

# Terms and conditions

## Santander Sharedealing



### A. General conditions

#### 1 Introduction

- 1.1 Abbey Stockbrokers Limited trading as Santander Sharedealing ('SSD') provides an execution-only sharedealing service allowing you to buy and sell shares and other securities ('Investments'). This document details the general terms and conditions (the 'General Conditions' as detailed in Section A) and the additional specific terms and conditions (the 'Specific Conditions' as detailed in Section B – Pershing Securities Limited's General Terms of Business, Section C – Foreign Dealing, Section D – James Hay and Section E – ISA's) that apply to your Santander Sharedealing Account, whether it be the Share Organiser or Certificate Trader Account (referred to throughout as your 'Account'). Where reference is made to 'Conditions', we mean both the General Conditions and Specific Conditions.
- 1.2 These Conditions cover the provision of SSD's services to you through an arrangement (the 'PSL Agreement') with Pershing Securities Limited ('PSL'). Under this PSL Agreement, PSL provide clearing and settlement, safe custody, nominee and other associated services for those clients of SSD which we may introduce to PSL from time to time.

These Conditions set out the contract between the Account holder ('Account Holder', 'you' or 'your') and SSD and also between you and PSL, ('we', 'us' or 'our' being SSD and/ or PSL as appropriate). By acceptance of these Conditions

you agree that we are authorised by you to enter into the PSL Agreement on your behalf and that these Conditions will constitute the formation of the contract between you and SSD and also between you and PSL and that you will be bound by the terms of the PSL Agreement and the PSL Terms of Business as summarised in these Conditions. Please refer to Section B (PSL Terms of Business) for more details.

These Conditions are in addition to any other conditions, which are implied or included by law, such as your statutory rights as a consumer, even if they do not appear in these Conditions. These Conditions apply to your Account and use of the SSD services accessed either by the Santander Sharedealing Website ('the Website'), by telephone or by post, whichever is appropriate to the facilities you use.

- 1.3 These Conditions may refer to information which we may also give to you separately, for example in the SSD literature ('Brochure') and SSD scale of charges ('Scale of Charges'), which may change from time to time. Any reference to the Scale of Charges is a reference to the one that is prevailing at the time. A copy of the Scale of Charges is available from us. These details also form part of the contract between you and us. If you use your Account in respect of Foreign Dealing, in relation to your SSD ISA, or your James Hay SIPP, the Specific Conditions in other Sections will also apply. If a Specific Condition differs from the General Conditions, the Specific Condition will apply.

1.4 These Conditions and all transactions on your Account are subject to the rules of the Financial Conduct Authority ('FCA') and any successor thereto and will be entered into in accordance with the rules and regulations of the London Stock Exchange ('LSE') or other recognised exchanges. If you ask, we may also deal for you in circumstances in which the relevant deal is not regulated by the rules of any exchange, but if so, you should be aware that you forego the protections of exchange regulations.

1.5 We have a Conflict of Interest policy and Anti-Bribery and Corruption policy to prevent us making a financial gain or avoiding a financial loss at the expense of a client or from favouring one client at the expense of another. This policy covers such potential risks as might arise in:

- The aggregation of orders from more than one client.
- The matching of one or more client's orders with those of another client or clients (agency crossing).
- The executing of our staff trades.
- The receipt of any inducements other than from the client.
- The recognition and management of any actual conflicts that may arise and their resolution.

We will take every possible step to eliminate any conflicts of interest, and will ensure at all times that the interest of the client is given precedence. A copy of our Conflict of Interest Policy is available on request.

1.6 We also have an Execution policy which should be read in conjunction with these Conditions.

## **2 The Services**

2.1 If you choose to open a Certificate Trader Account, you will need to complete the relevant sections, sign and return the application form ('Application Form'). Once accepted by us this will enable you to buy and sell UK shares in certificated form only.

2.2 If you choose to open a Share Organiser Account, you will need to complete the relevant sections, sign and return the application form. Once accepted this will enable you to buy and sell UK and foreign Investments using the Nominee Facility (a 'Nominee Facility' is where your Investments are registered in the name of Pershing Nominees Ltd (PNL) (the nominee company of PSL)) (and usually held in electronic form) but you remain the beneficial owner (see Conditions 11 and 12 below ) and you may also use your Account in respect of your ISA or SIPP. You may also deal in certificated form where permitted.

2.3 The SSD service is generally only available to residents of the United Kingdom ('UK') (England, Scotland, Wales and Northern Ireland) that are aged 18 years or over and hold a sterling bank account. If we agree that you may operate your Account from elsewhere in Europe we will require additional details from you and may require you to deposit cleared funds prior to any purchases. If you receive any savings income from us, your details and the details of the income will be reported to Her Majesty's

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Revenue & Customs ('HMRC') as required under the EU Savings Tax Directive.

## **2.4 Your citizenship and use of your Account**

### 2.4 (a) US Persons

By accepting these Conditions you confirm that you are not a US person for the purposes of United States of America ('US') federal income tax, and that you are not acting for, or on behalf of, a US person. The definition of a US person includes, but is not limited to, US citizens, US residents, US tax payers or those who hold US dual nationality. A false statement or misrepresentation of tax status by a US person could lead to penalties under US law. In the future, should you become a US person, you agree to inform us immediately, to instigate the closure of your Account.

2.4 (b) Should information come to our attention which gives us reasonable cause to believe you are a US person, we will give you notice and close your Account.

2.4 (c) You agree that you will not place orders for the Account from the US, nor allow anyone else to do so.

## **2.5**

2.5 (a) We may be legally obliged to disclose information about you and your Account/s to HM revenue and Customs ('HMRC'), who may in turn pass this on to other tax authorities in line with international agreements or treaties that may be in force.

You agree that we may provide any documentation or information to HMRC that they may be obliged to share with an overseas Tax Authority in accordance with any law, legislation or regulation of the UK.

2.5 (b) You agree to provide us with personal information, declarations or certificates that we are required to retain by law within 30 days of us making a request to you to enable us to determine whether your Account/s details will need to be reported to HMRC or another Tax Authority in line with this condition 2.5.

2.5 (c) You agree to inform us promptly in writing if any of your personal information changes or there is any change in the circumstances following any certification that you may have provided to us.

2.5 (d) We will not be liable to you for any loss you may suffer if we disclose information in accordance with our legal obligations.

2.6 As the SSD service is an execution-only service we will not provide stockmarket, tax or any other investment advice.

The decision to buy, sell or hold Investments will be your responsibility. You should not ask for advice from our staff as they will not be able to assist you. If you need advice or are in any doubt about the merits of any transaction, or whether the use of the SSD service by you is suitable for your needs, please contact an independent financial adviser. Buying or investing in any instrument involves risk. The value of

investments can go down as well as up and you are not guaranteed to get back all or part of your original monies invested. Past performance is not a reliable indicator of present or future performance. In undertaking your instructions we are not required to assess the suitability or otherwise of such instructions for you and you should always seek advice from an independent financial advisor authorised by the FCA before undertaking any transactions of which you are unsure. Certain instruments may be unrealisable at the time you wish to sell them or may have become illiquid and therefore be subject to a restrictive market and it may be difficult or impossible to realise some or all of these.

- 2.7 Information on the features of your Account and the facilities available can be found in the Brochure or on our Website. If you are unclear as to what facilities are available on your Account please contact us.

### **3 Varying these Conditions and the Scale of Charges**

- 3.1 We may remove, change or add to these Conditions, the Scale of Charges, or to any details forming part of the contract between you and us by giving you at least 30 days prior personal notice in writing:

- to conform with or anticipate any changes in the law, or regulatory requirements, Codes of Practice or recommendations of the FCA, or a decision or recommendation by a court or relevant Ombudsman;

- to maintain the competitiveness of our business as a whole, taking account of actual or anticipated changes in market conditions, or to ensure that our business is run prudently, or to reflect our exposure to risk;
- to provide for the introduction of new or improved products, systems, changes in technology, methods of operation, services or facilities;
- to enable us to harmonise or change our charging arrangements;
- to reflect changes in the direct costs that we are required to pay others, or take account of inflation;
- to make them clearer or more favourable to you; or
- to rectify any mistakes that might be discovered in due course.

- 3.2 We may also remove, change or add to these Conditions or the Scale of Charges by giving you at least 30 days prior personal notice in writing, for any other reason which is valid, provided you are then free to close your Account immediately, subject to Condition 20.

- 3.3 However, if the change to these Conditions or the Scale of Charges is to your advantage we will give you notice within the 30 days following the change.

- 3.4 Any amendment which is made to comply with a change of applicable law or regulation shall take effect immediately unless we specify otherwise.

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## 4 Opening an Account

- 4.1 You can only apply to open an Account by completing, signing and returning the Application Form.
- 4.2 Once your application has been accepted by us and by PSL, we will open your Account with the telephone password supplied by you and give you a Client Reference Number. You are personally responsible for maintaining the security of your Account details and must not reveal these details to any person unless they have a joint Account with you or are authorised by you to have access to such information.
- 4.3 We reserve the right to refuse any application to open an Account and shall not be obliged to provide any reason for our decision.
- 4.4 As a private individual you may benefit from the Financial Services Compensation Scheme (FSCS) (see Condition 21 for details). We will categorise you as a retail client which means that you will be afforded the highest level of regulatory protection. However, you may not have access to the Financial Ombudsman Service (FOS) or the FSCS unless you are a private individual.

## 5 Joint Accounts

- 5.1 If your Account type can be held in joint names with another person and you apply for a joint Account, you agree that we may accept instructions to operate the joint Account from either party. You are responsible individually and together for complying with these Conditions and for activities occurring on your joint

Account, which includes being jointly and severally liable for any outstanding amounts owed on your Account. You must notify us immediately in writing if you no longer wish transactions to be undertaken for the joint Account. We will then send you the relevant forms to be signed by all parties to the Account to transfer over the title of the Investments held in your joint Account.

- 5.2 If a joint Account Holder should die, ownership of all assets held in the joint Account shall pass to the surviving joint Account Holder(s), who must provide us with a certified copy of the death certificate.
- 5.3 We will not be liable in the event of any loss to any party unless we have acted with negligence, fraud or wilful default in accepting instructions from any party to the Account.
- 5.4 Customers opening joint Accounts can only deal in the names of all Account Holders. If you wish to deal at any time in a single name, you will need to open a separate Account.

## 6 Contents and use of the SSD Website

- 6.1 Online access is only available to nominee Share Organiser Accounts, and will only be permitted once you have read the conditions displayed on the Website and selected 'I accept/I agree' as appropriate.
- 6.2 The Website is intended for viewing and use by Account Holders who reside in the UK, who are aged 18 years or over and hold a sterling bank account. We shall not be liable if the content

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of the Website or any viewing of it by you is contrary to the laws applying in the jurisdiction where you access the Website.

- 6.3 You should be aware that the Website is not a completely reliable or secure means of communication and we make no warranties as to the availability of the Website. The use of the Website is at your own risk. We shall not be liable in respect of your inability to use or access the Website due to circumstances beyond our reasonable control and this can include circumstances such as (but not limited to) downtime or lack of capacity.
- 6.4 The contents of the Website are protected under copyright, trademark and other laws and unauthorised use may infringe these protections. You must not modify, contaminate, violate or attempt to violate the security of the Website. Improper use of the Website may constitute an offence under the Computer Misuse Act 1990.
- 6.5 Any price information, news, or other information on the Website or linked to the Website is obtained from independent data providers. We cannot guarantee the accuracy, completeness, timeliness or correct sequencing of data. The information is not personal investment recommendations. We do not accept liability for loss or damage (including loss of profit) which may arise directly or indirectly from your use or reliance on such information.
- 6.6 We will take all reasonable steps to ensure the website is available for your use but will not be liable for any disruptions of service caused by circumstances beyond our reasonable control. In addition, there may be times when urgent upgrades or system maintenance require the suspension of the website and whilst we will endeavour to give notice of these interruptions you acknowledge that this may not always be practical or possible.
- 6.7 There are services and areas of our Website provided by third parties. We take care in the choice of these suppliers but cannot verify the information they provide or guarantee that it is correct.
- 6.8 We need to inform you that the market makers may cancel trades without prior notice to you if you are deemed to have dealt in multiples of the same shares within a short space of time and the aggregate of these trades exceeds the Maximum Quote Size i.e. the order has been deemed to have been split to allow execution electronically. Under these circumstances we will try to contact you before we take any action.
- 6.9 Whilst we take every care to ensure that the information shown on our Website in relation to your holdings is correct, there may be occasions when your Investments are in the process of being updated and consequently an incorrect holding may be shown, such as arising from corporate actions. We do not accept liability for any loss suffered by you for transactions carried out on these incorrect holdings. We will always correct such transactions with the market in accordance with the correct updated information. We will always endeavour to contact you first before taking such action.

