



WHIreland®  
International Wealth

## Terms of Business

For clients of our Isle of Man office

December 2017

History.  
Craftsmanship.  
Expertise.



## Terms of Business for WH Ireland (IOM) Limited, in relation to:

### Services

- Discretionary Services
- Advisory Services
- Execution Only Services

## Terms of Business for SEI Investments - Guernsey Limited, in relation to:

- SEI Custody Services (including client money)

## Introduction

- All financial services firms offer their services on the basis of agreed terms which include commercial terms as well as those required by a competent regulatory authority. For WHI Ireland (IOM) Limited (“we” or “us” or “ours” or “WHI IOM”), this is the Isle of Man Financial Services Authority.

WH Ireland (IOM) Limited’s Services are provided on the basis of these Terms as well as the Client Information & Agreement form you will have been given to complete and sign and the relevant Guide to Services. These documents together form our Agreement with you.

Where you appoint SEI Investments – Guernsey Limited (“SEI”) as your custodian, this Agreement also forms a direct contract between you and SEI and **Sections A and B of Part Five** of these Terms apply to the SEI Custody Services.

Abbreviations and definition of certain words used in the Agreement are either in the Glossary or explained where they appear in the Agreement.

<b>PART ONE</b>	<b>All clients should read this section which contains general information about us and how we provide our Services:</b>	
	<b>Section A</b>	This section explains who we are and what Services we offer and how we provide them; the steps we take to ensure that information you provide us with is kept secure and confidential; how we buy and sell investments; and what we charge for our Services.
	<b>Section B</b>	This section explains that we will treat you as a retail client (which gives you the highest level of regulatory protection available); explains the importance of the information you provide us with so that we can be sure that we have correctly understood your investment objectives and appetite for risk (as this determines the way in which we provide our Services); and notes what confirmations we need from you and your responsibilities.
	<b>Section C</b>	This section explains how you become a client of ours and the legal relationship that is created; when the Agreement comes into effect; and how the Agreement can be cancelled, varied, terminated or transferred to someone else.
<b>PART TWO</b>	if you appoint us to provide you with our Discretionary Services, you should read this section.	
<b>PART THREE</b>	If you appoint us to provide our Advisory Services, you should read this section.	
<b>PART FOUR</b>	If you appoint us to provide you with our Execution Only Services, you should read this section.	
<b>PART FIVE</b>	This Part sets out the various custody arrangements which can apply to our Services:	
	<b>Sections A &amp; B</b>	These sections apply if you appoint SEI to safe guard and administer your investments.
	<b>Section C</b>	This section applies if you make your own custody arrangements.

## Part 1 General Information

### Section A – About us and Our Services

A.1	Who are we? .....	10
A.2	Who regulates us? .....	10
A.3	What Services do we provide? .....	10
A.4	Delegation and Use of other parties .....	10
A.5	Buying and selling investments.....	11
A.6	Voting and Corporate Actions .....	12
A.7	What reports will you receive? .....	12
A.8	How will we communicate with you? .....	12
A.9	How will we handle conflicts of interest? .....	13
A.10	How do we handle your information? .....	14
A.11	What to do if you are not happy with our Services .....	15
A.12	Liability and indemnity.....	15
A.13	Fees and charges.....	15
A.14	Service interruption.....	16

### Section B – About You

B.1	Your categorisation.....	16
B.2	Residence and domicile .....	16
B.3	Your Investment Objectives, Appetite for Risk and Investment Restrictions .....	17
B.4	Your confirmations and responsibilities.....	17

### Section C – Our Agreement

C.1	How do you sign up for our Services? .....	20
C.2	Knowing our client.....	20
C.3	Which documents form our agreement with you? .....	21
C.4	Is the Agreement legally binding? .....	21
C.5	What if there is a dispute between us .....	21
C.6	What is the governing law? .....	21
C.7	When does the Agreement take effect? .....	21
C.8	Do cancellation rights apply?.....	21
C.9	Can the Agreement be changed?.....	21
C.10	Can the Agreement be transferred to another party? .....	22
C.11	Can someone other than you or us enforce the terms of the Agreement? .....	22
C.12	What happens if a term is invalid? .....	22
C.13	How you can terminate our appointment.....	22
C.14	How we can terminate our appointment.....	22
C.15	Consequences of termination of our appointment.....	22
C.16	Consequences of termination of SEI's appointment .....	23

## Part 2 Additional terms of business relating to Discretionary Services

1	Introduction .....	25
2	Discretionary Services .....	25
3	Is our advice independent or restricted?.....	25
4	Who assesses the suitability of our Discretionary Services?.....	25
5	Who assesses the suitability of the investments in your Portfolio? .....	25
6	The types (and risks) of investments which can be held in your Portfolio .....	25
7	Reporting .....	25

## Part 3 Additional terms of business relating to Advisory Services

1	Introduction .....	28
2	Advisory Services .....	28
3	Is our advice independent or restricted?.....	28
4	Who assesses the suitability of our Advisory Services? .....	28
5	Who assesses the suitability of the investments in your Portfolio? .....	28
6	The types (and risks) of investments which can be held in your Portfolio .....	28
7	Reporting .....	28

## Part 4 Additional terms of business relating to Execution Only Services

1	Introduction .....	31
2	Execution Only Services .....	31
3	Who assesses the suitability or appropriateness of the investments in your EO Account? .....	31
4	Reporting .....	31

## Part 5

### Section A – SEI Investments - Guernsey Limited – Terms and Conditions for SEI Custody Services (the “SEI Terms”)

A.1	Background .....	33
A.2	Appointment .....	33
A.3	Responsibilities of SEI .....	33
A.4	Your Responsibilities .....	33
A.5	Custody of investments .....	33
A.6	Client Money .....	34
A.8	Conflicts of Interest .....	34
A.9	Custody Fees .....	34
A.10	Reporting .....	34
A.11	Limits on Liability .....	34
A.12	Data Protection and Confidentiality .....	35
A.13	Disputes .....	35
A.14	Regulatory Information .....	35
A.15	Law and language .....	35
A.16	Variation .....	35
A.17	Termination .....	35
A.18	Table of Defined Expressions .....	36

### Section B – SEI Investments - Guernsey Limited

B.1	General information .....	37
B.2	Client money .....	37
B.3	Custody .....	38
B.4	Conflicts of interest .....	38

### Section C – Client’s own safe custody arrangements

C.1	Introduction .....	39
C.2	Client’s own safe custody arrangements .....	39
C.3	Changing custody arrangements .....	39
C.4	Settlement .....	39

## Apx Appendix 1, 2 & 3

Appendix 1	- General description of the nature and risks of investments .....	41
Appendix 2	- Investment Objectives .....	47
Appendix 3	- Order execution policy .....	48

<b>Advisory Services</b>	Means the Managed Advisory Service and the Advisory Dealing Service as described in Part Three of these Terms and, in relation to the Managed Advisory Service, in the Guide to Managed Advisory Service.
<b>Associate</b>	Means a company or other person connected to us.
<b>Business Day</b>	Monday to Friday excluding Isle of Man, Guernsey or UK public and bank holidays or on any day which the London Stock Exchange is not open for the normal duration of its trading hours.
<b>Business Day</b>	Monday to Friday excluding Isle of Man public and bank holidays or on any day on which the London Stock Exchange is not open for the normal duration of its trading hours.
<b>Clause</b>	A clause in these Terms, including the SEI Terms.
<b>Client Information &amp; Agreement form</b>	Means the questionnaire which is used by us to gather relevant information about you, your future needs and your attitude to risk and is completed, signed and returned to us.
<b>Collective Investment Scheme</b>	An investment vehicle in which a number of investors can pool their assets which will then be managed by a third party.
<b>Conflicts of Interest Policy</b>	Our policy for identifying and managing conflicts of interest in accordance with the Isle of Man FSA Rules as amended from time to time.
<b>CTV or Consolidated Tax Voucher</b>	A document which replaces individual tax vouchers summarising income paid and any taxes withheld on one or more securities.
<b>Contract Note</b>	A document issued by a counterparty or broker which confirms an investment transaction.
<b>Corporate Action</b>	An opportunity to participate in a decision relating to the investment, including rights issues, other offers of shares or securities, voting at meetings, takeovers and reorganisations.
<b>Custody Services</b>	The provision of clearing and settlement, safe custody and ancillary services by a financial institution appointed by you or on your behalf.
<b>Discretionary Services</b>	Our discretionary service where day-to-day investment decisions are delegated to us and as described in <b>Part Two</b> of these Terms and the Guide to Discretionary Services.
<b>Documents</b>	Means reports, transaction information, valuations and Periodic Statements (where applicable) and other written information provided to you or other third party by us in relation to the Services provided by us.
<b>EEA</b>	European Economic Area.
<b>Effective Date</b>	Means the date on which the Agreement comes into force as set out in <b>Part One, Section C, Clause C.7</b> .
<b>Execution Only</b>	Means the execution of transactions without a client receiving any advice on the merits or risks of the investments or their suitability and is typically only suitable for experienced investors who are aware of the risks and rewards of various types of investments.
<b>EO Account</b>	An account opened up with and maintained by us through which we provide Execution Only Services.
<b>Execution Only Services</b>	Means our dealing service provided without any investment advice where we act on your instructions and as described in <b>Part Four</b> of these Terms and the Guide to Execution Only Services.
<b>FCA</b>	The UK's Financial Conduct Authority set up pursuant to FSMA to regulate the financial services industry in the United Kingdom and whose address is 25 The North Colonnade, Canary Wharf, London E14 5HS or any successor or successors from time to time to such functions of the Financial Conduct Authority.
<b>FCA Rules</b>	The rules established by the FCA as amended from time to time.
<b>FSA</b>	The Isle of Man Financial Services Authority established by the Transfer of Functions (Isle of Man Financial Services Authority) Order 2015 and is the regulatory body for the financial sector in the Isle of Man and whose address is PO Box 58, Finch Hill House, Douglas, Isle of Man IM99 1DT or any successor or successors from time to time to such functions of the Financial Services Authority.
<b>FSA Rules</b>	The Financial Services Rule Book 2016 as amended or superseded from time to time.
<b>Financial Instrument</b>	An investment product, stock or security or combination thereof.
<b>FSOS</b>	The Financial Services Ombudsman Scheme. A body set up by the Isle of Man Office of Fair Trading (IOM OFT) to resolve complaints between consumers and financial businesses that they have not been able to resolve between themselves whose role and powers are established in Schedule 4 of the Isle of Man Financial Services Act 2008.
<b>GFSC</b>	Means the Guernsey Financial Services Commission or any successor or successors from time to time to such functions of the Guernsey Financial Services Commission.
<b>Guide to Discretionary Services</b>	Means the document entitled 'Bespoke Discretionary Management – A guide to our service and charges' which contains a brief description of the Discretionary Services as well as the standard fees and charges (and any ancillary charges) and includes an illustration of how those fees and charges may be applied to a Portfolio.

<b>Guide to Execution Only Services</b>	Means the document entitled 'Execution Only Service – A guide to our service and charges' which contains a brief description of the Execution Only Services as well as the standard fees and charges (and any ancillary charges) and includes an illustration of how those fees and charges may be applied to an EO Account.
<b>Guide to Managed Advisory Service</b>	Means the document entitled 'Managed Advisory Service – A guide to our service and charges' which contains a brief description of the Managed Advisory Service as well as the standard fees and charges (and any ancillary charges) and includes an illustration of how those fees and charges may be applied to a Portfolio.
<b>Guide to Services</b>	Means, as the context requires, the Guide to Discretionary Services or the Guide to Managed Advisory Services or the Guide to Execution Only Services (or any combination thereof).
<b>IFA</b>	Means an independent financial adviser.
<b>IFA Fees</b>	Means the initial and/or ongoing fees and charges levied by your IFA.
<b>Intellectual Property Rights</b>	Means: (a) copyright (including the right to use software), patents, internet domain names and website addresses and other similar rights or obligations, database rights, rights in trade and service marks, designs and design rights and trade secrets, in each case whether registered or unregistered (b) applications for registration and the right to apply for registration for any of these rights; and (c) all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world.
<b>In writing</b>	Shall include hard copy original correspondence, electronic communication such as email or facsimile or other form of on-line communication such as via a web portal.
<b>Investment</b>	A security or financial instrument or stock which includes: (a) Shares in British or foreign companies (b) Debenture stock, loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments including government, public agency, municipal and corporate issues (c) warrants to subscribe for investments falling within (a) above (Note – we will only purchase warrants if we are in receipt of a Risk Warning Notice duly signed by you.) (d) Depository receipts or other similar types of instrument relating to investments falling within (a), (b) or (c)). (e) Authorised unit trusts, investment companies with variable capital, exchange traded funds, similar recognised schemes in the EEA states and other overseas jurisdiction (f) Unregulated Collective Investment Schemes. (g) Investments which are similar or related to any of the foregoing. (h) Qualifying Individual Savings Accounts. (i) Options and Futures. (j) Covered warrants. (k) Contracts for differences and spread bets.
<b>Investment Services</b>	Means the Discretionary Services and the Advisory Services.
<b>Isle of Man DPA</b>	Isle of Man Data Protection Act
<b>LIFFE</b>	The London International Financial Futures and Options Exchange based in London and owned and operated by Intercontinental Exchange, Inc (an American network of exchanges and clearing houses for financial and commodity markets).
<b>Managed Advisory Service</b>	Means the service where we provide you with investment advice on a regular basis as described in Part Three of these Terms and in the Guide to Managed Advisory Service.
<b>MiFID</b>	The Markets in Financial Instruments Directive 2004/39/EC as subsequently amended – a European Union law that provides harmonised regulation for investment services across the European Economic Area.
<b>Non-Mainstream Products</b>	Means unregulated collective investment schemes and other complex products, such as derivatives.
<b>Nominee</b>	Means, in relation to WHIreland's Custody Service, Fitel Nominees Limited or WHIreland Nominees Limited, which are wholly owned subsidiaries of WH Ireland Limited.
<b>Order</b>	Any instruction you give to us to execute a transaction or a discretionary transaction prior to its being executed.
<b>Packaged Product</b>	Means a life policy, or a unit in a regulated collective investment scheme or an interest in an investment trust savings scheme or a stakeholder pension scheme or a personal pension scheme.
<b>Portfolio</b>	The portfolio of assets (including uninvested cash) which you entrust to our Discretionary Services and/or our Advisory Services.
<b>Proprietary Information</b>	Means manuals, user documents, business plans, business processes, software codes, trade secrets, designs, concepts, discoveries, ideas, enhancements, improvements, inventions, systems and other data and materials supplied to or on our behalf to you pursuant to this Agreement and other confidential or proprietary information supplied or disclosed to you (whether before, on or after the Effective Date) by or on our behalf to you in connection with this Agreement.

<b>Recognised Investment Exchange</b>	Means a stock exchange recognised and declared to be a recognised investment exchange under FSMA.
<b>Restricted Advice</b>	The type of investment advice a firm is able to deliver to retail clients in respect of a Retail Investment Product. Providing Restricted Advice simply means that we will not provide advice on the whole range of Retail Investment Products as we do not advise on pensions or life assurance based products. However, we will select from a wide range of suitable investments.
<b>Retail Investment Product</b>	Means products offering investment exposure to a range of Financial Instruments in packaged form, such as regulated collective investment schemes, investment trusts, exchange traded funds, structured investment products, unregulated collective investment schemes.
<b>Rights Issue</b>	Additional shares or stock in a company sold by the company to existing shareholders in proportion to their existing holding.
<b>SEI</b>	SEI Investments – Guernsey Limited which will provide the SEI Custody Services.
<b>SEI Agreement</b>	The agreement whereby SEI has agreed to provide SEI Custody Services to our clients which we introduce to them the current terms and conditions for which are set out in Part Five, Section A of this Agreement.
<b>SEI Terms</b>	The terms of business set out in Sections A and B of Part Five, as may be amended from time to time, which govern the basis on which SEI will provide the SEI Custody Services.
<b>SEI Custody Services</b>	Has the meaning as set out in Part Five, Section A of this Agreement.
<b>Services</b>	The range of services offered by us, the Discretionary Services, the Advisory Services, the Execution Only Services and WHIreland’s Custody Services.
<b>SETS</b>	The London Stock Exchange’s electronic trading service.
<b>Sterling</b>	The currency of the UK.
<b>Sub-Custodian</b>	A third party appointed by a custodian to hold clients’ assets.
<b>Terms</b>	The terms of business set out in Parts One through to Part Five inclusive and including the appendices, as may be amended from time to time.
<b>UCITS</b>	An undertaking for collective investment in transferable securities. This is a form of collective investment scheme which could be structured as a unit trust or an investment company, incorporated in the UK or other European Union member state, which satisfies certain investment and management criteria.
<b>UK</b>	United Kingdom.
<b>US</b>	United States of America.
<b>US National</b>	Means a person who is a US resident or citizen; or has a US place of birth; or has a US mailing address; or has a US telephone number; or has standing instructions to transfer funds to an account maintained in the US; or has granted a power of attorney or signatory authority to a person with a US address; or has a “care-of” address or “hold mail” in the US that is the sole address of the individual.
<b>US Person</b>	As defined by the Internal Revenue Service of the US which includes any citizen or resident of the US.
<b>VAT</b>	Means value added tax or any other tax of a similar nature that may be substituted for or levied in addition to it in each case at the current rate from time to time.

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PART ONE

## General Information

### Section A

## About us and our services

All clients should read this section which contains general information about us and the Services we provide.

Abbreviations and definition of certain words used in the Agreement are either in the Glossary or explained where they appear in the Agreement.

#### A.1 Who are we?

We are a company incorporated in the Isle of Man under company number is 127781C. Our registered office is at:-

*St George's Tower, Hope Street, Douglas, Isle of Man, IM1 1AR*

You have the right to request details of any relevant educational and professional qualifications, and the experience and track record of (i) us; and (ii) any employee of ours directly engaged in providing Services to you.

#### A.2 Who regulates us?

We are licensed by the Financial Services Authority in the conduct of investment business. The FSA is located at:-

*PO Box 58, Finch Hill House, Bucks Road, Douglas, Isle of Man, IM99 1DT*

The FSA maintains a public register of all the firms and other bodies they regulate and can be accessed via their website, [www.iomfsa.im](http://www.iomfsa.im).

#### A.3 What Services do we provide?

This Agreement covers the following services:-

##### A.3.1 Our Core Services

###### A.3.1.1 Discretionary Services

Where we are appointed by you to provide you with our Discretionary Services, we will deal on your behalf without obtaining your prior consent.

Further information is set out in **Part Two** and within the guide 'Bespoke Discretionary Management – A guide to our service and charges' (the "**Guide to Discretionary Services**").

###### A.3.1.2 Advisory Services

We offer a Managed Advisory Service where we keep your Portfolio under review and provide you with advice on an arising basis. We may make personal recommendations to you but will not be able to deal for you without obtaining your prior consent.

Further information is set out in **Part Three** in relation to the Advisory Services and within the guide 'Managed Advisory Service – A guide to our service and charges' (the "**Guide to Managed Advisory Services**").

###### A.3.1.3 Execution Only Services

Where we are appointed by you to provide you with our Execution Only Services, we will not make any personal recommendations to you and will not assess the suitability of an investment or Service selected by you and you will not benefit from the protection of the FSA Rules on suitability. We will, however, assess the appropriateness of any "complex" products (such as derivatives or Non-Mainstream Products).

An explanation of this and further information is set out in **Part Four** and within the guide 'Execution Only Service – A guide to our service and charges' (the "**Guide to Execution Only Services**").

##### A.3.2 Custody Services

###### A.3.2.1 Your Investments

- (a) Your investments may be held in safe keeping using a choice of custody solutions. Either we will arrange for another firm, SEI, which is an eligible custodian for the purposes of the Rule Book, to provide this service directly to you in accordance with the Rule Book or you can make alternative custody arrangements yourself. If you use SEI's Custody Service, you will be entering into a contract directly with SEI as set out in **Part Five, Sections A and B**. SEI will also provide certain dealing services (they will buy and sell investments for you on our instructions) in conjunction with us.
- (b) As SEI is based in Guernsey and not the Isle of Man, it provides its custody services in accordance with applicable Guernsey law and regulations. Accordingly, the legal and regulatory regimes will be different from that of the Isle of Man and in the event of default of SEI, any Investments held in your Portfolio and/or EO Account with SEI may be treated in a different manner from that which would apply if the Investments were held by a custodian based in the Isle of Man.

##### A.3.3 Excluded services

**A.3.3.1** We may, in appropriate circumstances, provide you with information on taxation, on the basis of our understanding of current law and practice, we cannot guarantee the accuracy of source data and therefore you are responsible for checking any such information we provide with your tax adviser. In particular, you should consult your tax adviser on the tax consequences of any investment made on your behalf or recommended to you as set out in this Agreement. You and your tax adviser remain responsible for your tax affairs and we do not accept any responsibility for any taxation implications that may arise from providing our Services to you.

