

# The Seneca IHT Service

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## Planning your family's inheritance

Terms & Conditions



# Section 1: Product terms

## 1. About this document

- 1.1 This document (referred to throughout as the "Terms and Conditions") is important and you should read it carefully.
- 1.2 These Terms and Conditions together with the Application Form and Information Memorandum provided to each Investor, constitute the agreement which Seneca Partners has with each Investor in the Seneca IHT Service (together, the "Agreement"). If, for any reason, there is any inconsistency between these Terms and Conditions and the other documents which constitute the Agreement, the provisions of these Terms and Conditions shall take precedence.
- 1.3 These Terms and Conditions use certain defined terms, which are explained further in Section 4 of these Terms and Conditions.
- 1.4 We appreciate that there is a lot of information contained in these Terms and Conditions (and the rest of the documents which constitute the Agreement) but it is important that you read and understand the entirety of the Agreement before you complete and return your Application Form. If you are in any doubt as to the action you should take following receipt of the Agreement, we strongly recommend that you consult with a Financial Adviser who is appropriately qualified and authorised to give investment advice.
- 1.5 All of our communications with you in relation to the Service and our Agreement with you will be in English.

## 2. Investing in the Seneca IHT Service

- 2.1 By completing and returning the Application Form, you are agreeing to be bound by the terms of the Agreement. This means that there will be a legally binding contract between you and Seneca Partners under which rights and obligations are owed to each other. These Terms and Conditions supersede any previous agreement or terms and conditions which may have previously governed the basis on which we provide the Seneca IHT Service.
- 2.2 By entering into the Agreement, you hereby appoint Seneca Partners to manage your Portfolio at its sole discretion and without further reference to you or your adviser. Seneca Partners agrees to accept its appointment and obligations on the terms set out in the Agreement.
- 2.3 Seneca Partners is incorporated in England and Wales with company number 07196273 and its registered office is at 9 The Parks, Haydock, Newton-le-Willows WA12 0JQ. Seneca Partners is authorised and regulated by the FCA with registration number 583361. Details of this registration can be located via the FCA's website at [www.fca.org.uk](http://www.fca.org.uk). The FCA is currently situated at 12 Endeavour Square, London, E20 1JN.
- 2.4 We have categorised you as a retail client for the purposes of the FCA Rules. This categorisation has been determined following our internal client categorisation process. You may request a different categorisation but, as retail clients are generally afforded a higher degree of protection than other categories of clients, we reserve the right to reject such requests. If we do accept such a request, you will lose the protection afforded to you as a retail client under the regulatory regime in the UK.
- 2.5 You have the right to cancel the Agreement for a period of up to 14 days from the date on which we accept your Application Form. If you wish to cancel the Agreement, you must submit a cancellation request in writing to the Custodian within this time limit. In the event of cancellation, you will receive back from the Custodian the amount subscribed to the Seneca IHT Service (the "Subscription"), net of the Custodian's reasonable processing costs, within 28 days of receipt of the cancellation request. All further provisions of the Agreement shall then cease to apply.

### 3. Amount of Subscriptions

In respect of the Seneca IHT Portfolio Service:

- 3.1 As noted in the Information Memorandum, if you wish to participate in the Seneca IHT Service, you shall be required to make an initial Subscription at the same time as submitting your Application Form.
- 3.2 You may make further Subscriptions to the Service at any time prior to termination.
- 3.3 Where you invest for growth, the Portfolio Manager intends to invest Subscriptions (net of fees) within 10 working days of the Custodian receiving your Subscription in one or more Qualifying Companies, which should qualify for Business Relief.
- 3.4 Where you invest for income, the Portfolio Manager intends to invest Subscriptions (net of fees) on the next quarterly Allotment Date in one or more Qualifying Companies, which should qualify for Business Relief.
- 3.5 You may only terminate the Agreement (after the cancellation period referred to in paragraph 2.5 above) in accordance with the provisions of paragraph 14 below.

