

Vanguard[®]

Model Portfolio Service

Terms of Business

December 2024

This document is directed at professional investors and should not be distributed to, or relied upon by retail investors.
This document is designed for use by, and is directed only at persons resident in the UK.

Vanguard Asset Management, Limited offers our Model Portfolio Service to you on the basis of these terms and conditions (the "**Terms of Business**") with effect from the Effective Date.

Before accepting these Terms of Business, you should read them carefully.

If there is anything in these terms which you do not understand, please contact your relationship manager or the Client Services team at uk_client_services@vanguard.co.uk. You can also call us on 02035634305 (Monday to Friday, 9am to 5pm excluding UK public and bank holidays).

By completing the Application, you confirm that you agree with and will comply with these Terms of Business. Transmission of the Application shall take effect as delivery of an executed original.

These Terms of Business will become effective on the Effective Date, once we have confirmed we accept your Application.

Vanguard Asset Management, Limited is authorised and regulated by the Financial Conduct Authority in the UK (under firm reference number 527839). Our registered office is at 4th Floor, The Walbrook Building, 25 Walbrook, London EC4N 8AF. The contact address for the FCA is 12 Endeavour Square, London E20 1JN.

Definitions

The following words and expressions have the meanings appearing below and apply to these Terms of Business:

Affiliate – any entity controlled, directly or indirectly, by a Party, any entity that controls, directly or indirectly, a Party or an entity directly or indirectly under common control with a Party.

Applicable Regulations – any rules, regulation or guidance published by the FCA, together with any other applicable rules, regulations or laws as may be applicable to the services contemplated within these Terms of Business.

Application – your online application to access and use the Model Portfolio Service on the Platform(s).

Appointed Representative – a person that has the meaning given to it in section 39 of FSMA and is permitted by you to invest in the Model Portfolios.

Authorised User – an appropriately authorised employee, director and/or officer of yours who is registered to use the Platform(s).

Business Day – a normal business day, excluding Saturdays, Sundays and any UK public holiday.

Client – the client to whom you provide investment advice and/or other services under your own separate advisory terms of business and who has authorised you to invest in the Model Portfolio(s) and as such enter into these Terms of Business on their behalf.

Client Account – an online account containing the Model Portfolio opened by you on behalf of your Clients as available on a Platform from time to time in accordance with its terms and conditions.

Conflicts of Interest Policy – our policy relating to the identification, prevention and management of conflicts of interest that arise or may arise when providing services.

Consumer Duty – Principle 12 of the FCA's Principles for Businesses and PRIN 2A.

Data Protection Laws – all applicable statutes and regulations in any jurisdiction pertaining to the processing of personal data, including the privacy and security of personal data.

Distributor Assessment – the distributor assessment you carry out in accordance with PRIN 2A.4.16R.

Effective Date – the date we confirm we have accepted your Application and will provide you with the services in accordance with these Terms of Business.

ETF – Exchange Traded Fund.

FCA – the Financial Conduct Authority, or any other regulator that succeeds it.

FCA Rules – the FCA's Handbook of rules and guidance, as amended or replaced from time to time.

FSCS – the Financial Services Compensation Scheme.

FSMA – the Financial Services and Markets Act 2000, as amended or replaced from time to time.

HMRC – Her Majesty's Revenue and Customs or any entity that succeeds it.

Insolvency Event – the occurrence, in respect of either Party, of any of the following events:

- it enters into a composition or arrangement or convenes a meeting of its creditors;
- a receiver, administrative receiver or a liquidator is appointed;
- an order is made or resolution passed for its administration or winding-up;
- it ceases or threatens to cease to carry on business or suspends or threatens to suspend payment of any of its debts or is deemed by statutory provision to be unable to pay its debts as and when they fall due;

- it makes a voluntary arrangement or composition with or for the benefit of its creditors; or
- it allows, permits or does anything analogous to, any of the foregoing events under Applicable Regulations.

Investment Guidelines – the agreed parameters of the Model Portfolios.

Investment Objective – the investment objective of the Model Portfolio as published by us from time to time.

Losses – includes losses, damages, costs, claims, liabilities, charges, demands and expenses.

Model Portfolios – the model portfolios managed and made available to you by us under these Terms of Business.

Model Portfolio Service/s – the provision of services by us in respect of a Model Portfolio on the basis agreed in these Terms of Business.

MPS Charges – the charges payable by your Client, via the relevant Platform, in respect of their investment in the Model Portfolio.

Order Execution Policy – our policy relating to the placing of orders and decisions to deal on behalf of clients as required by the FCA Rules as amended by us from time to time.

Party – you or us as applicable. The “Parties” means you and us together.

Permitted Investments – units in UCITS, including for the avoidance of doubt, both mutual funds and ETFs.

Personal Data – any information relating to an identified or identifiable natural living person.

Platform – the third-party platform(s) (as specified in the Application) operated by a Platform Provider and through which Model Portfolios are safeguarded and administered.

Platform Provider – the relevant third-party provider(s) of a Platform and/or Platform related services (including custody and dealing services), as the context requires.

PRIN 2A – chapter 2A of FCA's Principles for Businesses, which forms part of FCA Rules.

Target Market – the target market identified for the Model Portfolios in accordance with Clause 4.6 of this Agreement.

Trading Venue – a trading venue within the meaning of the FCA Rules.

Trigger Event – any change of law, in interpretation on the basis of case law accepted by HMRC, or in the practice of HMRC, in each case which results, in our reasonable

opinion, in a change in the requirement to charge VAT on the services, whether in the past or in future.

UCITS – undertakings for collective investments in transferable securities.

VAT – Value Added Tax.

Vanguard – Vanguard Asset Management, Limited. The term “Vanguard” also includes, where applicable, certain affiliated companies within the Vanguard Group and any company to which we might transfer our rights and responsibilities under these Terms of Business.

Vanguard Group – Vanguard and any company affiliated to Vanguard.

Vanguard Value Assessment – the assessment of the value of the Model Portfolio Service conducted by us taking into account: (i) all relevant information and data that we obtain in relation to our Model Portfolio Service; and (ii) the factors set out in PRIN 2A.4.

We, our or us – Vanguard Asset Management, Limited.

You, your or yourself – you, the financial adviser identified in the Application, the person who does business with us under these Terms, including your authorised representatives or agents.

1. Our appointment

- 1.1 You appoint us as portfolio manager in respect of your Clients' investments into the Model Portfolios and we agree to such appointment on the terms set out in these Terms of Business.
- 1.2 We acknowledge and agree that the arrangements described in this Agreement are intended to be non-exclusive and each Party is free to enter into similar agreements and arrangements with other entities.
- 1.3 These Terms of Business shall come into full force and effect on the Effective Date, provided that our obligations under Clause 11 shall only come into force once a Client Account has invested into a Model Portfolio.

