

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

- 1.1 Mattioli Woods plc (“we” or “us”) has entered into an agreement with Pershing Securities Limited (“PSL”) under which PSL has agreed to provide **dealing, clearing and settlement, safe custody** and other associated services to our clients (the “Pershing services”). 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 By accepting these terms of business you agree that there is a contract between you and us and between you and PSL and you will be bound by these terms of business. As a consequence, it is important to understand when reading these terms of business, that you will be both a client of ours, and (for the purposes described in these terms) you will also become a client of PSL.
- 1.3 The Pershing services relate to a range of investments, which are set out in Annex 2 to these terms of business.
- 1.4 As a part of its offering, Pershing shall provide a **Stocks and Shares ISA** (including a **Flexible Stocks and Shares ISA**) for which Pershing 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 5.
- 1.5 As a part of its offering, Pershing shall provide a **Junior Stocks and Shares ISA** for which Pershing 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 6.
- 1.6 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.
- 1.7 In order to receive Pershing services (other than the Junior Stocks and Shares ISA) you must in addition:
- a) complete and return to us a copy of the application form and terms relating to the services;
  - b) 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
  - c) satisfy our anti-money laundering and know your customer requirements.
- PLEASE NOTE that if you are not permanently resident in the UK, you may not be entitled to avail of all or any of the Pershing services.
- 1.8 In the event that your status changes or it subsequently emerges that you are a US citizen or resident for US tax purposes, PSL shall, at its absolute discretion, stop providing services to you and close any accounts it holds in your name forthwith. PSL shall not be responsible for providing any information to, nor making any requisite filings (including any Form 1099-B filings) with, the United States Internal Revenue Service (or “IRS”)

on your behalf. These terms of business govern the provision of the Pershing services to you. These terms of business shall come into force once we receive and accept your completed application form or when you commence using the Pershing services, whichever is earlier.

- 1.9 PSL is a company registered in England, company number 2474912. Its registered office is at Royal Liver Building, Pier Head, Liverpool L3 1LL. PSL is authorised and regulated by the Financial Conduct Authority ("FCA") which is located at 25 The North Colonnade, Canary Wharf, London E14 5HS. PSL is also a member of the London Stock Exchange.
- 1.10 By accepting these terms of business, you agree that:
- a) we may give instructions to PSL on your behalf as allowed by our terms of business 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;
  - b) if any instructions or information is provided to us by someone acting under a power of attorney acting on your behalf, PSL shall, upon receipt of such information or instructions from us, be entitled to rely on them without making any further checks or enquiries; and
  - c) PSL is authorised to hold cash and investments on your behalf and to transfer such cash or investments from your account to meet your obligations to PSL.
- 1.11 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) instructing PSL to open 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) providing any investment advice to you or taking investment management decisions on your behalf (as the case may be);
  - g) 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;
  - 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) giving instructions to PSL which are proper, accurate and in accordance with any instructions or mandate you give us;
  - j) reviewing your accounts for market abuse, insider trading and compliance with FCA Rules and any other applicable legal and regulatory requirements to which the we or you may be subject; and
  - k) the provision of any information or documents as required under FCA rules (as further described in clause 0) in connection with any **Third Party Products**.

## **2 Client classification and joint obligations**

- 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, 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, PSL will treat the trustees, and not any beneficiary of the trust, as its client. 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) *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 as described above.

PSL has complete discretion to choose who to pursue for performance of any obligation or payment owed to it under these terms and is not obliged to seek payment or performance of any obligation from you jointly.

### 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, 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 you fail to satisfy any of the eligibility criteria in order to use the Pershing services as set out paragraph 1.7 of these terms of business or as otherwise notified to you;
- e) if providing the services to you or to us in relation to your account will have a materially adverse effect on PSL's reputation;
- f) 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; or
- g) where the aggregate cash balance held by PSL for your account represents less than 1 per cent of the value of the investments held by PSL for your account.

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 to close your accounts with PSL. We will be responsible for informing PSL of your decision to stop receiving services and PSL will be entitled to rely on such notification from us.

3.4 If your account with PSL is closed, you will need to provide us with accurate and timely instructions as to the future safe 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. Once PSL has accepted and dealt on instructions from us for your account legally binding obligations are created between you and PSL and/or any **Third Party Product** providers. 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.

