are available in your ISA to meet forthcoming instalments for nil paid rights or other *investments* with future or contingent obligations to make payments (to the extent PSL will permit these to be held in your ISA), without exceeding the **Annual Subscription Limit**. PSL will notify you in advance of instalments payable and, in the absence of instructions or further subscription, PSL reserves the right, in accordance with Clause 10 of the Terms of Business, to withdraw the shares from your ISA or sell sufficient of the shares to meet your obligations. PSL will charge a fee in respect of any such sale at the rate set out in the information about fees and charges we provided to you, or as otherwise notified to you in writing, from time to time.
- 2.5 PSL will make arrangements to enable you to vote and to attend shareholders', *securities* holders' or unit holders' meetings and receive a copy of the annual report and accounts of every company or other concern in respect of **Qualifying Investments** held in your ISA if you so wish. You must, however, give PSL (through us) sufficient notice of your wishes in order to enable PSL to make the arrangements. A charge will be made for this service as shown in the information about fees and charges we provide to you

from time to time. Voting arrangements are subject in all cases to PSL receiving notification of any vote, an instruction from us in good time and to the company, or other entity supervising such vote, accepting a vote from PSL. In addition to the circumstance set out in the Terms of Business, PSL may refuse any instruction to vote in the event that PSL believes such vote might cause PSL to incur risks to its reputation.

### 3. Dealing in your ISA

- 3.1 *Investments* within your ISA are restricted to **Qualifying Investments**.
- 3.2 You must be and remain at all times the beneficial owner of the **Qualifying Investments** in your ISA.
- 3.3 The legal title to the **Qualifying Investments** held in your ISA will be registered in the name of PSL's *nominee company*.
- 3.4 The **Qualifying Investments** in your ISA must not be used as *security* for a loan.
- 3.5 PSL will send you a valuation statement on a regular basis in accordance with the *FCA Rules* on client reporting. The value of any shares held will be calculated using the mid-market closing price as supplied by its data provider at the close of business on the date of the calculation. PSL does not accept any responsibility for this price, other than to accurately reproduce the price supplied to it by its data supplier.

### 4. Withdrawal or transfer of *investments* held in your ISA

- 4.1 You may withdraw, or transfer to another ISA manager, all of the *investments* held in your ISA for the current tax year, or all or part of previous years ISAs and any proceeds arising from those *investments* at any time by giving your Adviser instructions in writing. PSL will give effect to your instructions within the time stipulated by you which may not be less than thirty days, following receipt from your Adviser. If you wish to withdraw your *investments* and request a paper certificate, it may occasionally take longer due to circumstances outside PSL's control (for example, paper certificates are issued by the relevant Registrar and the time taken for the issue of certificates may vary depending on the volume being issued at the time of request. For some types of *investments*, such as residual stocks, it may take several months.)

- 4.2 If you wish to receive the proceeds of a sale of **Qualifying Investments**, you must give us duly signed notice in writing and, following receipt by PSL of an instruction to this effect from us, a payment will be sent to you as soon as practicable after *settlement* has completed. PSL may make a charge each time you withdraw an *investment* from your ISA. Please refer to the Fees and Commission Schedule. No charge will be made for cash withdrawals from your ISA.

- 4.3 Withdrawals cannot be made in favour of any person other than you.

- 4.4 All **Qualifying Investments** that PSL sells on your behalf will be withdrawn from PSL's *nominee company* for delivery to the appropriate counterparty. No charge will be made for such withdrawals.