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## 7. Buy or Sell Limit Orders

- 7.1 We may accept Limit Orders entirely at our discretion as to the investment, price, action and timescale. In particular we will only accept limits 'Good for the Day'.
- 7.2 We will use reasonable endeavours to trade at the price you have set but cannot guarantee that we can execute your order at the given price especially when prices are extremely volatile such as a 'fast market' or other customers have placed orders prior to yours at the same price. In addition, market makers may reduce the relevant market size which they will trade electronically or have removed a stock from electronic trading which may also prevent execution at the given price; and any other conditions beyond our control.
- 7.3 A purchase limit order will be taken into account when calculating your trading limit.
- 7.4 We will only accept sale limit orders for Investments you hold in the Nominee Facility.
- 7.5 We do not accept limits in Foreign investments – see Section C.

## 8 Your responsibilities

- 8.1 You warrant when applying for an Account and at any time you undertake a transaction that you are not insolvent, bankrupt or subject to any such proceedings or arrangements to do with your financial solvency.
- 8.2 You are responsible for any instructions you give to us. We will not be liable for any loss incurred as a result of carrying out your instructions provided we have not acted fraudulently, negligently or with wilful default.
- 8.3 You must notify us immediately if you become aware of any of the following:
- Unauthorised access to or use of passcodes.
  - If you receive a contract note with the wrong details on it.
  - If you fail to receive a contract note within three days of making an order.
  - If you receive a contract note for an order that you did not place.
  - If you have not received confirmation that a transaction you wished to place had been accepted; or that instructions not yet executed had been accepted for cancellation.
  - If you receive any other inaccurate or conflicting information.
- 8.4 Should any of your details change, or you wish to make any amendments, you must advise us in writing as soon as possible at the address in Condition 22.2. We may, at our sole discretion, accept telephone notification initially but will require subsequent confirmation in writing, for security reasons.
- 8.5 Once we have accepted and dealt on your instructions, legally binding obligations are created and cannot be revoked. Instructions can only be given in the Account Holder's name(s)

and cannot be accepted from a third party, unless an Authority to Deal form (which has been signed by the Account Holder/s and the designated third party) has been accepted by us. Where a third party has been appointed you should be aware that this does not confer upon the third party the right to any other information on your financial position.

8.6 When giving instructions you must not exceed any Dealing Limit that may apply on your Account (please see Condition 9). Please note that if you exceed your Dealing Limit you remain liable for transactions on your Account.

8.7 If you lose any share certificates or other Investment documents you will have to pay for duplicates. Please keep a note of the serial numbers of your share certificates and the date you post them to us. We are not responsible for any documents until we have received them.

8.8 For any Investments that you transfer to us to hold in the Nominee Facility for you or any Investments you ask us to sell for you, you warrant that they are free from any pledge, lien, charge or encumbrance and that you have an unconditional right to transact in such Investments.

## 9. Amount you can deal

9.1 Upon opening your Account you may be given a sharedealing limit ('Dealing Limit'). This will be available for normal market conditions and on the basis of the normal settlement date as detailed in Condition 11. You must still pay in full, before the settlement date, for Investments purchased using your Dealing Limit.

9.2 We reserve the right to review and vary, at our discretion, your Dealing Limit at any time. We are not obliged to provide any reason in exercising such discretion.

9.3 When buying Investments, the amount you can deal is the sum of:

- the value of any cleared cash in your Account (to the extent that it has not already been committed); plus
- your Dealing Limit to the extent that it is not currently being used.

We may add (in normal market conditions) up to 50% of the value of the settled stock held in our Nominee Facility.

Once your Dealing Limit has been reached further dealing will not be permitted until settlement has been completed on outstanding transactions. If we have previously agreed a transaction to proceed even though in breach of this Condition, we reserve the right to treat any further breach independently and to refuse to transact in such circumstances. Please refer to Condition 11.1 for Settlement information.

Online, the total of your Dealing Limit and cleared cash will show as your 'available to invest figure'. (This will also include up to 50% of the value of your settled stock if appropriate).

9.4 When selling investments using the Nominee Facility, you can only sell Investments that you already hold in it and which you have an unconditional right to sell. If you breach this Condition you agree to compensate and indemnify us for any losses that we may incur as a result of your breach.



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9.5 You can only sell certificated shares to the extent that your Dealing Limit is not currently being used for either buying or selling shares. You may only give instructions to sell Investments that you own or have the right to sell. Each time that you instruct us to sell Investments you represent and guarantee to us that you own or have the right to sell those Investments and agree to compensate us for any losses that we may incur if you do not own or have the right to sell the Investments.

## 10 Dealing

10.1 If you open a Certificate Trader Account you can only deal by telephone, in UK shares, and only in certificated form. If you open a Share Organiser Account you can deal in UK and foreign investments by telephone and UK Investments online.

10.2 When dealing by telephone or online we will give you an indication of the price, but that price may differ from the price at which we deal for you, reflecting price movements or because of the size of your order.

We do not generally accept dealing instructions by facsimile, telex or email.

10.3 The price at which your order is fulfilled will be notified to you at the time of dealing where possible or appropriate, and on the relevant contract note. We will dispatch a contract note no later than the business day following any transaction. An online version of the contract note will also be available through the Website by the end of market trading hours the same day. For overseas orders the contract note may not appear online until the next working day. Please also refer to Condition 8.3.

10.4 When placing an order we reserve the right to ask for advance payment for all or part of the purchase value. This may be required as either funds on your Account or cleared funds to be deposited prior to dealing. This may be required even if you are within your Dealing Limit.

10.5 We reserve the right to refuse to accept any order, carry out or allow any transaction. This may be, but not limited to, for events such as rights issues or capital reorganisations; where we do not have the documentation to enable us to proceed (including share certificates); have incomplete instructions that do not comply with these Conditions or the Account in question (including joint Account instructions and instructions on behalf of other persons); or if we are not reasonably satisfied that a transaction is legal, is allowed by relevant laws or regulations or where we are unable to verify your identity.

We will advise you promptly if we decline to deal, but are not obliged to provide any reason for our decision or to reimburse you for any loss you may suffer as a result.

10.6 The rules of the FCA require us to have a policy for achieving best execution when we execute transactions for your account, and for acting in your best interests when we pass transactions to third parties for execution. Under this policy we will seek to achieve the best terms we can for your deal through the market we deal in. A copy of our Best Execution policy is attached at the end of these Conditions. By accepting these Conditions you consent to our Best Execution policy and give express consent to us to execute your orders outside of a EU regulated market or multilateral trading facility if appropriate.

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10.7 You may give us specific instructions over the telephone or online as to how we are to deal, in particular you may give us a Limit Order (an order to buy or sell at a specified price limit or better and for a specified size) or an 'At Best' Order. Your specific instructions may not enable us to follow our best execution policy.

- Telephone Limit Orders: can only be accepted if you have a Share Organiser Account. These are filled on a 'best endeavours' basis. If a Limit Order is not immediately executed under prevailing market conditions, you instruct us not to make it public immediately unless we consider that it is in your best interests to do so. Such Limit Orders are 'good for the day', and cease to exist at close of market trading on the day taken, without further reference to you. With limit orders there is a greater chance of securing the price you wish to achieve, however there may be less chance of execution as your specified price may not be reached.

- At Best Orders: Transactions will be carried out by us as soon as practicable at the best price that can reasonably be obtained in the market at the time of dealing. You should note, however, that share prices could change materially between the time you give instructions to buy or sell and the time we are able to deal for you. With At Best Orders there is a greater chance of execution, however you cannot secure a specific price, as you are happy to proceed at the best possible price at the time of execution.

10.8 Your transactions may be aggregated with those of other customers, which may operate on some occasions to your disadvantage.

10.9 Instructions to deal in more than one company or class of shares will be transacted separately, and commission will be charged on each transaction.

10.10 If you wish to trade in complex instruments you must first complete an Appropriateness Form, which is available on request from us and read the relevant risk warnings enclosed with it. If we consider you have appropriate experience and therefore understand the risks involved in making such an investment, you may then be allowed to trade in complex instruments. If you do not provide us with sufficient information for us to make such a judgement, we will be unable to allow you to trade in complex instruments.

If you insist that we proceed we may allow this, at our absolute discretion, but you acknowledge that you may be trading in instruments which expose you to risks you are unable to assess and control.

We are not required to ensure that transactions in non-complex instruments are an appropriate investment for you. Examples of non-complex instruments are shares admitted to trading on a regulated market, money market instruments and bonds (except those incorporating a derivative element) and units in a UCITS (Undertakings for Collective Investment in Transferable Securities) scheme.

10.11 Unit Trusts and OEICs – We can no longer accept purchase orders in Unit Trusts and OEICs. For those existing customers who hold Unit Trusts and OEICs through us with PSL we will continue to hold these and will carry out any sales on your instructions.

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10.12 We cannot accept instructions in Unit Trusts if we believe you are engaging in short-term or excessive trading in such instruments.

10.13 There are no cancellation rights as laid down by the FCA after you have placed an order with us and have accepted our execution of your order.

10.14 Please be aware that the value of and/or the amount of shares permitted to be traded online via our Website is not within our control. This is set by the Market Makers/Retail Service Providers that we transact with. An individual investment's tradeable amount may be subject to change without any notice to us or by us dependent upon market conditions.

10.15 Using our Online Trading Facility

You may place a Limit or Stop loss order online for a period up to 90 calendar days. A Stop Loss is when you place an order to sell shares at a certain price or below in order to limit losses. We reserve the right to cancel these limits without prior notice if we have reason to believe the transaction is illegal or fraudulent.

10.16 Limit Orders/Stop Loss Orders

If you place a Limit Order or a Stop Loss online you are required to:

- review these orders on a regular basis to ensure you are aware of your outstanding commitments and that they remain in line with your current investment objectives.
- We will use reasonable endeavours to trade at the price you have set but cannot guarantee that we can execute your order at the given price, especially when prices are extremely

volatile or other customers have placed orders prior to yours at the same price. In addition, market makers may reduce the relevant market size which they will trade electronically or have removed a stock from electronic trading which may also prevent execution at the given price. We also may not be able to execute the order at a given price if any other conditions beyond our control prevent this.

A purchase limit order will be taken into account when calculating your trading limit and once a limit is set the funds will be ringfenced until the order is traded or cancelled.

We will only accept sale limit orders for Investments you hold in the Nominee Facility. Once the sale limit is set, this stock is ringfenced until the order is traded or cancelled.

Limit Orders are designed to trigger trades when your price conditions are met and Stop Losses if the price falls to your set price. Such orders may still execute if the share price falls below your stop loss price and we will continue to attempt to place your order as soon as possible which may result in us trading at a lower price depending on market conditions. We do not accept any liability for any loss, costs or expenses incurred as a result of using the Limit Order and Stop Loss service. Please see the Website for further details of our Limit Order and Stop loss facility.

You may cancel or amend your online Limit Order or Stop Loss order providing that it has not been executed or is not in the process of being executed. It is your responsibility to check

that your instruction to cancel or amend has been registered on the Order Management Page on the Website.