**A.3.3.2** We are unable to provide advice or act under discretion in relation to the shares of WH Ireland Group plc. WH Ireland Group plc, our parent company, is a public limited company quoted on the UK Alternative Investment Market. If you ask us to deal in shares in WH Ireland Group plc, we will act on your instructions on an Execution Only basis.

#### A.4 Delegation and Use of other parties

In order to provide our Services we may need either to delegate some of our duties to a third party (which may include an Associate) or to use other third parties as our agent. We may also introduce you to third parties where you require a specialist service which is not one which we are able to provide. This is explained further in this clause.

##### A.4.1 Discretionary Services

We may delegate our Services to third parties (including Associates) and may provide information about you and your Portfolio and/or your EO Account to any such delegates but we remain responsible to you for our Services.

#### A.4.2 Use of or introduction to other parties

**A.4.2.1** We may, where reasonable, employ other parties (“agents”) (including Associates) to perform any administrative, dealing or ancillary services required to enable us to perform our Services under this Agreement. We will act in good faith and with reasonable skill and care in the selection, use and monitoring of such agents.

**A.4.2.2** Where we need to use an agent or make an introduction to a third party based outside the Isle of Man, you should note that in some or all respects the applicable regulatory system, including any compensation arrangements, may be different from that of the Isle of Man. Accordingly, you may not receive the same level of protection as you would if that business were undertaken in the Isle of Man.

**A.4.2.3** If any agent (such as a broker or counterparty) fails to deliver any necessary documents or to complete any transaction, we will take reasonable steps on your behalf to rectify such failure or obtain compensation however we will not be liable for any failure to do so unless we have been negligent in our selection or use of such agent. All resulting reasonable costs and expenses properly incurred by us shall be paid by you.

**A.4.2.4** We may introduce you to other organisations for the provision of specialist services. This may include Associates. We will not introduce you to an Associate without disclosing that relationship. Subject to FSA Rules, such other organisations may pay a fee or commission to us for such introduction. Such fees or commissions will be payable in accordance with our Conflicts of Interest Policy. Where we introduce you to another organisation (including Associates) we take reasonable care in making the introduction. However, you will enter into a direct contractual relationship with that organisation and we will not be responsible for any acts or omissions of that organisation or any of its employees (even if that organisation is an Associate) and are unable to guarantee the continuing solvency of any such third party.

**A.4.3** Where we arrange an introduction to SEI to act as your custodian, the terms set out in **Part Five, Section A** shall apply to that appointment. Where SEI are appointed as your custodian, you authorise us to give instructions and provide information (including personal data) concerning you and your Portfolio and/or EO Account to SEI and SEI shall be entitled to rely on any such instructions or information without further enquiry.

**A.4.4** Where you select a third party custodian other than SEI, the terms set out in **Part Five, Section C** shall apply. You authorise us to give instructions and provide information (including personal data) concerning you and your Portfolio and/or EO Account to your appointed custodian.

**A.4.5** Further information on how we will deal on your behalf is set out in **Part Two** for Discretionary Services; **Part Three** for Advisory Services; **Part Four** for Execution Only Services.

#### A.5 Buying and selling investments

**A.5.1** Our Order Execution Policy is set out in **Appendix 3** and sets out the basis on which we will seek to obtain the best possible result (best execution) of transactions we enter into on your behalf. You hereby confirm that you have read the Order Execution Policy and agree to its terms. In particular, you agree that we may trade outside of a Regulated Market or Multilateral Trading Facility (as those terms are defined in the Order Execution Policy). The Order Execution Policy may be updated from time to time and the latest version is available on request and on our website.

**A.5.2** Subject to **Clause A.5.3** below, in effecting transactions for your Portfolio and/or your EO Account, we will at all times comply with our Order Execution Policy and in particular will act in your best interests and comply with any applicable obligations regarding

best execution under the FSA Rules. We will normally deal as your agent, however, we may, in certain circumstances, also buy investments from you or sell investments to you in our own right (known as acting as principal) in which case this will be notified to you at the time of dealing and, where issued, noted in the contract note.

**A.5.3** **Where you give us a specific instruction in relation to the execution of orders this may prevent us from following our Order Execution Policy in relation to such orders in respect of the elements of execution covered by the instruction. Any such orders will be executed on an Execution Only basis to which the terms of the Execution Only Services will apply. For the avoidance of doubt, we may decline to act on any specific instruction to execute an order without giving any reason. If we have given you an indicative price in relation to a specific order, we cannot guarantee, due to market fluctuations, that this will be the price at which the order is executed. Similarly, certain securities price on what is known as a ‘forward’ basis. In other words, the price may not be known at the time the order is placed. If, unknowingly, we enter into a transaction (in good faith on your instructions) which constitutes an infringement of a market rule, law or regulation, we reserve the right to reverse the transaction without notice. In such circumstances, you will be liable for all costs incurred.**

**A.5.4** We may (subject to our Order Execution Policy) deal on such markets or exchanges and with such counterparties as we think fit. All transactions will be effected in accordance with the rules and regulations of the relevant market or exchange and we may take all such steps as may be required or permitted by such rules and regulations and/or by appropriate market practice.

**A.5.5** We may ourselves execute orders or decisions to deal or may transmit or place orders with other entities for execution.

**A.5.6** We may aggregate transactions executed for you (including for the Portfolio and/or the EO Account) with those of other clients (including clients of Associates) and members of staff. If all transactions cannot be fulfilled or a series of transactions results in different prices, we will ensure that such transactions are allocated on a fair and reasonable basis in accordance with the requirements of the FSA Rules. You recognise that each individual aggregated transaction may operate to your advantage or disadvantage.

**A.5.7** A “client limit order” is a specific instruction from you to us to buy or sell a financial instrument at a specified price limit or better and for a specified size. We will accept limit orders on a reasonable endeavours basis. However, we cannot guarantee that we will be able to deal even if the price reaches the relevant level. Limit orders will only be accepted during normal market hours and those not executed will be deemed to expire when the market closes on the same business day.

**A.5.8** In respect of our Discretionary Services, we have complete discretion to deal on your behalf without obtaining your prior approval. For our Advisory Services and Execution Only Services, we have no such discretion and will only enter into transactions on your behalf on receipt of your specific instructions.

**A.5.9** In respect of our Advisory Services and Execution Only Services, where we have effected a transaction on your behalf, you hereby warrant that you will make available by the settlement date, cleared funds to settle purchases or, if you are selling investments, to deliver to us the investments being sold or the documents of title relating to them (electronically if held in dematerialised form or the relevant certificates or other documents of title and appropriate forms of transfer duly signed). You must promptly take all action necessary (including the supply of information) to enable settlement of all transactions. Where insufficient monies are available to settle a particular transaction or series of transactions, we reserve the right to take all steps necessary to settle the transaction, without prior reference to you, including

cancelling or reversing the transaction or buying or selling the relevant securities. In such circumstances, you will be responsible for all costs, direct and indirect, incurred by us.

**A.5.10** All transactions will be settled in your base currency unless you instruct us otherwise. If a purchase transaction is undertaken in a currency other than your base currency, you must either make the currency available or, if we are holding funds on your behalf, we will undertake the foreign exchange transaction either at the same time as that for the underlying asset or at settlement date. If you undertake a sale transaction in a currency other than your base currency, we will convert automatically the sale proceeds into your base currency unless instructed otherwise.

**A.5.11** Other than in relation to the Discretionary Services (where we will make the necessary notifications), you must comply with all notification requirements under the City Code on Takeovers and Mergers, including the obligation to notify dealings in relevant shares during a takeover when you (either alone or together with other parties to an agreement or understanding) as a result of such dealings, will or already hold 1% of those shares.

**A.5.12** If you are a director or an employee with access to confidential information about a company in which we may invest on your behalf, or connected to such persons, your dealings with us and relevant notifications must comply with the Model Code for director's dealings, issued under the UKLA, FCA Rules, FSA Rules and UK and Isle of Man Companies Law.

## A.6 Voting and Corporate Actions

### A.6.1 Voting

**A.6.1.1** We will not exercise voting rights attaching to the investments of your Portfolio and/or your EO Account, regardless of who is the custodian of the investments.

**A.6.1.2** You will be responsible for declaring any notifiable interest for your Portfolio and/or EO Account under applicable laws. If you are in any doubt as to what constitutes a notifiable interest, you should discuss this matter with your account executive.

### A.6.2 Corporate Actions

**A.6.2.1** In respect of our Discretionary Services, we will, on your behalf and at our discretion, act on any conversion and subscription rights, takeovers, capital re-organisations and other corporate actions in relation to the investments held in your Portfolio.

**A.6.2.2** In respect of our Advisory Services and Execution Only Services, where we receive notification of any conversion and subscription rights, takeovers, capital re-organisations and other corporate actions, in relation to the investments held in your Portfolio or, as applicable, your EO Account, we have no discretion and will accordingly seek to obtain your instructions. Provided we receive your instructions in a timely manner, we will endeavour to instruct your custodian accordingly. In the event that we are unable to contact you or you do not respond in sufficient time, we will be unable to take any action on your behalf. You should note that there may be a time delay in receiving notifications of corporate actions in respect of overseas holdings. Accordingly, whilst we will use reasonable endeavours to act on your instructions, if there has been a delay, it may not be possible to advise you of the corporate action or pass on your instructions prior to the deadline.

**A.6.2.3** On occasion companies will provide shareholders with the choice to receive shares rather than cash dividends ("optional dividends"). It is our general policy not to accept shares in lieu of cash dividends. Should you wish to receive shares, you may elect to do so by completing the relevant section of the Client Information & Agreement form.

**A.6.2.4** From time to time, certain companies make concessions available to shareholders but you should be aware that shareholder concessions may not be available to you where assets are registered with another party's name, such as your custodian.

**A.6.2.5** Where a security has been sold with rights attached but to which you are not entitled:-

- (i) in the case of an interest or dividend payment, you undertake that you will pay to us, or where we direct, the amount due;
- (ii) in the case of a rights, bonus or other entitlement, in the event that any documents relating to that entitlement are sent to you, you will send to us, or where we direct, all such documentation.

If you fail to send the appropriate monies or documentation required, you acknowledge that we may purchase the equivalent investments and the cost of doing so will be met by you in its entirety.

## A.7 What reports will you receive?

In the course of providing our Services to you, we will provide you with information about your Portfolio and/or EO Account. The type and frequency of reports will depend on the Service we are appointed to provide.

**A.7.1** Details of the reviews, valuations, confirmations and valuations we will send to you are set out in **Part Two** for Discretionary Services; **Part Three** for Advisory Services; **Part Four** for Execution Only Services and **Part Five** for Custody Arrangements.

**A.7.2** Where you appoint SEI as your custodian, details of the information they will send to you is set out in **Part Five, Sections A and B** for SEI Custody Services.

**A.7.3** Under the FSA Rules you have the right to request:

**A.7.3.1** details of any relevant educational and professional qualifications and the experience and track record of any employee who is directly engaged in providing you with services; and

**A.7.3.2** copies of contract notes and records relating to your transactions which we retain for six years from the date of the transaction.

Any request must be made by you in writing to the following address:-

*The Compliance Officer, WH Ireland (IOM) Limited,  
St George's Tower, Hope Street, Douglas, Isle of Man,  
IM1 1AR, British Isles*

## A.8 How will we communicate with you?

During the course of our appointment we may need to discuss matters with you and you may wish to give us instructions. You may also wish to share information we have provided with a third party. How this works is set out in this clause.

**A.8.1** You authorise us to act from time to time on instructions given in any manner (including but not limited to oral and electronic instructions) where we reasonably believe those instructions come from you or any person with authority to act on your behalf. For your protection, we may seek to confirm any order sent to us, including those sent by electronic means, before acting on it. In such circumstances, this may result in a delay in executing your order which, if the market has moved, may work to your disadvantage or advantage.

**A.8.2** Subject to **Clause A.8.3**, any instruction or communication given to us by you will take effect on its actual receipt unless another

date is specified or agreed with us. Any formal notice to be given under this Agreement must be sent as a written notice to our address stated in **Part One, Section A, Clause A.1.**

- A.8.3** We may decline to accept instructions (in whatever manner given) to make payments to third parties or cause your assets in your Portfolio and/or your EO Account to be used as collateral against any third party liability.
- A.8.4** Your instructions (other than instructions to amend the Agreement) will be acknowledged by us acting on them unless you are promptly advised by us that we believe that such action may not be practicable or might involve a party in a breach of any law, rule or regulation. In respect of any instruction given to us by email, we shall not be obliged to implement an order delivered in this way unless or until you receive a message from us confirming receipt. For the avoidance of doubt, automatic receipt confirmations will not be taken as confirmation of receipt.
- A.8.5** If we need to obtain your instructions, we will use reasonable endeavours to contact you but if we are not successful or you fail to give us instructions when requested and we believe that this may result in us being exposed to financial loss or penalty or reputational damage, we reserve the right to take any action we consider is appropriate to prevent or reduce such loss or penalty. You agree to bear any reasonable costs and expenses necessarily incurred by us, or meet claims made against us, in taking such action.
- A.8.6** You understand and acknowledge that the use of electronic means with which to communicate with you (such as via the internet, email or by facsimile) has inherent risks and we cannot guarantee the confidentiality, accuracy or completeness of communications sent or received electronically. You agree that we have no liability to you for any loss arising from the use of electronic communications, except where this is caused by our own negligence, wilful default or fraud.
- A.8.7** Unless otherwise agreed to the contrary, all communications between us will be in English. All documents we prepare will be in English.
- A.8.8** If you instruct us to grant access to information regarding your Portfolio and/or your EO Account, whether in hard copy or electronically, to a third party, such access will be subject to the terms of this Agreement. If you wish to authorise anyone else to give instructions on your behalf, please complete the 'Power of Attorney and Third Party Instructions' section of the Client Information & Agreement form.
- A.8.9** In the interests of the effective provision of our Services, we may wish to call upon you by telephone or visit or otherwise communicate with you without express invitation. We will normally only contact you on business days (Monday to Friday) and between the hours of 9am and 9pm unless otherwise agreed. In relation to contact via email or other forms of electronic communications, you consent to our contacting you outside of these hours.
- A.8.10** Telephone conversations with you may be recorded by us. We reserve the right to the fullest extent permitted by applicable law and regulations to use such records in the event of a dispute between us. Under certain circumstances, recordings may be made available on request to government agencies in pursuit of their investigations and we will not be obliged to advise you of such requests. These recordings may also be disclosable in a court of law.
- A.8.11** You expressly authorise us to deliver Documents to you electronically (to the extent and in the manner permitted by applicable regulations) including, where custody is provided by SEI, the annual custody statement from SEI. In connection with such electronic delivery of the Documents, you hereby:-

**A.8.11.1** confirm that you have regular access to the internet and that you will notify us immediately if you cease to have regular access to the internet, in which case we may be required under applicable rules and regulations to provide the Documents to, and communicate with, you in paper form;

**A.8.11.2** confirm that you have provided us with your email address for the purposes of receiving Documents and communications in connection with the Services provided by, or to be provided by, us and acknowledge that we are authorised to continue to use the email address provided until we have received written notification signed by you of any change to such email address. **An email notification of a change of email address will not be accepted;**

**A.8.11.3** confirm and acknowledge that we are not responsible for any technical problems with the internet or with your use of the internet and that we are not liable for any impact these problems may have on you.; and

**A.8.11.4** confirm and acknowledge that if you download materials via the internet you will ensure that you scan such materials for malware, such as computer viruses or Trojan horses and that we are not responsible or liable to you for any damage or loss caused by such electronic communication hazards.

**A.8.12** Any of our reports, letters, information, opinions and advice (the "**Information**") provided by us to you should only be used for the purpose for which they were prepared and should not be reproduced, referred to in any other document or made available to any third party without our prior written consent. The only exceptions to this requirement are your professional advisors acting in such capacity or as required by law, court order or any regulatory or professional body. Where such consent has been given, we reserve the right to agree with you terms regarding such provision or to require the third party to enter into a direct relationship with us.

**A.8.13** None of the Information provided to you pursuant to this Agreement is intended, either expressly or by implication, to confer any benefit on or be relied upon by any third party and our liability to any third party is expressly excluded.

#### **A.9 How will we handle conflicts of interest?**

All firms may at one time or another find that they have a conflict of interest either between the firm and a client or between a firm's duties to different clients. How we identify and manage these conflicts is set out in this clause and in more detail in our Conflicts of Interest Policy.

**A.9.1** We take all reasonable steps to identify and manage conflicts and potential conflicts of interest between you and us and anyone associated with us. We maintain a number of policies in which conflicts of interest are highlighted, which are reviewed regularly and designed such that we take all reasonable steps to manage our affairs to minimise the likelihood of conflict. The overarching purpose of our Conflicts of Interest Policy is to ensure that we identify the circumstances which give rise to actual or potential conflicts of interest which could lead to a material risk of damage to a client's interests and/or expose us to the risk of litigation or adversely affect our reputation. The Conflicts of Interest Policy also sets out the procedures to be followed and the measures to be adopted in order to manage such conflicts in the client's best interests. These include, amongst other things, arrangements relating to personal account dealing by our staff, remuneration and inducements.

**A.9.2** The latest version of our Conflicts of Interest Policy can be found on our website [www.whirelandplc.com](http://www.whirelandplc.com) or is available in hard copy on request. In identifying conflicts we take into account whether we or anyone associated with us, either directly or indirectly:-

**A.9.2.1** are likely to make a financial gain or avoid a financial loss at your expense, or result in disadvantage to you;

- A.9.2.2** have an interest in the outcome of a service provided to you or of a transaction carried out on your behalf which is distinct from your interest in the outcome;
- A.9.2.3** have a financial or other incentive to favour the interest of another client group or group of clients over your interest;
- A.9.2.4** carry on the same business as you;
- A.9.2.5** receive or will receive from a person other than you an inducement in relation to a service provided to you in the form of monies, goods or services, other than standard commission or fees which have been fully disclosed and agreed by you.

**A.9.3** We will take all reasonable steps to ensure that transactions are effected on terms which are not materially less favourable than if the actual or potential conflict had not existed. Conflicts, if any, which we are not able to manage effectively will be disclosed to you in writing before we undertake any such transaction on your behalf. Such disclosure will include the nature and the type of conflict and will also include sufficient detail to allow you to make an informed decision on whether or not to do business with us. Where we consider that our arrangements are not sufficient to ensure that the risk of damage to you and to our other clients will be prevented, we will decline to act.

**A.9.4** Specifically, you acknowledge that:-

- A.9.4.1** we and an Associate may effect transactions in which we or our Associate or another client of ours or our Associate has, directly or indirectly, a material interest or a relationship of any description with another party which involves or may involve a potential conflict of interest with our duty to you. We will ensure that such transactions are effected on terms which are not materially less favourable to you than if the conflict of interest had not existed;
  - A.9.4.2** the information provided to other clients may be different from the general advice or personal recommendations given to you and such general advice or personal recommendations may not be consistent with our proprietary investments or those of our Associates; and
  - A.9.4.3** where we provide our Discretionary Services, we may make common investment decisions for a number of clients' portfolios, including your Portfolio.
- A.9.5** Subject to the FSA Rules, neither we nor any Associate shall be liable to account to you for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will our fees, unless otherwise agreed, be reduced as a result.
- A.9.6** We will normally act as your agent. Therefore, you will be bound by our actions under this Agreement. To the extent that any fiduciary or equitable duties arise as a result of the Services provided under this Agreement, such duties shall not prevent or hinder us or any Associate in effecting transactions with or for you.

## **A.10 How do we handle your information?**

In the course of our appointment, we will receive information from you, some of which will be confidential (such as personal information) and you will receive information from us which is only intended for your use. We will also keep the information generated during our appointment which will record what we have done for you, such as transactions, and what information we have received from, and provided to, you. How we handle your information is set out in the Privacy Notice.

### **A.10.1 Confidentiality**

**A.10.1.1** Other than as set out in this clause, neither we nor you shall disclose confidential information concerning each other, which we or you have acquired as a consequence of this Agreement.

**A.10.1.2** It is agreed that the obligations under this Agreement shall not apply to confidential information which:-

- (i) becomes generally publicly available otherwise than as a breach of this Agreement;
- (ii) was possessed by the receiving party prior to the Effective Date (or prior to being designated as confidential information);
- (iii) is lawfully acquired by a receiving party from a third party and was not subject to an obligation of confidentiality when acquired; or
- (iv) is disclosed by a receiving party to comply with an order of any court of competent jurisdiction, or pursuant to any law or regulation or at the request (whether legally binding or not) of any relevant regulatory, governmental or fiscal authority.

