

# Mariana FTSE Daily Accrual Income Kick Out Plan

August 2017

Linked to the performance of the FTSE™ 100 Index

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10 year 2 week Plan

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Payment of income conditional on the performance of the underlying index

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Potential Income of 1.65% for each quarter the Plan runs (6.6% p.a.)

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Investing in the Plan puts your Capital at Risk

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Underlying investments issued by Natixis Structured Issuance SA and guaranteed by Natixis

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The Plan is subject to Counterparty Risk

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**Key Dates for application:**

**Plan available for subscription:** 6 July 2017 to 16 August 2017

**ISA transfer application deadline:** 26 July 2017

**Cheque application deadline:** 9 August 2017

**All other applications deadline:** 16 August 2017

**Start Date:** 18 August 2017

## **Important information**

It is important that you read this Brochure in full before making a decision to invest. It provides information that is essential in understanding the potential risks and rewards of investing in this Plan. The information within this Brochure is not advice nor should it be considered so as neither Mariana nor our appointed Administrator and Custodian, Hargreave Hale Limited, provide advice as to whether this investment is suitable for you.

We strongly recommend that you take financial advice from a financial adviser before investing in this Plan. Hargreave Hale Limited cannot accept an application from you if it has not been submitted through an FCA regulated financial adviser, irrespective of whether you are submitting a Non-Advised application.

This Brochure has been approved by Mariana Capital Markets LLP as a financial promotion pursuant to s. 21 of the Financial Services and Markets Act 2000. Mariana Capital Markets LLP is authorised and regulated by the UK's Financial Conduct Authority (551170).

The Glossary defines the terms used in this Brochure, normally such terms are capitalised.

## **Financial Advisers:**

**For more information please contact our dedicated sales and support team:**

**T 020 7065 6699**

**E [enquiries@marianainvestments.com](mailto:enquiries@marianainvestments.com)**

# Welcome to Mariana

We founded Mariana with the vision of delivering the highest quality of service and product innovation to every one of our clients in need of investment solutions.

Building on this foundation, we developed the business to offer a wide range of services globally and have established a reputation for expertise in the creation and distribution of innovative performance focused investments.

Headquartered in the City of London, we continue to develop our products and services based on the principles on which we were founded. We are pleased to offer a range of products that help Investors realise their investment objectives.

# About the Administrator and Custodian

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## Hargreave Hale

Hargreave Hale is the Administrator and Custodian of this Plan. The origins of Hargreave Hale can be traced back to 1897. Today it is a national provider of stockbroking, investment management and fund management services to private investors, trusts, companies and charities. Its services are primarily used by Mariana for the client cash, asset custody and administration services required for its business aimed at the UK market.

The company is respected for its research on small cap companies listed in the Alternative Investment Market (AIM) and is investment adviser to seven funds in the Marlborough Fund Managers Ltd stable as well as managing two Venture Capital Trusts (VCT). It has a number of offices in the UK and is headquartered in Blackpool.

Copies of Hargreave Hale's most recent audited accounts are available on request.

Hargreave Hale is authorised and regulated by the UK's Financial Conduct Authority. FCA registration number: 209741. It is incorporated in England and Wales, Company No. 03146580.

The company is a member of The Wealth Management Association ([www.thewma.co.uk](http://www.thewma.co.uk)) and is a member of the London Stock Exchange. It is approved by HM Revenue and Customs as an ISA Manager.

## What does Hargreave Hale do?

When you invest in a Mariana Structured Product you become a client of Hargreave Hale.

As Administrator and Custodian, Hargreave Hale has the responsibility of processing and approving your application and administering your investment throughout the term of the Plan.

As part of that responsibility, you will receive the following:

- Confirmation of the acceptance of your application
- Confirmation of the Start Level(s) of the Underlying(s)
- Access to an online portal to access documentation
- Annual valuation statements
- Notification of the maturity of your investment

The Administrator and Custodian is also available to answer any questions you may have relating to the administration of your investment. Please feel free to contact them on 01253 754755 or [mariana@hargreave.com](mailto:mariana@hargreave.com). Telephone calls may be recorded.

**Key Dates for applications:****Plan available for subscription:** 6 July 2017 to 16 August 2017**ISA transfer application deadline:** 26 July 2017**Cheque application deadline:** 9 August 2017**All other applications deadline:** 16 August 2017**Start Date:** 18 August 2017

# Key information

Key Features	Description																																																																																																																																							
Product Type:	Capital at Risk Income with a Kick Out feature																																																																																																																																							
Underlying(s):	FTSE™ 100 Index (UKX:IND)																																																																																																																																							
Counterparty:	Natixis																																																																																																																																							
Issuer:	Natixis Structured Issuance SA																																																																																																																																							
Counterparty Credit Rating:	Standard & Poor's; A (Stable), Moody's; A2 (Stable), Fitch; A (Stable) (as of 27 June 2017)*																																																																																																																																							
Investment Term:	Up to 10 years 2 weeks																																																																																																																																							
Selling Restrictions:	This Plan is available as a UK Public Offer																																																																																																																																							
Potential Income:	Up to 1.65% for each quarter the Plan runs (6.6% p.a.). The Potential Income is accrued daily providing the Closing Price of the Underlying is at or above 75% of the Start Level. On each quarterly Observation Date the total amount due is calculated and paid by the Counterparty. It is calculated as 1.65% x (the number of days the Closing Price of the Underlying is at or above 75% of the Start Level divided by the number of days in the quarterly observation period).																																																																																																																																							
Start Date:	18 August 2017																																																																																																																																							
Observation Dates and Trigger Levels (expressed as a percentage of the Start Level):	<table><tr><th></th><th>Income Trigger</th><th>Kick Out Trigger</th><th></th><th>Income Trigger</th><th>Kick Out Trigger</th><th></th><th>Income Trigger</th><th>Kick Out Trigger</th></tr><tr><td>20 November 2017</td><td>75%</td><td></td><td>18 May 2021</td><td>75%</td><td>110%</td><td>18 November 2024</td><td>75%</td><td>110%</td></tr><tr><td>19 February 2018</td><td>75%</td><td></td><td>18 August 2021</td><td>75%</td><td>110%</td><td>18 February 2025</td><td>75%</td><td>110%</td></tr><tr><td>18 May 2018</td><td>75%</td><td></td><td>18 November 2021</td><td>75%</td><td>110%</td><td>19 May 2025</td><td>75%</td><td>110%</td></tr><tr><td>20 August 2018</td><td>75%</td><td>110%</td><td>18 February 2022</td><td>75%</td><td>110%</td><td>18 August 2025</td><td>75%</td><td>110%</td></tr><tr><td>19 November 2018</td><td>75%</td><td>110%</td><td>18 May 2022</td><td>75%</td><td>110%</td><td>18 November 2025</td><td>75%</td><td>110%</td></tr><tr><td>18 February 2019</td><td>75%</td><td>110%</td><td>18 August 2022</td><td>75%</td><td>110%</td><td>18 February 2026</td><td>75%</td><td>110%</td></tr><tr><td>20 May 2019</td><td>75%</td><td>110%</td><td>18 November 2022</td><td>75%</td><td>110%</td><td>18 May 2026</td><td>75%</td><td>110%</td></tr><tr><td>19 August 2019</td><td>75%</td><td>110%</td><td>20 February 2023</td><td>75%</td><td>110%</td><td>18 August 2026</td><td>75%</td><td>110%</td></tr><tr><td>18 November 2019</td><td>75%</td><td>110%</td><td>18 May 2023</td><td>75%</td><td>110%</td><td>18 November 2026</td><td>75%</td><td>110%</td></tr><tr><td>18 February 2020</td><td>75%</td><td>110%</td><td>18 August 2023</td><td>75%</td><td>110%</td><td>18 February 2027</td><td>75%</td><td>110%</td></tr><tr><td>18 May 2020</td><td>75%</td><td>110%</td><td>20 November 2023</td><td>75%</td><td>110%</td><td>18 May 2027</td><td>75%</td><td>110%</td></tr><tr><td>18 August 2020</td><td>75%</td><td>110%</td><td>19 February 2024</td><td>75%</td><td>110%</td><td>18 August 2027</td><td>75%</td><td></td></tr><tr><td>18 November 2020</td><td>75%</td><td>110%</td><td>20 May 2024</td><td>75%</td><td>110%</td><td></td><td></td><td></td></tr><tr><td>18 February 2021</td><td>75%</td><td>110%</td><td>19 August 2024</td><td>75%</td><td>110%</td><td></td><td></td><td></td></tr></table>		Income Trigger	Kick Out Trigger		Income Trigger	Kick Out Trigger		Income Trigger	Kick Out Trigger	20 November 2017	75%		18 May 2021	75%	110%	18 November 2024	75%	110%	19 February 2018	75%		18 August 2021	75%	110%	18 February 2025	75%	110%	18 May 2018	75%		18 November 2021	75%	110%	19 May 2025	75%	110%	20 August 2018	75%	110%	18 February 2022	75%	110%	18 August 2025	75%	110%	19 November 2018	75%	110%	18 May 2022	75%	110%	18 November 2025	75%	110%	18 February 2019	75%	110%	18 August 2022	75%	110%	18 February 2026	75%	110%	20 May 2019	75%	110%	18 November 2022	75%	110%	18 May 2026	75%	110%	19 August 2019	75%	110%	20 February 2023	75%	110%	18 August 2026	75%	110%	18 November 2019	75%	110%	18 May 2023	75%	110%	18 November 2026	75%	110%	18 February 2020	75%	110%	18 August 2023	75%	110%	18 February 2027	75%	110%	18 May 2020	75%	110%	20 November 2023	75%	110%	18 May 2027	75%	110%	18 August 2020	75%	110%	19 February 2024	75%	110%	18 August 2027	75%		18 November 2020	75%	110%	20 May 2024	75%	110%				18 February 2021	75%	110%	19 August 2024	75%	110%			
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Maturity Payment Date:	25 August 2027																																																																																																																																							
Initial Capital Return Barrier:	60% of the Start Level (European – observed on the Maturity Date of the Plan only)																																																																																																																																							
Minimum Investment:	£5,000 (Advised Applications); £10,000 (Non-Advised Applications)																																																																																																																																							
Availability:	Direct Investment; ISA/ISA Transfers; Pensions; Companies; Trusts; Charities. All available on an Advised and Non-Advised basis.																																																																																																																																							
Taxation:	Income Tax**																																																																																																																																							
Listing:	Luxembourg Stock Exchange																																																																																																																																							
ISIN:	XS1513322930																																																																																																																																							

\* Credit ratings should not be relied upon or considered to be an assurance of a financial institution's stability or its ability to meet its obligations.

\*\* Tax assumptions are based on Mariana's understanding of current legislation and known HMRC practice, which can change in the future.