We reserve the right to cancel any outstanding transaction without notice where we believe there is sufficient reason and/or if there is a breach of these conditions. This may include,

- where we receive a request from the relevant exchange, or
- where we believe it is necessary to maintain an orderly market or,
- where it is deemed you have dealt in multiples of the same shares within a short space of time and the aggregate of these trades exceeds the maximum quote size i.e. the order has been deemed to have been split to allow execution electronically. We shall not be responsible for any loss or expenses incurred as a result of the cancellation of a transaction in such circumstances provided we have not acted negligently.

We will not be liable in the event that the Limit Order and Stop Loss Service becomes unavailable due to downtime or lack of capacity.

Please also refer to condition 10.7.

#### 10.17 Routing Online Orders to a Dealer

If you attempt to trade online and an electronic quote is not possible you will be able to submit your trade to a dealer for execution. This order

can be submitted either to be traded 'At best' or with a limit price that is 'good for the day'.

- **At Best Orders:** Once an 'At best' order has been submitted to a dealer, this will be traded as soon as practicable at the best price that can reasonably be obtained in the market at the time of dealing. Once submitted to our Dealers, this order cannot be cancelled.
- **Limit Orders:** If you choose to route a failed electronic order for execution to our Dealers with a limit price, this will be done on a 'good for the day' basis. If the order is not transacted it will be cancelled at 4.30pm that day. If you wish to amend the limit price you will need to contact us by telephone for our Dealers to change this.
- **Bond orders:** Some Corporate and Government Bonds can only be dealt in units e.g. in 1000 lots or have a minimum order value requirement. If you submit an order to our Dealers in a bond that does not meet the order requirements, we will round down the order to the nearest unit. If the order you submit is below the minimum order value, we will endeavour to contact you by email, secure message or telephone to discuss your order. In the event we cannot contact you, we will cancel the order if it cannot be fulfilled.

## 11 Settlement

### 11.1 Settlement in general

The normal settlement period for UK shares held in certificated form is 10 business days.

For UK shares held in the Nominee Facility the normal settlement period is 5 business days.

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However, you may request any other period up to 10 days, though this may affect the price obtained. Your Dealing Limit may not apply in such circumstances and you may be requested to provide an advance payment for part or all of the purchase stock value.

Each sale or purchase will be treated separately for settlement purposes, with the exception of undertaking closing bargains using the Nominee Facility.

#### 11.2 Paying for shares you have bought

- a. Unless sufficient funds are held on your Account, payment must be received by us for the full amount shown on the contract note no later than 3 business days before the settlement date. The only methods of payment are:

**By Direct Debit** from your bank account – a mandate is available upon request.

**By Debit Card.** The debit card must be in the same name as the Account Holder. We are unable to accept payments by third parties.

**By cheque made payable to Pershing Securities Limited.** This must be a sterling cheque drawn on a UK Bank or Building Society account in the same name as the Account Holder(s). We are unable to accept third party cheques.

**By banker's draft or counter cheque issued by a UK Building Society or Bank** with the name and address of the Account Holder(s) formally confirmed by the issuer of the draft or cheque.

- b. We are unable to receive from, nor pay to, a non UK bank account.
- c. We reserve the right to charge you a handling fee to cover the costs of administration involved in processing any dishonoured payment. Please see our Scale of Charges.
- d. If we receive funds on or after the settlement date you may be required to pay additional charges in the form of administration fees and interest in accordance with the Scale of Charges. You will also be liable for any fines or additional charges levied by the relevant exchange, clearing, depository or settlement service. If money owed is overdue we may keep any of your investments under our control until the money is paid. If we have not received the funds required by the settlement date we may re-sell or buy back any outstanding deal. We will not be responsible to you for doing or not doing so, and you will be responsible for all costs and liabilities incurred.

We may also remove your Dealing Limit and require you to have cleared funds in your Account before we accept any further trading instructions.

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### 11.3 Settlement for shares you have sold

Your entitlement to a dividend or other benefit is determined by the date you buy or sell. In general the right to a dividend or other benefit moves with a security unless it is quoted ex-benefit on the date of dealing. For shares sold cum-dividend (with benefit), we may retain the amount of dividends (or benefits) due and pay you the value of the sale less this amount (and our commission on the sale). If you receive dividends or other benefits that you are not entitled to, you must return them to us. We will send these amounts on to the person that is entitled to them. We may take these amounts from your Account or claim them from you.

Where a transaction is carried out on an exchange it will be settled in accordance with the rules of that exchange. The date of settlement is on the contract note.

For the sale of certificated shares, you agree to provide us with all the necessary certificates, transfers and other appropriately completed documents for the purpose of settlement. If we are required to provide evidence of your authority to sell shares (for example Grant of Probate or Power of Attorney), we may apply an additional charge, details of which are in our Scale of Charges.

We will need to receive the necessary documents at least three business days before settlement date if you are to be paid on time. If we receive documents on or after the settlement date you may be charged extra as detailed in our Scale of Charges.

You will also be liable for any fines or additional charges levied by the relevant exchange, clearing, depository or settlement service as a result of your failure to deliver stock.

If we have not received complete and valid documents by the settlement date we may buy back or re-sell any outstanding deal. We will not be responsible to you for doing or not doing so, and you will be responsible for all costs incurred.

We may require you to send us the certificate and a signed transfer form before we undertake the sale. However, you should note that if you subsequently decide you do not wish to proceed with the sale we cannot keep the certificate and will return it to you immediately.

We can only settle your transaction when we receive settlement from the market. For investments bought and then subsequently sold during the initial settlement period (closing bargains) we will endeavour to link these bargains wherever possible but cannot guarantee this. Where settlement is delayed this may affect your ability to use your Dealing Limit to trade further until full settlement has taken place.

The available net proceeds will be sent to you by cheque unless you have opted to retain them on your Account, or transferred electronically to your bank account (which can take approximately three business days to clear).

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We may retain the proceeds of your sales to the extent necessary to pay purchase costs due within one business day following the sold settlement date or otherwise if you owe us any money.

Your preferred method of payment will be that agreed at the time you opened your Account, or as subsequently agreed with us in writing.

No payments to a third party will be made.

## 12 Custody Services

Please refer to Section B clause 8.

## 13 Nominee Facility: entitlement to dividends and other benefits

13.1 We will be responsible for claiming and receiving dividends, interest payments and other rights accruing. We will only accept dividends in the form of cash (unless there is no cash option available) other than for Santander shares.

13.2 We will endeavour to notify you promptly of impending corporate actions and will seek your instructions to:

- exercise conversion and subscription rights;
- deal with takeovers or other offers or capital changes; or
- exercise voting rights.

All instructions regarding the administration of Investments held by PSL should be made to us in accordance with Section A Condition 8 above.

We do not accept from, or send instructions to, third parties unless a valid Power of Attorney has been established for this purpose or you have completed a valid Authority to Deal form and this has been accepted by us. Corporate action advice (notification) letters will only be sent to the correspondence address, which may not be the address of the Attorney. If there is a compulsory acquisition notice issued in respect of a take over we will accept the basic offer.

13.3 We will not be responsible for taking action if your instructions:

- are not received by us by the stated time;
- are received too late for processing; or
- you have insufficient funds in your Account.

In this case we will allow the event to lapse. We shall have no liability if any corporate action advice fails to reach you or if we are unable to contact you.

13.4 If a company has a bonus or similar issue, we will automatically credit your Account with the new investment. The proceeds of any redemption will be credited to your Account and we will let you know this has been done.

13.5 You may take up rights outside your Account, in which case we will do this for you and arrange for the shares to be re-registered in your name. We may charge for doing this. If you do not give us enough time to act on your instructions, we will not act on the rights issue and will credit any proceeds to your Account.

13.6 Where a company or registrar issues offer documents in respect of an optional corporate action, we are not obliged to forward such documents to you. To obtain offer documents you should contact the registrar of the company concerned.

13.7 If you have accepted a takeover in respect of an investment you should not sell such investment or accept any further takeover offer unless the original offer lapses. Where investments have been sold in these circumstances it may be necessary to repurchase the relevant investment on your behalf. You will be liable for any charges, costs and/or expenses we incur as a result.

13.8 Fractional benefits:

Any investment you receive as a result of a takeover, conversion or other offer will be rounded down to the nearest whole share or unit. We will keep any amount remaining.

An effect of 'pooling' can be that following an allocation or share issue that favours the small investor, your allocation may be less than it otherwise would have been. See Section B clause 8.5.

13.9 If you have set an online Limit Order or Stop Loss and there is a subsequent corporate action in the shares, it is your responsibility to cancel this order via the online Order Management page on the Website. You will be liable for any charges, costs and/or expenses incurred.

## **14 Charges, commission and other fees**

14.1 Commission, charges and fees etc. are charged in accordance with the prevailing Scale of Charges as updated from time to time in accordance with Section A Condition 3 above. You may incur costs or taxes that are not paid via us or imposed by us. Your tax position depends on your individual circumstances and may be subject to change in the future.

14.2 You agree to pay all duties, taxes (including VAT where applicable) or other charges levied by the United Kingdom Government, LSE, Irish Stock Exchange or other authorities, arising from dealing instructions given by you. In the event of fees due remaining unpaid we may apply any cash or sell or realise any investments in payment of taxes, fees, commissions and/or expenses payable by you.

14.3 Other than as provided for in Section A Condition 10.11 above we may share with, or receive from, third parties fees or commissions. On certain funds held in the Nominee Facility over a qualifying period we may receive a renewal or 'trail' commission. This differs depending on the fund provider and the particular fund and is retained by us.

14.4 In the event that a service is required which the current Scale of Charges does not provide for, we reserve the right to charge you for that service at a rate which will be notified to you before the service is undertaken.

14.5 Should you fail to settle any outstanding fees, duties, taxes or other charges in a timely



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manner, we may apply cash from your Account, or sell any Investments from your Account, to cover the outstanding amount. We will not be responsible to you for doing or not doing so, and you will be responsible for all costs incurred, including commission.

14.6 If you have completed a Direct Debit Instruction form for your Sharedealing Account, any outstanding fees, duties, taxes or other charges will be collected by direct debit, unless there are sufficient funds to cover the fee on your Sharedealing Account.

## 15 Default

15.1 If you fail to settle by the date shown on your contract note, or a valid certificate and stock transfer (CREST) form are not received by us by the settlement date, you are in breach of these Conditions and we or PSL will take a general lien or security interest over your Investments held in safe custody. We may (without prejudice to any other right or remedy and without liability for any loss or loss of profit or gain you may incur):

- cancel, close out, terminate or reverse all or any contracts; and/or sell, charge, pledge or otherwise dispose of or deal with any investment or other asset held for you; and/or
- 'Buy In' stock from the market to close an outstanding sale where we have not received a valid certificate or CREST transfer by the settlement date.

Note: if closing out or a 'Buy In' results in a profit, you will not be entitled to receipt of the proceeds.

15.2 In the event of the above we (or PSL) are entitled to:

- full reimbursement of any costs or expenses which we incur;
- retain or offset monies due to you against monies due to us;
- do or not do anything (including the application of client money held for you) which would or could have in our opinion the effect of reducing or eliminating liability under any transaction, position or commitment undertaken for you;
- pass any outstanding debt to a third party to pursue; and charge you extra in the form of administration fees or interest, in accordance with the Scale of Charges and pass on any stock exchange, clearing, depository or settlement service fines or levies if:
- you fail to pay any money or provide shares due or your bank refuses to pay on your behalf.

15.3 In exercising our rights under this Condition 15, we shall not be liable to you in respect of any choice made by us in selecting the Investment/s sold. The proceeds of sale (net of costs) will be applied in or towards discharge of your liabilities and we will account to you for any balance. In the event that such proceeds are insufficient to cover the whole of your liabilities, you remain liable for the balance.

15.4 In addition to the provisions of Conditions 15.1 and 15.2 above we may also remove your Dealing Limit and require cleared funds to be deposited with us prior to actioning any further

purchases after the outstanding balance has been cleared.