2. Communications

- 2.1 Our service is intended to be exclusively electronic. You agree that we will send documents to you electronically and we will not generally communicate with you by post. All of our documents and communications with you will be in English.
- 2.2 You consent to receiving communications and reports under these Terms of Business, including but not limited to risk disclosures, electronically online via the relevant Platform(s), by email, or through an online account with us. You understand that if documents are only available online you will not receive a printed version. A paper copy of such communications and reports will be available to you upon request.

- 2.3 You agree that we may provide the following information to you via a website or via electronic message, where relevant and in accordance with Applicable Regulations:
- (a) a description of the conflicts of interest policy maintained by us and, upon request, further details of that conflicts of interest policy;
 - (b) our Order Execution Policy;
 - (c) any changes to the methods of communication to be used between us;
 - (d) the nature, frequency and timing of the reports on the performance of the service to be provided by us to you under Applicable Regulations; and
 - (e) a general description of the nature and risks of financial instruments involved with our service.
- 2.4 If we do communicate with you by post, we will write to you at the last address you gave us. You must tell us if your address or any of your other contact details change. If communications we send to you are returned to us, we may put restrictions on your Client Accounts.
- 2.5 You can communicate with us by email at uk_client_services@vanguard.co.uk or by calling us on 02035634305 (Monday to Friday, 9am to 5pm, excluding public and bank holidays).
- 2.6 You agree that we may provide, in accordance with our Privacy Policy, alerts and notifications of our products and services to you via electronic transmission, including via any email address or mobile number you provide to us.
- 2.7 We are obliged under the FCA Rules to record certain communications (including telephone calls, electronic communications and instant messaging) which relate to, or are intended to lead to, the conclusion of a contract in a financial instrument. You have the right to request a copy of such recordings relating to your Clients at any time in the five-year period beginning on the date of the relevant recording (or, where requested by the FCA, for a period of up to seven years). We may monitor and record other communications and calls in accordance with the Applicable Regulations.

3. Client classification

- 3.1 For the purposes of the services to be provided under these Terms of Business, we will treat you as our client and not your underlying Clients.
- 3.2 The FCA Rules require us to classify all investors. We provide the Model Portfolio Service to you as a "professional client". You must tell us about any change to your circumstances which could affect your classification as a professional client.
- 3.3 You can ask us to consider re-classifying you as a "retail client". We will be under no obligation to accept your request and we do not offer our Model Portfolio Service under these Terms of Business to retail clients.

4. The Model Portfolio Service

- 4.1 In accordance with these Terms of Business, we will provide you with:
- (a) access to our Model Portfolios, to be facilitated by the Platform Provider(s); and
 - (b) portfolio management in respect of the investments made into those Model Portfolios.
- 4.2 Once we have accepted your Application and confirmed to you that we will commence the Model Portfolio Service, we will instruct the Platform Provider(s) to provide you with access to the Model Portfolios.
- 4.3 We will only provide our Model Portfolio Service while we and you have access to the Platform(s) specified in your Application (or such other Platform(s) we have subsequently agreed to use in accordance with Clause 5.7). If our or your access to any of the Platform(s) is suspended or terminated, we shall cease to provide our Model Portfolio Service to you in respect of such Platform(s). If we or you do not have access to any of the Platforms specified in your Application (or such other Platform(s) we have subsequently agreed to use in accordance with Clause 5.7), these Terms of Business will terminate.
- 4.4 When providing the Model Portfolio Service, we will provide you in advance with an appropriate benchmark or method of evaluation against which the performance of the Model Portfolio may be compared.
- 4.5 We do not provide any express or implied warranty as to the performance or profitability of any Model Portfolio or its underlying investments, the achievement of the Investment Objectives in whole or in part, and/or that the Model Portfolio or its underlying investments will not be affected by adverse tax consequences.
- 4.6 For the purposes of UK product governance requirements under FCA Rules, we act as manufacturer and distributor of a portfolio management service involving the exercise of discretion on your behalf, in accordance with the limitations described in this Agreement. We are subject to, and will take such steps as we consider appropriate to meet, product governance requirements and the Consumer Duty. We will identify at a sufficiently granular level, the Target Market for the Model Portfolios and specify the types of end client for whose needs, characteristics and objectives the Model Portfolios could, based on our theoretical knowledge and experience with Model Portfolios, be compatible. The identified Target Market will also include information on any group(s) of end clients for whose needs, characteristics and objectives each Model Portfolio is not compatible and any target group(s) of end client with characteristics of vulnerability. We will provide you with our Target Market assessment for each Model Portfolio from time to time.

- 4.7 In addition we will keep each identified Target Market under review in respect to the Model Portfolios, taking into account events that could materially affect the potential risks of the Model Portfolios and take appropriate action where such an event is identified, including notifying you of the event and its consequences on a Model Portfolio or contacting you to discuss any modifications to the distribution process.
- 4.8 The investments which may be included within a Model Portfolio are restricted to those which are Permitted Investments and you acknowledge that we are not responsible for any resulting limitations on the composition of the Model Portfolios available from time to time. All Permitted Investments will be managed by us or one of our Affiliates. It is your responsibility to advise your Clients whether they would be better served by investing in a wider range of investments or taking up services other than our Model Portfolio Service.
- 4.9 You acknowledge that the composition, performance or profitability of any Client Account invested in a Model Portfolio may vary from that of the applicable Model Portfolio, for example due to the time at which your Client invests, or due to the relevant Platforms' failure to execute trades in accordance with our instructions, and we shall not be responsible or liable for any such variations.
- 4.10 You acknowledge (and agree to inform your Clients that) if you or your Client withdraw from or trade on their Client Account this may:
- (a) put your Client in breach of any minimum cash buffer requirements set by the Platform Provider; and/or
 - (b) affect the performance or profitability of the Client Account, until the next rebalancing of the Client Account.
- We shall not be responsible or liable for any such breaches or changes to profitability.
- 4.11 Unless and until your Client is removed from our Model Portfolio we shall be entitled to any accrued MPS Charges due in respect of the period up to removal of your Client's assets from the Model Portfolio and you should therefore ensure that you instruct the relevant Platform Provider with respect to the removal of the Model Portfolio as we are not responsible for doing so.
- 4.12 You acknowledge that we shall not contact any Client or discuss with any Client the assets within any Client Account unless we are required to do so in order to comply with FCA Rules. You shall cooperate with us and provide such assistance and information as we shall reasonably require if we determine that we must notify a Client of any matter in connection with this Agreement.