#### Additional terms for withdrawals and transfers in relation to a BNY Pershing Flexible ISA

- 4.5 Where you have made a **cash withdrawal** from your BNY Pershing Flexible ISA, whether this is from interest, dividends or sale proceeds, under the *ISA Regulations*, PSL will accept a repayment into your BNY Pershing Flexible ISA of all or part of the withdrawals amount (Flexible ISA allowance), subject to the following provisions:

- the repayment is made within the same tax year as the withdrawal
- the repayment is made into the same ISA as it was withdrawn from
- any payment received from you is deemed to be a replacement first of the amount withdrawn, before any additional payment can be viewed as new subscription
- any payment received from you which exceeds the amount previously withdrawn in that tax year will be viewed as new subscription and will be subject to normal ISA subscription *rules*
- where you have subscribed to a BNY Pershing Flexible ISA in the current tax year, any withdrawal of cash is deemed to be first made out of the current year's subscription. Your subscription balance will therefore be reduced accordingly. However, even where your full subscription is withdrawn and not repaid into your BNY Pershing Flexible ISA, you will

still have made a current year subscription to a BNY Pershing Flexible ISA and cannot subscribe to a different *Stocks and Shares ISA* in that tax year

- withdrawals of stock, for example certificate re-registrations, will not create a Flexible ISA allowance.

- 4.6 The transfer of all or part of your BNY Pershing Flexible ISA to another ISA manager will not create an additional Flexible ISA allowance.
- 4.7 Where you have made a cash withdrawal from your BNY Pershing Flexible ISA during the tax year and subsequently transfer that ISA to another ISA manager, the Flexible ISA allowance will not be transferred, that is, you will not be able to replay the withdrawal amount to your new ISA manager.
- 4.8 You may not make Additional Permitted Subscriptions into a BNY Pershing Flexible ISA.

## 5. Termination of your ISA and Cancellation Rights

- 5.1 If you terminate the arrangement set out in these additional Terms of Business, you can either request transfer of the ISA including any **Qualifying Investments** to another ISA manager (or request that any cash balance is paid to you) subject to paragraph 4 above or the sale of the **Qualifying Investments** held in your ISA and remittance of the proceeds to you together with any other cash held within the ISA. Any outstanding fees and charges must be paid by you and will be deducted from any cash held. Where an ISA is transferred to another ISA manager, any dividends that are received after the transfer of shares will be processed in accordance with the account arrangements with regard to income unless you notify PSL in writing.
- 5.2 If PSL terminates the arrangements set out in these additional Terms of Business, PSL will give you at least thirty days notice in writing and will explain its reasons for doing so. This notice period will not apply, however, if your ISA has or will become void.
- 5.3 Should you die, the exemptions from tax will continue until the earlier of (i) the closure of the ISA; (ii) the completion of the administration of your estate; and (iii) the third anniversary of your death. No further subscriptions may be made into the ISA following your death. Where any *investments* remain in your ISA at the third anniversary of your death, PSL will transfer them to your general *investment* account.

If otherwise instructed, PSL will dispose of the *investment(s)* held in your ISA and remit the proceeds to your personal representatives upon receipt of a certified copy of either a Grant of Probate or Letters of Administration.

- 5.4 If you wish to close your ISA and you notify us within 14 days of the opening day of the account, or within 14 days of the day you receive these Terms and Conditions, whichever is the later, the agreement between PSL and you as set out in this Annex 5 will be cancelled. The balance on your account and any gross interest earned will be repaid to you. Subject to **HMRC** conditions, you will still be able to open an ISA with another ISA manager or us and your full *annual subscription limits* will remain. (**HMRC** conditions, as at 1st November 2009, currently require an ISA to be cancelled within 30 days of account opening in order to retain full **annual subscription limits**.)

## ANNEX 5 | SUPPLEMENTARY TERMS AND CONDITIONS FOR JUNIOR ISAs

### Definitions and interpretation

In these Supplemental Terms and Conditions, unless otherwise stated, capitalised words shall have the same meaning as in the BNY Pershing Terms and Conditions. In addition:

**Application form** shall mean the application form to be completed and signed for Junior ISA subscription, administration and redemption purposes.

**Child Trust Funds Account** shall mean a Child Trust Funds Account as defined by the Child Trust Funds Act 2004 (as amended).