## **16 Liability**

- 16.1 We do not accept liability for any losses suffered by you or any other person for whom you are acting arising from any action, error or omission on our part or from any breach of our obligations to you under these Conditions or otherwise except where such losses are a result of fraud, wilful default or negligence by us or our nominees. We will not be liable for any indirect, consequential, reputational, market or dealing losses. Nothing in these Conditions shall exclude or restrict any obligation owed to you under the regulatory system (as defined in the rules of the FCA). Your rights under the regulatory system or any other statutory rights you may have are not affected in any way by these Conditions.

For further information about these rights you can contact your local authority Trading Standards Department or Citizens Advice Bureau.

The FCA website [www.FCA.org.uk](http://www.FCA.org.uk) also has a consumer section.

- 16.2 You agree to indemnify us on demand (whether before or after termination of your contract with us) against any claims, liabilities or expenses incurred by us as a direct result of us acting under these Conditions. This indemnity shall not apply to any loss to the extent it arises or results from our negligence, fraud, or wilful default or any contravention by us of any applicable rules of the FCA or of the UK Financial Services and Markets Act ('FSMA').

- 16.3 Our liability will be limited to the replacement of Investments or monies (including interest) lost as a direct result of our act or failure to act.

- 16.4 We will not accept responsibility for postal delays or responsibility for documents before we receive them or after they have been sent to you. Any charges relating to the recovery or replacement of lost documents will be your responsibility.

- 16.5 Our liability for death or personal injury by our negligence (or that of our employees) or for fraudulent misrepresentation shall not be limited.

- 16.6 We will not be responsible for any delay in settlement or issuance of share certificates resulting from circumstances beyond our control; or the failure of any other party to complete all necessary steps to enable settlement to take place on settlement date or the certificates to be issued.

This includes the failure of any counterparty to the transaction to settle on settlement date, and the share registrar or CREST from processing the transaction promptly.

## **17 Inability to provide services**

- 17.1 If we are unable to provide the Santander Sharedealing service generally or any particular element of the Santander Sharedealing service because of any causes beyond our control, including, but not limited to, failure of communication, computer systems, equipment, power supplies, industrial action, or the

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suspension of trading or service by any exchange, clearing house or depository, or if there is a delay or change in market conditions and any indicative price available to you before the transaction was effected, we will not be liable to you for any loss or expense you may suffer.

- 17.2 Our telephone or internet lines may be engaged or otherwise unavailable. We accept no responsibility for any adverse price movements that may occur during such delays or our inability to communicate with you or any difficulties in accessing or using the Website.

## **18 Assignment**

- 18.1 Future developments in the structure or organisation of SSD or its parent company (Santander UK plc) or any other companies within the Santander Group or agents appointed by it or them may necessitate us or PSL changing the provider of all or part of the services provided by either us or PSL to a third party outside the Santander Group or PSL Group. In which case SSD or PSL ( as applicable ) will however remain responsible for the performance of any services so delegated by it in accordance with these Conditions but this will not affect the agreement you have entered into with us or PSL. In the event of this happening we will give you advance notice of such a change. Once you have received such notice your continued use of the SSD service will be deemed acceptance of the change. You may however terminate your agreement with us at any time after the notice is served if you are unhappy with any of the arrangements put in place.

- 18.3 You may not assign your obligations under these Conditions to a third party.

## **19 Termination**

- 19.1 You may terminate your contract with us at any time by giving us notice in writing, which shall take effect from the date we receive the notification from you. If you have a joint Account, both Account Holders must sign the notice.
- 19.2 We may terminate your contract by sending you notice in writing to the last known postal address we hold for you. We may terminate the contract for any valid reason. We will, wherever possible, give you 30 days' notice unless there are exceptional circumstances e.g. fraud. You may be prohibited from dealing during this notice period. We may only allow you to make sales from your existing Investment portfolio.
- 19.3 Termination will not affect the completion of any transaction at the date of termination, nor will it affect your liability for any charges properly incurred in the completion of such transactions or monies otherwise owed to us.
- 19.4 Termination will not affect any of our rights or remedies in existence at the time of termination.
- 19.5 We may close your account without writing to you or giving you notice if it remains unused and is due for closure under our prevailing dormancy policy (which is currently one year of inactivity). If you would like to know the prevailing timescale of our dormancy policy, please contact us.

19.6 You have the right to cancel your contract with us if you are a natural person and you are entering into it without having had face-to-face contact with us or our representative and you are not entering into it for the purposes of your business, trade or profession. You can cancel your contract with us within 14 calendar days from the date on which we notified you that we have accepted you as a client (the 'Cancellation Period'). English Law forms the basis for the establishment of our relationship before the date on which we notify you that we have accepted your application.

19.7 We will only provide services during the Cancellation Period at your request. You make this request by instructing us to act on your behalf in relation to an order. You may cancel your contract with us at any time during the Cancellation Period, unless the performance of our services under these Conditions has been fully completed at your request before we receive notice of cancellation, but you will be obliged to pay our fees and charges for services provided during the relevant period and will be liable for any transactions entered into prior to cancellation (whether or not settled or completed) and any related costs we have incurred at your request.

19.8 To exercise your right to cancel your contract with us you must write to the Customer Service Manager at the address in this Section A Condition 22 within the Cancellation Period and notify us of your cancellation. If you have entered into more than one contract to which cancellation rights apply please specify whether your cancellation applies to one or all of the

contracts. If you do not exercise your right to cancel we will provide the agreed services until our relationship is terminated by you or us in accordance with this Condition 19.

## 20 Complaints

20.1 If you wish to make a complaint about Santander Sharedealing please send this in writing to:

Customer Service Manager  
Santander Sharedealing  
Kingfisher House  
Radford Way  
Billericay  
Essex CM12 0GZ

20.2 If you are still not satisfied with our response you may write to:

The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR

Any such action will not affect your right to take legal action.

21 Financial Services Compensation Scheme

21.1 We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the Scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. The maximum level of compensation you can receive from the Scheme for a claim against an investment firm is £50,000. You

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can get more details from us, directly from the Financial Services Compensation Scheme online at [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting them at:

Financial Services Compensation Scheme,  
7th Floor, Lloyds Chambers,  
Portoken Street,  
London, E1 8BN.

Tel: 020 7892 7000.

## 22 Notices

- 22.1 Any notice under these Conditions or other documents must be given in writing as follows: to us, at

Santander Sharedealing  
Kingfisher House  
Radford Way  
Billericay  
Essex CM12 0GZ

to you, at the last known postal address we hold for you.

## 23 Governing law/regulation

- 23.1 These Conditions shall be governed by English Law and both parties submit to the exclusive jurisdiction of the English Courts. Any contract made between you and us pursuant to these Terms and Conditions will be in the English language and communications from us will be in English.

The Specific Sections below are in each case in addition to the General Conditions set out in Section A above

## Section B

Pershing Securities Limited Terms of Business

### 1 Relationship between you, us and Pershing Securities Limited ('PSL')

- 1.1 To help us provide our services to you we have entered into an agreement with Pershing Securities Limited ('PSL') under which PSL provides **clearing and settlement, safe custody** and other associated services to our clients ('the PSL Agreement') in order to carry out the investment transactions we execute or arrange for our clients and to hold the related investments and cash. When we consider it necessary or desirable in connection with our services to you, we may agree with PSL that it will also provide other services, such as investment dealing services, under the PSL Agreement. The PSL Agreement covers both us and you as one of our clients. Please note that any terms set out in bold in these terms of business are described further in the Glossary which is set out in Annex 1 to these terms of business and relates to this Section B only. PSL is a company registered in England, company number 2474912. Its registered office is at Capstan House, One Clove Crescent, East India Dock, London E14 2BH. PSL is authorised and regulated by the Financial Conduct Authority ('FCA'). PSL is also a member of the London Stock Exchange ('LSE').

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- 1.1 So that you can understand your rights and obligations in relation to the PSL Agreement, the main terms of the PSL Agreement which affect you are summarised below. If you have any questions about the PSL Agreement or these terms of business you should contact us to discuss this as soon as possible, and before you accept these terms of business or instruct us to act for you. As with any agreement or contract, you should also take any independent legal, financial or other advice which you think you need before accepting these terms. The actual PSL Agreement is a confidential document between SSD and PSL and is not available for inspection.
- 1.2 By accepting these terms of business,( 'Terms') you agree that:
- (a) we are authorised to enter into the PSL Agreement on your behalf, acting as your agent;
  - (b) accepting these Terms means that there is a contract between you and us and also between you and PSL. As a result of that contract, you will be bound by both these Terms of business and the PSL Agreement (as set out or summarised below);
  - (c) we may give instructions to PSL on your behalf as allowed by these Terms and the PSL Agreement and may provide information about you to PSL. When PSL receives such instructions or information from us, PSL is entitled to rely on them without making any further checks or enquiries; and
  - (d) PSL is authorised to hold cash and investments on your behalf and can transfer such cash or investments from your Account to meet your settlement or other obligations to PSL.
- 1.3 When you read these Terms, it is important you understand that you will be a client or customer of ours, but you will also become a client of PSL for settlement and safe custody purposes.
- 1.4 We retain responsibility (including responsibility for complying with any related regulatory requirements of an execution-only business) and PSL shall not have any responsibility for the following matters:
- (a) our own operations;
  - (b) the opening of an Account for you;
  - (c) the supervision and operation of your Account for you;
  - (d) our ongoing relationship with you;
  - (e) making all necessary anti-money-laundering compliance checks;
  - (f) accepting and executing orders for investment transactions, following your instructions or within the mandate given by you;
  - (g) 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;
  - (h) reviewing your Accounts for market abuse, insider trading and compliance with FCA

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Rules and any other applicable legal and regulatory requirements to which we or you may be subject; and

- (i) giving instructions to PSL which are proper, accurate and in accordance with any instructions or mandate you give us.

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

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

2.1 For the purposes of the rules of the Financial Conduct Authority ('FCA Rules'), you will be classified as either a retail client, professional client or an eligible counterparty. PSL will rely on information received from us in relation to your status and will adopt the same client classification for you. We will notify you in writing if there is any change to this position.

2.2 If you hold an account jointly or otherwise hold investments jointly, with any other person, then you and any such other person(s) shall have **joint and several liability** to PSL. Examples of situations where such **joint and several liability** may arise are as follows:

(a) Joint account holders: As well as joint account holders being jointly and severally liable in the way described above, any payment or accounting made by PSL to any one or more of those account holders will be treated as made to all of them.

(b) Trustees: As well as the trustees of any trust being jointly and severally liable to PSL in the way described above, PSL will treat the trustees as its client and not any beneficiary of the trust. Any payment or accounting made by PSL to any one or more of the trustees will be treated as made to all of them.

(c) Partners: If a partnership is PSL's client then each partner will be personally, jointly and severally liable to PSL in the manner described above. Any payment or accounting made by PSL to any one or more of the partners will be treated as made to all of them.

(d) Agents: If you are an agent acting on behalf of someone else (whether or not that person (the 'Principal'), has been identified to PSL as the person for whom you act) you will be treated as PSL's client under the FCA Rules and you will also be fully liable to PSL under these terms as if you were acting for yourself. You and your Principal will be jointly and severally liable in the manner described above.

## 3 Your Accounts with PSL

3.1 PSL will open and maintain accounts on its books in your name in order to provide its services to you. When PSL receives any cash and investments from you, or on your behalf, then it will record them in your Account/s.

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3.2 PSL will have the right at its absolute discretion to stop providing services under these terms and close any Account/s it holds and maintains in your name which may occur, for example:

- (a) if PSL is obliged to stop providing services under any applicable law or regulation (such as anti-money laundering provisions);
- (b) if PSL is not able to provide the services effectively or providing the services would materially adversely affect PSL's operation;
- (c) where you are in material breach of these Terms or we are in material breach of the terms of the PSL Agreement;
- (d) if providing the services to you or to us in relation to your Account will have a materially adverse effect on PSL's reputation; or
- (e) if your liabilities in relation to your Account and amounts owing by you to PSL, exceed or are likely to exceed the value of the cash and Investments PSL holds for you.