5. Use of the Platform(s)

- 5.1 In order to access the Model Portfolios on the Platform(s), you must:
- (a) provide the relevant Platform Provider with any client instruction, authority or other documentation they require in connection with the Model Portfolio Service, including issuing trading instructions for the Platform Provider to make the relevant investments into the Model Portfolio;
 - (b) ensure that you, any Appointed Representatives and your Authorised Users comply with the terms of any agreement entered into with the Platform Provider(s) and all procedures or requirements applicable to use of the relevant Platform; and
 - (c) ensure that any security information (for example, user names, passwords, digital certificates) provided to you, any Appointed Representatives or your Authorised Users by the Platform(s) is/are kept secure and confidential.
- 5.2 You agree that we shall not be liable for the default of any Platform Provider or of any counterparty, bank, custodian, sub-custodian or other entity which holds money, investments or other documents of title relating to an investment or with or through whom transactions made in pursuance of an instruction are conducted on the Platform(s). You agree that we do not exercise any material influence over the service given to, or the charges for such services levied upon, Clients by the Platform Provider(s) on the Platform(s).
- 5.3 You consent to our Order Execution Policy (available at <https://global.vanguard.com/portal/site/portal/ucits-documentation>) and understand that due to the operation of the service the duty of best execution in respect to our instructions is disapplied as set out in Clause 5.5. You and your Clients should refer to the relevant Platform Provider's order execution policy for more information as to how orders for Client Accounts invested in Model Portfolios will be executed.
- 5.4 We will instruct the relevant Platform(s) to implement the decisions we take in the course of providing portfolio management for the Model Portfolio Service, in accordance with our Order Execution Policy. We will comply with our Order Execution Policy and will act in your best interests in the way we make and provide instructions to the Platform(s).
- 5.5 Due to the nature of this service, only the relevant Platform(s) and no other party will execute our instructions. We are not responsible for selecting Trading Venues, liquidity providers or other counterparties for the execution of transactions for the products invested in Model Portfolios on the Platform(s), and so our duty of best execution shall not apply to the selection of the Platform(s) or of their selection of Trading Venues, liquidity providers, brokers or other counterparties.

- 5.6 You acknowledge that instructions to effect transactions for Client Accounts invested in Model Portfolios on the relevant Platform(s) may need to be reported by us to the FCA in accordance with Applicable Regulations or, where applicable, may instead be reported by either (i) the relevant Platform Provider; or (ii) by the relevant execution venue; in each case where they have agreed to do so. You agree to the reporting of transactions and will, where required by us, supply us with your valid Legal Entity Identifier and any other information we may reasonably require in relation to any duty of ours to report transactions.
- 5.7 You must tell us which Platform(s) you want to use to access the Model Portfolio Service in your Application. If you want to add, remove or change the Platform(s) through which you access the Model Portfolio Service you must give us reasonable prior written notice of your intention together with the name and other relevant information which we may require in respect of any new Platform(s). We may not agree to provide you with the Model Portfolio Service in respect of the new Platform(s). If there are no Platforms on which we agree to provide the Model Portfolio Service these Terms of Business will terminate in accordance with Clause 16.

6. Our role and responsibilities

- 6.1 Our role in the provision of the Model Portfolio Service is to:
- (a) supply and construct a range of Model Portfolios designed to represent the Investment Objectives and the Investment Guidelines;
 - (b) determine the initial investment composition for each Model Portfolio by selecting investments with the applicable Investment Objectives, Investment Guidelines and Permitted Investment restrictions and in line with the principle of prudent diversification;
 - (c) provide the Model Portfolio fact sheets and such other information relating to the Model Portfolios as we shall consider necessary and appropriate from time to time;
 - (d) review the asset allocation and/or risk gradings of each Model Portfolio periodically for compliance with the relevant Investment Objective and Investment Guidelines, and instruct changes to and/or rebalancing of the Model Portfolios;
 - (e) conduct the Vanguard Value Assessment on the Model Portfolio Service (and periodically review such assessment) in a manner which is appropriate to the Model Portfolio Service and to the data and information which we have available for such purpose. The Vanguard Value Assessment shall be repeated following any significant adaptation of the Model Portfolio Service. You acknowledge that our access to certain data may be limited when

conducting the Vanguard Value Assessment. We shall provide you with such information on the Vanguard Value Assessment, including information on any limitations in our assessment or in the data at our disposal, as we consider necessary and appropriate from time to time. We shall promptly notify you if at any time we identify that the Model Portfolio Service does not provide fair value and shall take such steps as are reasonable and proportionate to address any risk of Client harm; and

- (f) provide to you (having regard to the level of skills and experience that can reasonably be expected of you) sales or training documentation in relation to the Model Portfolios to assist them in understanding the Model Portfolios and explaining them to Clients.
- 6.2 We agree to perform our role in accordance with the standard of care that could reasonably be expected of a professional portfolio manager acting in good faith and with reasonable care and skill.
- 6.3 We will manage the assets comprising the Model Portfolio at our sole discretion, and at all times in accordance with the Investment Objectives. Our ability to exercise discretion is limited to our role in the provision of the Model Portfolio Service and we do not have broader discretion in relation to assets that are not held within a Client Account invested in Model Portfolios.
- 6.4 You authorise us to exercise all voting rights attaching to assets held in a Model Portfolio (which we may do by instructing the relevant Platform).
- 6.5 We will not provide you with investment advice and the Model Portfolio Service shall not constitute investment advice for the purposes of the FCA Rules. Any investment research, financial analysis or general information we provide you with shall not constitute advice.
- 6.6 Only we and our authorised staff and not you (or your Authorised Users or any Appointed Representatives) or your Clients may instruct the Platform Provider(s) in respect of the implementation, composition and rebalancing of Client Accounts invested in Model Portfolios on the Platform(s).
- 6.7 We shall be responsible for assessing the suitability of the Model Portfolio Service in accordance with the FCA Rules. The reason for assessing suitability is to enable us to act in your best interest. As you are a professional client, we are entitled to assume that you have the necessary level of experience and knowledge in order to understand the risks involved in respect of the Model Portfolios. You must tell us about any change to the information provided to us and you are responsible for making sure it is accurate, complete and up to date, to enable us to assess suitability for you. For the avoidance of doubt, we shall not be responsible for assessing the suitability of the Model Portfolios for Clients.

6.8 The Platform(s) (and not us) will be responsible for:

- (a) dealing and/or executing orders in the investments of Client Accounts invested in the Model Portfolios (including acting on our instructions to change or rebalance Model Portfolios);
- (b) selecting Trading Venues or other counterparties for the execution of orders in investments in accordance with its best execution requirements and its order execution policy;
- (c) custody and administration of the investments of the Model Portfolios; and
- (d) bearing all sales and marketing expenses associated with the relevant Platform, including (without limitation) advertising costs, marketing materials, conference costs, and travel and entertainment costs.

6.9 We are not responsible for supervising the Platform(s) or checking whether instructions in relation to a Model Portfolio have been correctly executed by the relevant Platform Provider following our instruction/s to it in respect to Model Portfolios. You shall be responsible for monitoring your Client's Accounts invested in the Model Portfolios and, where appropriate, requesting the relevant Platform Provider to take corrective action in the event of failed trades.