# How the Plan works

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## **Mariana FTSE Daily Accrual Income Kick Out Plan – August 2017**

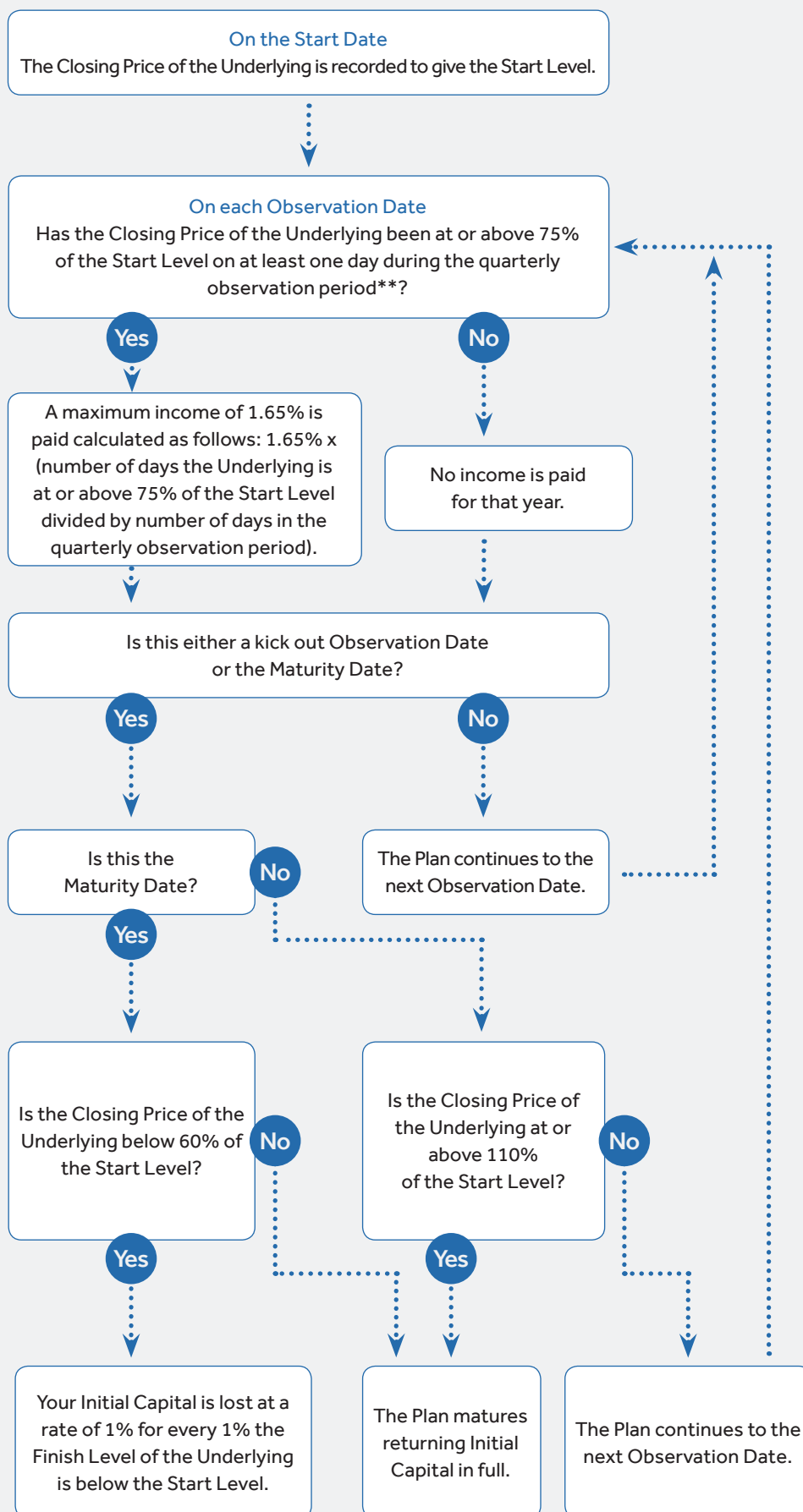
This is a ten year Plan based on the performance of the FTSE™ 100 Index, the Underlying. The Plan is constructed to offer a maximum Potential Income of 1.65% for each quarter the Plan runs.

The Potential Income is accrued daily providing the Closing Price of the Underlying is at or above 75% of the Start Level. On each quarterly Observation Date the total amount due is calculated and paid by the Counterparty. It is calculated as  $1.65\% \times (\text{the number of days the Closing Price of the Underlying is at or above 75\% of the Start Level divided by the number of days in the quarterly observation period})$ .

The Plan has the possibility to kick out from the end of the first year and quarterly thereafter. Should the Closing Price of the Underlying be at or above 110% of the Start Level on any one of the kick out Observation Dates, the Plan will mature early paying the Potential Income for that period and returning Initial Capital in full (subject to Counterparty Risk).

If the Plan has not already kicked out, Initial Capital will be returned in full at the end of the Plan's term if on the Maturity Date (18 August 2027) the Finish Level of the Underlying is not more than 40% below the Start Level.

You are at risk of losing your capital if the Closing Price of the Underlying is less than 60% of the Start Level (representing a decline of more than 40% from the Start Level). In this case, your Initial Capital will be lost at a rate of 1% for every 1% the Closing Price of the Underlying is below the Start Level.



Year	Income and kick out Observation Dates*
Year 1	20 November 2017 19 February 2018 18 May 2018 <b>20 August 2018*</b>
Year 2	<b>19 November 2018*</b> <b>18 February 2019*</b> <b>20 May 2019*</b> <b>19 August 2019*</b>
Year 3	<b>18 November 2019*</b> <b>18 February 2020*</b> <b>18 May 2020*</b> <b>18 August 2020*</b>
Year 4	<b>18 November 2020*</b> <b>18 February 2021*</b> <b>18 May 2021*</b> <b>18 August 2021*</b>
Year 5	<b>18 November 2021*</b> <b>18 February 2022*</b> <b>18 May 2022*</b> <b>18 August 2022*</b>
Year 6	<b>18 November 2022*</b> <b>20 February 2023*</b> <b>18 May 2023*</b> <b>18 August 2023*</b>
Year 7	<b>20 November 2023*</b> <b>19 February 2024*</b> <b>20 May 2024*</b> <b>19 August 2024*</b>
Year 8	<b>18 November 2024*</b> <b>18 February 2025*</b> <b>19 May 2025*</b> <b>18 August 2025*</b>
Year 9	<b>18 November 2025*</b> <b>18 February 2026*</b> <b>18 May 2026*</b> <b>18 August 2026*</b>
Year 10	<b>18 November 2026*</b> <b>18 February 2027*</b> <b>18 May 2027*</b> 18 August 2027

\*The kick out Observation Dates occur on a quarterly basis from the first anniversary of the Plan's Start Date. The dates that are both income and kick out Observation Dates are highlighted in bold.

\*\*A quarterly observation period consists of all the business days following the previous Observation Date leading up to and including the current Observation Date.

**Counterparty Risk:** It is possible the Counterparty could fail, become insolvent or go into administration. In such a case, you may not receive any payments due and you could lose some or all of your initial investment.

# Potential outcomes

## What income can you expect to receive?

The return of your Initial Capital and the Potential Income offered by this Plan depends on the performance of the Underlying.

The Plan is designed to pay a maximum Potential Income of 1.65% for each quarter the Plan runs. As explained previously, the income payable is dependent on the daily Closing Price of the Underlying being at or above 75% of the Start Level during a quarterly observation period. For the avoidance of doubt, a quarterly observation period consists of all the business days following the previous Observation Date leading up to and including the current Observation Date.

Any income due to you is paid by the Issuer to the Administrator 10 business days following the relevant Observation Date. The Administrator will pay you on the 6th of the month following receipt of funds from the Issuer. In the case of the Mariana FTSE Daily Accrual Income Kick Out Plan – August 2017 income is payable quarterly during the Plan's term starting on 6 September 2017 and ending on 6 September 2027.

Examples of the income you may receive are set out below.

Initial Capital	Number of days the Closing Price of the Underlying was at or above 75% of the Start Level? (Max 30)*	Income Due	Explanation
£10,000	0	£0	$1.65\% \times (0/30) = 0\%$
£10,000	15	£82.5	$1.65\% \times (15/30) = 0.825\%$
£10,000	20	£110	$1.65\% \times (20/30) = 1.10\%$
£10,000	30	£165	$1.65\% \times (30/30) = 1.65\%$

\*The number of days in a quarterly observation period will vary. A quarterly observation period consists of all the business days following the previous Observation Date leading up to and including the current Observation Date.

## What happens if the Plan kicks out?

In addition to paying the Potential Income, the Plan has a kick out feature and may mature early from the end of the first year and quarterly thereafter.

Should the Closing Price of the Underlying be at or above 110% of the Start Level on a kick out Observation Date, the Plan will mature early returning your Initial Capital in full and paying the income for that quarterly. The kick out observations begin on 20 August 2018 and take place quarterly thereafter.



**Important Information:**

Return of the Initial Capital you invest is subject to the Counterparty not failing (Counterparty Risk).

**What happens if the Plan doesn't kick out?**

If the Plan does not kick out or mature early, the return of your Initial Capital on the Maturity Date depends on the performance of the Underlying.

In such a case, Initial Capital will be returned in full at the end of the Plan's term if on the Maturity Date (18 August 2027) the Finish Level of the Underlying is at or above 60% of the Start Level (representing a decline of not more than 40% from the Start Level).

The Potential Income for that period will be paid if the Closing Price of the Underlying was at or above 75% of the Start Level on at least one day during the final quarterly observation period.

You are at risk of losing your capital if the Closing Price of the Underlying is less than 60% of the Start Level (representing a decline of more than 40% from the Start Level) on the Maturity Date. In this case, Initial Capital will be lost at a rate of 1% for every 1% the Closing Price of the Underlying is below the Start Level and no income is paid for that quarter.

Example scenarios of the return of your Initial Capital are set out here. These examples are not exhaustive.

Please be aware that you are likely to receive less than your Initial Capital if you decide to encash the Plan early.

**Example scenarios of the return of your Initial Capital at maturity assuming an initial investment amount of £10,000 (if no kick out event occurs).**

Finishing Level of the Underlying	Amount of your initial investment returned to you	Explanation
-10% below Start Level	£10,000	Full Initial Capital Return
-30% below Start Level	£10,000	Full Initial Capital Return
-40% below Start Level	£10,000	Full Initial Capital Return
-41% below Start Level	£5,900	£10,000 x 59%
-75% below Start Level	£2,500	£10,000 x 25%

# Potential outcomes: Probabilities

We are unable to predict the future performance of the Underlying(s). However, to illustrate the potential outcomes of investing, we have chosen three hypothetical market scenarios to show how the Plan might perform in the future:

**Bull Market:** A Bull Market is a positive market scenario where prices are rising or expected to rise over the term of the Plan.

**Neutral Market:** A Neutral Market is a market scenario where prices remain relatively the same over the term of the Plan.

**Bear Market:** A Bear Market is a negative market scenario where prices are falling or expected to fall over the term of the Plan.

On the opposite page we have set out the possible outcomes and rated how likely they are in each of our three hypothetical market scenarios.

## What do the ratings mean?

The ratings we have assigned are based on the probabilities set out in the table below. These probabilities explain how we have rated the possible outcomes and are based on Mariana's simulations of the three market scenarios. These simulations are based on widely used financial models but they cannot predict the future and cannot be relied upon.

As an example, if the simulations show that there is a 90% or above chance that an outcome will occur, it is categorised as 'Very Likely'.

The different ratings are set out below:

Very Likely	90%+
Likely	75% - 89.9%
Somewhat Likely	55% - 74.9%
Neither Likely Nor Unlikely	45% - 54.9%
Somewhat Unlikely	25% - 44.9%
Unlikely	10% - 24.9%
Very Unlikely	0% - 9.9%

**Important Information:**

This Plan is a Capital at Risk product. There is the possibility that you could lose some and up to all of your initial investment amount.