**Eligible Child** shall mean a child who is under 18 years of age, and: (a) (i) is born on or after 3rd January 2011; or (ii) is born before 3rd January 2011, and does not have a Child Trust Funds Account; and (b) at the time when the application to open a Junior ISA application is made, the child is: (i) resident and ordinarily resident in the United Kingdom; (ii) a person who has general earnings from overseas Crown employment subject to United Kingdom tax within the meaning given by section 28 of the Income Tax (Earnings and Pensions) Act 2003; (iii) married to, or in a civil partnership with, a person mentioned in paragraph (ii); or (iv) a dependant of a person mentioned in paragraph (ii).

**ISA Regulations** shall mean the Individual Savings Account Regulations 1998 (as amended from time to time and including any guidance or interpretation given thereon).

**Junior ISA** shall mean a BNY Pershing stocks and shares junior ISA which conforms to the *ISA Regulations* provisions pertaining to stocks and shares junior ISAs for the benefit of an Eligible Child. Note that BNY Pershing does not currently offer a cash junior ISA.

**Overall Subscription Amount** shall mean the maximum amount(s) that may be applied to a Junior ISA in any tax year as specified in the *ISA Regulations*.

**Registered Contact** shall mean a person who is over 16, unless they are suffering from mental disorder and either has parental responsibility in relation to the Eligible Child or is the Eligible Child themselves who is over 16 years of age and has taken on management of the Account by making an application to PSL for “registered contact” status and has

received such approval.

**Supplemental Terms and Conditions** shall mean these Junior ISA supplemental terms and conditions.

**Void** shall mean a Junior ISA that is void in accordance with *ISA Regulations* and/ or *HMRC* instructions.

### 1. GENERAL

- 1.1 BNY Pershing’s Junior ISAs and all applications relating to them are governed by the BNY PSL Terms and Conditions, these Supplemental Terms and Conditions and the *ISA Regulations*.
- 1.2 The Supplemental Terms and Conditions set out in this agreement provide details of additional terms and features, and explain how the PSL Terms and Conditions are varied in their application to our Junior ISAs. Should the terms of the Pershing Terms and Conditions and these Supplemental Terms and Conditions conflict, then the latter shall prevail. Also, should the PSL Terms and Conditions and/or the Supplemental Terms and Conditions conflict with the terms of the *ISA Regulations*, then the terms of the *ISA Regulations* shall prevail.
- 1.3 Where under the PSL Terms and Conditions mention is made to ISAs, then this shall include Junior ISAs unless the contrary is indicated in the text below.
- 1.4 The parties agree that PSL may accept payments from any third parties without satisfying itself that those funds are owned by the Registered Contact or the Eligible Child.
- 1.5 The Junior ISA remains the property of the Eligible Child. Any assignment of, or agreement to assign, *investments* under a Junior ISA, and any charge on or agreement to charge any such *investments* is void.

### 2. THE JUNIOR ISA

#### Who can apply for a Junior ISA?

- 2.1 An application for a Junior ISA can be made either: (i) by a person who at the time of the application is over the age of 16, provided they act in the capacity of a Registered Contact for the benefit of an Eligible Child and the application which is being made is for the benefit of that Eligible Child; or (ii) by an Eligible Child as a

Registered Contact for their own benefit and at the time of making the application the Eligible Child has attained 16 years of age.

### **When can we refuse to accept an application for a Junior ISA?**

- 2.2 PSL is within its rights to refuse to accept an application for a Junior ISA if:
- 2.2.1 the application is unsigned, undated or deemed by PSL to in any way be incomplete;
  - 2.2.2 in PSL's reasonable opinion, PSL believes that any of the information or documentation presented in relation to the applicant is untrue or incorrect; or
  - 2.2.3 PSL believes that any of the eligibility requirements for qualification in relation to a Junior ISA as set by the *HMRC* and the *ISA Regulations* have not been satisfied.