### 4. Operation of the Service

- 4.1 Seneca Partners will provide the Service, and the Agreement will commence, with effect from the date being 14 days after acceptance of your Application Form.
- 4.2 In providing the Service, we will (normally acting as your agent) have complete discretion to exercise powers in relation to the selection of, or exercising rights relating to, investments to be made or which have been made on your behalf via the Service (the "Investments"). This discretion shall include, without limitation, the exercise of all conversion, subscription, voting and other rights such as may arise in respect of the Investments and any decision to sell, redeem or otherwise realise all or any part of the Investments on your behalf.
- 4.3 We have engaged the Custodian to provide administration and safe custody services in relation to the Investments and cash received by way of Subscriptions or otherwise.
- 4.4 Except as expressly provided in the Agreement (or unless otherwise authorised), Seneca Partners shall not have any authority to act on your behalf or to act as your agent.
- 4.5 In providing the Service, we will also arrange transactions in relation to the Investments and we have agreed to undertake various responsibilities such as sourcing potential Investments, conducting due diligence, monitoring performance and arranging appropriate exits. We have appointed an Investment Committee who shall maintain oversight in relation to such matters and details of those persons who form this committee upon your acceptance into the Service are set out in the Information Memorandum.
- 4.6 Unless we (in our absolute discretion) determine otherwise, we will not sell or otherwise realise your Investments unless: (a) the Service terminates in accordance with paragraph 15; (b) we have received a request from you or your personal representatives to withdraw all or part of your Investment Amount in accordance with paragraph 14 and Section 3; or (c) we reasonably believe that such Investments no longer qualify for BR. By entering into the Agreement, you acknowledge that your Investments may not be easily realisable and therefore it could be difficult, or not possible, to realise them.
- 4.7 You agree that we may decide that another person (which is appropriately authorised by the FCA) should succeed Seneca Partners as the Portfolio Manager. In such event, Seneca Partners shall notify you in writing of the date on which the change in the Portfolio Manager is to take effect and details of the new Portfolio Manager and with effect from such date, Seneca Partners shall cease to be a party to the Agreement and the new Portfolio Manager shall become a party to the Agreement in that capacity.
- 4.8 You acknowledge that the Portfolio Manager is not responsible for providing, nor has it provided, any investment or tax advice to you in relation to your decision to invest in the Service and therefore it is recommended (if you have not already done so) that you seek independent advice from an appropriately qualified Financial Adviser who is authorised to advise on such matters by the FCA.

- 4.9 You further acknowledge that Investments acquired on your behalf through the Service may be in one or more Qualifying Companies which will be managed, or which will be provided with services, by Seneca Partners and/or by Associates of Seneca Partners.

## 5. Terms applicable to dealing

- 5.1 In effecting transactions in relation to the Investments, we will act in accordance with the FCA Rules and take all reasonable steps to ensure that “best execution” is sought at all times and that deals are made on such markets and exchanges, and with such counterparties, as Seneca Partners thinks fit.
- 5.2 Where relevant, it is agreed that all transactions will be effected in accordance with the rules and regulations of the relevant market or exchange applicable to an Investment and otherwise in accordance with good market practice. All transactions in Investments will be subject to the rules and customs of the exchange or market applicable to such Investment and/or the clearing house(s) through which the transactions are executed and to all Applicable Laws so that:
- 5.2.1 If there is any conflict between the provisions of the Agreement and any such rules, customs or Applicable Laws, the latter shall prevail; and
- 5.2.2 action may be taken as thought fit in order to ensure compliance with any such rules, customs or Applicable Laws. You acknowledge that when your Portfolio is invested in unlisted securities there is generally no relevant market or exchange and consequent rules and customs, and there will be varying practices for different securities. Transactions in such securities will be effected on the best commercial terms which can be secured.
- 5.3 Subject to the FCA Rules, transactions for your Portfolio may be aggregated with those of other participants in the Service and with those of the Portfolio Manager’s employees, Associates and their employees and other customers of the Portfolio Manager. Investments made pursuant to such transactions will be allocated on a fair and reasonable basis in accordance with the FCA Rules and reasonable endeavours will be made to ensure that the aggregation will work to the advantage of each of the participants in the Service, but you acknowledge that the effect of aggregation may work on some occasions to your disadvantage.
- 5.4 Where transactions for you are aggregated with transactions undertaken for other participants in the Service, Seneca Partners shall have absolute discretion as to the number of shares in a Qualifying Company held as an Investment for each participant in the Service, provided that no participant shall be allocated fractions of shares. Minor rounding up or down may be allowed to prevent participants in the Service being deemed to be interested in fractions of shares and the aggregate of fractional entitlements may be held by the Custodian for the Portfolio Manager but you will always be the beneficial owner of the shares held in your Portfolio.
- 5.5 Seneca Partners will act in good faith and with due diligence in its choice and use of counterparties but, subject to this obligation, shall have no responsibility for the performance by any counterparty of its obligations in respect of transactions effected under the Agreement.