4.3 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.

4.4 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 0-0 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;
- c) we or PSL do not have the necessary FCA permission to deal in a particular investment; or.

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.

4.5 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 direct.

4.6 All communications whether written, spoken, electronic or in any other form between you, us and/or PSL shall be in English.

#### **5 Provision of Product Information**

5.1 PSL shall provide you with the **Product Information** in relation to any investments for which PSL is the product provider in accordance with FCA Rules or other legislation.

5.2 PSL shall not be responsible for the production of, or otherwise for the accuracy, completeness or appropriateness of, any **Product Information** in relation to any **Third Party Products**. The responsibility for providing you with such information shall fall upon us or the relevant provider of such products. We shall ensure that any such required information shall be provided promptly to you and in accordance with the FCA Rules.

#### **6 Dealing**

6.1 In order for PSL to provide **dealing** services for your account, you need to ensure that:

- a) where you are buying investments, there is sufficient cash in your account; and
- b) where you are selling investments, documents of title or transfer forms that are required are delivered to PSL,

in either case, prior to the execution of the transaction by PSL.

6.2 PSL will provide **dealing** or **execution** services on the following basis:

- a) execution by PSL will be subject to the FCA Rules and the rules of any investment exchange or other trading facility on which the transaction is executed;
- b) PSL will treat the instructions we give them as binding on you. Any express instruction from us to PSL on your behalf concerning order execution will override PSL's order execution policy and will remain binding on you;
- c) PSL's execution policy is set out in [www.pershing.co.uk](http://www.pershing.co.uk) under the 'disclosures' section and therein under 'compliance disclosures'. By your acceptance of these terms, you confirm your consent to the execution policy and acknowledge that it may be amended from time to time. You also agree that PSL may execute transactions on a market that is not a regulated exchange or multilateral trading facility in the European Economic Area. Please note however the provisions of Annex 4 in relation to any overseas investments;
- 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.

## 7 Settlement of Transactions

7.1 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.

7.2 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.

7.3 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.

7.4 In order to settle transactions on your behalf, PSL will need to deal with the other party to the transaction

(the "counterparty"). If a transaction has to be settled through a **CCP** or **CSD** the specific provisions set out in Annex 3 and 4 shall apply.

- 7.5 You acknowledge and agree that you will not have any rights to, and that PSL has no obligation to account to you for, any 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. 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.
- 7.6 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.
- 7.7 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.
- 7.8 If a transaction is undertaken on your behalf on non-UK markets, the specific provisions set out in **Annex 4** shall apply.
- 7.9 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.
- 7.10 **Time shall be of the essence** with respect to any payment, delivery or other obligation of yours to PSL.

## **8 Client Money**

- 8.1 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 your money will be kept in a special designated client bank account and therefore completely separate from any money belonging to PSL.
- 8.2 PSL will exercise due skill, care and diligence when considering where the client bank account should be and will periodically review the adequacy and appropriateness of any bank or credit institution 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). PSL will only be responsible for taking care in choosing and monitoring of the chosen credit institution or bank and will not be responsible for any acts, omissions or default by the chosen credit institution or bank.

- 8.3 In some situations the money held for you in a client account may be pooled with money belonging to other clients of PSL. If funds are pooled in this way, you will have a claim against the client money pool in general, rather than for the specific sum held in a specific account. Any deficiency in the pool will be shared pro rata between all the clients whose money is pooled. 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.
- 8.4 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 12 and 13.3), will be determined by us, and will be as notified by us to you from time to time. Any interest will be calculated on a daily basis and credited to your account every six months. We may decide not to credit your account if the amount of the interest falls below a threshold amount notified to you by us. Unless we notify you otherwise, you will be entitled to interest at the central bank base rate for Sterling, US Dollars, and the Euro, and the applicable local agent credit rate for other currencies, less a money management fee charged by PSL. PSL charges a fee for managing the balance on your account (the money management fee) and that fee will be applied to the balance on your account and may be higher than any interest which would otherwise have been credited to your account in which case a charge in the form of debit interest may be charged for that balance as notified to you by us.
- 8.5 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.
- 8.6 Sometimes we or PSL will undertake a transaction for you which requires your money or investments to be passed to a **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.
- 8.7 Please refer to the provisions of Annex 4 which will apply if your money is held by a credit institution or bank outside the UK or EEA.
- 8.8 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.
- 8.9 Money held by PSL in pooled client money accounts as set out in this clause 8, 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 8.3 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 8.3) 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 8.9.