**Potential Outcomes in the three scenarios**

Potential Outcomes	Bull	Neutral	Bear
Will the Plan mature early?	Very Likely	Somewhat Likely	Somewhat Unlikely
How likely am I to receive at least 75% of all possible income payments, assuming the Plan runs to maturity.	Very Likely	Likely	Somewhat Unlikely
How likely am I to receive between 50% and 75% of all possible income payments, assuming the Plan runs to maturity.	Very Unlikely	Unlikely	Unlikely
How likely am I to receive between 25% and 50% of all possible income payments, assuming the Plan runs to maturity.	Very Unlikely	Very Unlikely	Somewhat Unlikely
How likely am I to receive less than 25% of all possible income payments, assuming the Plan runs to maturity.	Very Unlikely	Very Unlikely	Unlikely
Will there be a loss of Initial Capital at maturity?	Very Unlikely	Very Unlikely	Neither Likely Nor Unlikely

In the case of the Mariana FTSE Daily Accrual Income Kick Out Plan – August 2017, it is **Very Likely** that the Plan will mature early in a Bull Market scenario and **Somewhat Likely** in a Neutral Market scenario. Assuming the Plan runs to maturity, you are **Very Likely** to receive between 75% and 100% of income payments in a Bull Market and **Likely** in a Neutral Market. Therefore this Plan may be suitable for investors who have a positive view of the market for the full term of the investment.

In a Bear Market scenario it is **Somewhat Unlikely** that the Plan will mature early and **Somewhat Unlikely** that you will receive at least 75% of all possible income payments, assuming the Plan runs to maturity. Therefore this Plan may not be suitable for investors who have a negative view of the market and expect the markets to fall.

**The table above is for illustration purposes only and does not accurately represent the future performance of the Underlying or the financial markets.**

**Financial Advisers:**

**For more information please contact our dedicated sales and support team:**

**T 020 7065 6699**

**E [enquiries@marianainvestments.com](mailto:enquiries@marianainvestments.com)**

# Comparison of the potential returns offered by this Plan

This Plan is a structured investment product. Investing in it is not the same as investing in a market directly because, when you buy a structured product, you are buying a type of bond (essentially a loan to the Counterparty which it promises to repay on the Plan's maturity). The bond incorporates derivatives which 'derive' their performance from the performance of the Plan's chosen underlying(s) but does not invest directly into it/them.

Below we compare the potential returns offered by this Plan with fixed rate deposits/bonds currently available. You should be aware that the Plan's returns are likely to reflect the 'Capital at Risk' nature of the investment. The fixed rate deposits/bonds below, while also subject to Counterparty Risk, do not put your capital at risk.

## Counterparty of this Plan

Counterparty	Natixis
Credit Rating (S&P)	A
Date of Credit Rating	27 June 2017

For more information on credit ratings, please refer to the section entitled 'About the Counterparty'.

Here we compare the Plan with:

### 1. A fixed rate bond issued by the Counterparty (if currently available)

There are currently no A rated fixed rate bonds offered by the Counterparty in GBP over a 5 to 7 year term.

### 2. Bonds available with the same bond rating as the Counterparty

There are currently 10 bonds available from 10 different issuers in GBP with the same bond rating as the Counterparty and with a similar term to the Plan. The average Mid Yield to maturity of these bonds is 1.55%.

### 3. Deposits/Bonds available from major UK banks

The top 5 banks by market capitalisation with a high street presence have been selected to represent the deposits/bonds readily available to investors.

The rate offered depends on the amount invested. For comparison purposes we have assumed an amount of £50,000. The deposit/bond selected is based on the longest term offered by each bank.

Bank	Bank Rating (S&P)	Term (Years)	Rate
RBS	BBB+	2 years	0.65%
Barclays Bank	A-	2 years	0.80%
Halifax (HBOS)	BBB+	2 years	0.60%
HSBC Bank	AA-	3 years	0.70%
Lloyds Bank	A	2 years	0.55%
Average	N/A	2.2 years	0.66%

Source: Various bank websites, 27 June 2017.

Investment into one of the deposits/bonds above would yield a maximum annualised return of 0.80% with an average of 0.66%.

## Summary

Based on Mariana's simulations, the expected returns of this Plan exceed the minimum requirements for plans of this nature as set out by the UK Structured Products Association.

As part of our product approval process we consider historical performance and forward looking simulations. If you require more information on these simulations, please contact your financial adviser who will be able to obtain this from their Mariana representative.



### Important Information:

The information provided represents the historic performance of the Underlying(s) and therefore should not be relied upon as an indication of future performance.

# The Underlying: Historical performance

## FTSE™ 100 Index

The FTSE™ 100 Index is a share index of the 100 largest UK-domiciled blue chip companies listed on the London Stock Exchange. Its performance is dependent upon the performance of the companies which make up the index. The index began on 3 January 1984 with a base level of 1000. FTSE™ 100 companies represent approximately 80% of the UK's market capitalisation and are all traded on the London Stock Exchange. The index is used extensively as a basis for investment products such as derivatives and exchange traded funds.

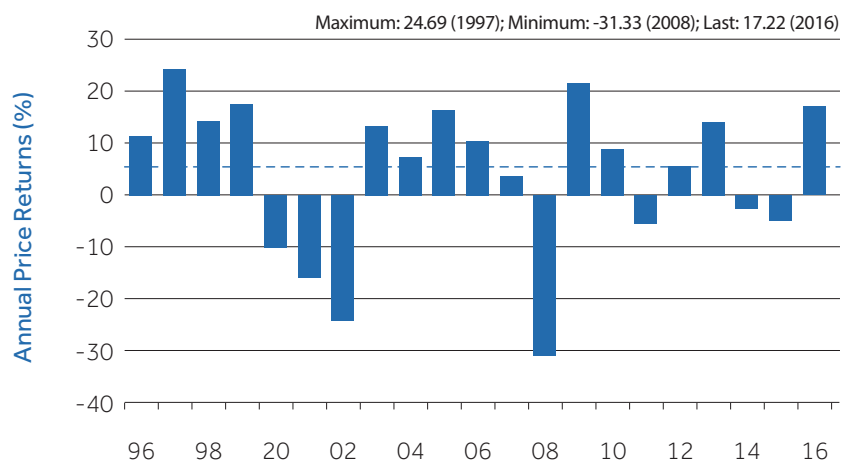
Source: Bloomberg, 27 June 2017.



## FTSE™ 100 annual Price Returns 1996 to 2016

The Price Return is a measure of the performance of an investment or a group of investments over a given period of time. In this case we are measuring the annual Price Return of the FTSE™ 100 Index over the twenty one years from 1996 to 2016. This provides a visual representation of the annual performance over this period.

Source: Bloomberg, 27 June 2017.



# About the Counterparty

**The Counterparty chosen for this Plan is Natixis. Natixis Structured Issuance SA, an affiliate of Natixis, is the issuer of the underlying investments that are purchased on your behalf with the money you have invested. The investments are constructed to generate the terms described in this Brochure.**

## Natixis

Natixis is the corporate, investment, insurance and financial services arm of Groupe BPCE and the 2nd-largest banking group in France with 36 million clients spread over two retail banking networks, Banque Populaire and Caisse d'Épargne. With more than 16,000 employees, Natixis has a number of areas of expertise that are organised into three main business lines: Corporate & Investment Banking, Investment Solutions & Insurance, and Specialised Financial Services. Listed on the Paris stock exchange, at the end of Q1 2017 it had a Core Tier 1 capital under Basel 3 of €12.4 billion and a Basel 3 (phased-in) Common Equity Tier 1 Ratio of 11.0%.

More information on Natixis can be found on their website [www.natixis.com](http://www.natixis.com) or by requesting a copy of their prospectus from Mariana. The prospectus contains information and contractual terms for the securities issued by Natixis Structured Issuance SA.

Natixis acts as Guarantor of the securities issued by Natixis Structured Issuance SA, which means that Natixis will make the payments under the securities if Natixis Structured

Issuance SA is unable to fulfil its payment obligations. You may lose part and up to all your investment if Natixis goes into liquidation and defaults on paying your Plan return and the repayment of your Initial Capital. The risk that Natixis goes into liquidation is called Counterparty Risk.

Securities issued by Natixis Structured Issuance SA and Natixis are not covered by the Financial Services Compensation Scheme (FSCS). Therefore if the Issuer and/or the Guarantor become insolvent you would not be covered by the FSCS.

The Plan is not endorsed, sponsored or otherwise promoted by Natixis or any of its affiliates. None of Natixis or its affiliates are responsible for the contents of this brochure and nothing in this document should be considered a representation or warranty by Natixis to any person regarding whether investing in the product is suitable or advisable for such a person. Neither Natixis, nor any of its affiliates, has provided advice, nor made any recommendation about investments or tax in relation to this product.

**Important Information:**

You may lose all or part of your investment if the Counterparty fails. This is known as Counterparty Risk.

## Credit ratings

Credit ratings are assigned to all financial institutions around the world. They are opinions that are allocated and monitored by independent credit rating agencies and can be a useful way of comparing the credit risk associated with different institutions.

Credit ratings should not be relied upon or considered to be an assurance of a financial institution's stability and/or its ability to meet its obligations. They are an independent opinion as to the creditworthiness of the institution and the possibility of failure and can change at any time.

There are 3 main credit rating agencies and more information can be found on their websites:

**Standard & Poor's:** [www.standardandpoors.com](http://www.standardandpoors.com)

**Moody's:** [www.moodys.com](http://www.moodys.com)

**Fitch:** [www.fitchratings.com](http://www.fitchratings.com)

## Rating outlook

A rating outlook is an opinion of the potential for the credit rating to change in the short term.

A positive outlook means that a rating may be raised in the short term. A stable outlook means that the rating is unlikely to change in the short term. A negative outlook means that the rating may be lowered in the short term.

When an entity is placed under Credit Watch or Under Review this is due to identifiable events and short-term trends that cause ratings to be placed under special surveillance.

## The current credit ratings for the Counterparty are:

Credit Agency	Rating	Outlook
Standard & Poor's	A	Stable
Moody's	A2	Stable
Fitch	A	Stable

## Ratings range:

Credit Agency	Highest	Lowest
Standard & Poor's	AAA	D
Moody's	Aaa	C
Fitch	AAA	D

Source: Bloomberg, 27 June 2017. The credit ratings of the Counterparty may change at any time.

**Key Information:**

**Plan Charge:** should not exceed 1.5%

**Early encashment fee:** £200

# Fees and charges

## The Plan Charge

Mariana will receive a fee from the Counterparty for arranging this Plan. This is the Plan Charge. The charge has been fully accounted for in the calculation of the Plan's returns and is not expected to exceed 1.5%.

From this fee Mariana will pay all the costs incurred in developing and marketing the Plan including the production of the Brochure and the fees for the ongoing custody and administration of your Plan.

The rate of the Plan Charge is set with the Counterparty prior to the launch of the Plan on the basis that a pre-defined amount is raised by Mariana.

The amount raised can be either less or more than the pre-defined amount. In such a case, the Counterparty provides a price for the increase or decrease in the pre-defined amount which is separate from the initial Plan Charge.

The price provided by the Counterparty (and therefore the rate of the Plan Charge) is subject to a number of factors including (but not limited to) the prevailing level of interest rates and the behaviour of the Underlying(s) at the time of increasing/decreasing the pre-defined amount. If Mariana should raise more or less than the pre-defined amount, it is possible that the total Plan Charge could be less or more than Mariana expected and initially agreed with the Counterparty. This will not affect the terms of your Plan.

The custody and administration fees for the entire term of your Plan will be paid by Mariana to Hargreave Hale within fourteen days of receipt by Mariana of the Plan Charge due from the Issuer.