## 6. Custody and administration arrangements

- 6.1 Seneca Partners has engaged the Custodian and the Nominee to provide a custody, safe-keeping and administration service for participants in the Service. The Custodian engages with each such participant pursuant to its own terms of business, which can be found at [https://woodsidecorporateservices.co.uk/WCSL\\_Investor-Terms-and-Conditions.pdf](https://woodsidecorporateservices.co.uk/WCSL_Investor-Terms-and-Conditions.pdf)
- 6.2 Seneca Partners may from time to time during the continuance of the Agreement (by giving written notice to you) appoint any appropriate person as a replacement Custodian and/or Nominee to provide custody, safe-keeping and administration services in which case new terms of business with that replacement Custodian and/or Nominee shall apply (and a copy of which will be provided to you in such circumstances).
- 6.3 The Custodian will be responsible for the safe keeping of Investments and cash comprised in your Portfolio, including the settlement of transactions, the collection of income and the effecting of other administrative actions in relation to the Investments.

- 6.4 Investments will be registered in the name of the Nominee on your behalf and will therefore be beneficially owned by you at all times. However, the Custodian has by virtue of the Agreement proxy to vote on your behalf at the direction of the Portfolio Manager (or to refrain from voting if the Portfolio Manager so determines) and to instruct the disposal of the Investments.
- 6.5 The Nominee will hold title documents or other documents evidencing title to the Investments.
- 6.6 Investments or title documents may not be lent to a third party and borrowing may not be undertaken against the security of the Investments or such the documents.
- 6.7 An Investment may be realised in order to discharge your obligations under the Agreement, for example in relation to payment of fees, costs and expenses.
- 6.8 The Custodian will arrange for the Portfolio Manager to receive details of any meetings of shareholders in Investments and any other important information issued to shareholders in Investments. The Portfolio Manager may apply to the Nominee for a proxy directing how any voting rights are to be exercised by the Nominee in respect of an Investment.
- 6.9 The Custodian will hold cash subscribed by the Investor in accordance with the Client Money Rules of the FCA. Such cash balance will be deposited with an authorised credit institution in the name of the Custodian. The Custodian may debit or credit your account with all sums payable by or to you (including dividends receivable in cash and fees and other amounts payable by you whether in accordance with the terms of this Agreement or otherwise).

## 7. Valuations, reports and information

- 7.1 The Portfolio Manager will undertake a valuation (each a "Valuation") of each Qualifying Company not less frequently than annually (the date of each such Valuation being a "Valuation Date"), which it is anticipated will be based on the net asset value of each Qualifying Company.
- 7.2 You will be sent a report every 3 months, in compliance with the FCA Rules. Reporting will ordinarily be completed as at 16th January, 16th April, 16th July and 16th October each year. Reports will include:
  - 7.2.1 details of your Investments based on the latest Valuation of each Qualifying Company;
  - 7.2.2 the amount of cash held on your behalf at the beginning and at the end of the reporting period;
  - 7.2.3 a measure of performance when valuations are available for your Investments, including the cost of your Investments;
  - 7.2.4 details of any dividends, interest or other payments which are received in respect of your Investments;
  - 7.2.5 the total amount of all fees and charges incurred during the reporting period, itemising the total management fees incurred and total costs incurred in executing your Investments;
  - 7.2.6 information about any corporate actions of each Qualifying Company which may give rights in respect of an Investment;
  - 7.2.7 comparison against relevant benchmark(s) where available (this will not be included where no such relevant benchmark is identified); and
  - 7.2.8 such addition or less or other information as the FCA may from time to time require.
- 7.3 Details of any dividends which are received in respect of the Investments will also be provided in respect of each tax year ending 5th April and appropriate statements sent to you.
- 7.4 Seneca Partners shall supply (or arrange for the Custodian to supply) such further information which is in its possession or under its control as you may reasonably request as soon as reasonably practicable after receipt of such request.
- 7.5 Any statements, reports or information provided to you will state the basis of any valuations of Investments which have been made.