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

3.3 Contract notes will be sent to you and the trustee an online version of the contract notes will be available through the Website.

3.4 If either you or PSL decide to close your Accounts with PSL you will need to give instructions on the future custody of your Investments so that PSL can transfer your money and investments (after deducting amounts

owed to it) to your new service and custodian provider?

#### **4 Communication and Instructions**

4.1 If we have classified you as a retail client under the FCA Rules, PSL will only accept instructions for your Account/s from us and not directly from you.

4.2 If you are a professional client under the FCA Rules, PSL may agree to accept instructions direct from you, but only if there has first been a separate specific agreement with PSL setting out the manner in which instructions will be given and other relevant conditions, including clarification of your investment mandate and/or any other assurances that PSL may require.

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

4.4 There may be circumstances where PSL refuses to accept any order or other instruction for your



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Account. For example, PSL may do so for any of the reasons set out in Clause 3.2 paragraphs (a) (e) above or where :

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

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

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

## 5 Dealing

- 5.1 Normally we will be responsible for executing any order or transaction on your behalf. This means that PSL will not owe you a duty of best execution under the FCA Rules or otherwise when it carries out transactions executed by us on your behalf. We shall be responsible for ensuring best execution and for any decision to aggregate transactions for you with those of other people.

5.2 We may sometimes agree with PSL that it is to execute transactions for your Account when we transmit orders to it. If we do this, we have agreed that, rather than you, we will be PSL's client for the purposes of the FCA Rules. In order for PSL to provide dealing services for your Account, you need to ensure that:

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

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

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

- (a) execution by PSL will be subject to the FCA Rules and the rules of any investment exchange or other trading facility on which the transaction is executed;
- (b) PSL will treat the instructions we give them as binding on you. Any express instruction from us to PSL on your behalf concerning order execution will override PSL's order execution policy and will remain binding on you;
- (c) PSL will execute such orders in accordance with PSL's order execution policy as amended from time to time, a summary of which is set out on PSL's website on [www.pershing.co.uk](http://www.pershing.co.uk) under 'compliance disclosure'. By your acceptance of these Terms, you confirm your consent to the execution policy and acknowledge that it may be amended from

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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 3 hereto 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.

## 6 Settlement of Transactions

- 6.1 When transactions are undertaken on your behalf, they will be due for settlement in accordance with market requirements and the relevant contract note or advice. These settlement terms will vary dependent upon the

market and securities dealt in. The contract note will specify the settlement date.

As stated above, it is your responsibility to ensure that PSL receives the necessary investments, documents or cash (as the case may be) in order for PSL to settle the transaction on your behalf. PSL must receive any cash in cleared funds in sufficient time prior to the settlement date in order that it can make the necessary payment.

- 6.2 You hereby undertake that any cash or investments held by or transferred to PSL by you will be free from any right of a third party to make claims against that money or those investments. In particular, it is your obligation to make sure that no other person will be entitled to:
  - (a) security rights over them, such as a **mortgage** or a **charge**;
  - (b) any right to withhold or retain them, such as a **lien**;
  - (c) any other rights to have any of the cash or investments paid or transferred to them or to prevent any transfer of such cash or investments from going ahead; or
  - (d) any right to be paid all or any of the proceeds of a transaction;

so that settlement on your transaction can take place.

- 6.3 In order to settle transactions on your behalf, PSL will need to deal with the other party to the transaction (the 'counterparty'). If a transaction

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- has to be settled through a **CCP** or **CSD** the specific provisions set out in Annexes 2 and 3 hereto shall apply.
- 6.4 You agree that you will not have any rights to cash or investments which are due to be received by you following a transaction until you have performed your own obligations in relation to that transaction and PSL has been able to settle that transaction on your behalf. Similarly, PSL has no obligation to account to you for any such cash or investments until you have performed your obligations and the transaction has been settled. Until that has happened, PSL is entitled, without giving you any further notice, to sell or otherwise dispose of any such investments and apply the proceeds or any cash it receives in relation to the transaction in order to discharge or reduce any of your obligations in relation to the transaction.
- 6.5 PSL is not obliged to credit any cash or investments it receives to your Account until it has received them in irrevocable and unconditional settlement of the relevant transaction without the sender being able to reverse the settlement or require redelivery. If for any reason PSL does credit cash or investments to your Account earlier than this and PSL reasonably considers that irrevocable and unconditional settlement is unlikely to take place then PSL will be entitled to reverse the entry and require you to give back or redeliver the cash or investments or their equivalent.
- 6.6 In some cases, transactions will be subject to **netting**. You agree, in respect of any transaction which is subject to **netting**, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant **CCP**, **CSD** or agreement with the counterparty. You acknowledge that if net settlement takes place then PSL will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.
- 6.7 If a transaction is undertaken on your behalf on non-UK markets, the specific provisions set out in Annex 3 hereto shall apply.
- 6.8 Transactions executed on your behalf may settle in the books of a CCP, CSD or other body or custodian combined with transactions for the account of other clients of ours. If this happens then PSL will allocate between our clients the cash or investments received by it or on its behalf as a result of the settlements in accordance with the client trades we have notified to it. If PSL receives cash or investments for trades that were intended to settle at the same time (but which, for whatever reason, do not do so), then PSL will allocate that cash or investments received by it on the following basis:
- (a) in accordance with any priority for settlements determined by PSL prior to the transactions taking place;
  - (b) if transactions have the same priority, then the allocation will be in order of time, by reference to the intended settlement date of the transaction which we specified to PSL, so that the earliest in time will settle first in each case;
  - (c) where transactions have the same priority

and intended settlement date, then the allocation will be by value so that the larger or largest trade by value (not by number of units or size) will be settled first in each case.

- (d) where these allocations are necessary, they will also be subject to the operation of the relevant CCP, CSD, custodian or other entity. Such operations may include a **netting** rule or practice, automatic splitting of unsettled transactions or other automatic aggregation, splitting or allocation.

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

## **7 Client Money**

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

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

- 7.3 When PSL holds your money in a client account it may be pooled with money belonging to other clients of PSL. Where funds are pooled in this way, you will not have a claim for the specific sum in a specific account. Your claim would be against the client money pool in general and if there is a deficiency in the pool you would share pro rata in that loss.

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

- 7.5 If any of your money held by PSL is unclaimed after a period of six years, PSL may cease to treat that money as client money and may include it as part of its own assets. PSL will only do this after it has taken reasonable steps to trace you and return any balance to you. If you then later show a valid claim for the money to PSL, it may then pay you any amount owed to you.

- 7.6 Sometimes we or PSL will undertake a transaction for you which requires your money or Investments

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to be passed to an **Relevant Party** in order to meet the obligations under that transaction or as **Margin** or **Collateral**. When a **Relevant Party** is involved then any money or Investments passed to the **Relevant Party** may be at risk in the event of its insolvency. By accepting these Terms, you acknowledge that this is the case.

- 7.7 Please refer to the provisions of Annex 3 hereto which will apply if your money is held by a credit institution or bank outside the UK or EEA.
- 7.8 PSL may use a bank which is affiliated to us or PSL to hold client money on your behalf.

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

- 8.1 Subject to clause 8.2 below, where PSL holds Investments for your Account it will register those Investments in the name of a **nominee company** controlled by PSL or by a member of PSL's group.
- 8.2 In some situations, for example where the rules of a particular market or **CSD** require, PSL will register your Investments in the name of an **Eligible Custodian**. PSL will not usually register investments in your name but if it is required to do so, you shall remain responsible for the consequences of any such registration.
- 8.3 If your Investments are held overseas the provisions of Annex 3 hereto shall apply.
- 8.4 When your Investments are held by a depository or an **Eligible Custodian**, such depository or **Eligible Custodian** may have rights against

your Investments, 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.
- 8.5 PSL shall keep a record of your entitlement to your Investments in situations where PSL or an **Eligible Custodian** (or a **nominee company**) have registered or recorded your Investment in a combined account or pooled in some other way with investments belonging to other clients of ourselves, of PSL or of the **Eligible Custodian**. In such a situation you should note the following effects:
- (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 rated basis with any other investors;
  - (c) sometimes PSL will receive investments

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- 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 your actual allocation may be less than it would be if your investments were registered in your own name; and
- (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.
- 8.6 Any instructions you wish to give about the administration of investments held by PSL should be given to us in writing for us to send to PSL. We will not accept instructions from anyone but you and will not send instructions to other people on your behalf unless in either case you have previously provided us with a copy of a valid Power of Attorney authorising us, or the relevant person, to send such instructions.
- 8.7 PSL will inform us of any rights issues, takeover offers, capital reorganisations, conversion or subscription rights (collectively 'corporate actions') that affect or relate to investments held on your behalf by PSL or an **Eligible Custodian**. It will do so as soon as reasonably practicable after receiving notice of those events. We will, in turn, inform you.
- 8.8 You should contact us and not PSL if you need any advice in connection with any corporate actions. PSL is not responsible for taking decisions in relation to any corporate actions and will require instructions from you or us on matters such as:
- (a) exercising conversion and subscription rights;
- (b) dealing with takeovers or other offers or capital reorganisations;
- (c) exercising voting rights (where PSL exercises such rights on your behalf).
- 8.9 If any notification is given to you pursuant to clause 8.7 above from PSL, you must ensure that you provide instructions to us, for onward transmission to PSL in sufficient time to ensure that PSL is able to act upon such instructions. The instructions given, their consequences, and the consequences of failing to give us instructions, will be entirely your responsibility. Neither we nor PSL is obliged to do more than give one notification on the relevant matter.
- 8.10 PSL will be responsible for claiming and receiving dividends, interest payments and other entitlements automatically arising in respect of the investments held for your account.
- 8.11 Sometimes PSL or an **Eligible Custodian** who is holding your investments may receive dividends, interest and other rights or payments after local withholding or similar taxes or other deductions are made from those sums. You accept that PSL or any **Eligible Custodian** may,

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if it is required to do so to comply with legal or regulatory requirements, withhold or deduct tax or other amounts from any such payments. Any costs PSL or an **Eligible Custodian** incurs when complying with these obligations may be deducted by PSL from your Account. If you are eligible to reclaim any such withholdings or deductions then this will be your responsibility and not that of PSL or an **Eligible Custodian**, to do so.

- 8.12 PSL will send you an annual safe custody statement of the Investments and cash balances it holds for you, reported on a settlement date basis.
- 8.13 In some circumstances PSL may refuse to hold any investment or investments for you. This may occur in any of the circumstances outlined in clause 3.2 above of these Terms or if the investment concerned is of a kind for which PSL does not have facilities, or arrangements with appropriate **Eligible Custodians**, to hold or if holding the investment would expose PSL to liabilities. We will notify you if PSL chooses to exercise this discretion unless legal or regulatory constraints prevent such disclosure.
- 8.14 PSL will not loan your investments or use them to raise finance unless you have entered into a separate specific written agreement with PSL allowing such use of your Investments.

## 9 Consequences of your default

- 9.1 If you fail to pay cash or investments (as relevant) when due to meet any settlement obligations or if you otherwise fail to meet any of your other obligations to PSL then you should be aware that there will be certain consequences as a result of

such failure, as further described in the remainder of this clause 9.

- 9.2 You will not have a right to title or interest in any cash or investments received for your Account. PSL will have no obligation to deliver or account to you for any such cash or investments and PSL will be entitled to retain any such cash or investments until such time that you have met your obligations.
- 9.3 PSL may, without providing any advance notice, use any cash, or sell any securities, held or received for your Account and use the proceeds (after deducting any costs in doing so) to eliminate or reduce any unpaid obligations owed to PSL. Any surplus remaining after discharging the obligations owed to PSL will be paid to you. If the cash and proceeds of disposals do not cover all the obligations owed to PSL, you will still owe PSL the balance.
- 9.4 PSL may, among other things, and without giving you further notice:
  - (a) enter into any other transaction (including those with the effect of closing-out a position, or reversing or cancelling a transaction previously entered into);
  - (b) take or refrain from taking further action which it considers would, or could, reduce or eliminate any liability under any transaction undertaken for you. PSL may take similar action where it reasonably considers that you have not, or are unlikely to perform your obligations under these terms.