**A.10.1.3** Notwithstanding the generality of the foregoing, it is specifically agreed that we may disclose confidential information concerning you to:

- (i) any officers, employees, agents, delegates, associated entities, professional advisers to the extent that such disclosure is required in the performance of our duties under this Agreement on the understanding that the recipients will treat the information as confidential; and
- (ii) any fiscal authority including, but not limited to, HM Revenue & Customs, and, if required, for onward transmission to the US Internal Revenue Service or any other fiscal authority.

**A.10.1.4** You further agree that we may disclose confidential information relating to you and the Services provided by us to you under this Agreement to Associates for any purpose of providing you with services. If you do not wish your confidential information to be disclosed in this way, please notify us. There are no adverse consequences to you if you choose not to have your confidential information disclosed in this way. If you choose to appoint any Associate for the purpose of providing you with additional services, these additional services will be performed in accordance with the terms and conditions agreed between you and that Associate and shall not form part of this Agreement. Please note that we may, subject to the FSA Rules and our Conflicts of Interest Policy, receive a fee in relation to referral of business to Associates. Our remuneration under this Agreement will not be reduced where this is the case.

### **A.10.2 Intellectual Property Rights**

**A.10.2.1** We retain all copyright and other Intellectual Property Rights in everything developed by us both before and during the course of our appointment, including rights in all Documents although in return for the fees you pay us you are entitled to use the Documents for the purposes for which they were created and subject to the terms of this Agreement.

**A.10.2.2** All Documents in our possession or control, generated by us or addressed to us in relation to the Services shall be our sole property.

**A.10.2.3** You acknowledge and agree that we do and will continue to own all right, title and interest in and to the Services and Proprietary Information including, without limitation, any and all Intellectual Property Rights and Proprietary Information connected with our Services. Except as specifically permitted by this Agreement, the Services and Proprietary Information may not be used or disclosed by you to any person without our prior written consent.

**A.10.2.4** You agree that you will not copy nor permit others to copy the Services in whole or in part. You shall execute any documents or take any other actions as may be reasonably necessary to enforce our ownership of the Services or Proprietary Information.

### A.11 What to do if you are not happy with our Services

Whilst we do our best to deliver our Services to you as you expect, we acknowledge that sometimes you may feel that we have not provided our Services to the standard you were led to believe or have other cause for complaint. This Clause sets out what you can do in such circumstances.

- A.11.1 If at any time you would like to discuss with us how our service to you could be improved, please let us know.
- A.11.2 If you are dissatisfied with any aspect of the service you are receiving and wish to make a formal complaint, please write to our Director of Operations at our registered office. You may request a copy of our Complaints Handling Procedure at any time.
- A.11.3 We will provide a written acknowledgement of the complaint to you within seven days of receipt.
- A.11.4 We undertake to look into any complaint carefully and promptly. In the event that you are not satisfied with the resolution of any complaint that you raise with us, then you may have a right to refer your complaint to FSOS at:

The Financial Services Ombudsman Scheme for the Isle of Man, This Slieau Whallian, Foxdale Road, St John's, Isle of Man, IM4 3AS

Further information is available from FSOS website [www.gov.im/oft/financialservicesombudsmanscheme](http://www.gov.im/oft/financialservicesombudsmanscheme).

Please note that the rules the FSOS follow to determine whether they can look at your complaint are complex (for example, if you are classified as a non-Retail Client you may not have recourse to the FSOS). If you are in any doubt, you are encouraged to speak to the FSOS.

### A.12 Liability and indemnity

Whilst we endeavour to provide our Services to you with all reasonable skill and due care, occasionally something may go wrong. Whether we are liable for any resultant loss to you is dependent on whether we were at fault. This is explained in this Clause.

- A.12.1 We accept responsibility for loss to you to the extent that such loss is reasonably foreseeable and is caused directly by the negligence of us, our employees or our delegates (appointed in accordance with this Agreement) and their employees or is directly caused by our or their wilful default or fraud.
- A.12.2 Except insofar as we are responsible for loss pursuant to **Clause A.12.1**, you agree to indemnify us against all costs, losses, claims and expenses which may be incurred by us or made against us either (i) as a result of any party claiming to be entitled to investments which form part of the Portfolio and/or EO Account at the time when we first commenced the provision of the Services; or (ii) in consequence of any breach by you of the Agreement; and (iii) arising out of any action properly taken by us in accordance with this Agreement.
- A.12.3 We do not give any warranty or undertaking as to the performance or profitability of your Portfolio (or any part of it) or any of the investments in your EO Account or that your investment objectives will be achieved.
- A.12.4 You and your tax advisers are responsible for the management of your affairs for tax purposes. We shall not be responsible for the tax consequences of any transaction which we undertake for you.

### A.13 Fees and charges

We provide our Services in return for a fee and other charges. In addition, certain commissions and charges will apply, such as the costs of dealing. These fees, commissions and charges and how they will be paid are set out in this Clause.

- A.13.1 You agree to pay our fees, commissions and charges as set out in the relevant Guide to Services or as otherwise agreed between us. You also agree to pay such other reasonable costs incurred in the provision of our Services where provided for within these Terms. Where we charge periodic fees based on the value of your Portfolio and/or EO Account, for the period to 31 December 2017, our fees will be calculated using the current methodology i.e. based on the value of the assets within your Portfolio and/or EO Account as at the last Business Day of the period end. From 1 January 2018, our fee will be calculated based on the average daily balance in your Portfolio and/or EO Account. You may request details of the amount of remuneration received by us for providing Services to you.
- A.13.2 Charges will be deducted from your Portfolio and/or EO Account at the time they are incurred. Where you have appointed a third party custodian, including SEI, you authorise us to deduct our fees and charges from your Portfolio and/or EO Account with such custodian.
- A.13.3 You will be liable for any costs of transactions properly incurred under this Agreement, including transfer and registration fees, taxes, stamp duties and other fiscal liabilities. All duties charged and levies imposed and third party costs will be passed on at the rate shown under 'Ancillary Charges' in the relevant Guide to Services. Some examples of third party costs include currency conversions, registrar and payment charges and the provision of duplicate documents. Other third party charges will be passed on to you in full. In addition, we reserve the right to make a reasonable charge for the provision of information to third parties (such as your accountants or auditors), additional valuations or our involvement in legal proceedings brought by or against you.
- A.13.4 If you default in paying any amount when due or fail to perform any obligation you may have to us (for example, deliver any sale documentation required for settlement or provide us with information or instructions when required), we may take all and any action we consider reasonable to protect our interests, including, but not limited to:-
  - A.13.4.1 an interest charge will be payable by you at 3% over Bank of England base rate on any outstanding balances, calculated daily from the date on which payment was due;
  - A.13.4.2 without prior notice, we may:-
    - (i) sell investments purchased for you should you not make available a cash sum to settle the purchase;
    - (ii) purchase investments to settle a sale by you should you fail to delivery any relevant paperwork;
    - (iii) sell any assets over which we have authority and use the resultant balance and any money (in any currency) over which we have authority, to satisfy your liability, together with interest and any costs and expenses we may incur in exercising these rights. We will pay you the resultant balance as soon as reasonably practicable after taking such action.
  - A.13.4.3 except where we are not permitted to do so by law or regulation, exercise a lien over all funds, documents and records in our possession including the retention of any funds held by us or over which we have authority and apply such funds to offset any liability you may have to us until such time as we are reasonably satisfied that all such liabilities have been settled.
- A.13.5 If we should enter into a transaction on your behalf using the London Stock Exchange SETS trading system or any other trading system which imposes any liability on us (in whatever capacity) we reserve the right to charge you additional reasonable costs.
- A.13.6 If you elect to pay for our Services by paying a fee on a periodic basis, should you open an account part way through a charging period, fees will apply on a pro-rata basis from the date of account opening or as otherwise agreed between us.

- A.13.7** If you are or have been introduced to us by another firm and you have agreed to pay for their initial and/or ongoing charge from your Portfolio and/or EO Account, please signify this within the Client Information & Agreement form. By doing so, you authorise us to deduct such fees from your Portfolio and/or EO Account at the rate and frequency specified by you.
- A.13.8** We may receive commission from third parties in relation to transactions effected by us with or for you and unless you agree otherwise, we will rebate any such commissions to you.
- A.13.9** You are responsible for the fees and charges of any custodian appointed by you, including SEI. However, for as long as we provide you with our Investment Services and/or Execution Only Services in accordance with the terms of this Agreement, the costs and expenses of using SEI as your custodian under the terms of this Agreement will be met by us out of the fees and charges payable to us by you for our Investment Services and/or Execution Only Services. Should we fail to pay SEI its fees under this arrangement, we agree to indemnify you to the extent of such unpaid SEI fees.
- A.13.10** All fees and charges will be subject to VAT, where applicable.

#### **A.14 Service interruption**

There may be occasions when events outside our control prevent us from providing our Services, such as a power failure. This Clause gives examples of situations which might cause an interruption to our Services.

- A.14.1** We will not be responsible or liable for any claim, loss, damage, expense or cost howsoever suffered arising out of or in connection with any delays or failures in performing our obligations under or pursuant to this Agreement or breach of contract if such delay or failure is due to any event or circumstance beyond our reasonable control. We shall be entitled to a reasonable extension of time for performing such obligations as a result of such cause.
- A.14.2** Events outside our reasonable control shall include acts of God, war, any change to the law, order or regulation of a governmental, supranational or regulatory body, acts of terrorism, failure or breakdown in communications not reasonably within our control, accident, fire, flood or storm or civil disturbance.

## **Section B**

### About You

This section explains the importance of the information you provide us with so that we can be sure that we have correctly understood your investment objectives and appetite for risk as this determines the way in which we provide our Services.

Abbreviations and definition of certain words used in the Agreement are either in the Glossary or explained where they appear in the Agreement.

#### **B.1 Your categorisation**

As an FSA regulated firm we are required to classify our clients. FSA client categorisation relates to the level of protections you will have the benefit of under the FSA Rules and affects the level of disclosure we are required to make regarding our Services. Your classification and the consequences of such classification are set out in this Clause.

- B.1.1** We are required, under the FSA Rules, to categorise each of our clients either as a Retail Client or a non-Retail Client. Clients who meet the criteria to be categorised as a Retail Client are afforded a greater level of protection than non-Retail Clients.
- B.1.2** We have categorised you as Retail Client for the purposes of the FSA Rules.
- B.1.3** Whilst we will categorise you as a Retail Client for the purposes of delivering our Services, if, under the FSA Rules, you satisfy the criteria of a non-Retail Client, you should be aware that whilst you will have the benefit of being a Retail Client for the purposes of the FSA Rules you may not be an eligible complainant for the purposes of The Financial Services Ombudsman Scheme.
- B.1.4** You can ask us to classify you as a non-Retail Client which we may agree to provided you satisfy certain criteria under the FSA Rules. If you wish us to change your categorisation to that of a non-Retail Client, you will need to contact us and obtain a supplementary form (the “**Non-Retail Client Form**”) to complete, sign and return to us. The Non-Retail Client Form includes a summary of certain, potentially relevant, protections that are not applicable to non-Retail Clients and a services risk disclosure.
- B.1.5** If you are a client of our Execution Only Services, you will not be treated as a “Retail Client” in respect of the Execution Only Services and you understand that we will not advise you on the merits or suitability of any order given by you. Our only obligation will be to ensure that you have the necessary experience and knowledge to understand the risks involved in relation to the proposed transaction in accordance with the FSA Rules. The level of protection afforded to you will be lower than that afforded to a “Retail Client”.

#### **B.2 Residence and domicile**

It is important that we gather sufficient information about you and your personal and financial circumstances to allow us to get a better understanding of your needs and requirements so that we are able to ensure that we are able to provide you with our Services (we may not be able to in certain countries due to local law) and whether our Services are appropriate for you. This clause sets out the information required from you.

- B.2.1** It is important that you let us know where you live or are domiciled for tax purposes. This is because this could impact whether we are able to provide you with our Services (as we may be required to be registered in your home country) and there may also be reporting requirements.
- B.2.2** As long as we have the necessary permissions to provide our Services to clients based outside of the Isle of Man, then we are

able to accept non-Isle of Man resident or domiciled clients. However, if we do not have the necessary permissions in your home country, then we may not be able to provide our Services. Therefore, it is important that you complete the relevant section in the Client Information & Agreement form so that we have an opportunity to consider your application where you are non-Isle of Man resident or non-Isle of Man domiciled.

- B.2.3** If you change your residence or domicile after the Effective Date, you should be aware that we may not be able to continue to provide you with our Services due to applicable laws and regulations of the country to which you move. In such circumstances, we are entitled to terminate this Agreement with immediate effect upon written notice to you. Where we are able to continue to provide our Services, if there are additional obligations on us, there may be an additional charge required to reflect any additional regulatory burden or operational requirement in so doing. We will notify you of these charges which will take effect in accordance with **Clause C.9 of Part One, Section C**.
- B.2.4** You warrant that you are not a US Person or a US National and will inform us if you become or are about to become a US Person or a US National. If you are unable to give this warranty, please contact your account executive.
- B.2.5** You acknowledge that if you are or are about to become a US Person or a US National, that we may not be able to continue to provide you with our Services and that we have the right to terminate this Agreement with immediate effect.

### **B.3 Your Investment Objectives, Appetite for Risk and Investment Restrictions**

It is important that we understand your personal circumstances and requirements so that we can develop and agree with you an investment strategy designed to meet your investment objectives. This clause sets out how investment objectives are agreed and how to advise us of any investment restrictions and your appetite for risk.

#### **B.3.1 Your Investment Objectives**

- B.3.1.1** The information you provide in the Client Information & Agreement form includes a statement of your investment objectives. In completing this section you should bear in mind the risks associated with any investment. **Appendix 1** provides a general description of the nature and risks of investments which may be held in your Portfolio.
- B.3.1.2** Whilst we will use all reasonable efforts to meet your investment objectives, we cannot guarantee that we will do so.
- B.3.1.3** You may change your investment objectives after the commencement of this Agreement. If you wish to do so, please discuss this with us so that we can agree any such change with you.
- B.3.1.4** The investment objectives will not be considered to have been breached as a result of any events or circumstances outside our reasonable control including, but not limited to, changes in the price or value of assets in the Portfolio brought about solely through movements in the market.

#### **B.3.2 Your Appetite for Risk**

- B.3.2.1** Where applicable, so we can properly assess the suitability or appropriateness of our Services and any individual transaction or, as the case may be, personal recommendation, we need to assess your appetite for risk.
- B.3.2.2** The Client Information & Agreement form asks various questions which are designed to enable us to assess your appetite for risk and capacity for loss which will be a key factor in determining the suitability or appropriateness of investments for your Portfolio.

**B.3.2.3** Your Portfolio will contain a variety of asset classes with a range of risks held in different proportions. The varying proportions will determine the overall risk of the Portfolio. Individual investments from one risk category, when combined with other investments from another risk category, may result in a different outcome. For example, a balanced risk Portfolio will comprise a mix of higher and lower risk assets such that the overall risk profile of the Portfolio will be balanced. Your appetite for risk will influence the risk profile of your Portfolio.

**B.3.3.4** Any stated level of risk will be indicative only and not absolute.

#### **B.3.3 Your Investment Restrictions**

**B.3.3.1** Unless you advise us, we will be entitled to assume that there are no restrictions on the types of investments, or the markets on which transactions are executed, or the amount which may be invested in any one investment or on the proportion of the Portfolio which may be invested in any one investment or in any particular type of investment or currency that we may recommend to you or purchase for you. Any such investment restrictions must be recorded in the Client Information & Agreement form.

**B.3.3.2** Where you invest in collective investment schemes, please note that these schemes will be subject to their own investment restrictions which may differ from, or be contrary to, your investment restrictions and therefore you may have an indirect exposure to an investment which your Portfolio would otherwise be restricted from holding directly. We will not recommend to you the acquisition of units or shares in a collective investment scheme unless we are satisfied (a) that it will be suitable for you; and (b) that it does not compare unfavourably with other investments.

**B.3.3.3** Unless you advise us otherwise we may advise on and effect transactions on your behalf in Non-Mainstream Products. You acknowledge that such Non-Mainstream Products carry additional risk as they may not be under the regulation of a competent regulatory authority, may use gearing, may not be readily realisable and may use dealing techniques which may increase their risk profile. Further information on the risks of investments is provided at **Appendix 1**.

**B.3.3.4** The investment restrictions will not be considered to have been breached as a result of any events or circumstances outside our reasonable control including, but not limited to, changes in the price or value of assets in the Portfolio brought about solely through movements in the market.

**B.3.4** Changes to your investment objectives, investment restrictions and risk appetite

**B.3.4.1** We recognise that your investment objectives, investment restrictions and risk appetite may change from time to time. To ensure that your investments meet your requirements, you must let us know promptly if your investment objectives or risk appetite changes at any time or you wish to alter your investment restrictions.

### **B.4 Your confirmations and responsibilities**

It is important for the efficient provision of our Services that, once agreed, we are able to provide our Services to you on the basis that, amongst other things, we have identified you as our client and you have confirmed various relevant matters to us which could directly affect the delivery of our Services. This clause sets out these requirements.

#### **B.4.1 Authority to appoint us**

You confirm that you have full power to appoint us on the terms of this Agreement.

**B.4.2 Freedom to deal with your assets**

- B.4.2.1** Where you transfer an existing investment portfolio to us, you confirm that the investments in the transferring portfolio are free from all liens and charges.
- B.4.2.2** You warrant that, during the term of this Agreement, you will not create or allow to be created a lien or charge in relation to the investments in the Portfolio except with our prior written consent.
- B.4.2.3** You confirm that you will not authorise any other party to deal in the investments in your Portfolio and/or EO Account during the term of this Agreement without notifying us in advance.

**B.4.3 Provision of information**

- B.4.3.1** You warrant and represent that the information you have given us (including, if relevant, information relating to your investment experience and investment objectives) is full, complete, accurate and not misleading and is given in the knowledge that we will rely on it in providing you with our Services. You agree to notify us as soon as possible of any change in any information supplied to us or of any fact or matter which may make any information you have given us incomplete, inaccurate or misleading.
- B.4.3.2** You acknowledge that:-
  - (i) if you provide us with incomplete and/or inaccurate and/or misleading information or fail to notify us of any change in the information provided this will affect the quality of the Services and we will not be responsible for any loss that may arise as a result of our reliance on the information provided by you unless the information is clearly inaccurate or out of date;
  - (ii) your failure to disclose information or misrepresent any fact which may influence a product provider's decision to accept the risk or the terms offered, could invalidate the contract and have adverse consequences;
  - (iii) it is your responsibility to read all documents provided to you and ensure that you are aware of the terms that apply, in particular, those relating to any warranties and conditions applicable to an investor;
  - (iv) you are responsible absolutely for complying with requirements of any third party provider, including payment of their fees, the failure to do so may have adverse consequences;
  - (v) it is your responsibility to complete and return forms required by tax authorities in order to receive a reduction in withholding tax, or such other qualifying form of taxation and we will not be responsible for any over deduction of tax, or for the reclamation of such tax, where this is caused by your failure to complete in full and/or return to us any required documentation in a timely manner; and
  - (vi) where investments are registered in your name, once you have agreed to a recommended transaction, we will send you a transfer form which you must sign and return together with a valid certificate (if any) and any other documentation we may request. You acknowledge that any delay in returning the transfer form to us will result in a delay in our ability to effect the transaction on your behalf which may mean that when we are able to effect the transaction the price may have moved which, depending on which way the price has moved, could make a security more expensive to purchase or result in lower proceeds on a sale.