## 8. Fees and expenses

- 8.1 Each of Seneca Partners and the Custodian will receive fees for their respective services, and reimbursements of costs and expenses, as set out in Section 2 of these Terms and Conditions.
- 8.2 Fees payable to the Custodian may be deducted by the Custodian at source, upon presentation of an invoice to the Portfolio Manager.
- 8.3 Seneca Partners is entitled to receive a fee from your Portfolio in consideration of its services as the Portfolio Manager, as set out in Section 2 of these Terms and Conditions.

## 9. Management and administration obligations

- 9.1 Seneca Partners shall devote such time and attention and have all necessary competent personnel and equipment as may be required to enable them to provide their respective services properly, efficiently and in compliance with the FCA Rules.
- 9.2 Except as disclosed in the Information Memorandum and as otherwise provided in the Agreement the Portfolio Manager will not knowingly take any action which may prejudice the tax position of participants in the Service insofar as they are aware of the relevant circumstances, and in particular which may prejudice obtaining BR for your Portfolio's Investments.

## 10. Your obligations

- 10.1 Your investment in the Service is being accepted by Seneca Partners on the basis of the information provided, and the declaration made, by you (or on your behalf) in your Application Form.
- 10.2 You agree to immediately inform the Portfolio Manager in writing of any change in the information provided in the Application Form to which paragraph 10.1 above refers.
- 10.3 In addition, you agree to provide the Portfolio Manager with any information which it reasonably requests for the purposes of managing your Portfolio pursuant to the terms of the Agreement.

## 11. Delegation and assignment

- 11.1 The Portfolio Manager may employ agents, including Associates, to perform any administrative, custodial or ancillary services to assist the Portfolio Manager in performing its services, in which case it will act in good faith and with due diligence in the selection, use and monitoring of such agents. Any such employment of agents shall not affect the liability of the Portfolio Manager under the terms of the Agreement.
- 11.2 In particular, the Portfolio Manager has initially appointed Woodside Corporate Services Limited to act as Custodian. A link to the terms and conditions Woodside Corporate Services Limited is included in paragraph 6.1 above and contains details of the administration arrangements and obligations which have been delegated by the Portfolio Manager (referred to in the Custodian's terms and conditions as the "Investment Firm") to the Custodian.

## 12. Potential conflicts of interest and disclosure

- 12.1 The Portfolio Manager and its Associates may:
  - 12.1.1 provide similar services or any other services whatsoever to any other client;
  - 12.1.2 manage and/or provide services to Qualifying Companies and/or Borrowers;
  - 12.1.3 have direct or indirect interests in Qualifying Companies and/or Borrowers.
- 12.2 The Portfolio Manager and its Associates may be paid fees for the services referred to in paragraphs 12.1.1 and 12.1.2 (including by Qualifying Companies and/or Borrowers) and

receive income or other amounts arising out of the interests referred to in paragraph 12.1.3. In addition, each Borrower may pay an arrangement fee and/or monitoring fee either to the Qualifying Company which made the loan or to the Portfolio Manager (or part to one and part to the other).