## Other Fees

Should you decide to encash, withdraw or transfer your Plan at any time during its term, an administration fee of £200 will be charged. £100 of this fee is payable to Mariana and £100 is retained by Hargreave Hale.

The fee retained by Hargreave Hale covers the administrative and processing costs in relation to receiving client instructions, arranging the sale and settlement of your Plan, transferring the sale proceeds to you and informing you of the status of your instruction in writing.

The £100 payable to Mariana is to cover administrative and processing costs and the preparation, reconciliation and execution of trades.

## Adviser Fee

Mariana requires that Applications to invest in its products are submitted through a financial adviser and the amount of any Adviser Fee payable for their service is something you should discuss and agree with your adviser.

You may instruct payment of an agreed initial Adviser Fee from the money you send us with your Application. If you want to do this, you should include the amount and instruct Hargreave Hale on your Application. Hargreave Hale will pay the Adviser Fee, deducted from the money you have sent, to your adviser's firm.

The amount of any Adviser Fee must be set out on your Application. If you change your mind about investing after your Application has been accepted it is likely that your Adviser Fee has already been paid to your financial adviser and neither Hargreave Hale nor Mariana will be able to return your Adviser Fee to you.



# Risks

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**There are risks associated with investing in this Plan. Please ensure you read and understand this section fully. If you are unsure about any of the risks, please consult your financial adviser.**

## Counterparty Risk

There is a risk that the Counterparty could go into administration, become bankrupt or collapse. This would mean that it could fail to make the payments due in relation to the product. In the event of this happening an investor could lose some or all of their investment as well as any payment to which they may otherwise have been entitled. The financial strength and credit ratings of the Counterparty may change at any time. Credit ratings are, therefore, not an absolute measure of a Counterparty's financial strength and may be more useful as an indication of their positioning relative to their peers.

In the case of insolvency of the Counterparty, compensation will not be paid by the Financial Services Compensation Scheme (FSCS) or Mariana. You will only be eligible to submit a claim to the FSCS if Hargreave Hale fails to meet its liability to you prior to the purchasing of the investment or awaiting repayment following Maturity.

## Investment Risk

This Plan is a Capital at Risk product meaning you could lose some or all of your investment.

This investment should only be considered as part of an overall investment portfolio.

Past performance is not an indication of future performance and should not be used to assess the future returns or the risk associated with your investment.

This Plan is designed to offer a potential pre-defined return based on the performance of the Underlying(s). It is not a direct investment and therefore does not replicate the potential returns that a direct investment might produce.

You will therefore not benefit from any dividends or additional growth in the Underlying(s) that may exceed the Potential Income offered by this Plan. When the product matures you might not be able to reinvest the proceeds to achieve the same, or similar, level of potential investment return. Should the product be oversubscribed, your purchase might not be completed.

The Start Level of the Underlying(s) applies on the Start Date of the product and not the date on which you apply to invest. The level may vary

significantly between these dates.

The value of your investment will initially be affected by any fees or costs that were built into it. Subsequently, factors such as, but not limited to, movements in interest rates, the performance of the Underlying(s), and the creditworthiness of the Counterparty will all affect the price of a security. The value of your investment is likely to vary significantly throughout its life.

Early encashment of the Plan will take time to realise and if you decide to sell your investment during the term you will be subject to a fee and are likely to receive less than you originally invested. For details, please refer to "Can I cash in my Plan before it matures?" which can be found in the Questions section of this Brochure.

## Market Disruption/ Adjustment Events

Market disruptions can result from, for example, terrorist threats, technology or system failures or from threats or a crash to the stock exchange. If a market disruption event or index adjustment event occurs in relation to the Underlying(s), or a change in applicable law that makes the Counterparty's performance under the securities unlawful or impractical then the terms and conditions of the Plan may be amended (without your consent) or, in the case of index adjustment or change in applicable law the Plan could mature early. In the event of such unscheduled early repayment it is likely you'll receive an amount less than your initial investment.

Please refer to Clause 16 in the Terms and Conditions for further information.

## Liquidity Risk

You should have other savings that you can access to meet any emergency cash needs. In normal market conditions, it is expected that the Counterparty will provide pricing of the securities if you need access to your capital before the Maturity Date. However, there is no guarantee that you will be able to redeem any investment before the Maturity Date and the Counterparty may not be

able to quote a price thereby delaying any early encashment request you may make.

The terms of the investment may permit the Counterparty to delay, reduce or withhold payments. These provisions are not intended to circumvent what is legally due but are intended to cover unforeseen events which affect the return from your investment such as, for example, a suspension or delay in receiving prices.

## Cancellation and Adviser Fees

If you exercise your right to cancel after the investment has been purchased you may not get back your full investment. Please refer to "Can I change my mind?" which can be found in the Questions section of the Brochure.

If you have instructed us to pay an Adviser Fee from your ISA transfer amount, the fee will be removed from the ISA structure and paid to your adviser. You will permanently lose the ISA entitlement relating the amount paid to your adviser.

## ISAs

If you invest via an ISA transfer you may have to pay an exit charge to your current provider and could lose some investment growth from your

current ISA if the market rises while the transfer is in progress.

If an ISA investment is cancelled it may not be possible to invest in another ISA for that particular tax year.

We have a deadline for receipt of ISA transfer applications. This is to allow time for us to receive the proceeds from your existing ISA manager. If your current ISA provider does not send us the funds you have requested to be transferred before the Start Date we will not be able to purchase the investment on your behalf.

## Taxation

The value of any tax reliefs and your liability to tax depend on individual circumstances. Tax assumptions are based on Mariana's understanding of current legislation and known HMRC practice, which can change in the future. Please seek advice should you require further information.

If UK tax law changes, the tax efficiency of your ISA could be affected.

## Inflation

If the return provided by the Plan is lower than the rate of inflation the real value of your investment will have fallen as your money will buy you less than it would have done when you invested it.

# Is this investment suitable for you?



## Useful tips:

You may not be able to cash in your investment in the Plan, but if you can and do cash it in before the Maturity Date, you will be charged a fee. The sum you will get might not reflect the performance of the Underlying(s) to the date on which you cash in and you could receive less than the amount you invested in the Plan.

### This investment may be suitable if:

- You are comfortable that the Plan's returns are linked to the performance of the FTSE™ 100, the Underlying.
- You are comfortable that any income and the return of your Initial Capital is dependent on the continuing solvency of the Counterparty.
- You are comfortable that your capital is at risk and you could lose some and up to all of your investment.
- You are looking to invest in a Plan to provide you with potential income.
- You can afford to leave your money invested for the full term of the Plan.
- You have other savings or investments that are easily accessible to cover emergencies.
- You understand how the Plan works.
- You have at least £5,000 to invest or £10,000 for Non-Advised applications.
- You have either received advice or a financial adviser has confirmed that this investment is appropriate for you.
- You are comfortable with the fact that the Plan may mature early (kick out).

### This investment may not be suitable if:

- You are not comfortable that the Plan's returns are linked to the performance of the FTSE™ 100, the Underlying.
- You are not comfortable that any income and the return of your Initial Capital is dependent on the continuing solvency of the Counterparty.
- You are not comfortable that your capital is at risk and that you could lose some and up to all of your investment.
- You are looking to invest in a product that is designed either to offer a growth return or to pay a non-conditional income.
- You cannot afford to leave your money invested for the full term of the Plan.
- You do not have other savings or investments that are easily accessible to cover emergencies.
- You are unsure how the Plan works.
- You do not have at least £5,000 to invest or £10,000 for Non-Advised applications.
- You have not received advice or a financial adviser has not confirmed that this investment is appropriate for you.
- You are not comfortable with the fact that the Plan may mature early (kick out).

# Questions

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## **What am I committing to?**

You are committing to investing for the full term of the Plan as explained on the Key Information page of the Brochure. The Plan is designed to yield returns based on your initial investment amount being invested to maturity.

## **Can I change my mind?**

Following acceptance of your application you will be sent a right to cancel notification. From the time you receive this notification, you have 14 days to change your mind and cancel the application. If we receive your cancellation notice after we have bought the investment, it is likely that you will lose some of the money you invested. Please refer to Clause 5 of the Terms and Conditions for more information.

## **What information will you provide?**

You will receive confirmation of your investment and a contract note once your investment is made. You will then receive statements every 6 months which will include a current valuation of your investment. Should you provide an email address on your application form, you will also be able to access your statement online. You have the option to request a statement every 3 months. Should you wish to do this, please contact Hargreave Hale directly. You will also be sent a statement of any cash held on account for you with Hargreave Hale. Please see "What happens to my money?".

## **What happens to my money?**

Once your application has been accepted, the money you have invested in the Plan will be deposited in the Hargreave Hale Client Account Re Mariana. Here it will remain until Hargreave Hale send the money to the Counterparty to purchase your investment. The investment will be held in safe custody by Hargreave Hale for the term of the Plan. Please refer to Clause 3 of the Terms and Conditions for more information.

## **Should I take financial advice?**

We strongly recommend that you take financial advice from a regulated financial adviser before investing in the Plan. If you do take advice, your adviser will assess the suitability of the Plan in relation to your individual circumstances. However, you can invest in the Plan on a Non-Advised basis (subject to the minimum investment of £10,000). This means that a financial adviser will assess the appropriateness of the Plan for you but will not make a personal recommendation.

## **What Adviser Fees should I pay?**

This is a matter for you to discuss with your adviser. Mariana do not pay commission to financial advisers. Any fee paid to an adviser in relation to the service provided must be agreed by you. Hargreave Hale can facilitate the payment of the agreed fee on your behalf from the amount that you send. For example, if you apply to invest £10,000 and have agreed to pay 3% (or £300) to your adviser as a fee, Hargreave Hale will subtract the 3% from the £10,000 and send that amount to your adviser. The remaining £9,700 will be invested in the Plan. We can also facilitate Non-Advised fees on the same basis. Please refer to clause 15 in the Terms and Conditions for more information.

### **Are there any additional charges?**

Any fees that are levied by Mariana and Hargreave Hale are built into the Plan structure and all the costs associated with the design, construction, marketing and administration of the Plan have already been accounted for. In the case of this Plan the total fees levied for the design, marketing and administration are not expected to be more than 1.5%. There are no additional charges throughout the term of the Plan as long as the Plan runs to maturity. Should you decide to encash the Plan early, an early encashment fee of £200 will be incurred. Please see "Can I cash in my Plan before it matures?".

### **What happens to my investment if I die?**

Hargreave Hale will adhere to the instructions given by the administrators of your estate. The investment may be encashed or re-registered in the name of the beneficiaries. The re-registration will incur no cost; any encashment will be treated as an early encashment and as such will incur the early encashment fee of £200. ISA investments will lose their ISA status. Please see "Can I cash in my Plan before it matures?" Please refer to clause 12 in the Terms and Conditions for more information.

### **Can I cash in my Plan before it matures?**

Yes, but take into consideration the fact that the potential returns are structured on the basis that the Plan runs until maturity. An early encashment may result in you receiving an amount that is less than you originally invested.

The price is determined by the Counterparty and is not guaranteed and is subject to change. It is dependent upon a number of factors including prevailing interest rates, the performance of the Underlying(s) and a limited secondary market. Whilst the Counterparty intends to indicate a current price for the security, there can be no assurances that a price will be provided.