**B.4.4 Keeping your information up-to-date**

- B.4.4.1** It is important that you notify us of any change in your personal circumstances so that we can continue to ensure that the investments in your Portfolio remain suitable or advice remains appropriate. In particular, you agree to advise us of any changes to your circumstances which may require us to treat you as a vulnerable client. You can notify us of a change of your personal circumstances by writing to us.
  - B.4.4.2** If your circumstances change such that your investment objectives change, we will agree this with you and will confirm in writing the new basis following which we will implement any changes required to the investments within your Portfolio. If the changes require a change to your benchmark, we will notify you of the new benchmark.
  - B.4.4.3** If you have changed your postal or e-mail address, you should write to us immediately. If we have received post returned by the postal authorities as undeliverable we may require additional evidence before we can update our records.  
**An email notification of a change of postal address will not be accepted.**
  - B.4.4.4** If you have changed your name, we need an original written instruction from you together with evidence of your change of name, such as a certified copy of your marriage certificate or deed of change of name. If you are unsure what document to provide, please contact your account executive for further information.
  - B.4.4.5** Changes in your personal details may require us to undertake a further verification of identity and you confirm that you will provide all documentation reasonably requested by us.
  - B.4.4.6** Should the information you have provided us with be or become inaccurate, incomplete or misleading you indemnify us against all or any liability, loss, damage, fines, penalties, claims, proceedings, charges, costs and expenses we may incur from relying on such information.
- B.4.5 Confirmations for sole accounts**
- Where you enter into this Agreement on your own account the following shall apply:-
- B.4.5.1** You confirm that you are the only person beneficially entitled to the assets of the Portfolio and/or EO Account.
  - B.4.5.2** Any instruction, notice, demand, acknowledgement to be given by or to you under this Agreement must be given by you or to you in your personal capacity within the terms of this Agreement. No other person may be authorised to give or receive the same unless under a power of attorney or other form of letter of authority duly signed by you empowering another party to give instructions to us in relation to your Portfolio and/or EO Account.
  - B.4.5.3** Your liabilities under or in connection with this Agreement are your sole responsibility.
  - B.4.5.4** In the event of your incapacity, your Portfolio and/or your EO Account will be transferred to your personal representative appointed under a power of attorney (where one has been so appointed). We will cease to provide our Services under this Agreement until we have received instructions from your power of attorney. This Agreement will be binding on your power of attorney. Please refer to **Clause B.4.12** below for further information regarding powers of attorney and personal representatives.
  - B.4.5.5** In the event of your death, your Portfolio and/or your EO Account will be transferred into the name(s) of your personal representatives and will be binding on them. We will cease to

provide our Services under this Agreement and our authority to deal will be suspended until we receive instructions from your personal representatives. We are required under money laundering prevention regulations to verify the identity of your personal representatives. The information required is set out in the Client Information & Agreement form. Once we have received this information, completed the verification process and received confirmation that probate has been granted, we will be able to act on instructions from your personal representatives.

#### **B.4.6 Confirmations for joint accounts**

Where you enter into this Agreement jointly with one or more other persons the following shall apply:

- B.4.6.1** You each confirm that you are beneficially entitled to a share of the investments in the Portfolio and/or the EO Account.
- B.4.6.2** Unless otherwise requested in writing, any instruction, notice, demand, acknowledgement or request to be given by you to us under this Agreement may be given by any one of you; and any instruction, notice, demand, acknowledgement or request to be given by us to you will be given to the first named of you. We need not enquire as to the authority of that person and that person may give us an effective and final discharge in respect of any of our obligations.
- B.4.6.3** You agree that you will each be bound by instructions we accept in good faith in the reasonable belief that those instructions come from the person or persons authorised to act on your behalf.
- B.4.6.4** Your liabilities under or in connection with this Agreement are joint and several.
- B.4.6.5** In the event of the death or other incapacity of any one of you, we will treat the remaining joint account holder(s) as entitled to the assets of the Portfolio and/or the EO Account and so this Agreement will continue in full force and effect.

#### **B.4.7 Confirmations for trustees of estate trusts and pension trusts**

Where you enter into this Agreement as trustee for an estate trust or a pension trust, the following shall apply:-

- B.4.7.1** Trustees administering the estate of a former account holder or estates of other persons will be required to produce Grant of Probate or Letters of Administration of the estate.
- B.4.7.2** Unless otherwise advised, any instruction, notice, demand, acknowledgement or request to be given by, or to, the trustees must be given by, or to, any one of them or by or to their duly appointed representatives.
- B.4.7.3** You agree that you will each be bound by instructions we accept in good faith as coming from the person or persons acting on your behalf.
- B.4.7.4** The liability of the trustees under or in connection with this Agreement shall be personal, joint and several.
- B.4.7.5** On the death or incapacity of any trustee, this Agreement will not be terminated but the continuing trustee(s) shall inform us in writing as soon as reasonably practicable of the details of the successor trustee and we shall treat the remaining trustee(s) and any successor trustee as its client for the purposes of this Agreement.
- B.4.7.6** We are required under money laundering prevention regulations to verify the identity of trustees. The information required is set out in the Client Information & Agreement form. Once we have received this information and completed the verification process, we will be able to act on instructions from the trustees.

#### **B.4.8 Confirmations for trustees of other trusts**

Where you enter into this Agreement as trustee for a trust, the following shall apply:-

- B.4.8.1** Evidence of the formal authority of the trustees to appoint us must be provided by you, such as a copy of a written resolution of a trustee meeting at which our appointment was approved.
- B.4.8.2** Unless otherwise advised, any instruction, notice, demand, acknowledgement or request to be given by, or to, the trustees must be given by, or to, any one of them or by or to their duly appointed representatives. We shall require a valid discharge from all of the duly appointed trustees of the trust.
- B.4.8.3** You agree that each trustee will be bound by instructions we accept in good faith as coming from the person or persons authorised to act on your behalf.
- B.4.8.4** Notwithstanding the terms of the trust, the liability of the trustees under or in connection with this Agreement shall be personal, joint and several.
- B.4.8.5** On the death, removal or incapacity of any trustee, this Agreement will not be terminated but the continuing trustee(s) must inform us in writing as soon as reasonably practicable of the details of any successor trustee (and any authority of such successor trustee) and we shall treat the remaining trustee(s) and any successor trustee as our client for the purposes of this Agreement.

#### **B.4.9 Confirmations for corporates**

Where you are an incorporated entity, the following shall apply:-

- B.4.9.1** Where requested by us, evidence of the formal authority of the Board of Directors to appoint us will be provided by you, such as a copy of a written board resolution.
- B.4.9.2** Unless otherwise advised, any instruction, notice, demand, acknowledgement or request to be given by, or to, the Board of Directors must be given by, or to, any one of them or by or to their duly appointed representatives.
- B.4.9.3** You agree that the company will be bound by instructions we accept in good faith as coming from the person or persons authorised to act on its behalf.
- B.4.9.4** You will provide us with a list of authorised signatories from time to time of those persons authorised to give us instructions pursuant to this Agreement and in respect of whom we will require information and documentation to be provided to enable us to verify their identities.

#### **B.4.10 Power of attorney / personal representatives**

- B.4.10.1** In order to register a power of attorney with us, we need to receive either the original document or a copy certified on each page in ink by a solicitor or notary public. Alternatively, we can accept certification by the donor. Original documents will be returned by recorded delivery.
- B.4.10.2** Please note, for a power of attorney to be effective in relation to the Discretionary Services, the power of attorney must grant an express right for the attorney to delegate decision making to a discretionary manager in relation to the donor's investments.

## Section C

# Becoming a client

In order to sign up for our Services, you will be sent a copy of this document, a Client Information & Agreement form and the relevant Guide to Services. This section explains the documents and information we require as well as the legal basis upon which we provide our Services and, where applicable, where SEI provide their SEI Custody Services.

Abbreviations and definition of certain words used in the Agreement are either in the Glossary or explained where they appear in the Agreement.

### C.1 How do you sign up for our Services?

**C.1.1** You will need to open an account by completing a Client Information & Agreement form, signing and returning it to us (see **Part One, Section C, Clause C.7**).

**C.1.1.1** It is important that we know our clients so that we can understand their requirements and thus provide suitable Services to them. The Client Information & Agreement form requires you to provide us with information about which of our Services you would like and provide details of your personal circumstances. We also ask you to provide us with information about your level of investment knowledge and experience, financial profile, appetite for risk and capacity for loss and to select an investment objective. It is important that you complete the Client Information & Agreement form fully and honestly. It is also important that you disclose to us any matter which you consider might have a bearing on the way in which we manage, advise or administer your investments. We will rely on the information you provide in the performance of our Services.

**C.1.1.2** For our Investment Services, this will enable us to ensure that:-

- (i) we recommend investments, products and services that are suitable; and
- (ii) develop a suitable investment strategy.

### C.2 Knowing our client

We need to obtain sufficient documents and information from you so that we can ensure that we are able to provide our Services to you, that they are suitable for you and we can verify your identity. This is set out in this Clause.

**C.2.1** We require certain documents in order to allow us to verify the identity of our clients. This is a legal requirement under money laundering prevention legislation. These documents are listed in the Client Information & Agreement form.

**C.2.2** Under the money laundering prevention legislation, we are required to obtain evidence of your identity and to keep this up-to-date. If during the course of our professional work, we know or suspect or have reasonable grounds for knowing or suspecting that an individual or entity is engaged in money laundering or other financial crime, we are obliged to report that suspicion to the relevant authority. If we fail to make a report, we will be committing an offence. The money laundering prevention legislation also makes it an offence for us to disclose that we have made a report.

**C.2.3** To comply with money laundering prevention legislation, we will verify your identity by carrying out various checks and will add a note to your file to show that the identity check was made and this may be shared with other businesses. We will be unable to provide you with our Services until your identity has been verified in accordance with our anti-money laundering procedures. Where you are a limited company, we may also make a search of

the shareholders, directors and any authorised signatories (who are not also directors) in circumstances we deem appropriate. By signing the Client Information & Agreement form, you are consenting to such checks. Should you not wish to consent to a check being performed, you must notify your account executive immediately. Such checks will be performed by us periodically for as long as we are appointed by you to provide you with our Services under this Agreement.

**C.2.4** We are not liable for any loss caused to you, directly or indirectly, arising out of any act or omission on our part in compliance with applicable money laundering prevention legislation.

### C.3 Which documents form our agreement with you?

A number of documents, when put together, form our agreement with you. Where you elect to use SEI as your custodian, you will also be entering into a direct contract with SEI whose terms are included in this document. This Clause notes which documents form our entire agreement.

Our Agreement with you comprises the following documents:-

**C.3.1** these Terms of Business including Appendices;

**C.3.2** the 'Client Information & Agreement' form; and

**C.3.3** the relevant Guide to Services

each as may be amended from time to time, either generally or in any particular case, in accordance with their respective terms.

Where you appoint SEI as your custodian, the SEI Terms, which are set out in **Sections A and B of Part Five**, form a direct contract between you and SEI.

Where the scope of the service extends beyond that described in the relevant Part of this Agreement or the relevant Guide to Services, supplementary terms may be provided prior to the Agreement becoming effective.

### C.4 Is the Agreement legally binding?

**C.4.1** Between you and WH Ireland (IOM) Limited, yes. By entering into this Agreement, where you wish to engage us to provide you with one or more of our Services, a contractual relationship is created between you and us which has legal consequences.

**C.4.2** Between you and SEI, where applicable, yes. By entering into this Agreement, where you have elected to appoint SEI as your custodian, a direct contractual relationship is created between you and SEI which has legal consequences. You authorise us, as your agent, to enter into a contract with SEI in relation to their provision to you of the SEI Custody Services.

**C.4.3** For your own protection you should read the Agreement carefully before signing the Client Information & Agreement form which, once signed, is your confirmation that you have read the Agreement and agree to be bound by its terms. You should keep the Agreement in a safe place. **If you do not understand any of the terms in this Agreement, please ask us for further information or clarification.**

### C.5 What if there is a dispute between us

If any dispute arises out of the Agreement which is not or is not eligible to be referred to FSOS, each of us agree that, in the first instance, we will attempt to settle such dispute by mediation in accordance with the Model Mediation Procedure of the Centre for Dispute Resolution. The number of mediators shall be one and the mediation shall be conducted in English.

### C.6 What is the governing law?

If there is a disagreement between us regarding our appointment which cannot be resolved by mediation or either party does not wish to go to a mediator, the final resort is for a case to be put before the courts. In such an event, this Clause explains which legal system will handle the matter.

- C.6.1** This Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by and interpreted in accordance with the law of the Isle of Man.
- C.6.2** The courts of the Isle of Man shall have exclusive jurisdiction to settle any dispute or claims which may arise in connection with our performance of our duties and obligations (including in relation to any non-contractual obligations).
- C.6.3** The courts of Guernsey shall have exclusive jurisdiction to settle any dispute or claims which may arise in connection with SEI's performance of its duties and obligations arising under this Agreement (including in relation to any non-contractual obligations) as set out in Part Five, Section A.
- C.7 When does the Agreement take effect?**
- C.7.1** The Agreement comes into force on the business day on which we receive a copy of the Client Information & Agreement form duly signed by you provided it has been properly completed and we have completed our client verification procedures, however, we may agree with you to an earlier effective date (the "**Effective Date**"). The Agreement will not come into force if the Client Information & Agreement form is not properly completed.
- C.7.2** In relation to the provision of SEI Custody Services, by your acceptance of this Agreement, you are specifically :-
- C.7.2.1** authorising us to enter into the SEI Agreement on your behalf as your agent on the terms summarised in **Part Five, Section A**;
- C.7.2.2** agreeing that the SEI Agreement (contained within this Agreement) will constitute a direct contract between you and SEI and you will therefore be bound by, and consent to be bound by, the terms of the SEI Agreement and the terms and conditions of SEI (as set out in **Part Five, Sections A and B**);
- C.7.2.3** authorising SEI to hold cash and investments on your behalf and to transfer cash or investments from your account to meet your settlement or other obligations to SEI; and
- C.7.2.4** confirming that you are not a US Person or a US National and agreeing to inform us if you become or are about to become a US Person or US National.
- C.8 Do cancellation rights apply?**
- C.8.1** Where an investment is registered in your name, product providers will automatically send you a notice containing cancellation and withdrawal rights, where the investments attract such rights. This will depend on the type of investment. The product provider's cancellation notice will explain how to exercise the right to cancel.
- C.8.2** When dealing in investments in authorised unit trusts, investment companies with variable capital or similar recognised schemes in an EEA state and other overseas jurisdictions, we are authorised to receive contract notes from the trust manager and will issue our own contract notes to you. You will not have the same rights of cancellation which you might be entitled to were you to deal directly with the managers.
- C.9 Can the Agreement be changed?**
- C.9.1** We may amend this Agreement in order to:
- (i) comply with any legal or regulatory or fiscal requirements or changes to which we may be subject; or
- (ii) improve the clarity of the Agreement; or
- (iii) respond to any system or operation changes we may need to make to our Services; or
- (iv) change our fees as a result of any change in tax law and practice, by giving you 30 calendar days' notice in writing before such amendment shall take effect.
- C.9.2** Either party may amend its address for correspondence (or any address for correspondence with its advisers) detailed in the Client Information & Agreement form by sending written notice of any such change to the other party. Any such amendment shall take effect on the date specified in the written notice.
- C.9.3** We may also make any other amendments to this Agreement for any valid reason (not already covered under this **Clause C.9**) provided that the amendment is reasonable and proportionate to the underlying reason for the change, by giving you 30 calendar days' notice in writing. If you do not wish to accept the amendments, you may terminate the Agreement by giving us notice of termination in accordance with **Clauses C.13** and **C.15**.
- C.9.4** If you wish to make an amendment to the Agreement (other than an amendment for the purposes of **Clause 9.2** above), this must be agreed in writing with us.
- C.9.5** No amendment will affect any outstanding order or transaction or any legal rights or obligations which may have already arisen.
- C.10 Can the Agreement be transferred to another party?**
- C.10.1** We may transfer or assign this Agreement and any of its rights and obligations under it to a third party (which may include an Associate) on written notice to you provided that such transfer does not or will not give rise to our Services being provided on materially different terms nor prejudice your rights under this Agreement.
- C.10.2** You may not transfer or assign this Agreement or your rights or obligations under it without our prior written consent.
- C.11 Can someone other than you or us enforce the terms of the Agreement?**
- No person other than a party to this Agreement has a right under the Contracts (Rights of Third Parties) Act 2001 to enforce any of its terms. For the avoidance of doubt, the SEI Terms and SEI Agreement shall be enforceable by SEI.
- C.12 What happens if a term is invalid?**
- In the event that any part of the Agreement is held to be invalid or unenforceable, the remainder will continue in full force and effect.
- C.13 How you can terminate our appointment**
- C.13.1** This Agreement has no fixed term. You may terminate this Agreement at any time by written notice to us. We will treat this notice as being effective on the date received by us or, if received on a day which is not a business day, or after 5pm Greenwich Mean Time time on a business day, on the first business day after the date of receipt.
- C.13.2** Where you have appointed SEI to provide you with SEI Custody Services, any written notice terminating our appointment will be deemed to be a termination of SEI's appointment as your custodian.
- C.14 How we can terminate our appointment**
- C.14.1** We may terminate our appointment on 60 calendar days' written notice to you or may do so with immediate effect by written notice to you if:-
- C.14.1.1** so required by any competent regulatory authority;
- C.14.1.2** you are unable to give us instructions necessary to perform our Services;
- C.14.1.3** you fail to respond within 28 calendar days' to our attempts to contact you for instructions;

- C.14.1.4** you fail to pay fees for a period of 3 months or more;
- C.14.1.5** in relation to the Investment Services, the Portfolio has been inactive for a period of 12 months;
- C.14.1.6** you commit a breach of applicable laws or regulations, such as anti-money laundering or anti-bribery and corruption legislation;
- C.14.1.7** you are disqualified from acting as a director of a company (irrespective of whether that company is our client);
- C.14.1.8** (in the case of an individual) you propose any arrangement with your creditors or if a petition is presented for your bankruptcy or a bankruptcy order is made against you; or
- C.14.1.9** (in the case of a company) you become insolvent, cease to carry on your business, have a receiver, liquidator, administrative receiver, administrator, trustee or other similar officer appointed over the whole or part of your assets, or a petition is presented or a resolution is passed for your winding up (save for a solvent winding up as part of a bona fide reconstruction or amalgamation, the terms of which we have approved in advance) or if a resolution is passed for the appointment of an administrator or an administration order is made (or documents for the appointment of an administrator are filed with any court) or if you make an arrangement or assignment for the benefit of your creditors or if any analogous event to any of the foregoing occurs.

- C.14.2** In relation to an EO Account, which has been inactive for a period of 12 months or more, where we do not provide WHIreland's Custody Services for investments in the EO Account, we may terminate our appointment without prior notice.
- C.14.3** We reserve the right to terminate our appointment at our absolute discretion without further explanation.

#### **C.15 Consequences of termination of our appointment**

- C.15.1** In relation to the Investment Services, we will immediately cease to manage your Portfolio or provide you with investment advice or personal recommendations.
- C.15.2** In relation to our Services, we will immediately cease to enter into new transactions on your behalf except where transactions had been initiated prior to the receipt of your notice of termination, we are authorised to complete such transactions as expeditiously as possible provided it is permissible for us to do so.
- C.15.3** In respect of the Discretionary Services, we will no longer exercise discretion over any corporate actions or, in the case of the Advisory Services, provide you with advice in respect of the same.
- C.15.4** On your instructions, we will arrange an orderly sale or transfer of your investments.
- C.15.5** On termination, we may, without prior notice to you, use your client money as may be required to settle transactions already initiated and to pay any of your outstanding liabilities. Any amounts paid to you will be subject to deduction of any transaction fee and/or dealing cost.
- C.15.6** Termination will not affect accrued rights, indemnities, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payment. In particular, you will:-
  - C.15.6.1** pay our fees in relation to the Services pro rata to the effective date of termination plus any additional expenses necessarily incurred by us in terminating our appointment;
  - C.15.6.2** bear any losses necessarily incurred in settling or concluding outstanding obligations; and

- C.15.6.3** pay any fees and charges arising in respect of the provision of SEI Custody Services to the date on which the last asset in your Portfolio and/or EO Account transfers from SEI's safe keeping. We will notify you of the fees and charges to be applied which may be higher than those levied during the term of our appointment.

If there is a bona fide dispute as to the payment of our fees, we may agree for the disputed amount to be held in an escrow account pending resolution of the dispute.

#### **C.16 Consequences of termination of SEI's appointment**

- C.16.1** Where you have elected to appoint SEI to provide SEI Custody Services, your agreement with SEI will terminate simultaneously with the termination of our appointment unless and to the extent that your Portfolio and/or EO Account contains any assets where it would be illegal or impractical to either transfer to a new custodian or to be sold, for example, the security is in liquidation. In such cases SEI shall continue to provide you with SEI Custody Services in relation to such securities on the basis of your agreement with SEI as set out in **Part Six, Section A** of the Agreement. You will become responsible for the custody fees payable to SEI under that agreement until such time as those securities can be encashed or transferred. Such fees will be no greater than the aggregate of fees and charges levied on your Portfolio and/or EO Account as at the date of termination of our appointment.
- C.16.2** Your access to SEI's on-line system will terminate with effect from the date on which our appointment is terminated in accordance with **Clauses C.13 and C.14**.
- C.16.3** We will arrange for SEI to account promptly to you for the assets held, save that we and they shall be entitled to retain and/or realise such assets as shall be required to settle transactions already initiated and to pay any of your outstanding liabilities.
- C.16.4** You will provide us with details of where to transfer the investments. We will make reasonable attempts to contact you but if you do not provide us with instructions within 28 calendar days of the effective date of termination of our appointment, we may, in our discretion, act to encash your assets and will not be liable for any tax consequences or market losses you incur if we do so. We may arrange to send the cash balance (less any deductions for fees and charges incurred) to your bank account or send a cheque to your last known address.