- 12.3 The Portfolio Manager and its Associates shall not in any circumstances be required to account to you for any of the fees, charges, income or other amounts earned (and any profits made) referred to in paragraph 12.2.
- 12.4 So far as is deemed practicable the Portfolio Manager will each use all reasonable endeavours to ensure fair treatment as between you and other clients in compliance with the FCA Rules.
- 12.5 The Portfolio Manager has in place a conflict of interest policy (the "Conflicts Policy") pursuant to the FCA Rules which sets out how it (and its Associates) identifies and manages conflicts of interest mentioned in paragraph 12.1 and other conflicts of interest which may arise. Under the Conflicts Policy, the Portfolio Manager, and its Associates, are each required to take all reasonable steps to identify conflicts of interest between:
- 12.5.1 Itself and its Associates and any other entity or arrangement in which it or any of its Associates may be directly or indirectly interested and any of its other clients; or
- 12.5.2 One client of the Portfolio Manager and another such client.
- 12.6 The Portfolio Manager believes that it should identify any conflicts that may arise in other situations including between itself and any of its other Investors. Where the Portfolio Manager owes a duty to Investors or other persons, it must maintain and operate arrangements to prevent any conflict from giving rise to a material risk of damage to the interest of its clients.
- 12.7 Seneca Partners Conflict of Interest Policy is available upon request from [clientteam@senecapartners.co.uk](mailto:clientteam@senecapartners.co.uk).

### 13. Liability of the Portfolio Manager

- 13.1 The Portfolio Manager will at all times act in good faith and with reasonable care and due diligence. Nothing in this paragraph 13 shall exclude any duty or liability owed to the Investor by the Portfolio Manager under the FCA Rules.
- 13.2 The Portfolio Manager shall not be liable for any loss to you arising from any investment decision made on your behalf in accordance with these Terms and Conditions or for any other action undertaken in accordance with the Agreement, except to the extent that such loss is directly due to the negligence or wilful default or fraud of the Portfolio Manager or of its Associates or any of their respective employees.
- 13.3 The Portfolio Manager shall not be liable for any defaults of any counterparty, agent, banker, nominee or other person or entity which holds money, investments or documents of title, other than such party which is its Associate and other than as provided for in the Agreement.
- 13.4 In the event of any failure, interruption or delay in the performance of the Portfolio Manager's obligations resulting from acts, events or circumstances not reasonably within their control including but not limited to war, riot, civil commotion, terrorism or threat thereof, acts or regulations of any governmental or supranational bodies or authorities and breakdown, failure or malfunction of any telecommunications or computer service or systems, the Portfolio Manager shall not be liable, or have any responsibility, for any kind to any loss or damage thereby incurred or suffered by you.
- 13.5 As you are classified as a retail client, the Portfolio Manager is required to carry out an assessment of suitability of the Service for you as an investment, and is required to assure itself that the Service is, in general terms, appropriate for you. However, the Portfolio Manager does not give any representation or warranty as to the performance of the Service. You acknowledge that Investments made via the Service are high risk, being non-readily realisable investments. There is a restricted market for such Investments and it may therefore be difficult to sell the Investments or to obtain reliable information about their value. You undertake that you have yourself considered the suitability of investment in Qualifying Companies carefully and have noted the risk warnings set out in the Information Memorandum about the Service.



## 14. Withdrawal

- 14.1 Subject to paragraph 14.2, you may withdraw all or part of your Investment Amount from the Service by giving the Portfolio Manager notice in accordance with, and otherwise following the procedure set out, in Section 3, which may be varied from time to time in accordance with paragraph 21.2 below provided that the period of notice which the Investor must give to the Portfolio Manager of a withdrawal shall not in any event exceed six months.
- 14.2 Any withdrawal in accordance with paragraph 14.1 is conditional upon all or part of your Investment(s) being realised and you acknowledge that your Investment(s) may not be easily realisable and therefore it could be difficult, or not possible, to sell or otherwise realise them.
- 14.3 You acknowledge that upon a withdrawal of all or any part of your Investment Amount each of your Investment(s) will be realised at a price which represents the relevant proportion of the Valuation of the Qualifying Company concerned and, prior to any such realisation, the Portfolio Manager shall notify you of the price which will be paid for your Investment(s) upon a withdrawal and your Investment(s) will not be sold unless you confirm that you wish your Investment(s) to be realised at the price notified to you.
- 14.4 If you confirm to the Portfolio Manager in accordance with paragraph 14.3 and Section 3 that you wish all or part (as the case may be) of your Investment(s) to be realised, the Portfolio Manager will seek to realise all or part of the Investment(s) (as may be required) and to effect the withdrawal as soon as reasonably practicable.
- 14.5 You acknowledge that, if you make a withdrawal, you may lose Business Relief in respect of the Investment(s) sold or otherwise realised to enable the withdrawal to be effected.
- 14.6 Please refer to paragraph 3 of Section 2 of these Terms and Conditions for details of the fees that are, or may be, payable when making a withdrawal from the Service