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

9.6 You agree that PSL may **set off** transfer or apply (without further notice to you) any obligations or monies owed by PSL to you in order to satisfy in whole or in part any debt or obligation or sum that is due from you to PSL. This applies even if the obligations are in different currencies and includes the payment of any fees or charges due to PSL and any amounts due under your indemnity obligations to ensure PSL does not lose money as a result of your default under these Terms or the services it provides you with.

9.7 In exercising its rights under these Terms PSL may convert currencies and carry out foreign exchange transactions with you or on your behalf at such rates and in a manner that PSL may in its discretion determine. In such circumstances, PSL shall be acting on its own behalf and not executing your orders. It shall therefore not be liable to you for the result obtained, nor for its choice of which investments are to be sold.

9.8 The provisions in this clause 9 will continue to apply even if we or PSL stop providing services to you, so long as any obligations for your account remain outstanding. They apply in addition to any other right PSL has, and they will not be affected by any failure by PSL or anyone else to fully enforce their contractual rights, whether as

to payment, time, performance or otherwise.

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

10.1 The liability of PSL (and where relevant its directors, employees or agents) to you for any loss or damage which you suffer in connection with these terms shall be limited to circumstances where any such loss or damage has arisen directly as a result of negligence, fraud or wilful default or a breach of the FCA Rules by PSL (or where relevant, its directors, employees or agents). In any event, PSL will not be liable to you for any indirect or consequential losses (howsoever arising). PSL will also not be liable for any loss that is a loss of profit or for any losses that arise from any damage to your business or reputation.

10.2 This means that PSL will only be liable for losses that arise as a result of its negligence, fraud or wilful default and then only, for any losses which:

(a) arise naturally from a breach by PSL of its obligations; and

(b) which were reasonably foreseeable to PSL at the time these terms are entered into.

10.3 It is important that you understand that you are responsible for making sure that PSL does not suffer by reason of acting for you. You agree to make good and reimburse (indemnify) PSL and each of its directors and employees and agents ('Indemnified Persons'), after the deduction of any applicable taxes, for and against any liabilities, reasonable costs and expenses



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(including legal costs) and all duties and taxes (other than PSL's corporation tax) which are caused by;

- (a) PSL providing its services to you;
- (b) material breach by you of any of these Terms;
- (c) default or failure by you to make a delivery of Investments or payment when due; or
- (d) any challenge to the validity of, or requirement for proof or ownership, or in respect of any fraud or forgery in relation to any investments delivered to PSL by you or on your behalf, or in relation to any document of transfer regarding such Investments. This will include any electronic instruction or information, which appears to transfer such investments.

10.4 You will not be liable to indemnify PSL under this clause 10 and PSL will have no right or claim against you or us if any consequences to PSL are caused by its own negligence, wilful default, fraud or any breach of the FCA Rules.

10.5 PSL has no liability to you or us for failure to provide any of the services under these Terms if that failure is caused wholly or partly by events beyond PSL's reasonable control. This includes (but is not limited to) any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action, suspension or limitation of trading by any exchange or clearing house or any fire, pandemics, flood or other natural

disaster. In any of these (or other similar) circumstances any or all of PSL's obligations will be suspended until the state of affairs giving rise to the failure of PSL is remedied.

10.6 The provisions in this clause 10 will continue to apply even if we or PSL stop providing services to you. They apply in addition to any other right of indemnity or claim of any Indemnified Person whether or not under these Terms, and they will not be affected by any failure by PSL or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

## **11 Charges**

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

## **12 PSL's Conflicts of Interest**

12.1 PSL, its associated group companies (associates) or nominees may provide services or enter transactions under these Terms in circumstances in which PSL or its associates have a material interest. This interest could be direct or indirect and PSL or its associates could also have a relationship with someone else, which may

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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
- (c) is the financial adviser to the issuer of the relevant investment; or
- (d) is otherwise connected to the issuer of the investment to which any instructions relate.

12.2 PSL may receive payments from fund managers if PSL provides services to those fund managers through the PSL Nexus Funds Trading Platform. Any payments of this kind are calculated by reference to the value of the assets that PSL holds in custody for its clients.

12.3 PSL may place money held for your Account with a bank or other financial institution (in accordance with the FCA rules) and earn interest and retain some or all of that interest from that bank or financial institution.

12.4 A summary of PSL's conflicts policy (including further disclosure concerning the payments PSL may receive from fund managers) is published on PSL's website at [www.pershing.co.uk](http://www.pershing.co.uk) under the heading of 'compliance disclosures' (a hard copy is available on request from us).

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

### **13 Data Protection and Confidentiality of Information SSD Application form**

13.1 PSL may store, use or otherwise process personal information about you which is provided by you or us on your behalf. The purposes for which it can store, use or process such personal information are providing investment and other services under these Terms, administering your Account and other purposes closely related to those activities. This includes (but is not limited to) using information for the purposes for credit and anti-money laundering enquiries or assessments. In the United Kingdom PSL operates and has made all the appropriate notifications in accordance with applicable data protection legislation.

13.2 Any information that we and PSL hold about you is confidential to you and will only be used in connection with providing services under the Conditions (including these Terms). Information of a confidential nature will be treated as such provided that such information is not already in the public domain. We and 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 us or PSL (or any associate of us or PSL);

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- (b) to investigate or to prevent fraud, market abuse or other illegal activity;
  - (c) in connection with the provision or services to you by us or PSL;
  - (d) for purposes closely related to the provision of the services or the administration of your Account including without limitation for the purposes of credit enquiries or assessments;
  - (e) if it is in public interest to disclose such information; or
  - (f) at your request or with your consent.

13.3 The restrictions on the use of confidential information described above are subject at all times to a general proviso that both we and PSL may disclose your information to certain permitted third parties including members of its own group (associates) and its professional advisors (including accountants and lawyers) who are subject to confidentiality codes.

13.4 Neither we nor PSL will sell rent or trade your personal information to any third party for marketing purposes unless you give your express consent.

13.5 You should note that by signing these Conditions or otherwise accepting these Terms you agree that PSL is allowed to send your information internationally including to countries outside the EEA such as the United States of America. Some countries where your information is sent will offer different levels of protection in relation to personal information, not all of which will be as high as the UK. PSL will however, always take steps to ensure that

your information is used by third parties only in accordance with PSL's policy

13.6 You are entitled to a copy of any information either we or PSL holds about you. In the first instance, you should direct any such requests to us and we will pass your request on to PSL where appropriate. Both we and PSL are entitled to by law to charge a fee of £10 to meet the cost of providing you with details of the information either of us holds about you. You should let us know if you think any information we or PSL holds about you is inaccurate and we will or we will ask PSL to correct it.

## 14 Complaints

14.1 If you have a complaint you should notify our compliance officer in the first instance. If however, your complaint concerns an aspect of the service provided to you by PSL and you wish to copy your complaint to PSL directly copies should be sent to:

- (a) The Compliance Officer  
Pershing Securities Limited  
One Clove Crescent  
East India Dock  
London  
E14 2BH

14.2 Where you make a complaint both we and PSL will endeavour to resolve your complaint as quickly as possible but in any event we will acknowledge receipt of your letter within 5 business days. The acknowledgement sent will include a full copy of our or PSL's internal

complaints handling procedure. Upon resolution of your complaint we or PSL will send you a final response letter, which sets out the nature of our response, any proposed resolution, and any appropriate remedy. If for any reason you are not satisfied with our or PSL's final response please note that you may be entitled to refer your complaint to the Financial Ombudsman Service. A leaflet detailing the procedure is provided in our or PSL's final response.

## 15 Investor Compensation

- 15.1 PSL is covered by the UK's Financial Services Compensation Scheme ('FSCS'). Compensation may be available from the FSCS if PSL cannot meet its obligations to you. Your possible entitlement to compensation will depend upon the type of business and the circumstances of the claim. Most types of investment businesses are covered for £50,000 per person per firm. Further information about compensation arrangements is available from the FSCS, [www.fscs.org.uk](http://www.fscs.org.uk).

## 16 Amendment

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

## 17 General

- 17.1 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.
- 17.2 No third party shall be entitled to enforce these Terms in any circumstances.
- 17.3 Any failure by PSL (whether on an ongoing basis or not) to insist upon strict compliance with any of these Terms is not deemed to amount to PSL giving up or waiving any of 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.
- 17.4 These Terms are governed by English Law and you irrevocably agree to submit, for the benefit of PSL, to the non exclusive jurisdiction of the Courts of England.

## ANNEX 1

### Glossary

**Business Days** means any day on which the London Stock Exchange is open for trading.

**CCP** This stands for central counterparty, which is typically an institution that acts as an intermediary between two market participants. The seller of a 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.

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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.

**Charge** A charge does not involve a transfer of ownership but gives a degree of control to a third party over any dealing or disposal of the asset.

**Clearing and Settlement Services** The process by which, once an 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.

**CSD** This stands for central securities depository which is a financial institution that custodies securities and provides securities settlement services to one or more markets.

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.

**Dealing or Execution Services** The buying or selling of investments on your behalf.

**Eligible Custodian** This refers to a third party custodian (or its **nominee company**) who PSL selects under the FCA Rules to register your investments with.

**Joint and Several Liability** 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.

**Lien** A Lien allows the person holding the asset to withhold or retain such asset pending the satisfaction of your obligations to them.

**Margin or Collateral** This is where your money or investments are passed to a **Relevant Party** in order to provide security against the performance of obligations.

**Mortgage** 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.

**Netting** Netting is the process under which PSL and/or the counterparty, **CCP**, **CSD** or other body concerned with settling a transaction are entitled to reduce their obligations to each other by setting off their obligations to deliver cash or securities to one another. This will give a single amount owing to one party from the other rather than a two-way payment. This single amount will then be paid or delivered to the relevant party.

**Nominee Company** A nominee company is one which is used solely for holding investments separately and which does not carry on any other business.

**Relevant Party** 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.

**Safe Custody Services** The safekeeping and

administration of any investments held by PSL or its **nominee company** on your behalf.

**Set-Off** This may arise where both you and PSL owe sums to each other. In such circumstances PSL may deduct any sums owed to it by you from any sums that are owed by PSL to you so as to either eliminate or reduce PSL's liability to you.

**Time shall be of the Essence** The use of this term in relation to any payment, delivery or other obligation you have to PSL means that PSL shall be entitled to terminate these terms and, if appropriate, claim damages from you if you fail to perform your obligation in accordance with the time specified. It is intended to ensure that the relevant deadlines are strictly complied with.

## ANNEX 2

### A. General conditions

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**.

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

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

## ANNEX 3

### Overseas Investments

#### 1 Settlement of Transactions

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

## 2 Client Money

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

## 3 Custody and administration of your investments

- 3.1 Whether or not they are registered or recorded in the name of PSL, or an **Eligible Custodian**, Investments belonging to you which are held abroad may be subject to different settlement, legal and regulatory requirements from those applying in the UK or the EEA. Your rights may therefore also differ.
- 3.2 PSL will exercise due skill, care and diligence in the selection, appointment and periodic review of any **Eligible Custodian** it appoints 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

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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.