### **What is the effect of Pershing accepting your application for a Junior ISA?**

- 2.3 In the event that PSL accepts an application for a Junior ISA, then the account will be regulated by the *ISA Regulations* and no benefit may be taken nor any payment made except in accordance with the *ISA Regulations*. All communication will be with the Registered Contact only.
- 2.4 The operation of the Junior ISA will be governed by the PSL Terms and Conditions as modified by these Supplemental Terms and Conditions and the *ISA Regulations*.

## **3. INSTRUCTIONS**

### **Who can give instructions to us concerning a Junior ISA?**

- 3.1 PSL shall only accept instructions from a Registered Contact concerning the operation of a Junior ISA.

## **4. REGISTERED CONTACT**

### **In which circumstances can a change be made to the details of a Registered Contact?**

4.1 Unless any of the provisions contained within paragraph 2.2 apply, with the consent of the existing Registered Contact, and in accordance with the *ISA Regulations*, PSL agrees to consider an application in standard form for a change of the identity of the Registered Contact.

4.2 Unless any of the provisions contained within paragraph 2.2 apply, without receiving the consent of the Registered Contact and in accordance with the *ISA Regulations* as prescribed, PSL shall consider an application in standard form to change the details of a Registered Contact in respect of a Junior ISA in circumstances where either by sight of suitable documentation or from any other evidence PSL holds, PSL is satisfied as to:

- 4.2.1 the death of the Registered Contact;
- 4.2.2 the incapacity of the Registered Contact;
- 4.2.3 the Registered Contact not being in contact with Pershing for a 12 month period and an item of post having been returned undelivered;
- 4.2.4 a court order being made bringing to end the status of the existing individual being a person with parental responsibility for the child;
- 4.2.5 a court appointing a guardian or special guardian of the child;
- 4.2.6 a court making an order that the person who is the existing Registered Contact cease to act as such;
- 4.2.7 a new Registered Contact adopting the child; or
- 4.2.8 the fact that the applicant is the Eligible Child themselves, and that the child is making the application to become the Registered Contact after reaching 16 years of age, but has not attained the age of 18, and does not suffer from any mental disorder as outlined in the *ISA Regulations*.

### **In which circumstances will the authority of the Registered Contact cease?**

- 4.3 In any case, the authority of the Registered Contact shall cease on the earlier of the following events:
- 4.3.1 the Eligible Child becoming a Registered Contact in accordance with paragraph 4.2.8 above;
  - 4.3.2 the Eligible Child reaching 18 years of age, in which event the Account will no longer remain a Junior ISA and all *investments* held within the Account will revert to being held within an "adult" tax free ISA wrapper and become subject only to the PSL Terms and Conditions, the *ISA Regulations* and PSL standard ISA charges; or
  - 4.3.3 PSL becomes aware of the fact that the

Registered Contact ceases to have parental responsibility in which event all further instructions from such Registered Contact will be declined until an application is received for a change of Registered Contact in accordance with paragraph 4.2 above. In the meantime, PSL shall not be responsible for any *investment* or other losses arising as a result.

## 5. JUNIOR ISA SUBSCRIPTIONS

- 5.1 Any subscriptions made to the Junior ISA are a gift to the Eligible Child.
- 5.2 Whilst the Eligible Child is alive, any person may make a subscription to a Junior ISA provided the subscription is by a cash payment method and the overall amount subscribed does not exceed the Overall Subscription Amount.
- 5.3 No subscription may be made to a Junior ISA once the Eligible Child has reached eighteen years of age.
- 5.4 Only one Junior ISA may be held for the entire period during which a child remains an Eligible Child. The subscriptions will always be applied to the same Junior ISA regardless of the tax year in which the subscription is received.
- 5.5 If PSL receives information that there is a more recent Junior ISA held by an Eligible Child than the Junior ISA with us, then Pershing shall deal with this in accordance with the *ISA Regulations*.
- 5.6 If Pershing receives a subscription which exceeds the Overall Subscription Amount then that amount cannot be applied to the Junior ISA with Pershing, and Pershing will return that proportion of the cash received to the person who paid those funds to Pershing. If monies in excess of the Overall Subscription Amount are discovered to have already entered the Junior ISA, then such funds will be dealt with in accordance with the *ISA Regulations*.