The administration charge for encashing your Plan early is £200. If you wish to encash the Plan early, please send a written instruction to Hargreave Hale to sell the securities held on your behalf. The proceeds will then be returned to you as per your instructions or in the case of an ISA, transferred to the new ISA manager. With regards to an ISA transfer, once the investment has been sold, the new ISA provider will need to write to Hargreave Hale requesting the funds to be transferred to them. It will be your responsibility to liaise with your new ISA provider to arrange this instruction.

Please refer to Clause 8 of the Terms and Conditions for more information on withdrawal, termination or early encashment and Clause 10 for more information on ISA transfers.

### **What if I have other questions?**

If you have additional questions, please contact your financial adviser. Your adviser will then contact Mariana if the question(s) relate to the Plan itself. You can also contact Hargreave Hale directly by telephone on 01253 754755 or via email on [mariana@hargreave.com](mailto:mariana@hargreave.com).

For more general information on Hargreave Hale, you can visit the website at [www.hargreave-hale.co.uk](http://www.hargreave-hale.co.uk). If you wish to write a letter to Hargreave Hale, please address it to: Structured Products Department, Hargreave Hale Limited, Talisman House, Boardmans Way, Whitehills Business Park, Blackpool, FY4 5FY.

### **How much am I able to invest?**

The minimum Investment amount allowable is £5,000 and £10,000 for Non-Advised applications. The full amount will be invested in the Plan unless you have instructed a payment to be made to your adviser as a fee from this amount.

The amount invested will then be the full amount minus the adviser fee. Please refer to Clause 15 of the Terms and Conditions for more information.

You can invest through a new ISA. ISA applications can be made for the 2017/18 tax year. For the 2017/18 tax year the ISA allowance is £20,000. The 2017/18 tax year runs from 6 April 2017 until 5 April 2018.

### **What should I do if I want to complain?**

Both Mariana and Hargreave Hale have a comprehensive complaints procedure that adheres to the principles of treating customers fairly. In the event that a customer wishes to make a complaint, this can be made verbally, by telephone or in person, or via a written communication delivered in person, via post, e-mail or fax.

In the first instance, the complaint will be handled by the Compliance Officer who will conduct an initial investigation and attempt to reach a fair and impartial conclusion. If you are not satisfied with the outcome of that investigation, you can take your complaint to the Financial Ombudsman Service who independently assesses disputes. Please refer to Clause 26 of the Terms and Conditions for more information.

### **What happens if Mariana or Hargreave Hale becomes insolvent?**

Mariana is responsible for designing, promoting and distributing the Plan and monitors the performance of the Plan throughout its term.

Hargreave Hale is the Administrator and Custodian of the Plan. Therefore when submitting an application to invest you will be agreeing to become a client of Hargreave Hale.

The client relationship will be between you as the client and Hargreave Hale. Hargreave Hale will be responsible for providing all documentation and making payments to clients from the application stage to maturity.

Mariana is responsible for paying for the services of Hargreave Hale for the on-going custody and administration of your investment, the cost of which is paid by Mariana to Hargreave Hale when you buy your Plan. This payment covers the services required from Hargreave Hale to satisfy the regulatory and client requirements that a custodian/administrator must provide for the full term of the Plan.

As Mariana never holds any of your money or your investment after your money is invested, your Plan will not be affected should Mariana enter administration/liquidation.

Hargreave Hale as the custodian has responsibility for administering your investment on your behalf for the term of the Plan.

Strict rules relating to the administration of client monies and assets dictate that there must be segregation between a client's holdings and that of the company acting as custodian. Therefore, should Hargreave Hale encounter any financial difficulty, neither your money nor your investments should be affected.

Your payment will be held in cash prior to the purchase of your investment and following its maturity. During these periods your money will be held in a segregated client money bank account with a reputable UK bank. In the unlikely event that Hargreave Hale enter administration during either the period prior to purchase of the securities or after the maturity of the Plan, your money will be returned to you by the Administrator and Custodian. Should there be any shortfall in the client monies held by Hargreave Hale, under current regulation up to £50,000 will be covered for each investor by the Financial Services Compensation Scheme (FSCS). For more information, please refer to Clause 27 in the Terms and Conditions.

### **What happens if the Plan is oversubscribed?**

When a Plan is in the process of being constructed, an initial trade size is agreed between Mariana and the Counterparty. The amount of applications received and the amount raised is closely monitored and when approaching the initial trade size, Mariana discusses increasing the size of the trade with the Counterparty to accommodate any additional subscriptions.

On occasion, the two parties may be unable to agree viable terms to increase the trade size and as a result the initial trade size may represent the maximum amount that can be accepted into the Plan. In this instance, the Plan will be closed early and any applications received in excess of the total trade size initially agreed will not be accepted and the amount subscribed will be returned to you.

# Glossary

## The definitions below apply to both the content of the Brochure and the terms and conditions of our Administrator and Custodian.

**We or us, Hargreave Hale:** Hargreave Hale Limited, the Administrator and Custodian or the Manager, a member of the London Stock Exchange, authorised and regulated by the Financial Conduct Authority (FCA).

**You, the Client or the Investor:** you, the individual(s), trustee or corporate body who has/have applied to open a Plan under these Terms and Conditions and will become a Hargreave Hale Client. You will be treated as a Retail Client in accordance with the FCA's Conduct of Business rules, unless otherwise agreed prior to acceptance of application.

**Advised:** in relation to an Application, where a personal recommendation has been given to you by an FCA or equivalent financial adviser.

**Adviser Fee:** the fee that you have agreed to pay to your adviser's firm for their services in relation to the Plan and that is set out in the Application.

**Application:** the properly completed application form for investment into your Plan (includes an application for an ISA transfer).

**Average:** calculated as the arithmetic mean.

**Brochure:** the Mariana marketing document of which these Terms and the Application form part.

**Business Day:** a day (other than Saturday or Sunday) on which commercial banks are open for business in London.

**Client Money Account:** a current or deposit account at a third party bank that is in our name, but includes in its title an appropriate description to indicate that it holds only clients' money in

accordance with our regulatory responsibility and is used to hold the money of one or more clients.

**Closing Price:** the price of an Underlying at the end of a business day.

**Counterparty:** the financial institution responsible for the issuance of the investment and whose financial strength the Plan relies on.

**Dealing Deadline:** 5.00pm on both the 7th and the 20th of each month or where this is not a Business Day then the previous Business Day. For any investment held in cash it means every Business Day.

**Email Address:** mariana@hargreave.com, this being the Hargreave Hale email address to be used to communicate with Hargreave Hale about Mariana plans.

**FCA:** The Financial Conduct Authority who can be contacted at 25 The North Colonnade, Canary Wharf, London E14 5HS.

**Finish Level:** the Closing Price of the Underlying(s) on the Maturity Date.

**HMRC:** Her Majesty's Revenue & Customs.

**Initial Capital:** the amount you subscribe for investment in the Plan after payment of any Adviser Fee; your Plan Payment.

**Investment(s):** the investments (including cash) that we hold on your behalf, being the underlying qualifying investments issued pursuant to the relevant Brochure and purchased by the Manager to provide the Plan's returns. These can be inter alia, notes, securities, shares, warrants, certificates or deposits.

**Issuer:** the entity affiliated with the Counterparty through which the Investments are issued.

**ISA:** Individual Savings Account.

**ISA Account:** your Plan account that is an ISA, which includes any ISA transferred from an existing ISA, contracted under these



Terms and Conditions.

**ISA Regulations:** the Individual Savings Account Regulations 1998 as amended.

**Manager:** Hargreave Hale, authorised and regulated by the Financial Conduct Authority, acting as Administrator and Custodian, including providing Nominee services.

**Mariana:** Mariana Capital Markets LLP, authorised and regulated by the Financial Conduct Authority, the Plan Manager, together with its appointed representatives from time to time.

**Maturity Date:** the date on which a specific offering of the Plan is due to mature as detailed in the Brochure and also the date on which the Finish Level is recorded.

**Maturity Payment Date:** the date detailed in the Brochure by which the Counterparty will transfer the Maturity Payment to the Manager.

**Maturity Payment:** the payment due on the Investments at the Maturity Date under the terms of an Investment.

**Non-Advised:** in relation to an Application, where no personal recommendation has been given to you but an appropriateness test has been conducted by an FCA or equivalent financial adviser.

**Observation Date(s):** the dates on which the level of the Underlying(s) are measured for the purpose of determining whether income will be paid or the plan will kick out or mature early.

**Payment:** any lump sum payment made by you to us in respect of the Plan including, in the case of an ISA Account, any ISA transfer value in accordance with the terms of the Application and also including any sum payable as an Adviser Fee.

**Plan:** the investment product described in this Brochure which consists of Investments and any cash that Hargreave Hale manages for you and which is held in accordance with these Terms and Conditions.

**Plan Opening Period:** the period during which we may accept Applications (see clause 2) to make a subscription into a Plan.

**Plan Payment:** the part of your Payment to be invested in the Plan. That is, the Payment less any sums paid to us to pay an Adviser Fee. The maximum and minimum allowable Plan Payments are detailed in the Brochure.

**Plan Manager:** Mariana, in its capacity as Plan Manager of the Plan.

**Plan Charge:** the charges taken into account in the terms of the Plan as detailed in clause 13.

**Related Company:** any company in the same group of companies as the Manager.

**Start Date:** the date on which your investment is used by the Manager to purchase the Investments on your behalf and your Plan starts.

**Start Level:** The level of the Underlying(s) at the close of business on the Start Date.

**Telephone Number:** 01253 754755, this being the Hargreave Hale telephone number to be used for contacting Hargreave Hale about Mariana Plans.

**Terms and Conditions:** the Administrator and Custodian Terms and Conditions are set out on the following pages. They form part of the Brochure.

**Transfer Amount:** the value of an ISA transferred either to us from another account manager into an ISA Account or from us to another ISA Manager.

**Underlying(s):** the asset, asset class, investment or index on which the performance of the Plan depends.

**Website:** [www.hargreave-hale.co.uk](http://www.hargreave-hale.co.uk)

**Web Portal:** a secure portal where clients can access valuations, statements of account and any other documents using a password that will be provided by Hargreave Hale on receipt of an email address. If you provide a valid email address you will be supplied with a password which will enable you to access the Web Portal.

**Written or in Writing:** an instruction that you have signed.

# Administrator and Custodian Terms and Conditions

## 1. Introduction

These Terms and Conditions apply to your Structured Product or Structured Deposit Plan. Your Plan will have the features and risks set out in this Brochure and the Application and you should read all these documents. These Terms and Conditions apply from when your Application is accepted (including the time your money is held as cash either before the Start Date or after the Maturity Date). They are in addition to any terms and conditions that relate to any other investment account you may have with Hargreave Hale Limited. Not all these Terms and Conditions necessarily apply to your investment.

## 2. Acceptance

(a) We will open a Plan in your name once we have received an Application in a form acceptable to us and your Payment has cleared. All Applications are subject to anti money laundering and other regulatory checks as appropriate and determined by us from time to time. You will be classified as a Retail Client in accordance with the FCA's Conduct of Business rules, unless we specify otherwise in correspondence with you. An Application will not be acceptable if, in our reasonable opinion:

(i) you are not eligible to hold a Plan.

(ii) the Application is incomplete or needs clarification or the information provided is insufficient.

(iii) any Application and/or Payment is received after the close of the Plan Opening Period. If any such late Payment is a Transfer Amount then the Payment will not be banked and will be returned to the previous ISA manager.

(b) A Payment received without an Application can be held for no longer than twenty four (24) hours and in such a case if the relevant Application is not received the Payment will be returned to the account from which it was paid.