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## International Wealth

PART TWO

# Additional terms of business relating to Discretionary Services

## 1. Introduction

These additional terms apply where we provide our Discretionary Services to you.

## 2. Discretionary Services

**2.1** We will manage your Portfolio with a view to achieving your investment objectives within any restrictions which you agree with us and will act in good faith and with reasonable skill and care. Whilst we will seek to achieve any specific income or growth targets you may specify within the Client Information & Agreement form, due to market fluctuations and other events beyond our control, these targets are not guaranteed and may not be achieved. In such circumstances, we will take such actions as we deem appropriate at the time which may or may not necessitate changes to your Portfolio.

**2.2** Subject to the investment objectives and restrictions agreed between us, we will, normally acting as your agent, have complete discretion over your Portfolio (without prior reference to you) to buy, sell, retain, exchange or otherwise deal in investments and other assets, make deposits, subscribe to issues and offers for sale and accept placings, underwritings and sub-underwritings of any investments, advise on or execute transactions (including transactions in, or relating to, unregulated collective investment schemes), effect transactions on any markets, negotiate and execute counterparty and account opening documentation, take all routine or day-to-day decisions and otherwise act as we judge appropriate in relation to the management of your Portfolio but always subject to the obligations applicable to us under the FSA Rules regarding suitability and, where appropriate, best execution.

**2.3** Any restrictions on categories of investments in which your Portfolio may be invested, or the amount or proportion of the Portfolio that may be invested in any category of investment or in any one investment, will be set out in the Client Information & Agreement form, which will also specify whether any hedging, borrowing, stock lending or charging powers may be used in relation to the Portfolio and, if so, the nature of such powers and the limits applicable in relation thereto.

**2.4** Higher risk investments (including writing options and trading in futures, margined transactions, illiquid investments and participation in underwriting) may only be undertaken if specifically contemplated by the Client Information & Agreement form, which will also specify the limits applicable in relation to such investments.

**2.5** Once we have agreed an investment strategy with you, we will assign a benchmark based on your investment objectives and the types of investments to be included within your Portfolio. The benchmark is not selected with the intention that we will track it, that is to say, to select investments for the Portfolio with the sole purpose of replicating the performance of the benchmark but rather it is to provide you with a suitable yardstick against which you can measure the performance of your Portfolio. The benchmark, therefore, is for guidance only and will not reflect the composition or performance of your Portfolio which may deviate from the benchmark either in terms of performance or composition.

**2.6** If you instruct us to carry out a transaction for which no advice has been given, we will undertake this on an Execution Only basis and, in respect of such transactions, the additional terms relating to the Execution Only Services will apply. We will confirm the Execution Only status in writing pointing out the consequent reduction in investor protection to you.

**2.7** Unless otherwise provided for in the Client Information & Agreement form, we may act on a corporate action in a way which we have reasonable grounds to believe will be suitable taking into consideration the matters referred to in the Client Information & Agreement form. A corporate action would include subscription rights, conversion rights, rights relating to a takeover offer or any capital reorganisation.

**2.8** We will keep the objectives and restrictions agreed between us under review and may, from time to time, suggest to you such amendments as are, in our opinion, appropriate.

**2.9** The investment objectives and restrictions will not be breached as a result of any events or circumstances outside our reasonable control including, but not limited to, changes in the price or value of assets of the Portfolio brought about solely through movements in the market.

**2.10** Where we purchase a Packaged Product, you need to be aware that our fees will be charged in addition to the product fees.

## 3. Is our advice independent or restricted?

**3.1** We provide advice on a restricted basis based on a broad analysis of different types of investments including equities, government and fixed interest securities and most retail investment products, such as investment trusts, unit trusts, structured products and other collective investment schemes. Our advice is termed 'restricted' under FSA Rules because we do not provide advice on pensions or life assurance based products. However, we are not limited to choosing investments or products issued or provided by providers with close links to us or any other form of close relationship (such as legal or economic) and we are able to choose from a wide range of product providers.

## 4. Who assesses the suitability of our Discretionary Services?

**4.1** Where you are introduced to us by an IFA, the IFA is responsible for making sure that our Discretionary Service is right for you both initially and on a periodic basis after our appointment to ensure ongoing suitability.

## 5. Who assesses the suitability of the investments in your Portfolio?

**5.1** We will assess the suitability of a transaction in respect of your Portfolio in accordance with the FSA Rules, including, as applicable, Non-Mainstream Products.

**5.2** Where we assess suitability, this means that we will assess whether the transaction meets your investment objectives, whether you are able financially to bear any related investment risks consistent with your investment objectives and that you have the necessary experience and knowledge in order to understand the risks involved in the transaction or the management of the Portfolio.

**5.3** The suitability of any investment decision made by us is dependent, in part, on the assessment of your personal risk appetite based on disclosures by you in the Client Information & Agreement form. Your personal risk appetite shapes how we will seek to achieve your investment objectives which are to apply to the provision of our Services from the commencement of this Agreement.

## 6. The types (and risks) of investments which can be held in your Portfolio

**6.1** Appendix 1 provides a general description of the nature and risks of investments which may be held in your Portfolio.

## 7. Reporting

**7.1** We will provide you with the following:-

**7.1.1** An initial statement regarding the initial composition and value of your Portfolio as soon as practicable after your Portfolio has become operational.

**7.1.2** A regular review of the composition of your Portfolio.

**7.1.3** Where we effect a transaction, we will provide you with, or will procure on your behalf, information about executed transactions on a periodic basis or on a transaction-by-transaction basis as specified in the Client Information & Agreement form. This will, amongst other things, show amounts due or from you on the stated settlement date which will generally be a fixed number of business days from the date of the transaction. If you have elected to receive contract notes on a transaction-by-transaction basis, this will be sent no later than one business day after the day of the transaction or, in the case of orders executed via a third party, no later than one business day after the date of confirmation of the transaction. Due to different pricing and dealing mechanisms adopted by some collective investment schemes, we will forward contract notes confirming transactions in such schemes on receipt of the transaction confirmation from the scheme manager.

**7.1.4** A valuation of the investments of the Portfolio will be prepared on a calendar quarterly basis setting out the value and composition of your Portfolio, unless otherwise agreed with you. You are entitled to receive valuations on a bi-annual basis. If you would like to receive an annual rather than bi-annual valuation, please let us know.

Valuation will be prepared at the close of business on the valuation date using the mid-market price for the underlying securities. In the event that there is no mid-market price available, we may use another basis such as the last traded price.

You acknowledge that valuations of the assets of the Portfolio in the valuations are provided by us in good faith and using reasonable endeavours to ascertain the fair market values (including accrued income, if any) for the assets reasonably believed by us to be held for the Portfolio based on pricing and valuation information believed by us to be reliable. You acknowledge that variations in market conditions will mean that the prices shown in Periodic Statements and any other reports do not necessarily reflect realisable values. The basis of valuation will be stated in the valuation.

**7.1.5** Where SEI has custody of your investments, we will provide you with an annual report which includes a valuation, transaction, income statements and a CTV. The reports are normally prepared to coincide with the end of the tax year although should you require a different reporting period, you should specify this by way of the Client Information & Agreement form.

**7.2** Where you use SEI's Custody Services, you may access your valuation and transaction statements on-line using our secure internet facility. Access is obtained by completing the relevant section within the Client Information & Agreement form. Once your account has been activated you will receive an acknowledgement together with your account details. These details are personal to you and should not be disclosed to a third party other than someone to whom you have granted authority over your account and whose details you have disclosed in the Client Information & Agreement form. Should, for any reason, you suspect that your details have been disclosed to, or obtained by, a third party who has not been authorised by you, you should report this immediately to your account executive or contact [web.support@whirelandplc.com](mailto:web.support@whirelandplc.com)

**7.3** Where SEI provides you with SEI's Custody Services, SEI will provide you with a statement of the investments and monies held in your Portfolio at least once a year in accordance with the GFSC Rules.

**7.4** You note that where we invest on your behalf in units or shares in a UCITS, we will not provide you with a key investor information document in relation to such UCITS.



# Additional terms of business relating to Advisory Services

## 1. Introduction

These additional terms apply where we provide our Advisory Services to you.

## 2. Advisory Services

### 2.1 Managed Advisory Service

**2.1.1** We will monitor your Portfolio on a regular basis and provide you with investment advice in relation to your Portfolio with a view to achieving your investment objectives within any restrictions which you agree with us and will act in good faith and with reasonable skill and care.

**2.1.2** Once we have agreed an investment strategy with you, we will assign a benchmark based on your investment objectives and the types of investments to be included within your Portfolio. The benchmark is not selected with the intention that we will track it, that is to say, to select investments for the Portfolio with the sole purpose of replicating the performance of the benchmark but rather it is to provide you with a suitable yardstick against which you can measure the performance of your Portfolio. The benchmark, therefore, is for guidance only and will not reflect the composition or performance of your Portfolio which may deviate from the benchmark either in terms of performance or composition.

### 2.2 General

**2.2.1** Whilst we will seek to achieve any specific income or growth targets you may specify within the Client Information & Agreement form, due to market fluctuations and other events beyond our control, these targets are not guaranteed and may not be achieved.

**2.2.2** Subject to the investment objectives and restrictions agreed between us, we will, provide you with investment advice to purchase, sell, retain, exchange investments in your Portfolio, make deposits, subscribe to issues and offers for sale and advise on placings, underwritings and sub-underwritings of any investments subject to the FSA Rules regarding appropriateness and, where appropriate, best execution.

**2.2.3** If you instruct us to carry out a transaction for which no advice has been given, we will undertake this on an Execution Only basis and, in respect of such transactions, the additional terms relating to the Execution Only Services (set out in **Part Four**) will apply. We will confirm the Execution Only status in writing pointing out the consequent reduction in investor protection to you.

**2.2.4** You will be solely responsible for deciding which advice and recommendations to act upon and for providing us with timely instructions.

**2.2.5** With your prior consent to a particular transaction, we may, normally acting as your agent, effect such transactions on any markets, negotiate and execute counterparty and account opening documentation.

**2.2.6** The investment objectives and restrictions will not be breached as a result of any events or circumstances outside our reasonable control including, but not limited to, changes in the price or value of assets of the Portfolio brought about solely through movements in the market.

**2.2.7** We will not exercise voting rights attaching to the investments of the Portfolio unless we receive your specific instructions.

**2.2.8** Where we purchase a Packaged Product, you need to be aware that our fees will be charged in addition to the product fees.

## 3. Is our advice independent or restricted?

**3.1** We provide advice on a restricted basis based on a broad analysis of different types of investments including equities, government and fixed interest securities and most retail investment products, such as investment trusts, unit trusts, structured products and other collective investment schemes. Our advice is termed 'restricted' under FSA Rules because we do not provide advice on pensions or life assurance based products. However, we are not limited to choosing investments or products issued or provided by providers with close links to us or any other form of close relationship (such as legal or economic) and we are able to choose from a wide range of product providers.

## 4. Who assesses the suitability of our Advisory Services?

**4.1** Where you are introduced to us by an IFA, the IFA is responsible for making sure that our Advisory Services are right for you both initially and on a periodic basis after our appointment to ensure ongoing suitability.

## 5. Who assesses the suitability of the investments in your Portfolio?

**5.1** We will assess the suitability of an investment in respect of your Portfolio in accordance with the FSA Rules, including, as applicable, Non-Mainstream Products.

**5.2** Where we assess suitability, this means that we will assess whether the proposed investment meets your investment objectives, whether you are able financially to bear any related investment risks consistent with your investment objectives and that you have the necessary experience and knowledge in order to understand the risks involved in the transaction.

**5.3** The suitability of any advice provided by us is dependent, in part, on the assessment of your personal risk appetite based on disclosures by you in the Client Information & Agreement form. Your personal risk appetite shapes how we will seek to achieve your investment objectives which are to apply to the provision of our Services from the commencement of this Agreement.

**5.4** We will not recommend to you the acquisition of units or shares in a collective investment scheme unless we are satisfied (a) that it will be suitable for you; and (b) that it does not compare unfavourably with other Investments.

## 6. The types (and risks) of investments which can be held in your Portfolio

**6.1 Appendix 1** provides a general description of the nature and risks of investments which may be held in your Portfolio.

## 7. Reporting

**7.1** We will provide you with the following:-

### 7.1.1 At commencement

An initial suitability report recording the agreed investment strategy.

An initial statement regarding the initial composition and value of your Portfolio as soon as practicable after your Portfolio has become operational.

### 7.1.2 Thereafter

- (i) Where we effect a transaction, we will provide you with, or will procure on your behalf, information about executed transactions on a transaction-by-transaction basis. This will, amongst other things, show amounts due or from you on the stated settlement date which will generally be a fixed number of business days from the date of the transaction. The contract note will be sent no later than one business day after the day of the transaction or, in the case of orders executed via a third party, no later than one business day after the date of confirmation of the transaction. Due to different pricing and dealing mechanisms adopted by some collective investment schemes, we will forward contract notes confirming transactions in such schemes on receipt of the transaction confirmation from the scheme manager. Whilst we take care to ensure that the details shown on the contract notes are correct, it is important that you check the details carefully and inform us as soon as possible if you believe any of the details are incorrect.
- (ii) We will provide you with a valuation of the investments in the Portfolio half-yearly. The valuation reports are produced by us in good faith and using reasonable endeavours to ascertain the fair market values (including accrued income, if any) for the assets held in the Portfolio based on pricing and valuation information believed by us to be reliable. You acknowledge that variations in market conditions will mean that the prices shown in the valuation reports do not necessarily reflect realisable values. The basis of all valuations will be as stated in that first valuation unless otherwise notified.
- (iii) Where SEI has custody of your investments, we will provide you with an annual report which includes a valuation, transaction, income statements and a CTV. The reports are normally prepared to coincide with the end of the tax year although should you require a different reporting period, you should specify this by way of the Client Information & Agreement form.

**7.2** Where you use SEI's Custody Services, you may access your valuation and transaction statements on-line using our secure internet facility. Access is obtained by completing the relevant section within the Client Information & Agreement form. Once your account has been activated you will receive an acknowledgement together with your account details. These details are personal to you and should not be disclosed to a third party other than someone to whom you have granted authority over your account and whose details you have disclosed in the Client Information & Agreement form. Should, for any reason, you suspect that your details have been disclosed to, or obtained by, a third party who has not been authorised by you, you should report this immediately to your account executive or contact **[web.support@whirelandplc.com](mailto:web.support@whirelandplc.com)**

**7.3** Where SEI provides you with SEI's Custody Services, SEI will provide you with a statement of the investments and monies held in your Portfolio at least once a year in accordance with the GFSC Rules.

**7.4** You agree that where we provide advice in relation to units or shares in a UCITS, we will not provide you with a key investor information document in relation to such UCITS. The key investor information document is available from the manager or operator of the UCITS.

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PART FOUR

# Additional terms of business relating to Execution Only Services

## 1. Introduction

These additional terms apply where we provide our Advisory Services to you.

## 2. Execution Only Services

2.1 Where we agree to deal on your instructions on an Execution Only basis, you will not be treated as a "Retail Client" in respect of Execution Only Services and the level of protection afforded to you will be lower than that afforded to a "Retail Client".

2.2 You understand that we will not provide you with advice on the merits or suitability of any order given by you nor provide you with any personal recommendations nor keep such investments under review nor provide you with regular reports.

2.3 You will be solely responsible for deciding which investments to buy, hold or sell and for providing us with timely instructions and we will buy or sell Investments in accordance with your instructions without further enquiry.

## 3. Who assesses the suitability or appropriateness of the investments in your EO Account?

3.1 For the Execution Only Services, subject to **Clause 3.2** below, we do not assess the suitability or appropriateness of the proposed transaction or provide you with advice or personal recommendations. Where you instruct us to undertake a transaction on your behalf, you do so relying on your own judgement. Our execution of the transaction is not an endorsement of the suitability or appropriateness of the transaction for you. Accordingly, you are solely responsible for the consequences of entering into any such transaction.

3.2 In relation to any proposed transaction in any "complex" investment (such as derivatives or Non-Mainstream Pooled Investments), we will request information from you regarding your knowledge and experience which we will rely on to determine whether a transaction in such complex investment is appropriate for you. Some types of investments are regarded as complex due to their nature and the risks associated with them. If you do not provide sufficient information in order for us to make an assessment of appropriateness, we may be unable to proceed with the transaction. For the avoidance of doubt, appropriateness is not the same as suitability in that it relates to the type of product / investment rather than your preferences, objectives and ability to withstand losses.

3.3 Should you instruct us to carry out a transaction for which no advice has been given or which is contrary to advice we have given (in the circumstances in **Clause 3.2** above) we will undertake this on an execution only basis. In such circumstances where we proceed with the transaction on your instructions, this will be on the understanding that you have no knowledge or experience in the relevant investment field which could put you at a disadvantage and you understand that we are not responsible for ensuring that the transaction is suitable or appropriate for you either at the time of undertaking the transaction or on an on-going basis. We will confirm the execution only status in writing pointing out the consequent reduction in investor protection to you.

## 4. Reporting

4.1 Where we effect a transaction, we will provide you with, or will procure on your behalf, information about executed transactions on a transaction-by-transaction basis. This will, amongst other things, show amounts due or from you on the stated settlement date which will generally be a fixed number of business days from the date of the transaction. The contract note will be sent no later than one business day after the day of the transaction or, in the case of orders executed via a third party, no later than one business day after the date of confirmation of the transaction. Due to different pricing and dealing mechanisms adopted by some collective investment schemes, we will forward contract notes confirming transactions in such schemes on receipt of the transaction confirmation from the scheme manager. Whilst we take care to ensure that the details shown on the contract notes are correct, it is important that you check the details carefully and inform us as soon as possible if you believe any of the details are incorrect.

4.2 Where SEI has custody of your investments, on an annual basis, we will provide you with a CTV.

4.3 Where you use SEI Custody Services, you may access your valuation and transaction statements on-line using our secure internet facility. Access is obtained by completing the relevant section within the Client Information & Agreement form. Once your account has been activated you will receive an acknowledgement together with your account details. These details are personal to you and should not be disclosed to a third party other than someone to whom you have granted authority over your account and whose details you have disclosed in the Client Information & Agreement form. Should, for any reason, you suspect that your details have been disclosed to, or obtained by, a third party who has not been authorised by you, you should report this immediately to your account executive or contact [web.support@whirelandplc.com](mailto:web.support@whirelandplc.com)

4.4 You agree that where we are instructed by you to buy units or shares in a UCITS, we will not provide you with a key investor information document in relation to such UCITS. The key investor information document is available from the manager or operator of the UCITS.

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## International Wealth

### PART FIVE

## Section A

# SEI Investments - Guernsey Limited – Terms and Conditions for SEI Custody Services (the “SEI Terms”)

Additional terms of business for clearing and settlement, safe custody and associated services to be provided by SEI.

### A.1 Background

- A.1.1** WH Ireland (IOM) Limited (“**WHI IOM**”) provides investment or other ancillary services to you and has appointed SEI Investments - Guernsey Limited (“**SEI**”) to provide dealing and custody services for this purpose, on the basis that SEI will be directly responsible to you for the custody services, the SEI Custody Services. SEI is an Eligible Custodian for the purposes of the FSA Rules.
- A.1.2** These SEI Terms set out the basis on which SEI agrees to provide SEI Custody Services to you, and constitutes a separate legal agreement between SEI and you.
- A.1.3** Paragraph A.18 at the end of these SEI Terms sets out various expressions used with special meanings in these SEI Terms and the meaning attributable to each of them. These expressions are used with capital letters in these SEI Terms.

### A.2 Appointment

- A.2.1** These SEI Terms take effect between SEI and you from the point when SEI first receives Customer Assets and/or Customer Money to hold on your behalf. In the event that you are a trustee of a trust, SEI will treat the trustee(s) as its Customer and not the beneficiary of the trust.
- A.2.2** These SEI Terms will continue to apply in relation to you until terminated in accordance with paragraph A.17.
- A.2.3** SEI will act on instructions from WHI IOM, as your agent, in providing its SEI Custody Services under these SEI Terms.
- A.2.4** Where your consent is required in order to provide certain services under these SEI Terms, WHI IOM will explain the position to you and obtain the necessary consent. You will have provided WHI IOM (and SEI, where applicable) with such consent when signing terms of business with WHI IOM (or in a signed application form to WHI IOM, which together with the terms of business form your agreement with WHI IOM).
- A.2.5** In the event that your account is held jointly or Customer Money and/or Customer Assets are otherwise held jointly with any other person, then you shall have joint and several liability to SEI.