6.10 We shall not provide custody services to you or your Client and will not hold any assets or cash sums belonging to you or your Clients at any time.

6.11 We may receive research material or services in return for direct payments by us out of our own resources.

7. Your role and responsibilities

7.1 You are solely responsible for advising your Clients on and assessing the suitability (or otherwise) of the Model Portfolios for your Clients in compliance with the FCA Rules.

7.2 You agree to perform your role in accordance with the standard of care that could reasonably be expected of a professional financial adviser acting in good faith and with reasonable care and skill. You will ensure that all personnel (including any secondees or independent contractors) involved in the distribution of the Model Portfolios possess the necessary expertise, skills and experience to perform their role and to understand the characteristics and risks of the Model Portfolios.

7.3 You will provide your Clients with the latest copies of all relevant materials we provide to you for distribution to them. This will include an explanation of our role in constructing and managing the Model Portfolios. You undertake to us that you will not make any representation or promise to your Clients in relation to us, the Model Portfolio Service or the Model Portfolio except as stated in the materials we provide to you or as expressly authorised in writing by us. You will immediately cease to use any materials which we tell you in writing are out of date

or no longer in use. You shall not issue to Clients any of our documentation which is approved by us for distribution to professional clients only, including, but not limited to, any sales aids made available by us to you in accordance with Clause 6.1(f).

7.4 As your Client's agent, you are responsible for ensuring that our and your respective responsibilities under these Terms of Business are fully explained to your Client. You must make, and are solely responsible for making, available all necessary disclosures and documentation to your Clients in respect of the Model Portfolio Service as required by Applicable Regulations (including, but not limited to, information about our charges). You shall be responsible for all communications with Clients (excluding any Client communication provided to you by us). You (and not us) shall be responsible for ensuring that such Client communications:

- (a) meet Client information needs;
- (b) are likely to be understood by Clients;
- (c) equip Clients to make decisions that are effective, timely and properly informed; and
- (d) are clear, fair and not misleading and compliant with FCA Rules.

7.5 You must ensure that your Client's authority for any investment in a Model Portfolio within a Client Account, including the payment of the applicable MPS Charge via a deduction from their Client Account, has been validly obtained.

7.6 You acknowledge that you have been and will be solely responsible for the selection, appointment, monitoring and supervision of the Platform(s) and for any services the Platform(s) provide to you or your Client.

7.7 You acknowledge that investment by your Clients in a Model Portfolio will be covered by statutory and other requirements relating to the prevention of money laundering and financial crime, as set out in Applicable Regulations. You warrant that you will comply with all such requirements, and in particular (without limitation) that you will:

- (a) maintain appropriate policies and procedures, systems and controls that enable you to identify, assess, measure, monitor and manage your money laundering and terrorist financing risk in a way that is comprehensive and proportionate to the nature, scale and complexity of your activities;
- (b) carry out all necessary checks, identity and verification exercises required pursuant to such systems and such requirements;
- (c) monitor your Clients' transactions to identify possible money laundering and other suspicious activity; and
- (d) comply with your obligations as set out in Appendix I to these Terms of Business.

- 7.8 You shall promptly notify us (as well as the Platform) of the occurrence of any of the following in respect of a Model Portfolio:
- (a) if you cease to have authority to act as agent in respect of your relevant Client(s);
 - (b) if any of your Clients' assets are to be removed from a Model Portfolio managed by us for whatever reason;
 - (c) if at any time the Model Portfolios, your services (or any other intermediaries including the Platform) cease to provide fair value to Clients. You shall notify us why you consider fair value is not being obtained and, if applicable, provide appropriate information on the steps (including any redress or remedial action) taken to mitigate the risk of Client harm;
 - (d) any sales of the Model Portfolios outside their identified Target Market; or
 - (e) any material breach of the Consumer Duty or of any other FCA Rules relevant to the investment advice or other services you provide to Clients in connection with this Agreement and any material action or redress taken or required to be taken to mitigate any identified risk of harm to Clients (whether or not pursuant to any distributor review required by Clause 7.9).
- 7.9 To the full extent applicable to you, you shall carry out the Distributor Assessment (and regularly review such assessment) in a manner which is appropriate to the distribution arrangements under this Agreement and compliance with the Consumer Duty.
- 7.10 You shall maintain a potentially vulnerable customer policy appropriate to the services provided which ensures that you identify and either prevent or manage the risk of negative outcomes for potentially vulnerable customer groups included in the Target Market.
- 7.11 You shall identify at a sufficiently granular level, taking into account the Target Market, your own distribution strategy and Target Market assessment for your services and the Model Portfolios and specify the types of Clients for whose needs, characteristics and objectives the Model Portfolios are likely to be compatible. The identified Target Market will also include information on any group(s) of end clients for whose needs, characteristics and objectives each Model Portfolio is not compatible. You will provide us with your additional Target Market assessment for each Model Portfolio from time to time.
- 7.12 You shall (or shall procure that the Platform Provider shall) provide to us with appropriate information, in a form reasonably agreed between the Parties, on:
- (a) to the full extent applicable to you, the Distributor Assessment, in particular your assessment of whether the distribution arrangements cease to provide fair value to Clients;
 - (b) such distributor product governance reviews (including the details and outcomes of any testing and monitoring procedures, holding data and early redemption data) pursuant to Clause 7.9;
 - (c) the distributor methods/channels selected by you for the Model Portfolios and on the types of Clients who have invested in the Model Portfolios through the Platform;
 - (d) Client complaints received, including in relation to the Model Portfolio, the Model Portfolio Service or us;
 - (e) Your policies and procedures in relation to potentially vulnerable customers required in accordance with Clause 7.10; and
 - (f) any other sales information, Client feedback, completed questionnaires or surveys and any other research regarding the Clients and the Model Portfolios as we may reasonably require from time to time.
- 7.13 You acknowledge that you shall remain responsible for the acts and omissions of your Authorised Users and of your Appointed Representatives in respect of the use of the Model Portfolio Service.
- 8. The Investment Guidelines**
- 8.1 We will at all times act within the Investment Guidelines set for the Model Portfolios.
- 8.2 The Investment Guidelines shall not be breached as a result of any events or circumstances outside our reasonable control, including, but not limited to, movements in the market or the lack of availability of assets envisaged to be in the Model Portfolio.
- 8.3 Unless specified in the Investment Guidelines, an investment's compliance with the Investment Guidelines shall be determined as at the date of purchase and the Investment Guidelines shall not be deemed breached as a result of changes in the value or status (including the credit rating) of an investment following purchase.
- 9. Delegation and use of third parties**
- 9.1 We may appoint an Affiliate to take investment decisions in respect of the Model Portfolios at any time. We may only appoint a person who is not an Affiliate of ours to take investment decisions with your prior written consent.
- 9.2 We may appoint or retain any person (whether an Affiliate or non-Affiliate) to perform any other aspect of the Model Portfolio Service under these Terms of Business at any time.
- 9.3 Unless otherwise agreed with you, we shall be responsible for the fees and charges of any person appointed or retained under this Clause 9.
- 9.4 Subject to Clause 9.6 below, you may permit your Authorised Users to access the Model Portfolios on the Platform(s) on your behalf, provided that you maintain a record of the names of all current and

previous Authorised Users for a minimum of seven (7) years from the date an Authorised User gains access to our models and promptly provide this list to us upon request.