## 9 Custody and administration of your investments

9.1 Subject to clause 9.2, 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.

9.2 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.

9.3 If your investments are held overseas the provisions of Annex 4 shall also apply.

9.4 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 9.4 are limited to those in respect of debts arising (i) out of properly incurred charges and liabilities arising from the safekeeping, administration and provision of services (including the settlement of transactions as set out in clause 7) with respect to the investments held by the **Eligible Custodian**; or (ii) under the rules of a **CSD, CCP** or local settlement system.

9.5 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) 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 rata basis with any other investors;
- c) 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;
- d) 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;
- e) 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; and
- f) In the course of settlement of transactions from the omnibus account (due to the nature of such holding and the operation of settlements into and from an omnibus account) circumstances could arise whereby your assets as held in the pool are used to satisfy the transaction of another client



whose assets are also held in the omnibus account. You should note that Pershing has in place systems and controls to reduce the occurrence of such events and to mitigate the risk to you from such circumstances as required under FCA Rules.

- 9.6 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.
- 9.7 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.
- 9.8 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).
- 9.9 If any notification is given to you pursuant to clause 0 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.
- 9.10 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.
- 9.11 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.
- 9.12 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.
- 9.13 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 0 of these terms or if the investment concerned is of a kind for which PSL does not have facilities, or arrangements with appropriate **Eligible Custodians**, to hold or if holding the investment would expose PSL to liabilities. We will notify you if PSL chooses to exercise this discretion unless legal or regulatory constraints prevent such disclosure.
- 9.14 PSL will not loan your investments or use them to raise finance.
- 9.15 If investments are comprised within a wrapper (for example, Self-Invested Personal Pension plans or insurance linked investment bonds), PSL may act as custodian for the product provider. By accepting these terms, you grant authority to PSL to provide information to the product provider and to take such action in

relation to your investments as PSL may be required to under the arrangements that have been agreed with us or the product provider.

## **10 Consequences of your default**

- 10.1 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 10.
- 10.2 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.
- 10.3 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.
- 10.4 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.
- 10.5 Where PSL exercises its rights to use your cash or dispose of your investments under clause 10.3 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.
- 10.6 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.
- 10.7 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.
- 10.8 The provisions in this clause 0 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.

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

- 11.1 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.
- 11.2 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 PSL Breach; and
- b) which were reasonably foreseeable to PSL at the time these terms are entered into.

11.3 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.

11.4 You will not be liable to indemnify PSL under this clause 0 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.

11.5 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.

11.6 The provisions in this clause 0 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.

## **12 Charges**

12.1 The fees and charges payable by you in relation to the services provided by us and PSL, and any taxes payable through PSL, will be set out in the fees and charges information provided to you by us. You may also be liable for other taxes or charges which are not payable through PSL. The fees and charges will generally be deducted from any money held for your account by PSL. If there is insufficient money in your account then PSL reserves the right to sell any assets held for your account and use the proceeds of such sale to meet your outstanding obligations in accordance with clause 10.3. As further described at clause 10, PSL shall be entitled to set off any amounts owed to you against any monies owed by you.

12.2 Any changes in the fees and charges payable to PSL may be amended upon three months prior written notice to you. Circumstances in which PSL may choose to increase its fees and charges include, for example:

- a) to reflect changes in the types of investments, the nature of the services or the manner in which the services are provided to you;
- b) to reflect an increase in the cost of providing the services to you; or

- c) to comply with any change in applicable laws or regulations.

Any increase in third party fees or charges shall be passed on to you as and when such increase shall take effect.

- 12.3 For the avoidance of doubt, you shall be entitled to terminate these terms of business in accordance with the provisions of clause 20 in the event that you are dissatisfied with any increase in PSL's fees and charges.

### **13 Conflicts of Interest**

- 13.1 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.