(c) The Manager has the right to close the Plan Opening Period early or terminate the offering prior to the Start Date. For example, if sufficient Plan Payments are not received or the Plan is oversubscribed or if the Counterparty requires it as a result of changes to market conditions or changes to laws or regulations. If the Plan is closed early and your Application is not accepted, we will return your Plan Payment to you. We cannot return any sums you sent to us for the payment of Adviser Fees once your Adviser has been paid.

(d) We will have no liability for any Adviser Fees you have paid when a Plan is closed in line with our Terms and Conditions.

(e) Where you wish to invest in the Plan by transferring an ISA amount to us, please be aware that an ISA transfer can take up to 30 days to effect and that if, after deduction of any Adviser Fee, your Plan Payment is less than the minimum allowable, your Application will not be accepted and we

will return your Payment to your previous ISA Manager. The minimum allowable Plan Payment is detailed in the Brochure.

(f) You confirm that you are not relying on any communication/advice (written or oral) from the Manager or the Plan Manager.

## 3. What we do with your Payment

(a) We will deposit your Payment, including any Adviser Fee, into a Client Money Account within two Business Days from when it is received. This Client Money Account, which will be in our name, will be held with the Royal Bank of Scotland PLC (or such other bank or authorised institution as we may nominate from time to time). We are not responsible for the default of any third party financial institution that holds cash under these Terms and Conditions.

(b) On acceptance of your Application, any amount sent by you to pay an Adviser Fee will be paid from your Client Money Account to our own account within three Business Days. This amount will no longer be your property once payment has been made to us. We will pay the Adviser Fee amount to the adviser's firm.

(c) Under the terms of your Application, we use all your Plan Payment to acquire Investments on the Start Date. If for any reason the Investments are not issued, we will return your Plan Payment to you. We cannot return any sums you sent to us for the payment of Adviser Fees.

#### 4. Dealing and investing

(a) Aggregating Orders – We may combine your order with our own orders and orders of other customers. By combining your orders with those of other customers we must reasonably believe that we will obtain a more favourable outcome for you than if your order had been executed separately. However, on occasions aggregation may result in you being disadvantaged by obtaining a less favourable outcome.

(b) Purchases and sales effected by us on your instructions may be made on any market and through any intermediary that we select in accordance with our Order Execution Policy. Details are as follows:

Off-exchange Transactions – We may deal for you in circumstances in which the relevant transaction is not governed by the rules of any investment exchange (either a regulated market or multi-lateral trading facility). By signing this agreement you give your express consent to transactions being executed in this way.

Orderly Execution – There may be a delay in executing your order if we have received prior orders, in the same security, which have not been fully executed. We reserve the right to postpone your order if we reasonably believe that postponing the order is in your best interests. We will not be liable for any losses caused by such a delay or postponement.

Limit Orders – Where we accept an order from you where execution is dependent on the price of the security concerned at a future point in time (a 'limit' order), we will only do so on a 'best endeavours' basis. Share prices can move quickly and investments may not be available at the required price for sufficient time or in sufficient volume to allow us to execute your order. We, therefore, do not guarantee execution of such orders even if the conditions stipulated when you placed the order are met, and we will not be liable for any losses caused by us or any agent used by us failing to execute your order.

#### 5. Your right to cancel – the cooling off period

(a) When we have received your Payment and accepted your Application we will send you in writing by post or email, as applicable, an acknowledgement incorporating a cancellation notice. This means that you will not be sent an acknowledgement for an ISA Account set up by way of an ISA transfer until we have received the Transfer Amount.

(b) If you decide not to proceed with your investment in the Plan and wish to cancel, you must send the completed cancellation notice form to us at the address set out in clause 25 within 14 days from the date you receive the cancellation notice.

(c) If we receive your cancellation notice on or before the Start Date, we will cancel your Plan and you will receive a full refund of your Plan Payment by direct credit. We cannot return any sums you sent us for the payment of Adviser Fees.

(d) If we receive your cancellation notice form after the Start Date and the Investment has already been purchased, we will sell your Investment on the Business Day following the next Dealing Deadline subject to the Counterparty providing a price for the Investment on that date or such later date as the Counterparty is able to provide such a price. The amount we return to you will be affected by any market movement in the value of the Investment. Therefore, the amount we return to you may be less than the amount you subscribed to the Plan.

(e) If you exercise your right to cancel in relation to an ISA transfer you will permanently lose your ISA entitlement relating to that transfer.

(f) Payments for a cancellation will be made once we are certain of cleared funds in respect of your investment (banks and building societies may take up to seven working days to fully honour any Payment). Any cancellation payments will be returned to you by direct credit except for ISA transfers and in exceptional circumstances.

(g) We will not return any money you sent us for the payment of an Adviser Fee following a cancellation because the amount you instructed us to pay your adviser will have ceased to be your property (as explained in more detail in clause 3).

(h) We will have no liability for any Adviser Fee you have paid when a Plan is closed in line with our Terms and Conditions.

#### 6. Ownership of Investments and how they are held

(a) All Investments purchased by the Manager on your behalf, along with those of other investors who have a Plan, will be registered in the name of either our nominee, Hargreave Hale Nominees Limited, or any other nominee approved by us or in our name. However, you will beneficially own the Investment. Hargreave Hale Nominees Limited is a non-trading wholly owned subsidiary of Hargreave Hale and is not itself authorised under the Financial Services and Markets Act 2000. We accept full responsibility for any loss that might arise as a result of any default by Hargreave Hale Nominees Limited or any other nominee company controlled by us in whose name the Investment is held.

(b) Investments may be held on a pooled basis. An Investment which we hold for you on a pooled basis may attract different treatment during corporate actions or other events from what it would attract if the investment was held in a separately designated account. Your options may therefore be limited. In such cases, any rights or other benefits will be shared proportionately among all holders whose holdings are affected. If your Investment is held in safe custody, we will send you a list of all such investments held on your behalf twice a year. We will not be obliged to send you annual reports and other documents issued by companies whose securities are held on your behalf where no decision is required by you unless you instruct us in writing to do so. Investments held on your behalf may be held by a third party. In order to protect investments and money held in

custody we carefully select the third parties on whom we place reliance. We also ensure that we have adequate internal controls which, amongst other things, ensure that regular reconciliations are performed. We also maintain insurance cover and are protected by the Financial Services Compensation Scheme.

(c) We will use an eligible custodian if we are unable to hold your investment within our nominee company. The securities held by the external custodian may be registered in our name or that of the custodian. They may be held in an omnibus account and may not be separately identifiable. As a consequence, in the event of our default or the default of the custodian these investments may not be protected and may be at risk from the defaulter's creditors. These arrangements are usually required in respect of non United Kingdom stocks. Any such custodians are not owned by us but may be members of the Investec Group of which we are an associate.

(d) Any overseas investments may be registered or recorded in the name of an eligible custodian, in the name of our nominee company or in our name in one or more jurisdictions outside the United Kingdom where, due to the legal requirements or the nature of market practice in the jurisdiction(s) concerned, it is in your best interests to do so or it is not feasible to do otherwise. As a consequence of this, your investment may be held in an omnibus account and may not be segregated from investments belonging to us/the eligible custodian.

(e) Therefore your protection may be less should a default occur on the part of the person in whose name the investments are registered or recorded. Investments belonging to you which are held overseas may be subject to different settlement, legal and regulatory requirements from those which apply within the United Kingdom or EEA which may affect your

rights. There may also be different practices for the separate identification of safe custody investments. We will not be responsible for any withholding tax levied by an overseas authority or an external custodian.

(f) You may not charge, pledge or otherwise use your Investment as security for any loan or other obligation and agree to remain the sole beneficial owner of the Investment.

(g) The Investment will be held on your behalf until the Maturity Date, unless the Plan is terminated earlier in accordance with these Terms and Conditions.

## 7. Management and Maturity

(a) After the Start Date, we will send you a contract note detailing the purchase of the Investments in your Plan. Subsequently we will also send you a valuation of your Plan every six months and if we hold a cash balance for you we will send you a statement of your cash account quarterly. In addition, we will send you a safe custody statement listing the investments we hold for you every six months. Details of the exact statement dates are available on request from us at our address as set out in clause 25. Please note that there is no annual report or accounts or any other information issued other than your statement. There are no shareholders' or Investment holders' mailing or voting rights applicable to your Plan. Valuations are available online via our Web Portal.

(b) All information we provide to you may be provided in electronic format via email and/or via the Hargreave Hale Web Portal. The Web Portal is a secure online platform through which clients can obtain a valuation or statement of account. Clients can log in to the Web Portal by providing an email address when they subscribe for a Plan or subsequently by contacting Hargreave Hale directly.

(c) Where we hold investments in custody on your behalf, any dividends, interest or other income received in respect of those investments will be held in an income cash account. Unless agreed otherwise, the balance of your income cash account will be paid to you every month. Interest will be paid on your income cash account as set out below.

(d) Other than for ISAs where we operate a deposit account for you your account will have two elements: an income cash account into which dividends and interest will be paid and a capital account. Unless agreed otherwise, income will be transferred from the income cash account to the capital account on a monthly basis.

(e) Any interest will be payable separately on balances in income cash accounts and capital accounts, and, if payable, will only be paid on money that has been held in excess of 10 days.

(f) Interest rates on cash held on deposit are linked to, and will be less than the rate received by us from the bank. As a result of this they may change from time to time. Any interest will be credited on a monthly basis but no interest will be paid in any particular month where the amount due to you would be less than 25p per month. Full details of rates are available on our website: [www.hargreave-hale.co.uk](http://www.hargreave-hale.co.uk).

(g) Where we receive client money on your behalf which is in a foreign currency (i.e. not sterling) you instruct us to convert the money into sterling and hold it in sterling unless otherwise agreed.

(h) On the basis of current UK tax legislation, UK income tax will not be deducted from interest paid where the account is held by a corporate body. For all other account holders UK income tax at the prevailing rate will automatically be deducted from any interest earned on your income cash account and your

capital account.

(i) If you are entitled to receive interest gross, without deduction of tax, please contact us and we will issue to you the appropriate HMRC form for signature, completion and return. Upon its receipt we will not deduct income tax from your interest.

(j) Where you receive interest gross, you will be responsible for accounting to the Inland Revenue for any tax due.

(k) On the Maturity Payment Date, the Counterparty is required to pay the Maturity Payment on the Investments. Shortly after the Maturity Date, we will write to you outlining the options available to you. Until we receive your Written instructions, we will hold your Maturity Payment in a Client Money Account for a reasonable period of time.

(l) If we do not receive your Written instructions within a reasonable period of time, we reserve the right to transfer your Maturity Payment (plus any interest) into a non-interest bearing Client Money Account and/or transfer such payment back into your nominated bank or building society account. We will notify you if by failure to satisfy the provisions of the ISA Regulations your account has or will become void.

## **8. Withdrawal, termination or early encashment**

(a) The Plan is structured to be held until the Maturity Date. You may, however, encash some or all of your Investment in a Plan and close it completely before the Maturity Date by giving notice to that effect to the Manager. The notice must be in Writing. You must be aware that if we receive your request to withdraw after the Start Date the amount you will receive on encashment may be considerably less than the amount of your original Plan Payment. You will also be charged an administration fee as set out below (although this will not apply if your cancellation is made during the cooling off

period as described in clause 5).