## Additional Clauses

### Agent as Client

If you are an agent acting on behalf of someone else (whether or not that person (the 'Principal'), has been identified to PSL as the person for whom you act) you will be treated as PSL's client under the FCA Rules and you will also be fully liable to both us and PSL under these terms as if you were acting for yourself. You and

your Principal will be jointly and severally liable in the manner described above. In addition, you represent warrant and undertake to us and PSL on a continuing basis that:

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



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## Trustee as Client

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

- We will only cause PSL to be obliged to settle any transaction where we have full management control and full authority to instruct use of sufficient of the assets or cash of the Trust to meet any obligation incurred by PSL on behalf of the Trust and that we have full authority to direct the custodian, if any, of the underlying customer's assets and cash to meet any obligations so incurred and that we have sufficient authority and consents to perform our obligations under these Terms.
- We are not aware of any reason why the cash or assets of the Trust which are the subject of our management (as described above) could not be used to meet such obligations We will not effect any transaction for the account of the Trust if we have any reason to believe that the Trustees of the Trust will not be willing or able to meet their obligations in respect of such transaction and will notify you and PSL as soon as reasonably practicable if we have any reason to believe that the Trustees will not be willing or able to meet their obligations in respect of any transaction; and
- We believe on reasonable enquiry and on reasonable ground that the Trustees of the Trust will have all requisite power and legal capacity to enter into any such transaction and to perform their obligations under these terms.

In your capacity as Trustee/s of the Trust you acknowledge and agree with us and PSL that:

You will supply us with all relevant information of which you are aware in relation to the matters covered by our above warranties and you will not do anything to cause us to be in breach of our obligations as set out above;

- Any payment or accounting made by PSL to any one or more of the Trustees will be treated as made to all of them;
- If you (or where you are more than one person any of you) become aware that any warranty given to us and PSL above has become untrue you will notify PSL and us in writing as soon as reasonably practicable on becoming so aware; and
- Your aggregate liability to us and PSL and any other person under these Terms shall be limited to the net value of the assets from time to time under your control in your capacity as the Trustees of the Trust save that this limitation shall not apply in respect of any liability to us and PSL for any breach of your obligations to us and PSL under this sub-clause.

## SECTION C

### 1 Overseas Investments

- 1.1 We do not accept Limit Orders for foreign shares, nor do we deal in foreign share certificates.
- 1.2 In order to trade in overseas investments, or to hold them on your Account, we require that you correctly complete any relevant documentation from us, and applicable tax authorities. You

must do this prior to trading, or the Investments transferring/settling onto your Account. In addition to this, periodically we will require you to submit up-to-date documentation. Failure to correctly and timely complete the relevant paperwork may result in the loss of any beneficial status (where applicable), the ability to deal, and ultimately the closure of your Account. In particular, we will not trade for you in US shares without having a correctly completed and signed W8BEN form in our possession. Please note that currently these require renewal every 3 years.

- 1.3 Transactions on your Account including, but not limited to, distribution of income (e.g. Dividends) may be subject to various tax deductions at source. The tax treatment of your Investments may depend on the tax domicile of each Investment. The tax domicile of an Investment may not be assumed from its description or type. The domicile of collective type products may be particularly unclear. Our staff are not responsible for advising you of the tax domicile.

Any transactions, including non-UK, may also be subject to further UK taxation, depending on your circumstances. It is your responsibility to arrange tax advice, and you may wish to do this before making any investment decision. In line with Section A Condition 2.6, our staff are not able to offer tax advice, and you should not ask them to do so.

- 1.4 In relation to US investments, we offer no guarantee of beneficial status. Notably, any US Investments held in CREST will be subject to full US withholding tax, as no beneficial status is

offered. In order to benefit from a lower rate of US withholding tax on non-CREST investments, you must qualify under US tax law, and supply an up-to-date and correctly completed W-8BEN form or current equivalent upon request.

Please also refer to Section A Condition 2.5.

## **2 Liability and indemnity**

- 2.1 By accepting these Conditions you agree to indemnify SSD, its affiliates, agents, PSL and licensors against all losses, costs, liabilities or expenses incurred in connection with overseas dealing and these Conditions unless caused by the negligence, wilful default or fraud of the person who seeks to rely on this indemnity.

## **3 Foreign currency conversion**

- 3.1 Foreign exchange rates may affect the potential for profit or loss from transactions on foreign markets. Transactions in foreign currency denominated contracts (whether they are dealt in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency of denomination of the contract to another currency. If placing an order after 5.15pm UK time for US/Canadian stock whilst not holding US/Canadian dollar cleared funds, it may be necessary to transact the appropriate currency conversion the following morning of a business day, at the rate determined that morning. This will be done as soon as possible after 8am UK time on a best endeavours basis.

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- 3.2 Any currency conversion undertaken by us is transacted through the PSL Foreign Exchange department only and at the rate prescribed by them at the time.

#### **4 Dealing procedures**

- 4.1 Dealing in overseas investments may not be available through all communication channels; you should contact us for further information if required.
- 4.2 At times it may not be possible to deal direct with the market, and we may need to deal via an overseas securities agent. Such an agent may adjust the price to cover its charge for the currency conversion and local fees. When we deal on this basis you will be informed prior to accepting the dealing price.
- 4.3 If you are unsure as to the suitability of foreign investments and associated tax treatments you should seek independent financial advice.

## **SECTION D**

### **James Hay**

#### **Specific Conditions**

If you have an Santander Sharedealing James Hay SIPP Account the following Specific Conditions (1 to 8) will apply:

#### **1 The James Hay SIPP service**

- 1.1 These Specific Conditions apply, in addition to the General Conditions, Pershing's Terms of Business and Foreign Dealing Conditions

(Sections A, B and C ), if you have successfully applied for a James Hay Self Invested Personal Pension Plan (a 'James Hay SIPP') provided by James Hay Insurance Company Limited. James Hay Pension Trustees Limited ('JHPT') is the Trustee (the 'Trustee') of the James Hay SIPP.

We are authorised to act on any instructions we receive from the Trustee on your behalf and on any instructions you give, in accordance with these Conditions. Please note that where these Specific Conditions refer to 'you' this is the beneficial owner of the assets of the James Hay SIPP and where these Conditions refer to the 'Trustee' this is JHPT, the legal owner of the assets, unless you are also the joint trustee.

- 1.2 The Trustee and you warrant and agree that any such instructions will be given in accordance with and subject to these Conditions. You and the Trustee will indemnify and hold both SSD and PSL harmless from all losses and liabilities as set out in Conditions 3 and 8 of this Section. We are entitled to assume that the Trustee and you are authorised to do everything that each of you and the Trustee holds yourselves out as having authority to do and that any information provided by the Trustee or you to us or PSL about either of you is complete and accurate.

This authority will remain in full force and effect until such time as the Trustee or you notify us otherwise. We have no obligation to ensure that the Trustee and/or you are complying with the Financial Services and Markets Act 2000.

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- 1.3 Acceptance of these Conditions shall constitute the formation of a contract between you, the trustee and us and also between you, the trustee and PSL.
  - 1.4 These Conditions can be varied in accordance with Section A Condition 3. Any notice under these Conditions must also be given to the Trustee.

## **2 Opening and operating a James Hay SIPP Account**

- 2.1 You must not reveal any Account details to any person except the Trustee. Should any of your Account details change, or you wish to make any amendments, you must advise the Trustee, who will advise us.

## **3 James Hay SIPP dealing**

- 3.1 You or the Trustee may only give instructions to purchase shares and other securities that are investments permitted by the relevant Personal Pension Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 and the SIPP plan rules ('Permitted Investments') (both as may be amended from time to time) providing there are sufficient funds within your James Hay SIPP to meet any obligations arising from the purchase. If there are insufficient funds available in your James Hay SIPP to meet any purchase obligations you, and not the Trustee, will be liable for any shortfall and costs arising from the shortfall.

Please refer to Condition 4 of this Section.

- 3.2 You must ensure that orders are only placed for Permitted Investments. No liability will be accepted by us for direct or consequential loss in the event of an investment not being a Permitted Investment.
- 3.3 Contract notes will be sent to you and the trustee an online version of the contract notes will be available through the Website.
- 3.4 We can no longer accept purchase orders in Unit Trusts and OEICs. We can however, undertake sale instructions of any existing funds that you hold through us with PSL in your portfolio.
- 3.5 We will never knowingly take an up front commission payment from a fund management house but will always attempt to reinvest any such payment for your benefit. However, subject to the FCA's rules the fund platform we use (PSL's Nexus funds) may have separate arrangements with the fund managers that we are unaware of or have no financial interest in at the time we accept your purchase instructions. In this case the arrangements between PSL and the Fund Manager will prevail. Please also refer to Section A Condition 14.3.

## **4 James Hay SIPP settlement**

- 4.1 The net available proceeds from sales will be sent by electronic transfer (which will take approximately three working days after settlement to clear) to the designated Trustee Bank account held in your name.
- 4.2 Liability for all settlement obligations arising from instructions passed to us either by the Trustee or you normally rests with the Trustee.

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In the event of breach of these Conditions, or in the event of fraud, wilful default or negligence on your part or the part of the Trustee, the Trustee agrees to reimburse us and PSL for any loss incurred, limited to the full value of your James Hay SIPP fund. In the event that you have breached these Conditions or acted fraudulently, with wilful default or negligence and there are insufficient funds in your James Hay SIPP to meet commitments arising from settlement obligations, we reserve the right to pursue you for any costs or liabilities which exceed the funds in your James Hay SIPP.

You will have sole responsibility for redressing any breach of the terms of the James Hay SIPP, as may have been set by HMRC.

## **5 James Hay SIPP dividends and other bonuses**

- 5.1 We will account to the Trustee for all dividends, interest payments and other rights accruing.
- 5.2 We will endeavour to notify you promptly of impending corporate actions and will only act on your or your representative's instructions through the Trustee.
- 5.3 The proceeds of any redemption will be credited to your Account for onward payment to your designated Trustee Bank account, and we will inform you and the Trustee that this has been done.
- 5.4 Investments in certain Structured Products and other products where notification is made that this is a SIPP investment and therefore is open to a more favourable tax rate are not possible through our third party custody and settlement

provider PSL. Therefore any redemption of these instruments may not be charged for tax purposes at the rate you expect and proceeds may be less than expected. Some portion of the tax may be reclaimed by James Hay at a time set by themselves.

## **6 James Hay SIPP default**

- 6.1 If you or the Trustee fail to send money by the settlement date shown on the contract note or to take the necessary steps to secure due and prompt execution and settlement on any such transaction, you and the Trustee are in breach of these Conditions. We and PSL may pursue you for any shortfall in accordance with Section A, Condition 15 above.
- 6.2 The proceeds of sale (net of costs) will be applied in or towards the discharge of your liabilities and we will account to you or the Trustee for any balance. In the event that such proceeds are insufficient to cover the whole of your liabilities, you and the Trustee will remain liable for the balance up to the full value of your James Hay SIPP fund. You may remain liable for any shortfall in excess of your James Hay SIPP fund, in accordance with Condition 4 in this Section.

## **7 James Hay SIPP termination**

- 7.1 You or the Trustee may terminate your contract with us in accordance with Section A Condition 19 above. We may terminate this contract in accordance with Section A Condition 19 above by giving you or the Trustee notice.
- 7.2 You and the Trustee agree to indemnify us

and PSL on demand (whether before or after termination) against any claims, liabilities or expenses incurred by us or PSL as a direct result of our or PSL acting in accordance with these Specific Conditions.

- 7.3 Termination will not affect your or the Trustee's liability for any charges properly incurred in the completion of transactions or money owed to us or PSL.

## **8 James Hay SIPP Foreign Dealing**

- 8.1 You and the Trustee agree to indemnify SSD, its affiliates, PSL and licensors against all losses, costs, liabilities or expenses incurred in connection with overseas dealing, limited to the full value of your SIPP fund, unless caused by the negligence, wilful default or fraud of the person or company who seeks to rely on this indemnity. In the event that there are insufficient funds in the SIPP to meet any obligations arising from settlement of trades, you, and not the Trustee, will be liable for any shortfall and related costs. You will also have sole responsibility for redressing any breach of the terms of the SIPP, as may have been set by HMRC.

## **SECTION E**

### **ISA Specific Conditions**

If you have an SSD ISA Account the following Specific Conditions will apply:

#### **1 Introduction**

- 1.1 These Specific Conditions apply, in addition to the General Conditions and to any other relevant Specific Conditions applicable to an

Individual Savings Account hereinafter referred to as 'ISA' unless otherwise specified and are subject to the Individual Savings Account Regulations 1998 (SI 1998 No.1870 as may be amended) (the 'Regulations').