- 13.2 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.

- 13.3 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.

- 13.4 PSL maintains a policy to deal with conflicts of interest, including those outlined in this clause, and a summary of that policy is set out on [www.pershing.co.uk](http://www.pershing.co.uk) under 'disclosures' and therein under 'compliance disclosures'. A hard copy is available on request from us.

- 13.5 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.

### **14 Data Protection and Confidentiality of Information**

- 14.1 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.

- 14.2 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 18). 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.

14.3 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.

14.4 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.

14.5 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.

14.6 You are entitled to a copy of any information PSL holds about you subject to PSL's legal entitlement to charge £10 for providing the information. To request such information you should direct your request 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.

## 15 Complaints

15.1 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  
 L3 1LL

15.2 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 letter 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.

## 16 Client Compensation

PSL is covered by the UK's Financial Services Compensation Scheme ("FSCS"). Compensation may be available from the FSCS if PSL cannot meet its obligations to you. Your possible entitlement to compensation will depend upon the type of business and the circumstances of the claim. Most types of investment businesses are currently covered for 100% of a claim up to a maximum of £50,000. Further information about

compensation arrangements is available from the FSCS, [www.fscs.org.uk](http://www.fscs.org.uk).

## 17 Amendment

Without affecting your rights under clause 12.2, PSL reserves the right to alter these terms of business at any time. However, any changes to these terms of business shall only take effect after not less than 21 days' notification has been provided to you unless it is impractical to provide such notice. This could arise, for example, where amendments to these terms of business are required:

- a) to comply with changes in applicable laws or regulations;
- b) to comply with changes in the requirements of any exchange, depository or clearing system;
- c) to reflect the terms applicable to any new or additional services or investments that are requested by you; or
- d) to reflect any changes in the arrangements involving third parties such as Eligible Custodians.

## 18 Provision of Information via a website

18.1 PSL may provide the following information to you via their website [www.pershing.co.uk](http://www.pershing.co.uk) (under the "disclosures" section). Such information may be amended from time to time by PSL:

- 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 to PSL's order execution policy, order handling and 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

## 19 Rights of Cancellation

You may be entitled to certain cancellation rights in relation to specific investments. These rights shall be notified to you by us or the relevant product provider as required under the relevant FCA or other legal or regulatory requirements. If you are unsure about your rights you should contact us for further information.

## 20 Termination Rights

20.1 PSL shall be entitled to terminate these terms of business at any time. PSL will generally provide you with not less than 10 **business days'** prior written notice of termination but reserves the right to terminate these terms forthwith without any prior written notice which it may do, for example in the circumstances described in clause 3.2 of these terms.

20.2 Subject as set out in clauses 20.3 and 20.4 below, you may terminate these terms of business at any time by giving not less than 10 **business days'** prior written notice to us and, we shall in turn, notify PSL.

- 20.3 Termination of these terms of business shall not affect the accrued rights and obligations of any party and shall not prejudice the settlement of any transactions executed by PSL or accepted by PSL for settlement prior to PSL receiving notice of such termination.
- 20.4 If PSL are holding any assets for your account which cannot be transferred to another custodian following termination of these terms of business for whatever reason, including (without limitation) as a result of outstanding corporate actions, securities which are in liquidation, receivership, administration, restricted or not transferable, then, in the absence of any other arrangements that are agreed upon between us and PSL, PSL will continue to hold such assets in accordance with these terms.

## 21 General

- 21.1 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.
- 21.2 No third party shall be entitled to enforce these terms in any circumstances.
- 21.3 PSL shall have no further obligation to provide the PSL Services (or any of them) in relation to a particular market ("an Affected Market") if and for so long as the participation of us or PSL in the Affected Market (or in the services provided by a **CCP** in relation to the Affected Market) is terminated or suspended or otherwise restricted in any way in accordance with the rules of the Affected Market (or the relevant **CCP**).
- 21.4 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 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.
- 21.5 These terms and any dispute (contractual or non-contractual) arising under them are governed by English Law and each party irrevocably agrees to submit to the nonexclusive jurisdiction of the Courts of England.