(b) For a withdrawal or early encashment of an Investment before the Maturity Date (including the transfer of the proceeds of an Investment to a new ISA Manager) you will be charged an administration fee of £200 of which £100 is payable to Hargreave Hale and £100 is payable to Mariana. The £100 payable to us is to cover our administrative and processing costs in relation to receiving your instructions, making identity checks, executing and clearing the trade i.e. the sale of the security and its settlement, acting as collecting agent and transferring the sale proceeds to you and informing you of the status of your instruction in writing. The £100 payable to Mariana is to cover their administrative and processing costs and the preparation, reconciliation and execution of trades. The amount payable may increase or decrease in the future. You will be notified of any change in advance.

(c) If we receive your request to encash after the Investment has been purchased we will sell the Investment in your Plan on the Business Day following the next Dealing Deadline subject to the Counterparty providing a price for the Investment on that date or such later date as the Counterparty provides a price. The amount you receive is dependent on the market value of the Investment at the time of sale. This will be affected by a number of factors including but not limited to the marketability of the Investment, interest rates, foreign exchange rates, the level of the stock and indices to which they relate and other market data. The value of your Investment is likely to be less than the amount you originally invested for a substantial part of the Plan's term.

(d) We will pay you the proceeds of the sale of your Investment within 10 Business Days of receiving them from the Counterparty. Payments will be paid into the bank or building society account you provided us with in your Application or to the account that you subsequently informed us of in Writing. Where a withdrawal is made shortly

after a Payment is made, the proceeds will only be paid once we are assured of cleared funds in respect of that Payment and will not include any Adviser Fee amount you agreed.

(e) If we receive your request to encash on or before the Start Date before the Investment has been bought, we will cancel your Plan and you will receive a full refund of your Plan Payment without any interest by direct credit.

(f) We will not return any sums you sent to us for the payment of an Adviser Fee following a withdrawal.

(g) Where we have good reason to query a signature or the validity of a withdrawal instruction we will not pay you until the query has been resolved to our satisfaction.

(h) If you instruct us to make a payment to a non-sterling bank account, payment will be made in sterling and we will not pay any costs for currency conversion. Payments to anyone other than you will only be made on death (see clause 12) or when transferring to another ISA Account manager (see clause 10).

(i) Payments will not be made to individuals holding powers of attorney unless they operate a Client Money Account.

(j) We reserve the right to deduct any outstanding fees, charges and expenses from the amount due to be paid to you.

(k) If, for whatever reason, we cannot pay you, we will hold the money in a Client Money Account. If you have not provided us with revised payment details within six years, we may write to you at your last known address. We will inform you that it is no longer our intention to treat this as client money. You will have 28 days to make a claim for this money. We will then transfer this amount from the Client Money Account. However, we will make good any valid claims that are subsequently received.

(l) In certain circumstances we may no longer be able or willing to act as Manager. Examples of these circumstances are:

(i) HMRC removes its approval for us to act as ISA Manager;

(ii) we are no longer qualified to act as Manager due to a change in applicable law or regulation;

(iii) we voluntarily cease to be Manager (in which case we will give you no less than 30 days notice of our intention to cease acting as Manager).

In the event that we no longer act as Manager, we will write to you 30 days before the change is made, wherever possible, to let you know how it will affect the way your investment is managed.

(m) Your account will become void in the following circumstances:

- a change to the ISA Regulations causes us to be unable to continue to offer the Plan;
- HMRC policy changes;
- subscription level breaches;
- you are or become a US resident;
- incorrect application form;
- you breach ISA subscription limits in a tax year;
- incorrect action on death of investor;
- balance of ISA falls below minimum subscription amount if applicable;
- you have failed to comply with these Terms and Conditions.

If any of the above circumstances arise we will do our best to give you 30 days prior notice that your account will become void. We will also write to you to explain what will happen to your account and the options available to you.

## 9. Taxation

(a) If your investment in the Plan is an ISA and you live in the UK, you will not, under current tax rules, have to pay UK income tax or UK capital gains tax on any income payments or capital growth you make from your investment in the Plan but any losses on your investment in the Plan will be ignored for the purposes of UK capital gains tax.

(b) If your investment in the Plan is not through an ISA or pension you may, depending on your circumstances, have to pay tax on any income or gain that you receive.

(c) These taxation statements are based on Mariana's understanding of current tax legislation, regulation and practice. Such tax legislation, regulation and practice are subject to change in the future and nothing in this Brochure constitutes tax advice.

(d) Where you receive interest gross, you will be responsible for accounting to HMRC for any tax due.

(e) You confirm that you have taken tax advice as appropriate to your circumstances in respect of the Plan and that you are not relying on any communication/advice (written or oral) from the Manager or the Plan Manager in this respect.

## 10. Transferring your ISA Account

(a) Subject to the ISA Regulations, you have the right at any time to transfer your ISA to another ISA manager. To arrange a transfer you must submit a written instruction and/or a letter of acceptance from your new ISA manager.

(b) You may stipulate when you wish to transfer the proceeds of your Plan but you should be aware that your Plan will be encashed and the Investment realised in accordance with the procedures set out in clause 8. We can only effect a transfer in cash following the sale of your

Investment and we can take up to 30 days to complete this.

(c) You will be charged a fee of £200 for the encashment of your Investment and arranging the transfer (as set out in clause 8). Of this £200 fee, £100 is payable to Hargreave Hale and £100 to Mariana.

(d) For the avoidance of doubt, when an Investment held in an ISA Account reaches its Maturity Date there is no charge for the transfer of the proceeds of the Investment to another ISA Manager.

## 11. Investment by Pension Scheme Trustees

Where a pension scheme trustee ("First Trustee") purchases an Investment and the scheme member subsequently transfers to another pension scheme ("Second Scheme"), we will seek to allow the transfer of the Investment from the First Trustee to the trustee of the Second Scheme by means of a simple re-registration agreement. This agreement will allow the First Trustee to relinquish all interest in the Investment and for the Manager to allow the Investment to be re-registered in the name of the trustee of the Second Scheme who will takeover the Investment on exactly the same terms as the First Trustee. The terms of the original investment cannot be changed in any way on transfer.

## 12. Death

(a) In the case of an Investment held in more than one name, on the death of one of the investors, the Plan will continue in the name of the surviving investor(s). It is important, however, that correct re-registration instructions are provided by the Executors on a timely basis when probate is granted in accordance with clause 28.

(b) In the case of an ISA Account, the ISA automatically terminates in accordance with the ISA Regulations but the Plan remains invested in the same Investment. There



may be a tax liability if the value of the Investment increases after your death.

(c) For an Investment in one name, on the death of the investor before the Maturity Date, following receipt of the information we require, your executors can elect to either (i) close your Plan, in which case we will sell the Investment on the Business Day following the next Dealing Deadline subject to the Counterparty providing a price for the Investment on that date or such later date as the Counterparty provides a price, and the proceeds (which, if the sale is prior to the Maturity Date may be less than your original Plan Payment) less the administrative fee set out below will be sent to your personal representatives or (ii) transfer your Plan into the name of the executors or beneficiary(ies) of the estate so that the Plan is able to continue until the Maturity Date, subject to the executors or beneficiary(ies) agreeing to these Terms and Conditions.

(d) Should your executors elect to sell the Plan, an administrative fee of £200 will be charged. Of this fee, £100 is payable to Hargreave Hale to cover our administrative and processing costs relating to the receipt of executors instructions, obtaining grants of probate, death certificates and wills and confirming their validity, executing and clearing the trade, transferring the sale proceeds in accordance with the instructions of the executors and informing the executors of the status of their instruction in writing. The balance of £100 is payable to Mariana and is to cover their administrative and processing costs relating to the preparation, reconciliation and execution of trades. No charge is applied if the plan is assigned to a beneficiary and remains in force until maturity.

(e) The total value of your Investment forms part of your estate for inheritance tax purposes. If any tax credits were added to your Plan after the date of your death, a sum equal to these credits will be deducted from the Plan and paid to HMRC and your

executors will receive the cash value of the Plan subject to that deduction.

(f) If your executors require a Plan to be opened with us in another investor's name, we may require verification of the identity of the new Plan holder.

### 13. Plan Charge

A Plan Charge has already been taken into account in the terms of your Plan. This Plan Charge is used to meet the Plan Manager's design and distribution costs and the Manager's administration costs and is disclosed in the Brochure.

### 14. Other Fees and Charges

(a) Your Plan is designed to be held for the full term. Should you subsequently encash, withdraw or transfer your Investments at any time during the Plan's term, an administration fee of £200 will be charged. £100 of the fee is payable by us to Mariana and £100 will be retained by Hargreave Hale. The fee is to cover our administrative and processing costs in relation to receiving client instructions, arranging the sale and settlement of the Investment, transferring the sale proceeds to you and informing you of the status of your instruction in writing. The £100 payable to Mariana is to cover their administrative and processing costs and the preparation, reconciliation and execution of trades.

(b) We reserve the right to introduce an additional charge in the future to cover any additional expenses incurred by us for a valid reason, for example:

- (i) to take account of significant regulatory change or material events outside our control such as but not limited to the administration or insolvency of a counterparty or promoter or manager;
- (ii) to allow us to look after your Plan more effectively;

(iii) to provide services to you which you may reasonably be expected to require, in the event that Mariana or any successor company to it is unable or unwilling to provide similar or related services in relation to your Plan.

No such additional charge will be introduced without giving you three months' written notice. If you are not in agreement with such a charge, you may terminate your Plan in accordance with clause 8.

(c) If our services become subject to Value Added Tax or any other tax then it will be added to charges at the prevailing rate.

(d) As a result of the implementation of the Retail Distribution Review, with effect from 1st January, 2013, commission or fees will only be payable to your financial adviser on the basis of an agreement reached between you and your adviser. No fees or commissions will be paid to your adviser unless you have agreed the amount to be paid in writing. See clause 15 below dealing with the Adviser Fee.

(e) For certain deposit based Plans, commission may still be payable to your adviser. In such a case any commission payable will be detailed in correspondence sent to you.

### 15. Adviser Fee

(a) You may instruct us to pay an initial Adviser Fee from the money you send us as part of your Application. If you want to do this, you can instruct us to do so on your Application. We will pay the Adviser Fee, deducted from the money you send us, to your adviser's firm. The amount of the Adviser Fee must be included on your Application. In the case of a new ISA subscription your Payment must be increased to take into account the amount of the Adviser Fee if you wish to use your annual ISA allowance in full.

(b) On acceptance of your Application, any

Adviser Fee will be paid to the Manager within three Business Days. The Adviser Fee amount will no longer be your property once payment has been made. The Manager will pay the Adviser Fee amount to the adviser's firm. If you choose to use your ISA transfer money to pay an Adviser Fee, you will permanently lose the ISA entitlement on the amount paid to your adviser. You will not be able to replace that money in your ISA unless you use your current tax year allowance.

(c) You should inform both us and Mariana of any change of adviser to enable us to keep our records up to date.

## 16. Extraordinary Circumstances, Adjustments and Disruption

(a) We will perform our obligations set out in these Terms and Conditions unless events outside our reasonable control prevent or restrict us from doing so. Such events are Extraordinary Events and are defined below. If an Extraordinary Event occurs one consequence may be that a payment due to you is adjusted, reduced or delayed. If an Extraordinary Event occurs, we will use due care when considering how to respond and our response will be fair and proportionate. We will not be liable for any failure or delay in performing our obligations as described in the Brochure or these Terms and Conditions caused by an Extraordinary Event but we will use reasonable efforts to minimise any adverse impact on you as far as we reasonably can and if you are being disadvantaged we will tell you as soon as we can.