- 9.5 Subject to Clause 9.6 below, where applicable and permitted by the FCA, you may allow your Appointed Representatives to carry out activities and services within these Terms of Business on your behalf, including accessing the Model Portfolio Service, provided that:
- (a) you obtain our prior written consent for your Appointed Representatives to use the Model Portfolio Service, such consent to be provided at our sole discretion; and
 - (b) if at any time an Appointed Representative is terminated you shall notify us immediately and ensure all access to the Model Portfolio Service by that Appointed Representative is terminated.
- 9.6 You shall provide your Authorised Users and any Appointed Representatives (as applicable) with a copy of these Terms of Business and procure that they remain bound by and comply with these Terms of Business in respect of the activities and services they carry out under these Terms of Business.

10. Fees, costs and charges

- 10.1 We shall be entitled to the MPS Charges which shall be deducted from the Client's assets held in the Client Account by the relevant Platform, in accordance with the relevant Platform terms of business.
- 10.2 You shall be responsible for ensuring that a minimum cash element (as required by the relevant Platform, if applicable) be maintained within the Model Portfolio in order for the MPS Charges to be paid when due.
- 10.3 You specifically confirm that you have the written consent of each of your Clients to the payment of the MPS Charges out of their assets held in the Client Account on the relevant Platform.
- 10.4 The MPS Charges are inclusive of any VAT or similar taxes where applicable.
- 10.5 If, at any time, as a result of a Trigger Event, it appears in our reasonable opinion that the requirement to charge VAT on the services has changed then we may, from the date of the Trigger Event, amend the MPS Charges accordingly.
- 10.6 We (or the Platform on our behalf) shall separately provide information on costs and associated charges including all information required by Applicable Regulations, which you must disclose to your Client, as required by Applicable Regulations.
- 10.7 In the event this Agreement is terminated in accordance with Clause 16, any fees owing to Vanguard pursuant to this Agreement will be pro-rated up to the date of termination of this Agreement.

11. Statements

- 11.1 On our behalf, the Platform(s) will provide quarterly statements as required by Applicable Regulations,

showing the contents and valuation of your Clients' investments in the Model Portfolios on the relevant Platform. The basis of all valuations will be as stated in the first periodic statement unless otherwise notified. You must ensure that your Clients can access periodic statements in a durable medium, and if you receive statements on behalf of your Clients, you must pass the statements onto your Clients.

- 11.2 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.

12. Conflicts of interest

- 12.1 Our Conflicts of Interest Policy sets out the types of actual or potential conflicts of interest which affect our business and provides details of how these are identified and managed or prevented. A summary of the Conflicts of Interest Policy is available in Appendix II of these Terms of Business. You have the right to ask us for further information regarding our Conflicts of Interest Policy.

13. Representations and warranties

- 13.1 You represent, warrant and agree, on the date of these Terms of Business and on a continuing basis that:
- (a) you and any Appointed Representatives are duly organised and validly existing under the laws of your jurisdiction of incorporation;
 - (b) you and any Appointed Representatives have all necessary power and authority, including from your Clients (in writing), to execute, deliver and perform your obligations under these Terms of Business as agent of your Clients and to authorise us to provide our Model Portfolio Service and to perform our obligations under these Terms of Business;
 - (c) you are, and undertake that you shall at all times remain, duly authorised by the FCA to provide investment advice and carry on any other regulated activities relevant to these Terms of Business;
 - (d) you will immediately notify us and the Platform(s) if you receive any indication that the FCA is considering cancelling your authorisation or has cancelled your authorisation;
 - (e) you will immediately notify us and the Platform(s) if you terminate or are considering terminating the appointment of an Appointed Representative;
 - (f) where applicable, you have satisfied all relevant pre-appointment due diligence checks in respect of each Appointed Representative as required by Applicable Regulations;
 - (g) each Appointed Representative is party to a written agreement with you that permits them to carry out the relevant activities under these Terms of Business;

- (h) neither your entry into these Terms of Business nor into any transaction contemplated by these Terms of Business will breach any Applicable Regulation;
 - (i) you have read and understood the risk disclosures that have been separately notified to you by us and which provide a description of the nature and risks of financial instruments including appropriate guidance on, and warnings of, the risks associated with investments in financial instruments or in respect of particular investment strategies;
 - (j) consistent with your requirement to provide risk disclosures for our Model Portfolio Service to your Clients you agree to share our risk disclosures with your Clients and to draw their attention to the importance of reading and understanding them;
 - (k) in respect to your authority as agent to bind your Clients to these Terms of Business you will provide your Clients with a summary of the key terms and conditions of our Model Portfolio Service to ensure that they have given informed consent to your authority to act as agent with us under these Terms of Business and in particular, but without limitation, you will ensure that they understand:
 - (1) that we are treating you and not them as our customer for regulatory purposes; and
 - (2) that if they end their relationship with you and do not appoint a replacement advisor their access to the relevant Platform and to our Model Portfolios will be restricted or terminated in accordance with the terms of business they have with the relevant Platform.
- 13.2 We represent, warrant and agree, on the date of these Terms of Business and on a continuing basis that:
- (a) we are authorised and regulated by the FCA to provide portfolio management and shall remain so authorised and regulated at all times during the term of these Terms of Business;
 - (b) we are duly organised and validly existing under the laws of England and Wales; and
 - (c) we have all necessary power and authority to execute, deliver and perform these Terms of Business.
- 13.3 Save as expressly provided in these Terms of Business, no other representation or warranty, express or implied, is made by either Party. Each Party shall promptly notify the other Party if any representation ceases to be true, accurate or complete in any material respect.
- ## 14. Liability
- 14.1 We shall be liable to you for any Losses incurred by you only to the extent that such Losses arise under the law of contract and are the direct result of any act or omission taken or omitted by us during the term of, and under, these Terms of Business which constitutes negligence, wilful default or fraud in providing any of the services under these Terms of Business.
- 14.2 Where you are acting as principal to an Appointed Representative, we shall not be liable for any Losses incurred by an Appointed Representative and no Appointed Representative shall have any claim under these Terms of Business.
- 14.3 Without prejudice to Clause 14.5, we shall not otherwise be liable for any other Losses suffered by you including Losses:
- (a) arising from us carrying out or relying on any instructions or on any information provided or made available to us by you, any Authorised Users, any Appointed Representatives, the Platform(s), or any agent of yours;
 - (b) arising from any delays due to market conditions or changes in market conditions;
 - (c) arising from acts or omissions (including negligence, wilful default, fraud or insolvency) of the Platform(s) or any other person (including external data providers), unless otherwise specified in these Terms of Business;
 - (d) that constitute indirect, special or consequential loss, loss of profits, loss of savings, pure economic loss, loss of opportunity, loss of goodwill or loss of reputation in connection with or arising out of these Terms of Business; or
 - (e) arising from breach of any suitability obligation owed by you to Clients under Applicable Regulations.
- 14.4 You shall remain liable for the acts and omissions of your Authorised Users and Appointed Representatives and any acts or omissions made by your Appointed Representatives or Authorised Users in relation to these Terms of Business will be deemed as an act or omission by you.
- 14.5 Nothing in these Terms of Business shall exclude or restrict any duty or liability which we may have to you under FSMA or the FCA Rules.
- 14.6 Neither party shall be liable for any failure or delay in performing any of its obligations under or pursuant to these Terms of Business if and to