## ANNEX 1

### Glossary

|   |   |
|---|---|
| <b>“Annual Subscription Limit”</b>      | The maximum subscription allowed in an ISA in any one year as prescribed by HMRC.   |
| <b>Business Days</b>                    | means any day on which the London Stock Exchange is open for trading.   |
| <b>CCP</b>                              | <p>This stands for central counterparty, which is typically an institution that acts as an intermediary between two market participants. The seller of a security sells to the central counterparty. The central counterparty simultaneously sells to the buyer. This means that if one party defaults then the central counterparty will absorb the loss. This reduces the amount of counterparty risk that market participants are exposed to.</p> <p>Certain markets that PSL trades in on your behalf will involve a CCP and such transactions will be subject to the rules of the CCP.</p> |
| <b>Charge</b>                           | A charge does not involve a transfer of ownership but gives a degree of control to a third party over any dealing or disposal of the asset.   |
| <b>Clearing and Settlement Services</b> | The process by which, once an investment has been bought or sold on your behalf, the money is transferred from the buyer to the seller and the investments or the title to the investments is transferred from the seller to the buyer.   |
| <b>CSD</b>                              | <p>This stands for central securities depository which is a financial institution that custodies securities and provides securities settlement services to one or more markets.</p> <p>When settling a transaction on your behalf PSL may have to settle such transaction through a central securities depository or other securities settlement system and the transactions will be subject to the rules of the CSD.</p>   |
| <b>Dealing or Execution Services</b>    | The buying or selling of investments on your behalf.  |
| <b>Eligible Custodian</b>               | This refers to a third party custodian (or its <b>nominee company</b> ) who PSL selects under the FCA Rules to register your investments with.  |
| <b>Flexible Stocks and Shares ISA</b>   | a flexible stocks and shares ISA as defined in the ISA Regulations.   |
| <b>“HMRC”</b>                           | Her Majesty’s Revenue and Customs.  |
| <b>“ISA Account”</b>                    | A stocks and shares ISA account (including a flexible stocks and shares ISA account where applicable) containing qualifying investments. Enables you to invest up to the current HMRC ISA limits in any given tax year. Investments into an ISA are free of UK Income and Capital Gains tax.  |
| <b>“ISA Regulations”</b>                | The Individual Savings Account Regulations 1998 (S.I 1998 No. 1870) as amended or replaced or superseded from time to time.   |
| <b>Joint and Several Liability</b>      | If joint and several liability applies, the effect is that both you and the other person(s) separately promise to meet all obligations under these terms in respect of the account either (1) jointly with the other person(s); and (2) individually.   |
| <b>Lien</b>                             | A Lien allows the person holding the asset to withhold or retain such asset pending the satisfaction of your obligations to them.   |
| <b>Margin or Collateral</b>             | This is where your money or investments are passed to a <b>Relevant Party</b> in order to provide security against the performance of obligations.  |
| <b>Mortgage</b>                         | A mortgage transfers the ownership of an asset to a third party on the condition that it will be re-transferred on the discharge of the obligations owed to that third party.   |
| <b>Netting</b>                          | Netting is the process under which PSL and/or the counterparty, <b>CCP</b> , <b>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 securities to one another. This will give a single amount owing to one party from the other rather than a two-way payment. This single amount will then be paid or delivered to the relevant party.          |
| <b>Nominee Company</b>              | A nominee company is one which is used solely for holding investments separately and which does not carry on any other business.   |
| <b>Product Information</b>          | Any information relating to specific investments prepared and provided in accordance with the FCA Rules or other legislation.  |
| <b>“Qualifying Investment”</b>      | An investment permitted under the ISA Regulations to be held within an ISA.  |
| <b>Relevant Party</b>               | This includes (but is not limited to) an exchange, clearing house, intermediate broker, settlement agent or a counterparty dealt with directly (over the counter) outside of any exchange. The Relevant Party may be located in the UK or elsewhere.   |
| <b>Safe Custody Services</b>        | The safekeeping and administration of any investments held by PSL or its <b>nominee company</b> on your behalf.  |
| <b>Set-Off</b>                      | This may arise where both you and PSL owe sums to each other. In such circumstances PSL may deduct any sums owed to it by you from any sums that are owed by PSL to you so as to either eliminate or reduce PSL’s liability to you.  |
| <b>“Share Exchange”</b>             | Where investments 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 investments.   |
| <b>“Stocks and Shares ISA”</b>      | A stocks and shares ISA (including a flexible stocks and shares ISA) as defined in the ISA Regulations.  |
| <b>Third Party Products</b>         | Any investments that are offered by providers other than PSL.  |
| <b>Time shall be of the Essence</b> | The use of this term in relation to any payment, delivery or other obligation you have to PSL means that PSL shall be entitled to terminate these terms and, if appropriate, claim damages from you if you fail to perform your obligation in accordance with the time specified. It is intended to ensure that the relevant deadlines are strictly complied with. |
| <b>UCITS Directive</b>              | The European Council Directive 85/611/EEC of 20 December -85 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.   |