(b) An Extraordinary Event means a significant event which is outside our control. Examples are:

- Strikes, lockouts or other industrial action;
- Civil commotion, riot, invasion, terrorist attack or threat of terrorist attack, war or the threat or preparation for war;
- Fire, explosion, storm, flood, earthquake,

subsidence, epidemic or other natural disaster;

- Restrictions imposed by legislation, regulation or other governmental initiatives that are not a result of our misconduct;
- Recession or significant economic collapse of a market or country;
- Failure of transport networks or other external utilities (for example telecommunications networks, water or power) leading to unavoidable disruption;
- A fundamental change to the method of calculation of the price of any Underlying;
- The suspension, limitation or material disruption of trading of any of the Underlyings;
- The exchanges on which any Underlying is traded failing to open for trading or closing early;
- The announcement that the trading of any underlying stock is to cease;
- Any Underlying is replaced by another Underlying; or
- The level of an Underlying is not calculated or published.

These are examples of Extraordinary Events and there may be other significant events outside our control that we are unable to anticipate. If such an event impacts our ability to perform our obligations under the Plan we will advise you as soon as reasonably able and let you know how we intend to deal with it. How quickly we are able to notify you may depend upon the severity of the event.

(c) Any payment due to you under the Plan is dependent on payment being made by the Counterparty of the Investment in accordance with the terms of the Investment. These terms contain provisions which may result in adjustments to the calculation of your entitlement and/or the timing of such calculation as a result of

certain adjustment or disruption events. Depending on the event or circumstance, you may have to wait longer for the Maturity Payment than the Maturity Payment Date.

## 17. Counterparty and other risks

(a) During the term of the Plan you are exposed to the credit risk of the Counterparty and the risk that the Counterparty fails to pay back the money, including any investment returns, which are promised under the terms of the Investment. If, for whatever reason, the Counterparty does not meet the terms of the Investment, this will affect what you will get back from the Plan and you could lose some or all of your original investment and any investment returns. We are not responsible if the Counterparty does not comply with the terms of the Investment.

(b) The Plan may be closed early if the Investment is terminated early. This could happen if the Counterparty is unable to comply with the terms of the Investment because a change in the law means that to do so would be illegal or impractical. If your Plan is opened as an ISA Account, the Plan could also be closed early if the Counterparty is required to pay additional tax on the Investment. In either of these circumstances, the Plan may pay out less than expected, or even nothing.

## 18. Conflicts of interests

During your investment conflicts of interest may arise between you, Mariana and us, our or Mariana's employees, associated companies or representatives of us or Mariana. To ensure we treat investors consistently and fairly, we are required to have a policy on how to identify and manage these conflicts. A summary of our policy is detailed below. A copy of the full policy is available on request from the address in clause 25. We:

(a) will consider the interests of all of our



customers and treat them fairly;

(b) will manage conflicts of interest fairly to ensure that all customers are treated consistently and to prevent any conflict of interest giving rise to a material risk of damage to the interests of our customers;

(c) have in place procedures to ensure that staff identify and report any new conflicts;

(d) will keep a written record of any conflicts or potential conflicts;

(e) if appropriate, will disclose any relevant conflict to a customer before undertaking business with them;

(f) will ensure new business developments identify any new conflicts of interest.

This policy applies to any company to whom we delegate any of our responsibilities.

## 19. Delegation

We may delegate any of our duties under these Terms and Conditions to any Related Company or other agent and may provide them with information about you and your Plan and you agree that we may do so. However, we will remain liable to you for the performance of any delegated matters. We shall only delegate our duties under these Terms and Conditions where it is permitted by law and regulations. In any event, we will not delegate unless we are satisfied that the person to whom we delegate any of our duties is competent to carry them out.

## 20. Assignment

We may appoint another company to be the Manager of your Plan under these Terms and Conditions providing one month's notice has been given to you. The new Manager must be approved to act as an ISA Manager by the Commissioners of HMRC.

## 21. Disclosure of information and the Data Protection Act

(a) Any information that you provide on your Application (or subsequently) will be held and processed by us as a data controller for the purposes of the Data Protection Act 1998. We may hold and process information for the administration of your Plan, for the operation of your Investment (including e.g. for registration and distribution purposes), for the purposes of statistical analysis, and the marketing of goods or services. We may transfer information to other companies and to third party agents of such companies or third party agents of ours for any of the above purposes.

(b) You also authorise us to transfer information you provide on your Application (or subsequently) to Mariana. They will only use such data for purposes ancillary to their role as Plan Manager, including but not limited to hedge management, dealing with subscription queries, fulfilling their regulatory obligations, statistical analysis and marketing on the Plan's maturity.

(c) Where a financial adviser acts on your behalf, we will disclose information concerning your investment to that financial adviser.

(d) Except as noted above, we will not disclose to any other third party any information relating to you unless you have given your written consent or unless we are required to do so by law. If the Manager makes any such disclosure it shall not be liable for that disclosure if it was made by the Manager acting reasonably and in good faith.

(e) You are entitled to request details of information we may hold about you on payment of a fee and to require us to correct any inaccuracies in your personal data.

## 22. Our liability

(a) Neither Mariana nor Hargreave Hale give any warranty as to the performance or profitability of the Plan. You must be aware that the price of Investments can go down as well as up and that there are both investment and counterparty risks attached to market linked investments. You may not get back the amount invested. You are reminded that past performance is no guarantee or indicator of future returns. In the event of any failure, interruption or delay in the performance of their obligations resulting from any event or circumstance not reasonably within its control, neither Hargreave Hale nor Mariana shall be liable or have any responsibility of any kind for any loss or damage you incur or suffer as a result.

(b) Neither Hargreave Hale nor Mariana will be liable or have any responsibility of any kind for any loss or damage you suffer as a result of any failure, interruption or delay in carrying out our obligations resulting from:

- Breakdown or failure of any telecommunications or computer service;
- Failure of people other than Hargreave Hale or Mariana to carry out their obligations;
- Acts of governments or international authorities;
- Any other significant or material event or circumstance that is not reasonably within our control when we have made all reasonable efforts to minimise the consequences of such events.

## 23. Changes to these Terms and Conditions

We may make fair and reasonable changes to these Terms and Conditions at any time by giving you at least 30 days prior written notice (or for changes to the charges at least 90 days notice) provided that such variations or changes are permitted under the Financial Conduct Authority Handbook.

We will only make changes for good reasons as follows:

- to make our terms clearer or more favourable to you;
- to reflect legitimate increases or reductions in the cost of providing the Plan to you, which include:
  - changes to the basis of taxation applicable to the Plan or to us in connection with the Plan;
  - costs associated with changes in staff, support services, technology or systems;
- to comply with applicable law, regulation, judgment of any court, regulator or ombudsman or any regulatory guidance or codes;
- to reflect a change in our corporate structure that does not have an unfavourable impact on your Plan but does require us to change the terms of the Plan but not to close it;
- to provide for the introduction of new or improved systems, services or facilities;
- to correct any mistake that may be discovered;
- to reflect an Extraordinary Event (as further detailed in clause 16).

If you are unhappy with any change that we make to these terms you can exit the Plan (see clause 8).

## 24. Why do I need to prove my Identity?

To protect you and us from financial crime, we may need to confirm your identity from time to time. We may do this by using reference agencies to search sources of information about you (an identity search). This will not affect your credit rating. If this identity search fails, we may ask you for documents to confirm your identity. In certain circumstances, we may need to contact you to obtain more information regarding you or your investment.

## 25. Notices or Requests

(a) We will send notices or other correspondence for you either to the address you have given us in your Application or, if you have notified us in Writing of a change, to your new residential address. We will only carry out instructions if they are from you or your authorised representatives.

(b) You should send any notices, instructions, or requests for further information, to us at:

Structured Products Department  
Hargreave Hale Limited  
Talisman House  
Boardmans Way  
Whitehills Business Park  
Blackpool FY4 5FY

or to such other address that we tell you about after acceptance.

## 26. Complaints

(a) Any complaint with regard to the Manager should be addressed to the Compliance Officer, Hargreave Hale Limited at the address in clause 25. Details of our complaints procedure are available from our website.

(b) If you have a complaint about the Plan Manager, you should write to the Compliance Officer, Mariana Capital Markets LLP, 100 Cannon Street, London EC4N 6EU. Mariana will provide details of their complaints procedure upon request, or automatically in the event that you make a complaint that is not satisfactorily resolved.

(c) If you are not satisfied with the manner in which the matter is addressed, you can refer your complaint to The Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London, E14 9SR. Making a complaint will not prejudice your right to take legal proceedings. More information

on how to complain can be found on the Financial Ombudsman Services website; [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by calling them on 0800 023 4567.

(d) Should your complaint relate to any aspect of the service provided by the Counterparty, we will refer your complaint to the Counterparty. Should your complaint relate to the service provided by your financial adviser, we will refer your complaint to your financial adviser.

## 27. Compensation

(a) In the event that we become insolvent and cannot meet our financial obligations to you, you may be entitled to compensation under the Financial Services Compensation Scheme. Details of your rights under this scheme are available from us on request, and further information is available from either the FCA or the Financial Services Compensation Scheme (their websites are [www.fca.org.uk](http://www.fca.org.uk) and [www.fscs.org.uk](http://www.fscs.org.uk)). The amount and scope of the compensation is presently 100% of the claim up to a maximum amount of £50,000.

(b) You will not be entitled to any compensation if the Counterparty bank from which we buy investments on your behalf fails to meet its financial commitments or if the investment performance of the asset underlying the Plan is poor.

(c) Prior to the trade date your money will be held in accordance with FCA client money rules with an approved UK bank. The bank holding client money is a member of the FSCS; on the bank's default, if you are an eligible claimant under the compensation scheme rules, you may be entitled to compensation of up to £50,000.

(d) The £50,000 compensation limit is the maximum amount of compensation you can claim per institution and not per product/asset. If you hold other products/

assets with the same bank you cannot make a separate claim for each product/asset. A single banking licence may apply to one or more financial institutions i.e. the parent and its subsidiary companies. You can only claim up to £50,000 across all institutions operating under a single licence.

## 28. Informing us of changes

You agree to inform us without delay of any change in your circumstances or status, including in particular any change of address, name, bank account or residency status or change of your financial adviser. We shall not be responsible for any consequences of your failure to notify us of a change in respect of your personal information. Where we do not have an up to date address for you, we may make enquiries to identify your new address and reclaim the cost of tracing. To this end, we may need to share your details with trusted external parties.

## 29. Law and jurisdiction

(a) This document is based on our understanding of current English law and HMRC practice, both of which may change in the future.

(b) These Terms and Conditions will be governed by and construed in accordance with the laws of England.

(c) We will always communicate with you in English.

(d) All communications from us will normally be by email, letter or telephone.

(e) No particular meaning should be attributed to the use of upper or lower case letters in relation to whether a term is defined or not. The singular includes the plural and vice versa.

## 30. Entire Terms

These Terms and Conditions, the remainder of the Brochure and the completed Application constitute the entire terms on which the Plan is provided to you.

## Important Information

The Plan is not a guaranteed investment.

Returns depend on an investment with the Counterparty and in the event of the Counterparty being unable to meet its obligations, the benefits will fall short of those mentioned.

The benefits are dependent on the investment being held until the Maturity Date.

The value of your investment may fall as well as rise and is not guaranteed.

The benefits are based on our understanding of current tax rules in the United Kingdom, which are subject to change.

Your liability to tax (if any) will depend on your individual circumstances.

Transfers into the Plan do not take into account any withdrawal charges levied by existing providers.

**Mariana Capital Markets LLP**

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