the extent it is caused by an event that is outside their reasonable control or as a result of steps they reasonably take in response to such event.

15. Indemnity

15.1 You indemnify us and our directors, officers and employees against any and all Losses paid, suffered or incurred by us or our directors, officers or employees, directly or indirectly arising as a result of:

- (a) the performance by us of our duties under these Terms of Business;
- (b) relying on any information provided or made available to us by you, the relevant Platform or any other agent of yours or the relevant Platform; or
- (c) any act or omission by or on behalf of your Authorised Users or Appointed Representatives,

except to the extent that such Losses result directly from the negligence, wilful default or fraud of us or our directors, officers or employees in providing the services under these Terms of Business.

15.2 Any indemnity given to us under these Terms of Business is in addition to, and without prejudice to, any indemnity allowed to us under Applicable Regulations.

16. Termination

16.1 These Terms of Business shall continue until terminated in accordance with this Clause 16.

16.2 Either party may terminate these Terms of Business on 90 Business Days' written notice to the other Party.

16.3 You must notify us if your relationship with any Platform Provider ends. If your relationships with all Platform Providers end, these Terms of Business will terminate automatically.

16.4 If at any time one of the following events occurs, either Party may, by written notice to the other Party terminate these Terms of Business immediately:

- (a) either party is required by applicable law or by any competent authority to terminate these Terms of Business;
- (b) either party is subject to an Insolvency Event;
- (c) either party is in material breach of these Terms of Business and (if remediable) has failed to make good such breach within 20 calendar days of receipt of written notice from the other Party requiring it to do so;
- (d) either Party's access to all of the Platform(s) is suspended or terminated;
- (e) if it becomes impossible or impractical, in our reasonable opinion, to continue providing the Model Portfolio Service as a result of a change in legal or regulatory requirements or any other circumstance beyond our reasonable control;

(f) either party ceases to have the necessary regulatory authorisation or permission to carry on its business under these Terms of Business; or

(g) You or your Affiliate engage in activities or conduct which, in our reasonable opinion, may cause material reputational damage to us.

16.5 You shall pay any additional expenses necessarily incurred by us in terminating these Terms of Business and shall bear any losses necessarily realised in settling or concluding outstanding obligations.

16.6 On termination of these Terms of Business for any reason:

- (a) we shall cease to have any obligations to provide or review Model Portfolios under these Terms of Business;
- (b) you, your Authorised Users and any Appointed Representatives shall cease to be entitled to use our Model Portfolios, and we shall instruct the Platform Provider(s) to withdraw your permissions to access our Model Portfolios via the Platform; and
- (c) you shall be responsible for informing your Authorised Users and Appointed Representatives and for advising your Clients in respect of such termination.

16.7 Termination of our relationship with you under these Terms of Business will not affect any obligations, rights or remedies that have become due or accrued before termination.

16.8 We shall cease to manage your Clients' investment in the Model Portfolios from the date of termination and our entitlement to the MPS Charges shall accordingly cease from that date.

17. Confidentiality

17.1 The parties shall treat all information or material communicated between them, including these Terms of Business, as confidential and shall not disclose such information except if:

- (a) at the time of its disclosure it is, or becomes (in each case otherwise than as a result of any act or default by the recipient), part of the public domain by publication or otherwise;
- (b) required to do so under Applicable Regulations;
- (c) the party is so requested by competent regulatory or fiscal authorities or a court or tribunal of competent jurisdiction;
- (d) it is disclosed in confidence to its advisers, auditors or insurers where reasonably necessary for the performance of their professional services; or
- (e) it is disclosed to our Affiliates to assist or enable the proper performance of our services and to enforce our obligations and rights under these Terms of Business.

18. Data protection

- 18.1 Each Party will comply with Data Protection Laws and shall not do or omit to do anything that would cause the other to breach Data Protection Laws. On request, each Party shall provide to the other data, information or other support as necessary to enable the other Party to comply with its obligations under the Data Protection Laws.
- 18.2 In order to provide the Model Portfolio Service, we may need to:
- (a) communicate with your owners, officers and employees ("your Contacts") in relation to the Model Portfolio Service;
 - (b) process identification details of your Contacts and your Clients in order to confirm their identities;
 - (c) check Personal Data relating to your Contacts and your Clients against databases of individuals who are subject to sanctions, classified as "politically exposed persons" or have committed crimes and to follow up any suspicions to ensure that we comply with our anti-money laundering and terrorism obligations and to avoid fraud itself;
 - (d) record or monitor communications as set out in Clause 2.7;
 - (e) use Personal Data relating to your Contacts and your Clients to meet our compliance and regulatory duties; and /or
 - (f) transfer such Personal Data outside the European Economic Area and the UK and disclose it to anti-fraud organisations and law enforcement or regulatory agencies anywhere in the world,
- and we will be acting as a data controller in respect of such processing.
- 18.3 You will notify your Contacts and your Clients that we may need to process their Personal Data for the purposes set out in Clause 18.2.
- 18.4 We will maintain a data protection fair processing notice on our website setting out the details of such processing and all other information required by, and in compliance with, Data Protection Laws, which you will also refer your Contacts and/or your Clients to when you make a notification under Clause 18.3.
- 18.5 Each Party acknowledges and agrees that if:
- (a) the other Party (the "**Notifying Party**") becomes aware that the first Party is or may be in breach of the Consumer Duty; and
 - (b) any of the first Party's acts or omissions prevent the Notifying Party from complying with FCA Rules (including but not limited to, the Consumer Duty),
- the Notifying Party shall be obliged to notify the relevant matter to the FCA.