### A.3 Responsibilities of SEI

- A.3.1** SEI will provide the following services (the “**SEI Custody Services**”):
- holding all Customer Assets or arranging for them to be held in safe custody;
  - collecting all distributions and other entitlements arising on Customer Assets and accounting for them to you;
  - settling transactions to acquire or dispose of Customer Assets on the instructions of WHI IOM and using funds provided for the purpose by you;

- informing you via WHI IOM of corporate actions and other events affecting Customer Assets where WHI IOM’s agreement with you provides that it will forward such notifications to you;
- holding money on your behalf where required for the purpose of providing the above services; and
- transferring all Customer Assets and money held on your behalf to you (or as you or WHI IOM may direct) on termination of the appointment pursuant to these SEI Terms.

**A.3.2** The SEI Custody Services will not include advising on and/or managing investments, which will be the responsibility of WHI IOM, where you have appointed WHI IOM to provide one of its Services.

**A.3.3** SEI will provide the SEI Custody Services with the level of skill, care and diligence that would be reasonably expected of suppliers of services similar to the SEI Custody Services in Guernsey.

**A.3.4** SEI will comply with the GFSC Regulations that apply to it as holder of Customer Assets and Customer Money. Nothing in these SEI Terms will override its obligations under the GFSC Regulations.

### A.4 Your Responsibilities

- A.4.1** You are responsible for ensuring that each Customer Asset is, at all times when it is held in the custody or under the control of SEI, free from any rights in favour of any third party (including but not limited to rights of security granted to a creditor or beneficial interests under a trust), except for:
- (a) rights in favour of SEI, any third party engaged by SEI under these SEI Terms, or WHI IOM;
  - (b) rights of beneficiaries under an express trust that are notified to and acknowledged by SEI; and
  - (c) rights in favour of a third party arising in the normal course of a transaction settled by SEI pursuant to these SEI Terms.
- A.4.2** Except where such risks are otherwise covered by WHI IOM, you will pay or will reimburse SEI for any liability to a third party which SEI may suffer or incur as a result of a breach of these SEI Terms by you, except if and to the extent that the relevant expenses or liabilities arise from any negligence or breach of duty by SEI.

### A.5 Custody of investments

**A.5.1** SEI will arrange for title to Customer Assets to be registered or recorded in the name of: (i) SEI or one or more sub-custodians chosen by it, subject to, and in accordance with, the Guernsey COB Rules; or (ii) a nominee company controlled by SEI in accordance with the Guernsey COB Rules. Customer Assets may be pooled with other customers (provided that each customer’s beneficial entitlement is kept separately identifiable) and therefore the individual entitlements of each Customer may not be identifiable by separate certificates or other physical documents of title. In the event of a default of SEI or any third party custodian, any shortfall would be shared pro rata among all customers whose Customer Assets are registered in this way.

**A.5.2** Where instructed to do so, or where SEI considers it in your best interests to do so, SEI may arrange for a third party to provide custody and/or settlement services in relation to certain Customer Assets. Where the third party is an Affiliate of SEI, SEI will be responsible for the service provided by the third party to the same extent as if the service had been provided by SEI itself.

**A.5.3** Where services are provided by a third party which is not an Affiliate of SEI, SEI will exercise reasonable care and due diligence in selecting them and monitoring their performance, but does not guarantee proper performance by the third party and will not itself be responsible if the third party fails to meet its obligations. This means that if the third party defaults or becomes insolvent, you may lose some or all of their assets and will not necessarily be entitled to compensation from SEI. WHI IOM will inform you and provide further details if a third party is to be used in this way.

**A.5.4** Where SEI provides services in respect of securities which are held by a third party in, or which are subject to the law or market practice of, a country outside Guernsey, the settlement, legal and regulatory requirements in the relevant overseas jurisdiction may be different from those in Guernsey and there may be different practices for the separate identification of securities.

**A.5.5** In the ordinary course of business, no amounts will be due from you to SEI. However, in the event of WHI IOM no longer being a client of SEI, if an amount is due from you to SEI under or in connection with these SEI Terms, SEI may suspend transactions in Customer Assets which it holds for you and where SEI considers it necessary to do so in order to protect its own interests, SEI may sell some or all of those Customer Assets and apply the proceeds to pay the outstanding amount.

**A.5.6** WHI IOM will be responsible for advising you of the applicable investment risk and shall make any such disclosures as required by the FSA Rules.

**A.5.7** You have assessed and accepted all applicable investment risks, including but not limited to material Country Risk and Sovereign Risks and accepted responsibility for their occurrence and such investment risk.

#### A.6 Client Money

**A.6.1** Subject to the following paragraphs, SEI will hold Customer Money in one or more client bank accounts with one or more Approved Banks in accordance with the Guernsey COB Rules. SEI will credit interest on that money monthly at the rate and basis which SEI will notify from time to time (in a separate disclosure document). You acknowledge and agree that where the rate of interest received by SEI is more than what is credited to you, SEI may retain such balance.

**A.6.2** Where Customer Money is required for the purpose of settling transactions it will be held in a separate bank account on which no interest will be paid. Any Customer Money which is not required for this purpose will be transferred to a client bank account under the previous paragraph.

**A.6.3** In the event of a failure of a third party Approved Bank, Customer Money will be pooled with other client money of the Approved Bank and then distributed proportionately.

**A.6.4** SEI may allow another person such as an exchange, a clearing house or an intermediate broker, to hold or control Customer Money, but only where this is required for the purpose of a transaction for you through or with that person or to meet an obligation of yours to provide collateral for a transaction. In the event of a shortfall following any default of such person, you may not receive its full entitlement and may share in that shortfall pro rata. SEI will inform WHI IOM and provide further details if this is to occur and WHI IOM shall pass on such information to you.

**A.6.5** SEI may arrange for a Customer Money to be held in a bank outside Guernsey. Where it does so, your rights in relation to that money will differ from those applicable under the Guernsey regulatory regime.

**A.6.6** Where you have instructed SEI to pay WHI IOM charges to WHI IOM on your behalf, SEI may use Customer Money for this purpose.

**A.6.7** In the ordinary course of business, no amounts will be due from you to SEI. However, in the event of WHI IOM no longer being a client of SEI and an amount is due from you to SEI under or in connection with these SEI Terms, SEI may use Customer Money or Customer Assets to pay it.

#### A.7 Contractual Settlement

**A.7.1** SEI will settle all transactions relating to Customer Assets undertaken on your behalf in accordance with market requirements and instructions, subject to SEI holding or receiving all necessary documents and monies in cleared funds.

**A.7.2** Where a transaction relating to Customer Assets is due to take place on a particular date, SEI may record it as happening on that date, even if there is a delay. However, if the problem is not resolved promptly, SEI may adjust its records to show that the transaction did not in fact take place.

#### A.8 Conflicts of Interest

SEI has adopted a formal policy with a view to ensuring that in any situation in which its interests conflict with those of its customers and / or WHI IOM, all parties receive fair treatment. A summary of that policy is available upon request.

#### A.9 Custody Fees

You will not have to pay any fees to SEI for the provision of the SEI Custody Services for as long as you are a client of WHI IOM. SEI will receive fees and be reimbursed for expenses as agreed between SEI and WHI IOM.

#### A.10 Reporting

SEI will provide you with periodic statements of their Customer Assets and Customer Money held by SEI at least once a year in accordance with the GFSC Regulations.

#### A.11 Limits on Liability

**A.11.1** Neither SEI nor you will be liable to the other under or in connection with these SEI Terms for any damages or Loss of any kind whatsoever and howsoever caused, whether arising under contract, tort (including negligence), breach of statutory duty or otherwise, to the extent that such damages or other Loss comprise indirect or consequential loss.

**A.11.2** SEI will not be liable to you for any inaccurate, misleading or unfair information issued or produced by WHI IOM under these SEI Terms.

**A.11.3** Nothing in these SEI Terms will exclude or limit a party's liability that:

(a) SEI or you may incur to the other in respect of death, personal injury, fraud, under the GFSC Regulations or any other kind of liability that by law cannot be excluded;

or in the case of

(b) any failure by SEI or an Affiliate to account for assets or cash to the person entitled to them under these Terms, unless any such failure by SEI or an Affiliate is the result of the acts or omissions of you or WHI IOM.

**A.11.4** Each of SEI and you will take reasonable steps to mitigate any loss for which the other may be liable under these SEI Terms.

**A.11.5** Neither SEI nor you will be liable under or in connection with these SEI Terms for any breach of these SEI Terms resulting from any reason or circumstances beyond the reasonable control of SEI or, as the case may be, you, provided that such party uses reasonable endeavours to mitigate the effect of such circumstances on its ability to perform its obligations under these SEI Terms.

**A.12 Data Protection and Confidentiality**

- A.12.1** In the provision of the SEI Custody Services, SEI may store, use or process personal information about you that is provided to it from you and/or WHIreland.
- A.12.2** Any information about you that SEI has access to that is of a confidential nature shall be treated as such, provided that it is not already in the public domain. The confidential nature will only be used as necessary for the provision of the SEI Custody Services. SEI may also disclose the information about you to third parties (including Affiliates) in the following circumstances:
- (a) if required by law or if requested by any regulatory authority;
  - (b) to investigate or prevent any illegal activity;
  - (c) in connection with the provision of the SEI Custody Services; or
  - (d) at your request or with your consent.
- A.12.3** By entering into these SEI Terms, you acknowledge and agree that SEI is allowed to send personal information about you internationally including to countries outside the EEA such as the United States of America. SEI will always take steps to ensure that information about you is treated by any third parties in accordance with strict security policies.

**A.13 Disputes**

- A.13.1** If you have any questions or comments in relation to the SEI Custody Services, these should be raised in the first instance with WHI IOM. If you wish to make a formal complaint about the SEI Custody Services this should be sent to WHI IOM marked for the attention of SEI or directly sent to SEI at the following address:
- The Compliance Officer, SEI Investments - Guernsey Limited,  
1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes,  
St Peter Port, Guernsey, GY1 1EW
- A.13.2** Subject to the above, any dispute or difference arising out of or in connection with these SEI Terms or the provision of the SEI Custody Services will be subject to the jurisdiction of the Guernsey courts.

**A.14 Regulatory Information**

- A.14.1** SEI is licensed and regulated by the GFSC and entered on the GFSC's register with number 2072606. The GFSC's address is:
- Guernsey Financial Services Commission Glatigny Court,  
Glatigny Esplanade, St Peter Port, Guernsey, GY1 3HQ
- A.14.2** SEI will treat you as a Retail Client under the Guernsey COB Rules, giving you the greatest level of protection.
- SEI's contact details are:
- SEI Investments - Guernsey Limited, 1st and 2nd Floors,  
Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey,  
GY1 1EW

**A.15 Law and language**

- A.15.1** These SEI Terms are governed by and shall be construed in accordance with the laws of the Island of Guernsey.
- A.15.2** All communications from SEI to you under these SEI Terms will be in English.

**A.16 Variation**

- A.16.1** SEI may change these SEI Terms on at least 60 days' written notice, unless shorter notice is required in order to comply with the GFSC Regulations. This would be for reasons such as:
- A.16.1.1** to take account of changes in legal, tax or regulatory requirements;
  - A.16.1.2** to fix any errors, inaccuracies or ambiguities we may discover in the future;
  - A.16.1.3** to make these SEI Terms clearer; or
  - A.16.1.4** to provide for the introduction of new or improved systems, methods of operation, services or facilities.
- A.16.2** If you do not agree with any change that SEI proposes to make, you should inform SEI by communicating your concerns with WHI IOM. You can withdraw the Customer Assets from SEI at any time.

**A.17 Termination**

- A.17.1** SEI may terminate these SEI Terms and the SEI Custody Services provided under it at any time by giving you 60 days' written notice (subject to applicable law and regulatory requirements). There is no minimum duration of these SEI Terms.
- A.17.2** SEI may also terminate these SEI Terms with immediate effect by written notice if it needs to do so for legal or regulatory reasons or on instructions from WHI IOM.
- A.17.3** On termination, WHI IOM will instruct SEI where to transfer the Customer's Customer Assets and Customer Money. If WHI IOM does not do so promptly, or if WHI IOM no longer represents you, then you will on request give the relevant instruction. SEI will transfer Customer Assets and Customer Money in accordance with the relevant instruction or, if it is unable to obtain instructions, it will transfer them to you.
- A.17.4** You can withdraw the Customer Assets from SEI at any time.

**A.18 Table of Defined Expressions**

In these SEI Terms, each of the expressions defined below has the meaning set opposite it.

Expression	Definition
“Affiliate”	means anybody corporate in the same group as SEI;
“Approved Bank”	has the meaning set out in the Guernsey COB Rules;
“Country Risk”	shall mean, with respect to acquisition, ownership, settlement or custody of Customer Assets and/or Customer Money in a jurisdiction, all risk relating to or arising in consequence of, systemic and market factors affecting the acquisition, payment for or ownership of Customer Assets and/or Customer Money, including (1) the prevalence of crime and corruption; (2) the inaccuracy or unreliability of business and financial information; (3) the instability or volatility of banking and financial systems or the absence or inadequacy of an infrastructure to support such systems; (4) custody and settlement infrastructure of the market in which such Customer Assets and/or Customer Money are transacted and held; (5) the acts, omissions, operations or solvency of securities depository; (6) the risk of the bankruptcy or insolvency of banking agents, counterparties to cash and securities transactions, registrars or transfer agents; and (7) the existence of market conditions which prevent the orderly execution or settlement of transactions or which affect the value of Customer Assets;
“Customer Account Application”	means the forms used by WHI IOM to provide SEI information in relation to you for the purposes of enabling SEI to open each Account;
“Customer Assets”	means assets held by SEI on your behalf from time to time in accordance with these SEI Terms;
“Customer Money”	means cash in any currency held by SEI on your behalf from time to time in accordance with these SEI Terms;
“GFSC”	Guernsey Financial Services Commission;
“GFSC Regulations”	means the rules, regulations and guidance issued from time to time by the GFSC, the provisions of any law and all principles, rules and regulations made thereunder (including those made by any regulatory body or any other relevant regulatory organization and including, but not limited to, the Guernsey COB Rules) related to the SEI Custody Services and any laws that replace them from time to time;
“Guernsey COB Rules”	means Guernsey’s Licensees (Conduct of Business) Rules 2016;
“Loss”	means all losses, liabilities, damages and claims and all related cost and expenses (including reasonable legal fees on disbursements and costs and expenses of investigation and litigation and costs of settlement, judgment, interest and penalties); and
“Sovereign Risk”	shall mean, in respect of any jurisdiction where Customer Assets and/or Customer Money is acquired or held hereunder or under a sub-custodial agreement: (i) any act of war, terror, riot, insurrections or civil unrest; (ii) the imposition of any investment, repatriation or exchange control restrictions by any governmental authority; (iii) the confiscation, expropriation or nationalisation of that Customer Assets and/or Customer Money by any governmental authority whether de facto or de jure; (iv) any devaluation or revaluation of the currency; (v) the imposition of taxes, levies or other charges affecting Customer Assets; (vi) any change in the law; or (vii) any other economic or political risk incurred or experienced.

## Section B

# SEI Investments - Guernsey Limited

This document contains certain information that SEI Investments – Guernsey Limited (“SEI”) is required to provide to you in its role as administrator and custodian of the investments and money held in your WH Ireland (Isle of Man) Limited (“WHI IOM”) account. More detailed information about the services that SEI provides to you can be found in the SEI Custody Terms (“SEI Custody Terms”) set out in **Part Five, Section A** of this Agreement.

Please read this document and the SEI Custody Terms carefully prior to signing the Agreement with WHI IOM and contact your WHI IOM account executive if you have any questions.

### B.1 General information

#### What is SEI’s relationship with WHI IOM and you?

WHI IOM has entered into an agreement with SEI whereby WHI IOM has arranged for SEI to provide safe custody services for WHI IOM’s clients (the “SEI Agreement”). WHI IOM entered the SEI Agreement as your agent and so there is a direct relationship between you and SEI which is governed by the enclosed SEI Custody Terms.

Upon entering into the Agreement with WHI IOM, you are legally bound by the SEI Custody Terms and become a client of SEI in relation to the services provided under the SEI Terms. SEI will be responsible for complying with the regulatory requirements relating to the SEI Terms and will treat you as a Retail Client giving you the highest level of regulatory protection available. WHI IOM will retain regulatory responsibility for all other aspects of the services provided to you including the provision of investment advice, discretionary investment management and the execution of any trades carried out on your behalf.

#### How is SEI regulated?

SEI is authorised and regulated by the Guernsey Financial Services Commission (“GFSC”). SEI’s Reference Number is 2072606. You can find more detailed information on SEI’s regulatory status the GFSC website which is accessible at <http://www.gfsc.gg/Investment/Regulated-Entities/Pages/Licensees.aspx>. The GFSC is located at Glatigny Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3 HQ. Further contact details for the GFSC can be found at <http://www.gfsc.gg>.

#### Will SEI communicate with you directly?

All of SEI’s communications with you will be through WHI IOM (unless SEI is obligated to do otherwise by the GFSC). All communications will be in English.

As your custodian, SEI is obligated to provide you with a periodic Custody Statement of the investments and money that SEI holds for you. SEI will provide this at least once a year either as part of the Periodic Statement provided by WHI IOM or as a standalone Custody Statement.

If you have opted to receive your Custody Statements in electronic format, SEI will facilitate the provision of an electronic Statement via WHI IOM who will be able to provide more detail on how this will be made available to you upon request. In these circumstances, SEI will not provide you with an additional paper copy.

#### What are SEI’s complaint handling procedures?

If you wish to make a complaint in relation to services provided by SEI, please refer it to your account executive at WHI IOM in the first instance. WHI IOM will then arrange for it to be forwarded to SEI. Additionally, if you wish to send a copy of a complaint to SEI directly, copies should be sent to:

The Directors, SEI Investments – Guernsey Limited, 1st & 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 4LX Channel Islands

SEI has a written procedure which is designed to ensure appropriate consideration and proper handling of complaints. If you are not satisfied with the manner in which SEI handles a complaint, you are entitled to contact the GFSC. Contact details are on the website at: <http://www.gfsc.gg>.

#### What fees does SEI charge for the services that it provides to you?

The services provided to you by SEI are part of a broader suite of services provided to WHI IOM and SEI receives a bundled fee from WHI IOM directly in relation to these services. WHI IOM may charge you a fee which incorporates the services provided by SEI.

Please note that SEI may retain some of the interest earned in client money bank accounts. See section 2.6 below for further details on when this may occur.

### B.2 Client money

#### What are client money bank accounts and how do they operate?

Money in your WHI IOM Portfolio and/or EO Account will be held by SEI as client money in accordance with the GFSC Rules. These rules require SEI to hold your money in “client money” bank accounts. This means that money held within the accounts is recognised by the bank as belonging to clients of SEI rather than SEI itself.

SEI further segregates all client money bank accounts from any bank accounts holding money belonging to SEI by arranging for the client money bank accounts to be named in a manner which makes it clear that the money held within the accounts is for the benefit of clients and not SEI.

#### How does SEI choose where it holds your money?

Client money is currently deposited in Guernsey client money bank accounts.

SEI may deposit your money in a bank outside of Guernsey where deemed prudent to do so. In such circumstances, it is important to note that such banks will be subject to a different legal and regulatory regime from that of Guernsey banks and the rights and protections afforded to you under the GFSC rules might not be available to you. For example, the client bank accounts may be treated differently in the event of a bank failure than it would be if it was held with a Guernsey bank.

SEI is responsible for exercising reasonable care and due diligence in the initial selection and ongoing monitoring of all banks where client money is deposited with the security of your money being SEI’s primary consideration. However, SEI will not be responsible for any acts, omissions or failure of the banks.

#### What protections are in place for the client money bank accounts in the event of the failure of a Guernsey bank?

If any of the Guernsey banks licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994 chosen by SEI fail and cannot return your money, depending upon the eligibility criteria in place at the time, you may be eligible to claim compensation under the Banking Deposit Compensation Scheme (“BDCS”). The current compensation limit is £50,000 per qualifying deposit. Full details of the arrangements under the BDCS are available on their website at [www.dcs.gg](http://www.dcs.gg).

It is important to note that if one of the banks fails, your money will be pooled with money held in client bank accounts for other SEI clients and

you will have a claim against the common pool of money rather than a claim against a specific sum in a specific account. As a result, any shortfall in the client bank accounts will be shared pro-rata between all SEI clients.

#### Does SEI have any rights in relation to your money?

In the event that you owe a debt to SEI in relation to services SEI has provided under the SEI Custody Terms, SEI may use any of the money held for you to pay off or reduce that debt.

#### Can SEI pay fees that you owe to WHI IOM from a client money bank account?

Under the SEI Custody Terms, you have permitted SEI to collect and pay fees that you owe to WHI IOM from money held for you in a client money bank account.

#### Will you earn interest on money held in the client money bank accounts?

No. No interest will be paid on money held in a client money bank account.