## 6. WHAT CAN YOU INVEST IN WITH A JUNIOR ISA?

- 6.1 *Investments* available for *investment* with an ISA may also be held in a Junior ISA. Cash may only be held in a Junior ISA for the purpose of investing in **Qualifying Investments**.

## 7. CLOSING A JUNIOR ISA AND WITHDRAWAL INSTRUCTIONS

- 7.1 You may not give PSL instructions to close a Junior ISA or make withdrawals from it except where:
  - (i) the Eligible Child has become terminally ill (see paragraph 7.2 below);
  - (ii) the Eligible Child has died (see paragraph 7.3 below);
  - (iii) the Eligible Child has reached the age of 18, and agrees (see paragraph 7.4 to 7.7 below);
  - (iv) a transfer is being made of the Junior ISA *investments* to another ISA manager (see paragraph 7.8 to 7.10 below);
  - (v) on direction from the *HMRC* where the Junior ISA is void (see paragraph 7.11 below); or
  - (vi) when subscriptions are small and then cease resulting in account charges bringing the account to a nil balance (see paragraph 7.12 below).

### (i) Withdrawals on terminal illness of the Eligible Child:

- 7.2 Where the Eligible Child is terminally ill, subject to the definitions and conditions of the *ISA Regulations*, the Junior ISA will be closed upon receipt of evidence prescribed under the *ISA Regulations* and the proceeds shall be paid to the Registered Contact. In this event, no withdrawals can be made from a Junior ISA unless the Registered Contact has made a claim to *HMRC* to be allowed access to the *investments* held in the Junior ISA, and we have received a valid approval from *HMRC*. On withdrawal of funds the Account may be closed.

### (ii) Closing an account on the death of Eligible Child:

- 7.3 If PSL receives notice of the death of the Eligible Child, then this is first verified on sight of appropriate documentation, and then due payment will be made to the legal personal representatives of the Eligible Child. Pershing will write to the personal representatives of the Eligible Child and offer the choice of selling or stock transfer following receipt of appropriate documentation after which the Account shall be closed.

**(iii) Closing an Account on the event of the Eligible Child turning 18:**

- 7.4 When an Eligible Child reaches the age of 18 then the relevant Junior ISA will be transferred to an equivalent ISA.
- 7.5 The replacement ISA will be established for the beneficiary in their own right, and subject only to PSL ISA Terms and Conditions (including charges to be paid in respect of it), and the *ISA Regulations*. On withdrawal of funds the Account will be closed.
- 7.6 Any Registered Contact will no longer be entitled to give us instructions in relation to the replacement ISA, unless the Account owner has authorised PSL to accept any such instructions.
- 7.7 The holding will be automatically transferred to an adult ISA on the day of the Eligible Child's 18th birthday, but there is no obligation to return an ISA application form to facilitate this. An ISA application is only required when the investor wishes to add further subscriptions (to the new 'adult' ISA). No subscriptions may be made to the replacement ISA, nor instructions acted upon by PSL in relation to that Account until such time as the Account holder has completed the relevant application form in accordance with the Pershing ISA Terms and Conditions.

**(iv) Transferring a Junior ISA:**

- 7.8 Transfers may be made between account providers for junior ISAs or *investments*, in whole or in part from one type of junior ISA to another, for example, from cash to stocks & shares and vice versa. PSL shall permit the partial transfer in and out of a Junior ISA, as long as any current year subscriptions are transferred in full.
- 7.9 An account may be transferred even if at the time of transfer the child is no longer eligible for a Junior ISA or no longer resident in the UK. All transfers will be carried out in accordance with the *ISA Regulations*.
- 7.10 Previous years' Junior ISA subscriptions can be transferred in whole or in part. The current year's Junior ISA subscriptions must be transferred in full. These rights must be exercised in accordance with the *ISA Regulations* limit on each Eligible Child having only one of each

type of junior ISA at any time. PSL will close a Junior ISA which after transfer has a nil account balance.