19. Trademarks

- 19.1 All copyright, trademarks and other intellectual property in the materials and information on our website are owned or licensed by the Vanguard Group or by external content providers. Nothing in these Terms of Business should be regarded as granting any licence or right to or in any trademark or service mark of the Vanguard Group or any third party.
- 19.2 For the avoidance of doubt, this Clause 19 shall not apply in respect of the distribution to Clients of materials supplied by us for this purpose.

20. Notices

- 20.1 Any notice in respect of these Terms of Business may be given in any manner set out below to the address and/or email provided in your Application, or to such other address notified to the other Party from time to time and will be deemed given as follows:
- (a) if in writing and delivered in person or by courier, on the date it is delivered;
 - (b) if sent by registered or certified mail or equivalent, on the date that mail is delivered; and
 - (c) if sent by electronic messaging system including email, on the date that electronic message is acknowledged by the recipient,
- unless the date of delivery or that receipt, as applicable, is not a Business Day or that notice is delivered, received or acknowledged, as applicable, after 5pm local time in London on a Business Day, in which case that notice shall be deemed given and effective on the first following day that is a Business Day.

- 20.2 Vanguard's address for service of notice under these Terms of Business (unless as otherwise notified to you is):

For the attention of: The European Head of the Office of the General Counsel

Vanguard Asset Management, Limited
4th Floor
The Walbrook Building
25 Walbrook,
London,
EC4N 8AF

21. Complaints

- 21.1 If you have a complaint in respect of our services, please contact us at uk_client_services@vanguard.co.uk. A copy of our Complaints Handling Policy is set out in Appendix III to these Terms of Business. Generally, as you are classified as a professional client you will not have a right to complain directly to the Financial Ombudsman Service.
- 21.2 Please note that any enquiries or complaints in respect of the Platform(s), or services provided by the Platform Provider(s), should be referred to the relevant Platform Provider directly.

21.3 You will be responsible for handling any complaints from your Clients in respect of the advisory services you provide to them. If there is uncertainty as to who is responsible for responding to any complaint, we shall seek agreement with you as soon as reasonably possible to determine the responsible Party (or other person), taking into consideration Applicable Regulations.

22. Compensation

22.1 Vanguard is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the FSCS if we are no longer trading or are declared to be in default and cannot meet our obligations to you. This depends on the type of investment and the circumstances of your claim. Generally, a professional client will not be eligible for compensation.

22.2 For more information about how the FSCS might apply to you, please contact us or visit the FSCS website at www.fscs.org.uk. The FSCS's address is 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU.

23. Assignment

23.1 You are not entitled to subcontract or transfer any of your rights and obligations without our prior written consent, provided always that we shall not unreasonably withhold such consent. We may assign the benefit of these Terms of Business on giving you not less than 14 days' prior written notice.

24. Waivers and remedies

24.1 No failure on the part of a Party to exercise, nor delay by it in exercising, any right or remedy under these Terms of Business shall operate as a waiver thereof, nor shall any single or partial exercise or any right or remedy preclude any other further exercise of that right or remedy or the exercise of any other right or remedy. The rights and remedies provided in these Terms of Business are cumulative and not exclusive of any rights or remedies provided by law.

24.2 So far as permitted by law, and except in the case of fraud, you agree and acknowledge that your only rights and remedies shall be for breach of the terms of these Terms of Business, to the exclusion of all other rights and remedies including those in tort or arising under statute.

25. Changes to these Terms of Business

25.1 We may change these Terms of Business from time to time by giving you notice of the changes made. Where reasonably practicable, we will endeavour to notify changes to you at least 14 days in advance of taking effect. Changes that are outside of our control (including for example, changes required as a result of Applicable Regulations) may take immediate effect or as notified to you.

26. Third party rights

26.1 Except as expressly provided within these Terms of Business, nothing in these Terms of Business is intended to confer on any third party any right to enforce any provisions of these Terms of Business under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

27. Governing law and jurisdiction

27.1 These Terms will be governed by and construed in accordance with the laws of England and Wales. You and Vanguard submit to the exclusive jurisdiction of the English and Welsh courts to settle any disputes arising under these Terms. Neither Vanguard nor you intend any provision of these Terms to be enforceable by any person other than ourselves or our respective permitted successors or assignees. If any provision in these Terms of Business is held or made unlawful, void or for any other reason unenforceable by a court, statute, regulation or otherwise, the remainder of these Terms will not be affected.

28. Independent contract

28.1 The Parties acknowledge that they are performing services for each other as independent contractors. Nothing contained in this Agreement shall be deemed to constitute either you or Vanguard acting as agent, representative, partner, joint venturer or employee of the other Party for any purposes and neither Party has the authority to bind the other or to incur any liability on behalf of the other, nor to direct the employees of the other. You will not hold yourself out as an agent or representative of Vanguard and will not enter into, or make any written or oral statement or representation that you have the authority to enter into, any agreement, representation, warranty or covenant on behalf of Vanguard.

Appendix I: Financial Crime

You represent, warrant and agree, on the date of these Terms of Business, and on a continuing basis that:

Money Laundering Prevention

- a. you will, immediately on request, provide to us (or to the Platform) various identification documents in relation to your Client's investments in the Model Portfolios including copies of any identification and verification data and any other relevant documentation on the identity of the Client, the Client's beneficial owner, or any person acting on behalf of the Client. You also agree, if so requested, to make the identification documentation available to any competent authorities or courts of relevant jurisdiction within the time limit as provided by Applicable Regulations;
- b. you will comply with all of your obligations under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("**2017 Regulations**"), as amended or replaced from time to time, including but not limited to your obligations to carry out appropriate identification checks and 'Know Your Client' due diligence on all of your Clients and to ensure that subscription monies invested in a Model Portfolio hereunder are not related to, the proceeds of drug trafficking, terrorism or other criminal conduct;
- c. you will carry out appropriate identification checks and due diligence on the underlying shareholders, members and beneficiaries of a Client holding any interest equal to or in excess of 25% of such Client;
- d. you will not carry out simplified identification checks (as defined in the 2017 Regulations) or 'Know Your Client' due diligence on any of your Clients at any time;
- e. you will retain adequate identification documentation for your Clients (and where relevant, the underlying shareholders, members and/or beneficiaries thereof) for a period of at least 5 years after the relationship with your Client has ended;

- f. you have appropriate risk management systems in place to determine whether your Clients are politically exposed persons, including:
 - reasonable measures to establish the source of wealth and source of funds of your Clients;
 - senior management approval for establishing business relationships with such Clients; and
 - enhanced ongoing monitoring of such business relationships;
- g. where applicable, you have an officer within your organisation with the responsibility of overseeing and implementing your anti-money laundering policies in accordance with all Applicable Regulations and you have policies and procedures in place to detect suspicious activity and to make necessary reports to relevant authorities;