### B.3 Custody

#### Where are your assets held?

SEI is responsible for holding the assets within your WHI IOM Portfolio and/or EO Account in safe custody. Your assets are held in the name of SEI or in the name of a nominee account by a sub-custodian (if used) on behalf of you as a client of WHI IOM.

#### Are there any other Custodians holding your assets?

SEI may use a number of third party custodians (also known as sub-custodians) to administer and hold some of your assets.

SEI will be responsible for exercising reasonable care and due diligence in the initial selection and ongoing monitoring of the sub-custodians but will not be responsible for any acts, omissions or failure of the sub-custodians.

In certain circumstances, SEI may select a sub-custodian outside of Guernsey where deemed prudent to do so. In such circumstances, it is important to note that that such sub-custodians will be subject to a different legal and regulatory regime from that of Guernsey and the rights and protections afforded to you under the GFSC rules may not be available to you. For example, there may be different practices for the separate identification of your assets which may result in them being subject to third party claims in the event of the failure of the sub-custodian.

#### How does SEI protect your assets?

All custody accounts are operated in accordance with the applicable GFSC rules. Under these rules, SEI is required, amongst other things, to make adequate arrangements to safeguard your ownership rights and to prevent the use of your assets for SEI's own account. SEI has put procedures in place designed to meet the following obligations:

- records and accounts are kept as necessary to enable SEI to distinguish assets held for one client from the assets held for any other client and from SEI's own assets; and
- reconciliations are made to SEI's own internal accounts and records and those of any sub-custodians with whom your assets are held.

All client assets will be held in omnibus accounts by SEI. This means that SEI will pool your assets with the assets of other clients and therefore your individual entitlements may not be identifiable by separate certificates or physical documents of title. In the event of a shortfall in the accounts following a default of SEI or a sub-custodian, you may not receive your full entitlement and may share any losses pro-rata with other clients.

#### What compensation is available to you in the event of the failure of SEI in its role as Custodian?

In the event that SEI is unable to meet any of its liabilities, there is no guarantee you will receive any return of cash or assets upon the liquidation of SEI. No compensation scheme is in operation in the Bailiwick of Guernsey and SEI is not a member of the Guernsey Banking Deposit Compensation Scheme, which is open to banks licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994 in Guernsey only.

### B.4 Conflicts of interest

#### How does SEI identify conflicts of interest?

When trying to identify a conflict, SEI takes into account (at a minimum) whether SEI (and/or any Directors, officers, employees or any person directly or indirectly linked to SEI):

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of a client, which is distinct from the client's interest in that outcome;
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of a different client or group of clients;
- carries on the same business as its client(s); or
- receives or will receive from a person other than its client(s), an inducement in relation to a service provided to its client(s), in the form of monies, goods or services, other than the standard commission or fee for that service.

#### How does SEI manage conflicts of interest?

SEI is obligated to manage conflicts of interest fairly, both between itself and its clients and between one client or group of clients and another client or group of clients. SEI has both a Conflicts of Interest Policy and other Compliance Policies intended to operate, monitor and maintain effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest.

#### What happens if SEI is unable to manage conflicts of interest through usual procedures?

Whilst SEI makes every effort to ensure that all reasonable steps are taken to prevent conflicts of interest, in certain situations, a conflict may arise.

If SEI is unable to manage conflicts through its Compliance Policies SEI may disclose the nature and/or source of conflicts of interest with and between its clients or may refuse to enter, or be forced to terminate, a relationship.

Further information regarding SEI's Conflicts of Interest Policy is available upon request.

## Section C

# Client's own safe custody arrangements

### C.1 Introduction

**C.1.1** Where you arrange your own banking and custody arrangements, either by electing to have the investments registered in your own name or where you appoint a third party, other than where SEI is appointed under the SEI Agreement, to provide custody services (the "Outside Custodian"), we will account to you or to the Outside Custodian as appropriate for transactions arranged by us on your behalf either by means of a transaction confirmation or by providing documents of title or certificates evidencing title.

### C.2 Client's own safe custody arrangements

**C.2.1** All investments will be registered either:-

**C.2.1.1** in your own name; or

**C.2.1.2** in the name of your Outside Custodian (or their nominee).

**C.2.2** Own name registered securities

**C.2.2.1** Where the investments are registered in your own name, you hereby authorise us to give instructions to such third parties as may be necessary in relation to transactions effected by us on your behalf pursuant to this Agreement including, but not limited to, the transfer of monies from your account, the purchase, sale or disposal of securities belonging to you.

**C.2.2.2** You will receive notification of conversion and subscription rights, takeovers, capital re-organisations and other corporate actions directly from the company in which you are invested. You will therefore be responsible for obtaining advice and for acting on the notification.

**C.2.3** Outside Custodian

**C.2.3.1** Where you have appointed an Outside Custodian and wish us to arrange transactions on your behalf, you hereby authorise us to give instructions to the Outside Custodian in relation to transactions effected by us on your behalf pursuant to this Agreement including, but not limited to, the transfer of monies from your account, the purchase, sale or disposal of securities belonging to you.

**C.2.3.2** If we receive any transaction confirmation and documents showing ownership of your investments, we will forward such documentation to you or, as appropriate, the Outside Custodian as soon as reasonably practicable after we receive them.

**C.2.4** We will not be able to monitor the collection of income nor provide statements of income.

### C.3 Changing custody arrangements

**C.3.1** If you change your custody arrangements you must give us 28 days prior written notice to enable us to establish appropriate procedures with your new custodian.

**C.3.2** If we are unable to agree operating procedures with your new custodian we will let you know as soon as possible.

**C.3.3** The consequences of changing custodian will be at your own risk and you will be liable for any costs incurred including, without limitation, any fiscal charges.

### C.4 Settlement

**C.4.1** For all transactions in respect of our Investment Services and EO Services, you are obliged to make available by the trade date cleared funds to settle purchases or, if you are selling investments, to deliver to us the investments being sold or the documents of title relating to them (electronically if held in dematerialised form or the relevant certificates or other documents of title and appropriate forms of transfer duly signed).

**C.4.2** You must promptly take all action necessary (including the supply of information) to enable settlement of all transactions.

**C.4.3** If you are selling a security acting under a Power of Attorney or as an executor of an estate, it is important that the evidential documents are noted by the registrars prior to issuing us with dealing instructions.

**C.4.4** All transactions are undertaken with the objective of actual settlement. In the event that you are unable to settle your obligations, we reserve the right to reverse the transaction or buy or sell the relevant securities to settle the transaction. You will be responsible for all costs that are incurred to achieve actual settlement. Although we will endeavour to contact you before taking any remedial action, if, in our reasonable opinion, a delay may exaggerate any potential loss or expose us to a potential fine or penalty, we may not be able to do so and will proceed with the remedial action in any case.

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International Wealth

APPENDICES

# Appendix 1 – General description of the nature and risks of investments

## Part A: Introduction

On the basis of information you provide regarding your attitude to risk, your investment objectives and any investment restrictions, we will agree with you the type of investment strategy which we believe is suitable for you and whether the level of risk involved is appropriate for you.

To assist you in setting your appetite for risk and so that you are in a position to take investment decisions on an informed basis, we set out below a summary of the nature and risks associated with types of investments which may be included in your Portfolio and/or your EO Account.

This summary is general in nature. You may or may not deal in some of the investments listed. It does not seek to identify which investments are more suited to you and is guidance only. If you are unclear as to the meaning of any of the risks described in this **Appendix 1** we recommend strongly that you seek clarification from your account executive. In relation to our Investment Services, we assess risk at the level of your Portfolio. Consequently, your Portfolio will contain investments with a range of individual risks which, in aggregate, reflect your overarching tolerance for risk. Therefore, it is likely that your Portfolio will contain a mix of higher risk investments and lower risk investments, the percentages in which they are held dictating the overall level of risk within the Portfolio.

If you are not willing to accept the risks associated with specific financial instruments, you should ensure that this is noted in the investment restrictions section of the Client Information & Agreement form. However, please note that if certain asset classes are restricted or the proportion of your Portfolio which you are willing to be invested in a specific asset class is limited, this may mean that we are not able to manage your Portfolio, or provide you with advice, in line with your investment objective. If we consider this to be the case, we will discuss your investment objective with you or seek to provide further clarification regarding the risks of the specific investments. However, you should note that all financial investments carry a certain degree of risk and even 'low' risk investment strategies contain some risk and an element of uncertainty. The types of risk that might be of concern will depend upon various matters, including how the instrument is created. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments or become involved in any financial product you should take note of the guidance set out in this **Appendix 1**. In addition, where we provide you with product literature, we recommend that you take the time to review such documentation carefully before making an investment decision.

## Part B: Products and Investment types

Set out below is an outline of some of the risks that may be associated with certain generic types of financial instruments. This should be read in conjunction with Parts C and D below.

### B.1 General Investment Risk

The value of investments may go down as well as up and is not guaranteed. If you have to sell your investments at a time when markets and prices are depressed, you may receive back less than you originally invested. Therefore, generally investment should be regarded as a medium to long term commitment and you should be willing to accept some risk to your capital and not invest monies that you may require in the short term.

In recent times, liquidity in the financial markets has become severely restricted, causing a number of firms to withdraw from the market, or in some extreme cases, become insolvent. Severe market events of this nature could have an adverse effect on our ability to achieve your investment objectives.

### B.2 Shares and other types of equity investment

#### B.2.1 General

A risk with an equity investment is that the company must both grow in value and, if it elects to pay dividends to its shareholders, make adequate dividend payments or the share price may fall. If the share price falls, the company, if listed or traded on-exchange, may then find it difficult to raise further capital to finance the business and the company's performance may deteriorate relative to its competitors, leading to further reductions in the share price. Ultimately, the company may become vulnerable to a takeover or may fail.

#### B.2.2 Ordinary shares

Ordinary shares are issued by limited liability companies as the primary means of raising risk capital. The issuer has no obligation to repay the original cost of the share or the capital to the shareholder until the issuer is wound up. In other words,

the issuer company ceases to exist. In return for the capital investment in the share the issuer may make discretionary dividend payments to shareholders which could take the form of cash or additional shares.

Ordinary shares usually carry a right to vote at the general meetings of the issuer.

There is no guaranteed return on an investment in ordinary shares for the reasons set out in 2.1 above and in liquidation of the issuer, ordinary shareholders are amongst the last who have a right to repayment of their capital and any surplus funds of the issuer. This could lead to a loss of a substantial proportion, or all, of the original investment.

#### B.2.3 Preference shares

Unlike ordinary shares, preference shares give shareholders the right to a fixed dividend, the calculation of which is not based on the success of the issuer company. They therefore tend to be a less risky form of investment than ordinary shares.

Preference shares do not usually give shareholders the right to vote at general meetings of the issuer, but preference shareholders will have a greater preference to any surplus funds of the issuer than ordinary shareholders should the issuer go into liquidation.

#### B.2.4 Depositary receipts

Depositary receipts (such as American Depositary Receipts) are negotiable certificates typically issued by a bank which represents a specific number of shares in a company, traded on a stock exchange which is local or overseas to the issuer of the receipt. They may facilitate investment in the companies due to the widespread availability of price information, lower transaction costs and timely dividend distributions. The risks involved relate both to the underlying share (see 2.1 to 2.3 above) and to the bank issuing the receipt.

### B.2.5 Alternative Investment Market

Companies listed on the Alternative Investment Market are small to medium sized companies looking to raise equity to support their growth. The Alternative Investment Market affords companies listed on it greater flexibility than the main London Stock Exchange with less regulation and no requirements for capitalisation or number of shares issued. Shares on AIM may be more volatile than those listed on the main market.

### B.3 Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security could result in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants tend therefore to be volatile.

The right to subscribe for any of the investment products listed in 2 above or 4 or 5 below which a warrant confers, is invariably limited in time with the consequence that if an investor fails to exercise this right within the pre-determined timescale, then the investment becomes worthless.

If subscription rights are exercised the warrant holder may be required to pay the issuer additional sums (which may be at or near the value of the underlying assets). Exercise of the warrant will give the warrant holder all the rights and risks of ownership of the underlying investment product.

A warrant is potentially subject to all of the major risk types referred to in Part C below.

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

Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant. For these instruments see 8.3 below.

### B.4 Money market instruments

A money market instrument is a borrowing of cash for a period, generally no longer than six months, but occasionally up to one year, in which the lender takes a deposit from the money markets in order to lend (or advance) it to the borrower. Unlike an overdraft, the borrower must specify the exact amount and the period for which he wishes to borrow. Like other debt instruments (see 5 below), money market instruments may be exposed to the major risk types in Part C below, in particular credit and interest rate risk.

### B.5 Debt instruments / bonds / debentures

All debt instruments are potentially exposed to the major risk types in Part C below, in particular credit and interest rate risk.

Debt securities may be subject to the risk of the issuer's inability to meet principal and/or interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the credit worthiness of the issuer, general market liquidity, and other economic factors. When interest rates rise the value of corporate debt securities can be expected to decline. Fixed rate transferable debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

### B.6 Shares or units in collective investment schemes

Collective investment schemes and their underlying assets are potentially exposed to all the major risk types referred to in Part C below.

There are many different types of collective investment schemes. Generally, a collective investment scheme will involve an arrangement that enables a number of investors to 'pool' their assets and have these

professionally managed by an independent manager. Investments may typically include gilts, bonds and quoted equities, but depending on the type of scheme may go wider into derivatives, real estate or any other asset. There may be risks on the underlying assets held by the scheme and investors are advised, therefore, to check the extent to which different assets are held, thus spreading the risk. Furthermore, some investment companies which include investment trusts, a type of collective investment scheme, may employ gearing as an investment strategy which can exacerbate the risks associated with such a vehicle. Subject to this, investment in such schemes may reduce risk by spreading the investor's investment more widely than may have been possible if he or she was to invest in the assets directly. The type of investments in which a collective investment scheme is permitted to invest and dealing strategies it is permitted to employ may, in certain market conditions, cause the scheme to become less liquid and may result in it either suspending dealing in its shares or imposing redemption notice periods with the outcome that investors may not be able to realise their holding as quickly as they would wish.

The reduction in risk may be achieved because the wide range of investments held in a collective investment scheme can reduce the effect that a change in the value of any one investment may have on the overall performance of the portfolio. Although seen as a way to spread risk, the portfolio price can fall as well as rise and, depending on the investment decisions made, a collective investment scheme may be exposed to different types of risk.

Collective investment schemes invest in underlying assets which will be subject to the other risks described here, however, there are two specific risks associated with investing in funds.

There is the risk of a loss that could result from the insolvency, negligence or fraudulent action of the fund's custodian or sub-custodian. Loss could also arise as a result of the negligence, wilful default or fraud of the manager and/or investment adviser of the fund. Loss may also arise where the manager of the fund has taken substantial positions in one security or group of securities or sector or asset class which may make the fund more likely to be adversely impacted and its valuation fluctuate more markedly in the event of market influences affecting that security, group of securities, sector or asset class. Where the fund invests in a specific sector of asset class, the performance of that specific sector or asset class rather than the wider financial market and therefore the fund is more likely to be adversely affected by market influences on that sector or asset class.

### B.7 Structured products

A structured product is a note issued by a financial institution that offers an exposure to a certain investment category over a certain time period, often providing some element of protection of capital or income. The investment category can encompass an index, a combination of indices, a basket of stocks, an interest rate or even a particular currency.

Structured products tend to be created with terms of between 3 and 5 years, although shorter and longer terms are not uncommon. The return provided to the investor at the end of the structured product's term (maturity) is calculated in accordance with a pre-set formula based upon the performance over the term of the relevant investment category. This is of course subject to any element of protection that might be built into the structured product itself.

Prospective investors should note that structured products may carry a high level of risk not only due to the creditworthiness of the issuer but also the volatility of the underlying investment, interest rate or index. For this reason, and particularly those structured products that are exposed to more volatile assets/instruments, they should only be purchased by persons capable of appreciating the nature of the risks which are inherent to high risk investments.

Prospective investors should note that if they purchase a structured product they will be taking a credit risk on the issuer of the product, i.e. if the issuer of the product were to become insolvent prior to the end of the product's term, the prospective investor may lose the entire amount invested and any additional entitlement.

Out-performance of the capital protection level is a target only. You should not construe the capital protection barrier as providing any assurance or guarantee that the underlying structure will achieve the relevant performance over the product's term.

Structured products are likely to have a secondary trading market that will only be available from the issuer of the product. Although indicative prices may be generally available, the ability to sell may be restricted. It may be necessary for the purchaser of a structured product to hold it until maturity as early redemption may result in additional costs and a poorer investment return.

### B.8 Derivatives

Derivatives are investments which derive their value from the value of an underlying asset, reference rate or index, but the nature of the derivative may alter the nature of that exposure to the relevant underlying asset, reference rate or index. Therefore, derivatives involve risks different from, and in some cases greater than, more traditional investments. The value of these investments may fluctuate significantly. Transactions in over-the-counter instruments may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Trading options entails the risk of the option's value changing over time. However, unlike traditional securities, the return from a derivative may vary non-linearly with the value of the underlying asset, reference rate or index.

### B.9 Combined and hybrid instruments (eg ETFs)

Any combined instrument, such as a bond with a warrant attached, is exposed to the risk of both these products. Thus combined products may carry a risk that is greater than those of its components. However, some combined instruments contain risk mitigation features such as principal protected instruments.

Hybrid securities / products are similar in concept to a combined instrument but can have markedly different risk profiles. An exchange traded fund ("ETF") represents a good example in that it combines the valuation feature of a unit trust which can be bought and sold close to its net asset value with the tradability of a fund which trades throughout the day at more or less than its net asset value. Most ETFs attempt to replicate indices thereby providing investors with an economic way to gain interests in a variety of markets or different asset classes. Where the manager uses a combination of other assets and derivatives to seek a return that corresponds to that of the index, you are exposed in varying degrees to most of the major risks highlighted in Part C below.

### B.10 Alternative investments

There are a variety of investments that are loosely labelled 'alternative' ranging from fine wines to private equity and hedge funds used by investors to add further diversification to their portfolios or to gain exposure to a very specific asset class. These investments often involve unique or unusual risks and you should fully understand the nature of these before investing. Many alternative investments are structured as collective investments but, unlike most open ended investment companies ("OEICs") and unit trusts, these tend to be unregulated. As a result many of the regulatory protections are lost and in making an investment you should be prepared to lose all or a substantial proportion of your original investment. Many of the legal and regulatory risks can be reduced by undertaking detailed due diligence and through further diversification using fund of fund structures. Whilst alternative investments are generally seen as carrying a greater degree of risk they can act as a useful tool for portfolio diversification. Despite generally being of higher risk themselves, in some cases they can help reduce the overall risk of an investment portfolio.

## Part C

# Generic types of risk

### C.1 General

The price or value of an investment will depend upon fluctuations in financial markets outside anyone's control. Past performance is no indicator of future performance.

The nature and extent of investment risks varies between countries and from investment to investment. These will vary with, amongst other things, the type of investment being made, how the investment/product has been created and the terms of its drafting, the needs and objectives of individual investors, the manner in which an investment is made or offered, sold or traded, the location or domicile of the issuer, the diversification or concentration within a portfolio, the complexity of the transaction and the use of leverage. The types of risk set out below could have an impact on each type of investment.

### C.2 Liquidity

The liquidity of an investment is directly affected by supply and demand and indirectly by other factors including market disruption (e.g. suspension of trading) and infrastructure issues such as disruption to the securities settlement process. Under certain trading conditions, it may be difficult or impossible to liquidate or acquire a position. This may occur, for example, at times of rapid price movement or if the move has been of sufficient significance, when under the rules of the relevant exchange, trading is halted or suspended. Placing stop loss orders will not necessarily limit your losses as market conditions can be such that it is not possible to execute an order at the limit price. In addition, unless the contract terms so provide, a party may not have to accept early termination of a contract or buy back the relevant product.

### C.3 Counterparty and Credit risk

Credit risk is the risk of loss caused by borrowers, bond obligors or counterparties failing to fulfil their obligations or the risk of such parties' credit quality deteriorating. One source of this risk is where counterparties with which we have executed a transaction on your behalf fails to meet their transaction commitments. In addition, if some of the issuers of securities become less financially secure, this could reduce the value of the security and hence the value of your Portfolio. If your money is held with a financial institution which becomes insolvent or suffers other financial difficulties you may not get back your full deposit.

### C.4 Leverage

Leverage or borrowing allows an investor to gain greater economic exposure to an asset either by:-

- (a) borrowing to invest;
- (b) purchasing an instrument with in-built leverage such as a warrant or derivative (see Part B above); or
- (c) Indirectly where the underlying company or instrument is in turn using leverage or borrowing for example, a company with excessive borrowings or a collective investment using borrowing as part of its investment strategy.