## ANNEX 2

### Investments covered by the Pershing Services

The following investments are currently covered by the Pershing services:

- a) UK and international equities (including investment trusts); fixed income and other debt securities (corporate or government); exchange traded funds; UK/European Funds authorised under the **UCITS Directive** and/or FSMA; and offshore funds that are UK regulated or not subject to the **UCITS Directive**;
- b) Stocks and Shares Individual Savings Accounts (ISAs);
- c) Pension products, including certain self-invested personal pensions; unsecured pensions with multiple third party suppliers; and alternative secured pensions with multiple third party suppliers; and
- d) Life insurance products, including offshore investment bonds with multiple third party suppliers.

## ANNEX 3

### 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 4

### 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 depositary 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 4), PSL will deposit such investment with such **Eligible Custodian** notwithstanding the risks outlined in this Annex 4.
- 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 5

### 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 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 Pershing ISA can only be accepted after completion and submission of a Pershing **Stocks and Shares ISA** Application Form. PSL reserves the right to refuse any application.
- 1.2 Investment in a Pershing ISA may be only in the form of a cash subscription, **Share Exchange** or approved HMRC profit sharing or SAYE scheme. The 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 Pershing ISA from time to time.
- 1.6 PSL will notify you if your 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. Pershing 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 form PSL. In addition to the circumstance set out in the Terms of Business, Pershing may refuse any instruction to vote in the event that Pershing 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 once every six months dated the 31<sup>st</sup> December and the 30<sup>th</sup> June by first class post. 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 Pershing Flexible ISA**

4.5 Where you have made a **cash withdrawal** from your Pershing Flexible ISA, whether this is from interest, dividends or sale proceeds, under the ISA Regulations, PSL will accept a repayment into your 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 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 Pershing Flexible ISA, you will still have made a current year subscription to a 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 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 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 replace the withdrawal amount to your new ISA manager.

4.8 You may not make Additional Permitted Subscriptions into a 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 1<sup>st</sup> November 2009, currently require an ISA to be cancelled within 30 days of account opening in order to retain full **annual subscription limits**.)

## ANNEX 6

### SUPPLEMENTAL 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 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 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 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 Pershing 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 Pershing's Junior ISAs and all applications relating to them are governed by the Pershing 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 Pershing 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 Pershing 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 Pershing 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 Pershing 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 Pershing 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 Pershing to in any way be incomplete;
  - 2.2.2 in Pershing's reasonable opinion, Pershing believes that any of the information or documentation presented in relation to the applicant is untrue or incorrect; or
  - 2.2.3 Pershing 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 Pershing 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 Pershing 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 Pershing 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, Pershing 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, Pershing 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 Pershing holds, Pershing 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 Pershing Terms and Conditions, the ISA Regulations and Pershing standard ISA charges; or
  - 4.3.3 Pershing 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, Pershing 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 Pershing 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 Pershing 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 Pershing 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 Pershing 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 Pershing 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 Pershing 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. Pershing 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. Pershing 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 Pershing 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. Pershing 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. Pershing 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 Pershing 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 Pershing 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 Pershing may refuse to accept any subscription in circumstances where (i) Pershing reasonably believes that acceptance may result in the Junior ISA (or any part of it) becoming Void under the ISA Regulations or (ii) Pershing 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 Pershing;
  - ii) in the name of the Pershing 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 investment is issued, it will be held by Pershing or as Pershing 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 Pershing 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 Pershing 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 Pershing 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.