These Specific Conditions set out the basis on which SSD, as an HMRC approved ISA Manager and execution-only stockbroker will manage the ISA investments. The ISA is a self-select stocks and shares ISA.

From July 1st 2014 all ISAs will become New ISAs (NISAs) and will be able to hold cash, stocks and shares in any combination up to the relevant annual subscription at any given time.

#### **2 Eligibility**

- 2.1 You must satisfy the following criteria to be eligible for an ISA and you must notify SSD without delay, in the event of any change. You must:
- be 18 years of age or over;
  - be resident and ordinarily resident in the UK or perform duties which, by virtue of section 132(4) (a) of the Income and Corporation Taxes Act 1988, are treated as being performed in the UK, or are married to or in a civil partnership with a person who performs such duties; and have not and will not subscribe to another stocks and shares ISA in the same tax year if you are applying for the ISA.
- 2.2 We will not knowingly continue to act for any person who no longer satisfies the above eligibility criteria.

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2.3 You authorise us to provide HMRC with all necessary information that they may require concerning the ISA or their respective investments. We will maintain all such records required by the Regulations, including share certificates or other documents evidencing title to ISA investments.

2.4 Joint Accounts are not permitted for the ISA.

### **3 ISA subscriptions**

3.1 Subscriptions to the ISA must be made out of your own money by way of cheque, banker's draft, transfer from another SSD Account where money is already held on your behalf, sale and reinvestment of sale proceeds, or by means of share transfer as permitted by the Regulations in force at the time.

3.2 In the case of profit sharing or savings-related share options schemes, a direct transfer of shares can be made into an ISA. No further subscriptions will be accepted if you cease to be entitled in accordance with the Regulations to invest in an ISA.

3.3 You will need to submit a new application for each tax year in which you make a subscription.

3.4 You may buy and sell investments held in your ISA, and transfer in ISA investments and cash held with other ISA Managers.

3.5 For the purposes of sale and reinvestment as a subscription to an ISA, trades must take place in this tax year; however, they can settle in the following tax year. This will count as a valid subscription for the current tax year.

### **4 ISA investments**

4.1 We will consolidate an ISA with other ISAs taken out by you in previous and future years.

4.2 You will ensure that orders are only placed for investments that qualify under the Regulations ('Qualifying Investments'). No liability will be accepted by us for direct or consequential loss in the event of an investment not being a Qualifying Investment. Non-Qualifying Investments must be either:

- withdrawn from the ISA and transferred in certificate form to you, in which case such transfer will be subject to our Scale of Charges and those of the relevant Registrar for re-registration of a share holding; or
- sold in accordance with these Specific Conditions and the proceeds transferred to you outside of the ISA.

4.3 Cash may be held in an ISA for the purpose of purchasing Qualifying Investments. Cash is not a Qualifying Investment in its own right and an ISA may not be used for the express purpose of sheltering interest from tax. HMRC may take issue with uninvested cash in a stocks and shares ISA if left for some time which could lead to your ISA being declared void and the loss of the tax benefits of the ISA. From the 1st July 2014 Cash may be held in an ISA up to the total allowance for the New ISAs (NISA).

4.4 We will not undertake a transaction for you that results in a short position in respect of cash or stock within an ISA.

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From the 1st July 2014 Cash may be held in an ISA up to the total allowance for the New ISAs (NISA).

- 4.5 We are unable to buy US investments in your ISA. If you receive US investments as a result of a corporate action, we are able to sell these on your instruction and retain the cash in the ISA for reinvestment.
- 4.6 We are unable to purchase stocks and shares that are listed outside of the UK in our ISA product. Our stock information is provided by our third party agent, PSL and is not sourced in house. Therefore, it can be difficult to monitor all the changes in foreign stock eligibility, such as recognised stock exchanges around the world and the suitability of stocks acquired in ISAs as a result of corporate actions. We therefore only allow the purchase of stocks and shares listed on the London Stock Exchange (subject to any HMRC exclusions). We do however allow the purchase of Banco Santander shares.

## **5 Custody of money and investments in the ISA**

- 5.1 Title to the ISA investment will be registered in the name of PSL's nominee Pershing Nominees Limited ('PNL') or any other nominee we decide to use, Share Certificates and other documents evidencing title to the Investments will also be held in the name of PSL's nominee, or any other nominee we use. However, Investments held within the ISA shall at all times be beneficially owned by you and shall not be used as security for a loan.

- 5.2 Interest arising on cash held in your ISA will be credited to the Account net of a HMRC flat rate charge of 20%.

From 1st July 2014 this charge will no longer apply.

## **6 ISA charges**

- 6.1 You will pay all appropriate taxes, duties, fees and charges from cash available in the ISA. The administration charge may however be paid by Direct Debit, if agreed by us, outside the ISA (which shall not count towards the annual ISA subscription limit).

Administration charges in relation to the ISA will be in accordance with the prevailing Scale of Charges. The Scale of Charges can be amended in accordance with Section A Condition 3 above.

- 6.2 You acknowledge that charges levied and deducted from the ISA may diminish the tax benefits available.
- 6.3 Charges are levied on an annual basis and will not be subject to pro-rata should you choose to close the Account or transfer to another ISA plan manager between the fee calculation date and the end of the tax year.

## **7 Dividends in respect of the ISA**

- 7.1 Dividends will only be accepted in the form of cash. Offers of shares in lieu of cash dividends (unless there is no cash option) will be declined with the exception of Banco Santander shares only.



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- 7.2 You authorise us to reclaim from HMRC all UK tax credits on dividends, for credit to the ISA account. Tax deducted by governments outside the UK will not be reclaimed.

## **8 Corporate actions in respect of the ISA**

- 8.1 Securities arising from rights issues and takeovers may be incorporated in the ISA, provided they are Qualifying Investments and in the case of rights issues, do not breach the prescribed annual ISA subscription limits. There must be sufficient cleared funds available within the ISA to fund the purchases (either as cash or through the sale of other investments held within the ISA), and instructions must be given in time for us to act. If the issue or offer relates to Non-Qualifying Investments, the offer can be taken up but the resulting shares must be held outside of the ISA. If sufficient cash is not available within the ISA to fund the purchase, or if you wish to fund the purchase with cash held outside the ISA, you must pay us the appropriate sum. However, any shares acquired using funds not already held within the ISA must, in accordance with the Regulations, be held outside the ISA. In any event, if we do not receive instructions in time to act, the rights will lapse.
- 8.2 We reserve the right to levy a charge for the acceptance and transfer of securities into your own name outside the ISA as a result of any rights takeover or other offer to which you become entitled. We will inform you of such a charge at the time instructions are requested.

Please refer to our Scale of Charges.

## **9 Calls in respect of monies unpaid on shares in the ISA**

If partly paid shares are held in an ISA you will be responsible for ensuring that sufficient money is available within the ISA to pay for each call when it becomes due and payable, and in respect of the ISA, without exceeding annual subscription limits.

You will also be responsible for instructing us in sufficient time for us to act upon and to pay calls due.

## **10 Transfers, withdrawals and terminations of the ISA**

- 10.1 You may at any time give us written instructions to carry out the following (subject to payment of any charges including, but not limited to, outstanding transaction and management or administration fees and deduction of any tax liabilities) within a reasonable business period (not exceeding 30 days).

Upon written request, the transfer of an ISA held with another ISA manager to us, however we reserve the right not to undertake any transactions for the ISA until the transfer is complete or to refuse to accept part or whole of an ISA plan from another ISA manager without giving any reason.

Upon written request, the transfer of your entire ISA, together with all your rights and obligations, to another approved ISA manager. The transfer may depend on the other ISA manager agreeing.

No further transactions will be processed after transfer instructions have been received.

Upon request, the withdrawal of funds from the ISA and payment to you of the funds by the appropriate date for payment.

Upon written request, the termination of an ISA by transferring to you the cash and/or investments or proceeds from the disposals of investments as specified.

- 10.2 We may terminate the ISA by giving you 30 days' written notice provided that before such notice takes effect you are offered the facility to transfer the ISA to another ISA manager.
- 10.3 We will give you three months' notice if we plan to stop managing your ISA because: we decide in good faith that it is no longer reasonably practical for us to keep to the Regulations; or we decide that managing the type of ISA that you hold has stopped being commercially worthwhile for us.
- 10.4 We will not be liable to you for any loss, liability or damage that you suffer as a result of closing the ISA. We will give you all relevant information and certificates that relate to tax you need under the Regulations. We will pay the proceeds of the ISA to you less any amounts due to us.
- 10.5 We may decline to accept instructions for transfer, withdrawal or termination where monies are due to the Account, the ISA plan or to us or PSL from you.

## **11 Statements and valuations of the ISA**

- 11.1 We will send you a half-yearly statement showing purchases, sales, charges (if paid from within the ISA), dividends and tax credits received. A valuation of the ISA, based on mid- prices of the investments at the specified date, will be sent to you every six months. Statements can be sent on an ad hoc basis upon request, subject to availability of cleared funds within the ISA to cover any charge that may be stated in our Scale of Charges. Online versions of the Statements are also available.

## **12 Failure to qualify for the ISA**

- 12.1 If we discover, or HMRC tell us that by reason of any failure to satisfy the provisions of the Regulations your ISA has or will become 'void', we will notify you in writing as soon as reasonably practical. Under such circumstance, the ISA will be declared 'void' from the date of the relevant breach, the ISA may have to be closed and all details will be forwarded to HMRC. Tax credits claimed from that date will have to be paid to us, and you may be liable to pay HMRC interest and penalties in addition to any tax liability. You hereby indemnify us against any claims and liabilities arising as a result of the ISA becoming 'void' and/or being closed due to your action. A charge for 'voiding' the ISA may be levied according to the prevailing Scale of Charges.
- 12.2 If you cease to qualify under Condition 2.1 of this Section, the ISA may remain valid and you may continue to enjoy the associated benefits and be subject to the relevant obligations, however, no further subscriptions to the ISA may be accepted by us.

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12.3 If you die, the ISA (and any tax exemptions associated with the ISA) will cease from the date of death, and any tax credits reclaimed on dividends after the date of death must be repaid. We will need to see the original death certificate or a certified copy. We will inform your personal representatives of the market value of investments and cash held within the ISA at the date of death. Your personal representatives shall be bound by these Conditions until such time as the assets of the ISA are transferred to them or a beneficiary or alternatively when the investments have been sold, the proceeds have been transferred to them (less any money owed or charges levied as per the prevailing Scale of Charges).

### **13 Varying these ISA Specific Conditions**

13.1 These Specific Conditions and any ISA charges can be varied in accordance with Section A Condition 3; however we will not make any change to these Specific Conditions that result in an ISA becoming void under the Regulations.

### **14 Assignment of duties within the ISA**

14.1 If we rely on Section A Condition 18 and use any other party or company to carry out any administrative duties under these Conditions or the Regulations we remain responsible for the way those duties are carried out. We will ensure that any entity to which we delegate is competent to carry out that function.

14.2 We may also appoint an associate company as Manager of your ISA, as long as that manager is approved by HMRC and we write to you in advance to enable you to transfer to another ISA manager if you wish.

14.3 In the event of a third party agent being used to process all or any part of the instructions you have given to us this would not have an effect on the contractual arrangement you have entered into with us. Anything said, done or omitted by an agent of ours within the scope of their authority, actual or apparent, shall be taken as having been said, done or omitted by us.

We are responsible for assessing the competence of any agent employed.

### **15 ISA cancellation rights**

15.1 You may cancel your ISA within 14 days of your Account being opened. However, any dealing orders already accepted and executed will still proceed and be settled and dealing charges will not be reimbursed. We will return any subscriptions made, plus any dealing profits, less any dealing losses and dealing commissions, charges or fees due. Please note that if you cancel an ISA all future tax advantages associated with it will be lost.

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