The risk impact of leverage or borrowing is generally twofold:

- (d) to increase the likelihood of sudden and sharp price increases or falls; and/or
- (e) the cost of borrowing becomes unmanageable which can lead to a total loss

**C.5 Market Risk****C.5.1 General**

The prices of investments go up and down depending on market supply and demand, investor perception and behaviour, price volatility in underlying or associated investments, sector and economic factors. These can be totally unpredictable.

**C.5.2 Overseas markets**

Any overseas instrument or investment with an overseas element can be subject to the risks of overseas markets which may involve different risks to those in the UK. In some cases the risks will be greater. The potential for profit or loss from transactions in foreign markets can in some cases be greater due amongst other things, to currency fluctuations affecting investments denominated in a different currency to that of the investor.

**C.5.3 Emerging markets**

Price volatility in emerging markets in particular, can be extreme. Price discrepancies can be common and unpredictable movements in the markets not uncommon. Additionally, on any material news, the financial markets may react with dramatic upswings/downswings during a very short period of time. Emerging markets generally lack the level of transparency, liquidity, efficiency, market infrastructure and regulation found in more developed markets. Political risk is another key factor in many emerging markets.

**C.5.4 Exchange or clearing house protection**

On many exchanges a transaction may be 'guaranteed' by the exchange or clearing house. However, this guarantee is usually in favour of the exchange or clearing house and cannot be enforced by the client who may therefore be subject to the credit and insolvency risks of the execution entity through whom the transaction was executed. There is, in any event, no clearing house for off-exchange OTC instruments which are not traded under the rules of an exchange (although unlisted transferable securities may be cleared through a clearing house).

**C.5.5 Insolvency**

The insolvency or default of the execution venue with whom you are dealing, or of any market participant involved with your transaction, may lead to positions being liquidated or closed out without your consent or, indeed, investments not being returned to you. There is also insolvency risk in relation to the investment itself, for example, of the company that issued the bond or of the counterparty to off-exchange derivatives (where the risk relates to the derivative itself and to any collateral or margin held by the counterparty).

**C.5.6 Currency risk**

In respect of any foreign exchange transactions and transactions in securities or derivatives that are denominated in a currency other than that in which your account is denominated, a movement in exchange rates may have a favourable or unfavourable effect on the gain or loss achieved on such transactions. The weakening of a country's currency relative to a benchmark currency or the currency of your portfolio will negatively affect the value of an investment denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly even during intra-day trading. Some countries have foreign exchange controls which may mean the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency but may not eliminate completely exposure to changing currency values.

**C.5.7 Interest rate risk**

Interest rates can rise as well as fall and in certain scenarios central banks can adjust interest rates to negative levels. A risk exists with interest rates that the relative value of a security, particularly a bond, will worsen due to an interest rate rise. In the event that a central bank (e.g. Bank of England) reduces interest rates to negative levels there is a risk of erosion to your cash deposited on account. A rate rise or fall is also often a powerful stimulus for the behaviour of investors, exacerbating supply or demand.

**C.5.8 Regulatory / legal risk**

All investments are potentially exposed to regulatory or legal risk. Returns on all, and particularly new, investment products are at risk from regulatory or legal actions which can, amongst other things, alter the profit potential of an investment and in some cases change markedly the nature and availability of the investment. Taxation changes are a good example of a legal change which can affect not only the investment/investment product but also the underlying assets. Because legal and regulatory risk is unpredictable, depending on a host of different factors, the risk is greater still in emerging markets where supervision and regulation is generally lower than in developed markets. The types of laws and regulations with which investors are familiar in the UK may not exist in some places and, where they do, may be subject to inconsistent or arbitrary application or interpretation often being changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. There is no guarantee that you would obtain satisfactory remedy in local courts in the case of a breach of local laws or a dispute over ownership of assets. You might also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgements in overseas courts.

**C.5.9 Operational risk**

Operational risk, such as breakdowns or malfunctioning of essential systems and controls, including IT systems, can impact on all financial products. Business risk, especially the risk that a business is run poorly or incompetently can also impact on investors. Often operational risk may not be so apparent given other personnel or organisational changes.

## Part D

# Transaction and service risks

### D.1 Contingent Liability transactions

Contingent liability transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in futures, contracts for difference or sell options, you may sustain a total loss of the margin you deposit to establish or maintain the position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so in the time required, your position may be liquidated at a loss and you will remain responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract. Save as specifically provided by the FSA, you may only carry out margined or contingent liability transactions if they are traded on or under the rules of a recognised or designated investment exchange. Transactions which are traded elsewhere may be exposed to substantially greater risks.

### D.2 Collateral

If you deposit collateral as security with your custodian, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral, depending on whether you are trading on a regulated market (see paragraph 5 below), with the rules of that exchange (and the associated clearing house) applying, or trading on another exchange or indeed, off-exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Should your dealings ultimately prove profitable, you may not get back the same assets which you deposited and may have to accept payment in cash. You should ascertain from us how your collateral will be dealt with.

### D.3 Effect of absolute title transfer

Where your collateral is subject to total title transfer to us, you should note that the assets cease to be your assets and you will no longer have a proprietary claim over them. They will not be held subject to the rules of the applicable regulator in safe custody (where they are financial instruments) or subject to client money protection (where they are cash). The assets become our assets and we can deal with them in our own right. You will have an unsecured contractual claim against us for re-transfer of equivalent assets; and as a result, the assets will not be subject to a trust or otherwise insulated in our insolvency. In such an event, you may not receive back everything so transferred to us and you will only rank as a general creditor.

### D.4 Short sales

Selling short means to sell an asset that you do not own at the time of the sale. The seller has an obligation to deliver the asset at the settlement date so he will either go into the market to buy the shares or 'borrow' the shares under a stock lending arrangement (see **paragraph 14** below). Short selling is a technique used by some investors who want to profit from a share price falling. If the price of the share drops after the investor has sold short, he can purchase or borrow the stock at a cheaper price. If on the other hand the price rises, the investor has an open ended commitment to obtain the stock resulting in a loss which can be unlimited.

### 5. Off-Exchange transactions

Certain exchanges are categorised as recognised or designated investment exchanges. A list of these can be found on the FCA website. Transactions not undertaken on a recognised or designated exchange may be at greater risk.

### D.6 Limited liability transactions

Before entering into a limited liability transaction, you should obtain from us a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you before the transaction is entered into. The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of the loss will be subject to an agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

### D.7. Charges

Before selecting a service you should familiarise yourself with the service benefits and associated charges together with any other costs for which you will be liable.

### D.8 Suspensions of trading and grey market investments

Under certain trading conditions the rules of the relevant exchange may mean that a company is suspended, in other words, buying and selling is deferred for a period of time or dealings may be discontinued altogether. A grey market security is one for which an application has been made for listing or admission to dealings on an exchange where the security's listing or admission has not yet taken place (other than when the application has been rejected) and the security is not already listed or admitted to dealings on another exchange. In all of these cases determining fair value for your shareholding may prove difficult and in the case of suspension, liquidating your position may not be possible.

### D.9 Deposited cash and property

You should familiarise yourself with the protections accorded to you in respect of money or other property particularly in the event of insolvency or bankruptcy. The extent to which you may recover your money may be governed by specific legislation or local rules.

### D.10 Stabilisation

Transactions may be carried out in securities where the price may have been influenced by measures taken to stabilise it. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. Regulations allow stabilisation in order to help counter the fact that, when a new issue comes on to the market for the first time, the price can drop for a time before buyers are found. Stabilisation is carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing the new issue to the market). As long as the stabilisation manager follows a strict set of rules, the stabilisation manager is entitled to buy back securities that were previously sold to investors or allotted institutions which have decided not to retain them. The effect of this may be to keep the price at a higher level than it would otherwise be during this period of stabilisation.

Stabilisation rules:

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

The fact that a new issue or related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which investors are prepared to buy the securities

**D.11 Underwriting**

The process of underwriting usually provides you with a fee whereby, in return, you undertake to become, on a pro rata basis, the allottee of last resort should an offer of investments not be fully subscribed. If you underwrite or purchase 'recently issued' investments you understand that there is no assurance as to the market for such investment after issue and it may not be possible to sell the investment concerned at the subscription price, or at all. If you are making use of our discretionary management service we may, without limitation or restriction and providing we believe it is suitable, commit you to underwriting in connection with a new issue, rights issue, takeover or similar transaction in which we and/ or an associated company may be involved as sponsor, adviser, underwriter or in some other capacity. Should you wish to limit the extent of our discretion you should advise us accordingly. If you make use of our managed advisory service we will seek your consent prior to committing you.

**D.12 Non-readily realisable investments.**

Both exchange listed and traded, and off-exchange investments, may be non-readily realisable. These are investments in which the market is limited or could become so. Accordingly, it may be difficult to assess their market value and/or to liquidate your position.

**D.13 LIFFE: exclusion of liability**

You understand that business on the LIFFE market operated by LIFFE may from time to time be suspended, restricted or closed for such period as may be determined in the interests of maintaining a fair and orderly market in accordance with the LIFFE rules. Any such action may result in us, and through us, you, being prevented from or hindered in entering into transactions in accordance with the LIFFE rules. Furthermore, you may from time to time be prevented or hindered in entering into transactions in accordance with the LIFFE rules as a result of failure of some or all market facilities. Unless otherwise expressly provided for in the LIFFE rules, or in any other agreement to which the LIFFE exchange is party, we and the LIFFE exchange shall not be liable to you:-

- (a) for loss (including any indirect or consequential loss and, without limitation, loss of profit), damage, injury or delay whether direct or indirect, arising from any of the circumstances or occurrences referred to above; or
- (b) for any act or omission of the LIFFE exchange, its officers, employees, agents or representatives under the LIFFE rules or pursuant to the LIFFE exchange's obligations under statute; or
- (c) from any breach of contract by or any negligence howsoever arising of the LIFFE exchange, its officers, employees, agents or representatives.

LIFFE has a number of powers which, if exercised, may impact upon our ability to submit an order on your behalf or which may lead to the cancellation of an order after submission but prior to execution. In addition to the powers available to LIFFE you should be aware that, specifically in relation to LIFFE CONNECT™, the trading host:-

- LIFFE has the power to suspend our access following a single warning, and to terminate our access under certain conditions.
- LIFFE will cancel all outstanding orders on our default.
- Orders outside the price limits will be rejected automatically by the trading host.
- All orders with the exception of good until cancelled ('GTC') orders will be cancelled automatically at the market close.
- All orders (including GTC orders) will be cancelled at close of business on the last trading day of the expiry month to which they relate; and
- All orders (with the exception of GTC orders) will be cancelled if the trading host fails.

**D.14 Stock lending/repos**

The effect of lending (or repo'ing) securities to a third party is to transfer title to the borrower (or repo purchaser) for the period that they are lent. At the end of the period, subject to default of the borrower, the lender receives back securities of the same Issuer and type. The borrower's obligation to transfer equivalent securities is secured against collateral (which is usually transferred by a title transfer mechanism). There is, accordingly, credit risk. Lending or repo'ing may affect your tax position. As a matter of policy we do not lend stock.

**D.15 Strategies**

Particular investment strategies will carry their own particular risks and you should seek to understand those before undertaking a particular strategy.

## Appendix 2 – Investment Objectives

We will provide you with investment advice or manage your Portfolio on a discretionary basis with the aim of achieving your investment objective as noted in the Client Information & Agreement Form. Investments will be selected and invested in, or recommended to you, taking into account your investment objective, any investment restrictions and your appetite for risk. However, as noted in **Appendix 1**, all investments, by their very nature, carry some risk over and above that of a bank deposit. The vagaries of the economic cycle and political factors can act to produce significant price movements in either direction and may also radically alter historic understanding of how asset classes work within and between themselves. Money should normally only be invested on a medium to long term view. Trading on a short term basis should be considered a high risk strategy. The purpose of the guide below is to help you in understanding how these risks may affect the outcome of our investment strategy in seeking to achieve your investment objective by explaining the types of investment products or securities that may be used across the spectrum of investment objectives.

However, whilst we will seek to develop and implement an investment strategy designed with the aim of achieving your investment objective taking into account your willingness to accept risk and your ability to withstand financial loss, you should not invest monies that you cannot afford to lose in their entirety.

Risk and reward tend to be two sides of the same coin and it is not uncommon to find that when they are out of alignment your objectives may be unrealistic and need to be reconsidered and the risk you are prepared to take needs to be further assessed in light of the risk you can afford to take before it impacts on your circumstances. At the outset of our relationship, we will seek to balance these interests before arriving at an investment strategy that aims to meet your requirements although we cannot and do not guarantee that this will be achieved.

### Income versus capital growth

Investment returns come in two guises, income and/or capital growth. Most investors wish to see some combination of the two but, often, with a particular bias toward one or the other depending on the investor's circumstances. The following explanations are, by necessity, broad outlines, but it is important that you have a clear understanding of them when establishing your investment objectives.

### The investment emphasis spectrum

You should be aware that "Emphasis on Income" can include UK government bonds (gilts), Sovereign Bonds, preference shares and shares that pay dividends. "Emphasis on Balanced Return" can include stocks that pay dividends and stocks that expect to achieve capital growth. "Emphasis on Capital Growth" is likely to include stocks and instruments that are designed to appreciate in value in different timescales but does not exclude stocks that pay dividends. In all cases, exposure may be obtained via direct investment or alternatively via some type of collective investment scheme where appropriate.

Emphasis on income	This will be, primarily, for investors whose income needs are more important than the growth of their capital. The achievement of a higher income would normally be at the expense of long term capital performance potential. Ordinarily, income can be maximised through holdings of government and corporate bonds, although when interest rates are low, it may be appropriate to use a selection of high yielding equities or specialist collective investments, not only to deliver income but, also, give the potential for income growth. Tax planning is likely to be a major factor in any high income portfolio and you should contact us if you consider this appropriate. With the exception of foreign bonds (fixed interest), overseas markets are unlikely to account for a significant part of the portfolio since the level of income offered is normally low.
Emphasis on balanced return	This is for investors seeking both income and capital growth. Such a portfolio would incorporate a selection of income producing assets plus a number of capital growth orientated investments. A broad selection of equities is likely to be recommended to provide a degree of rising income, whilst collective investments, government bonds, fixed interest and convertible securities are also likely to be included potentially to lift income levels and also to aid diversification. Some overseas investments and investments in other assets such as commodities or real estate may also be included.
Emphasis on capital growth	Primarily, this will be for investors whose income needs are not important and are willing to accept a lower than average yield in order to focus on capital appreciation. Portfolios are likely to involve significant exposure to equities either directly or via the use of collective investments both in the UK and overseas with selective exposure to other asset classes such as commodities and real estate dependent upon their relative attractiveness compared to equity markets. Some low coupon fixed interest and alternative investments may also be suitable for inclusion in such a portfolio.

## Appendix 3 – Order execution policy

### Introduction

This Order Execution Policy outlines all of the reasonable steps taken by us to ensure that we achieve 'best execution'; that is the best possible result for all transactions undertaken on your behalf. In pursuit of this, and in accordance with the regulatory requirements set out by the FSA, our Order Execution Policy covers, amongst other things, the relevant factors involved in obtaining best execution and the execution venues we choose. A summary of the policy is set out below.

Our commitment to provide you with best execution does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or may be otherwise contracted between us.

### Scope

Our Order Execution Policy applies to all retail and professional clients and refers to investments which are defined under the Regulated Activities Order 2011. The policy applies where we:

- Execute on your behalf an order in respect of an investment; or
- Pass on (i.e. transmit) an order to another broker or dealer ('third-party') for execution.

### Execution factors

In considering how to achieve the best possible result, the execution factors that we will take into account are:

- Client type,
- price,
- costs (fees, commissions and third-party charges),
- ease of dealing and speed,
- likelihood of execution and settlement,
- order size,
- nature of the order or any other consideration relevant to the execution of the order,
- the financial standing and reputation of the execution venue and their ability to consistently provide the best outcome.

In determining the relevant importance of these factors, we will use our commercial experience and judgement, as well as take account of how we have categorised you (e.g. as a retail client or as a professional client), together with the size and nature of the order, the characteristics of the investment to which the order relates, as well as the possible execution venues to which that order can be directed.

In general, in the absence of specific client instructions, we will regard the best possible result in terms of the total consideration i.e. the price and the costs relating to execution as the most important of these factors. However we recognise that there may from time to time be circumstances where other factors may be deemed to be of higher priority. For example, some securities such as shares in smaller companies may be more difficult to transact, or more complex and difficult to settle satisfactorily, in which case, the size of the transaction, the speed of transaction and likelihood of execution and settlement may be relevant factors which we will take into account.

For retail clients we will always regard the most important factors as those which result in the best total consideration in terms of the price combined with the costs of execution.

Where you have provided us with specific instructions for execution of a transaction, for example a specific venue, this may prevent us from obtaining the best possible result as per our execution factors. We reserve the right to refuse specific instructions from you regarding the execution of your order, where in our opinion such instructions are not practicable or may be contrary to your best interests.

### Execution venues and entities

In establishing this Order Execution Policy we have identified a variety of execution venues to obtain the best possible result on a consistent basis when executing orders on behalf of clients.

- Regulated Markets ("RM") – A market over which a government body exerts a level of control which is authorised and functions regularly in accordance with the provisions of Title III of MiFID.
- Multilateral Trading Facilities ("MTFs") – A multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with the provisions of Title II of MiFID.
- Systematic Internalisers ("SIs") – An investment firm which, on an organised, frequent and systematic basis, deals on its own account by executing client orders outside a regulated market or an MTF.
- Retail service providers or other liquidity providers.
- Other FCA authorised firms and EU or non-EU institutions (for overseas instruments).

### Acting ourselves as the Execution Venue

In exceptional circumstances, where we believe that we can trade to your advantage we may transact a trade with you as principal.

We may deem it appropriate or advantageous to execute your order outside a RM or MTF even where the investment is trading on a RM or MTF. We are required to obtain your consent before executing orders outside a RM or MTF.

Any entity to which we may transmit an order for execution will itself be subject to a regulatory or contractual obligation to provide best execution.

The execution venues may change and updated details are available on request. The venues on which we place significant reliance are:

- Winterflood Business Services
- Managers and administrators of collective investment schemes

### Equities / Fixed Income / ETFs

Winterflood Business Services ("WBS") – WBS provide a dealing service which we use for all transactions in equities (both UK and international) and fixed income securities. Through their dealing model they offer us best execution in accordance with their best execution policy.

### Collective investment schemes / UCITS

We execute or arrange the execution of orders in collective investment schemes / UCITS with the fund manager.

### Structured products

We execute structured products on an 'over the counter' (OTC) basis with the product provider concerned, rather than a centralised market exchange.

We also have access to MTFs and dark pools offered by Bank of New York Mellon (International) Ltd, Pershing Securities Ltd, Stifel Nicolaus Europe Ltd and Liberum Capital Ltd.

**Limit orders**

By placing an order with a limit you are requesting us to either sell or buy the security at the specified price or better. It may not always be possible to execute that order under the prevailing market conditions. We would then be required to make such orders public ahead of execution, unless you agree that we need not do so. We believe that it is in your best interests if we exercise our discretion as to whether or not we make such orders public, taking into account what we believe to be your best interests. Where you place a limit order with us that is not immediately executed, unless we believe that it would be in your best interest to do so, or you expressly request otherwise, we will not publish your unexecuted limit order during the period that it remains unexecuted. Where we are unable to execute the full amount of your order we may make a partial execution.

**Aggregation**

There may be occasions where we will combine your order with our own order or those for other clients when we reasonably believe that it will be to your advantage to do so. On occasions, however, aggregation may not work to your advantage and may result in you obtaining a less favourable price.

**Execution timing and priority**

We will execute your order as soon as reasonably possible unless we believe that by postponing your order is in your best interests. Orders will be executed in the order they are received, except where there are special conditions such as limited liquidity, price limits or where conditions exist that may require additional time to ensure we achieved the best possible result.

**Monitoring and review**

We will monitor compliance with our order execution arrangements and take reasonable steps to monitor the performance and quality of our execution and that of third parties to whom we have passed orders for execution. Such review enables us to identify and implement changes to this Execution Policy and execution arrangements as necessary. We will notify you of any material changes to our Execution Policy by posting updates on our website [www.whirelandplc.com](http://www.whirelandplc.com).

**Consent**

While we take all reasonable steps based on the resources available to us to satisfy ourselves that we have processes in place that can reasonably be expected to obtain the best execution of your order we cannot guarantee that we will always be able to provide best execution of every order executed on your behalf.

We are required to obtain your consent to our Order Execution Policy and your express consent should we need to undertake a transaction outside a regulated market or MTF. Similarly, your express consent is required should you not wish us to make public any limit order that you place with us.

By signing or agreeing to the declaration within the Declaration and Signing Authority section of the Client Information & Agreement form you consent to our Order Execution Policy.

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