**(v) Repairing an invalid or Void Junior ISA:**

- 7.11 An invalid Junior ISA will be repaired in all circumstances immediately by PSL on it becoming aware of any invalidity, except where the child is not eligible or has another valid Junior ISA of the same type, in which case it must be voided. PSL will never void a Junior ISA except where instructed to do so by the *HMRC* and will treat all Void Junior ISA's in accordance with the *ISA Regulations*. PSL will notify the Registered Contact in such circumstances.

**(vi) Closing due to Nil Balance**

- 7.12 A nil balance will arise in the following circumstances:
- a) a Junior ISA has been opened and a small initial *investment* has been made, but contributions then stop and agreed charges then bring the balance down to nil;
  - b) a terminal illness claim has been accepted and the Registered Contact has withdrawn the funds held in the Junior ISA; or
  - c) where all of the *investments* in a Junior ISA have been transferred. In any case PSL may close the remaining nil balance account.

**8. ADMINISTRATION**

- 8.1 The Junior ISA *investments* will be held in the beneficial ownership of the Eligible Child.
- 8.2 Contract notes, statements of account, valuations and reports applicable to the Junior ISA shall be issued to the Registered Contact.
- 8.3 In the event that any person or organisation other than the Eligible Child or Registered Contact makes a subscription to the Junior ISA, it is the responsibility of the Registered Contact to advise such donor that its subscription is a gift to the Eligible Child and cannot be recovered.
- 8.4 PSL will be under no obligation to record the identity of a donor to a Junior ISA, or to advise the Registered Contact of this fact.

- 8.5 PSL may refuse to accept any subscription in circumstances where (i) PSL reasonably believes that acceptance may result in the Junior ISA (or any part of it) becoming Void under the *ISA Regulations* or (ii) PSL is prevented from doing so by Applicable Law (for example, in relation to anti-money laundering requirements).
- 8.6 Except for cash deposits, National Savings products and certain insurance policies (see below), the title to the Junior ISA *investments* will be registered:
- (i) in the name of PSL;
  - (ii) in the name of the PSL nominee; or
  - (iii) jointly in one of one of them and the child or Registered Contact.
- 8.7 Where a share certificate or other document evidencing title to a Junior ISA *investments* is issued, it will be held by PSL or as PSL may direct.
- 8.8 Where insurance policies are with an insurer that is also a Junior ISA provider, the title to the policies shall be vested in the Registered Contact and the policy document or other document showing title to the insurance policy shall be held by the Registered Contact.
- 8.9 PSL will arrange, if the Registered Contact elects, for the Registered Contact to receive a copy of the annual report and accounts issued by every company or other concern in respect of shares. (A separate charge may be levied for this service).
- 8.10 PSL will arrange, if the Registered Contact elects, for the Registered Contact:
- (i) to attend shareholders', *securities* holders' or unit holders' meetings;
  - (ii) to vote; and
  - (iii) to receive, in addition to the annual report and accounts, any other information issued to shareholders, *securities* holders or unit holders.
- 8.11 PSL will satisfy itself that any person to whom the Registered Contact delegates any of its functions or responsibilities under the terms agreed with the Registered Contact is competent to carry out those functions and responsibilities.
- 8.12 Where the applicant for the Junior ISA is between the ages of 16-18 (whether they are the child who will hold the account, or an individual applying for the account for an Eligible Child) any management agreement for the Account has legal effect as if the Account applicant was 18 years old or over.



## Additional Clauses | ALTERNATIVE CLAUSES TO COVER THE BELOW ISSUES

### 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:

- You have full power and authority to instruct us on these terms;
- 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;
- 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;
- 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;
- You have no reason to consider that any such underlying client is or is likely to become insolvent;
- 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
- 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:

- 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.
- 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.
- 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
- 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:

- 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;
- Any payment or accounting made by PSL to any one or more of the trustees will be treated as made to all of them;
- 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

- 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.