Sanctions Obligations

- h. you are aware of and have not violated any applicable sanctions laws or regulation, including, without limitation, sanctions enacted under the laws and regulations of the European Union, United Nations and United States, including the Office of Financial Sanctions Implementation and the Office of Foreign Asset Control ("**OFAC**") regulations (collectively, "**Sanctions Laws**");
- i. you have implemented and will maintain policies and procedures to ensure compliance with Sanctions Laws and limit the risk of transactions that could be regarded as circumventing Sanctions Laws;
- j. you ensure that you and your directors and officers, and your Clients and their affiliates, are not on any list of prohibited individuals or entities enacted under Sanctions Laws (a "**Sanctions List**"), or located, organised or resident in a country or territory that is, or whose government currently is, the target of countrywide sanctions;
- k. you ensure that monies used to fund acquisition of interests in the Model Portfolios, directly or indirectly, shall not be derived from, invested for the benefit of, or related in any way to (i) the governments of, or any persons or entity within, any country under an applicable embargo or country wide sanction, including, without limitation, a United States embargo or countrywide sanction enforced by OFAC, or (ii) any persons or entity named on any Sanctions List;

Anti-Bribery and Corruption

("ABAC") Obligation

- l. you shall not, and shall procure that your employees, Affiliates, agents and sub-contractors shall not, offer, give or agree to give any person, or accept or agree to accept from any person, whether for yourselves or on behalf of another, any gift, payment, consideration, financial or non-financial advantage or benefit of any kind, which constitutes an illegal or corrupt practice under the laws of any country, either directly or indirectly in connection with these Terms of Business or otherwise (the "**ABAC Obligation**");
- m. you shall:
 - monitor your employees, Affiliates, agents and sub-contractors who are acting for you or on your behalf to ensure compliance with the ABAC Obligation; and
 - maintain adequate, suitable and up-to-date policies, procedures and records in relation to compliance with this Clause (l) and the ABAC Obligation and ensure that you are able to provide evidence of such policies, procedures and records upon request.

Anti-Facilitation of Tax Evasion

- n. neither you nor your employees, agents or persons who provide services on your behalf, have or will engage in any activity, practice or conduct which would constitute either a UK tax evasion facilitation offence or a foreign tax evasion facilitation offence under the Criminal Finances Act 2017, and you have in place reasonable prevention procedures to prevent such offence occurring, in line with any guidance published in accordance with that Act;

General

- o. you shall immediately notify Vanguard in writing:
 - if you are unable to comply with the obligations contained in Clauses (a) to (m) above or if any representation ceases to be true, accurate or complete in any material respect;
 - of any breach of Sanctions Laws, the ABAC Obligation or any other obligation contained in this Financial Crime Appendix, together with reasonable details of such breach. This is an ongoing obligation;
- p. notwithstanding any other clause in these Terms of Business, you agree that Vanguard:
 - may disclose the terms of these Terms of Business upon request from any government agency or regulatory authority or where, in Vanguard's sole discretion, a government agency or regulatory authority has a legitimate need to know; and
 - shall have the right to terminate these Terms of Business upon any violation by you of any Applicable Regulations, including Sanctions Laws, or any requirements of this Financial Crime Appendix.

Appendix II: Summary Conflicts of Interest Policy

Introduction

The Vanguard Group is a global organisation which provides a range of different financial services. From time to time, there is a possibility that we (or another member of the Vanguard Group, or a partner firm with whom we have a business relationship (an "associate")) may have interests which conflict with our clients' interests, or with the duties that we owe to our clients.

These include:

- conflicts arising between our interests, our associates' interests and our employees' interests, on the one hand, and the interests of our clients, on the other; and
- conflicts between different clients themselves.

We have established procedures and implemented a policy designed to identify, and either to manage or, where possible, prevent such conflicts.

Our procedures include: systems and controls to ensure that different parts of our business operate sufficiently independently of each other; restrictions which are imposed on staff in relation to gifts and entertainment and personal dealing in securities; and a policy on remuneration to ensure that we do not inappropriately incentivise our directors and employees.

Identification and management or prevention of conflicts

We also keep a register listing all the types of conflict which we have identified as a risk for our business and customers, and detailing the controls to prevent or manage them to ensure there is no risk of damage to our clients' interests.

A key part of our policy involves making sure that persons engaged in different business activities involving a conflict of interest carry on those activities separately from one another and without sharing information. In exceptional circumstances, our procedures and controls may not be sufficient to ensure that a potential conflict of interest does not damage a client's interests and it may not be possible to prevent the conflict from arising altogether.

In such exceptional circumstances, we may be obliged:

- to inform affected clients of the potential conflict, providing full details of it to allow the client to form their own view of its significance for them. We will seek formal consent to proceed in those circumstances; or
- to inform affected clients that we cannot act because there remains an unacceptable risk of damage to their interests.

If you have further questions about our conflicts of interests procedures, you may request further information using the contact details provided in the Terms of Business.

Appendix III: Complaints Handling Policy

Everything we do at Vanguard is designed to give you (and your Clients) the best chance of investment success and we pride ourselves on the service that we deliver.

If we fall short of your expectations, please let us know so that we can correct and improve our service. You can complain free of charge by sending us an email, in writing, or contacting us by telephone using the contact details set out in these Terms of Business. We'll work hard to resolve your complaint fairly and quickly. The below information summarises information taken from our complaints management policy.

How the process works

- We'll acknowledge all complaints promptly and we'll give you the name and contact details of the person (an impartial representative) dealing with your complaint.
- If we're able to resolve your complaint within three business days of receipt and you agree with the outcome, we'll send you a summary resolution.
- We aim to resolve most complaints within five business days. If it takes longer than three business days (as described above) we'll send you a final response with the details of the complaint resolution.
- If we are unsuccessful, we will provide you with an update within five business days of receiving the complaint and then continue to update you further.

Final response

If we've resolved your complaint inside of eight weeks, we will send you a final response. The final response will include details of the complaint and the results of our investigation.

If we can't resolve your complaint within eight weeks we'll send you a written response and tell you why we haven't been able to resolve it and when we expect to have a resolution.

If you're still unhappy

If you are unhappy with our final response, or eight weeks have passed since the complaint was made and we haven't resolved your complaint, you may be able to take civil action.

Investment risk information

The value of investments, and the income from them, may fall or rise and investors may get back less than they invested.

The model portfolios aim to achieve at least the minimum target return on an annualized basis over a rolling 5-year period. Achieving the minimum target return is not guaranteed and is subject to the performance of the underlying bonds and equities in which the model portfolios invest. In any given year the performance of the model portfolio may be higher, or lower than the minimum target return and an investor may not get back the full amount invested.

Important information

This document is directed at professional investors and should not be distributed to, or relied upon by retail investors.

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