## 15. Termination

- 15.1 The Portfolio Manager may terminate the Service (either completely or just in relation certain Investors) by giving the relevant Investors not less than 12 months' written notice of the date on which the Service will terminate.
- 15.2 If:
- 15.2.1 the Portfolio Manager ceases to be appropriately authorised by the FCA;
  - 15.2.2 the Portfolio Manager is (or is deemed by law or a court to be) insolvent or unable to pay its debts (as defined in section 123 of the Insolvency Act 1986);
  - 15.2.3 a receiver, administrator, administrative receiver, liquidator, trustee or similar officer is appointed to the Portfolio Manager or over any or all of its assets (other than for the purposes of a bona fide solvent scheme of reconstruction or amalgamation);
  - 15.2.4 other than where paragraph 4.4 applies, the Portfolio Manager gives to an Investor not less than three months' written notice of its intention to terminate its role as Portfolio Manager under this Agreement, then the Portfolio Manager shall endeavour to make arrangements to transfer its obligations to another appropriately authorised and regulated manager in which case that manager shall assume the role of the Portfolio Manager under this Agreement, failing which this Agreement shall terminate on the date on which the relevant event referred to in paragraphs 15.2.1 to 15.2.3 occurs or on the expiry of the three months' notice referred to in paragraph 15.2.4.
- 15.3 The date on which the Service or the Agreement terminates pursuant to Clauses 15.1 or 15.2 shall be referred to as the "Termination Date" in these Terms and Conditions.



## 16. Consequences of termination

- 16.1 Prior to the Termination Date, the Portfolio Manager will use reasonable endeavours to complete the realisation of all unrealised Investments expeditiously on the basis set out in the Agreement.
- 16.2 On the Termination Date, any remaining unrealised Investment(s) and cash will be transferred into the Investor's name or as the Investor may otherwise direct.
- 16.3 Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments save that your Portfolio will bear the cost of fees, expenses and costs properly incurred by the Portfolio Manager or the Custodian and Nominee up to and including the date of termination and payable under the terms of the Agreement.
- 16.4 Prior to the Termination Date, the Portfolio Manager may retain or realise such Investments as may be required to settle transactions already initiated and to pay your outstanding liabilities, including fees, costs and expenses payable under paragraph 8 above, the details of which are set out in Section 2 of these Terms and Conditions.

## 17. Confidential information

- 17.1 None of the parties to the Agreement shall disclose to third parties information the disclosure of which by it would be or might be a breach of duty or confidence to any other person.
- 17.2 In performing the Agreement, the Portfolio Manager shall not be required to make use of information which comes to the notice of any of its employees, officers or agents (or those of its Associates) unless this information has come to the actual notice of employees, officers or agents whom the Portfolio Manager specifically retains for the purposes of providing services under the Agreement to Investors.
- 17.3 The Portfolio Manager will at all times keep confidential all information acquired in consequence of the Agreement, except for information which:
  - 17.3.1 is public knowledge; or
  - 17.3.2 it may be entitled or bound to disclose under compulsion of law; or
  - 17.3.3 is required to be disclosed by or to regulatory agencies; or
  - 17.3.4 is given to its professional advisers where reasonably necessary for the performance of their professional services;
  - 17.3.5 needs to be shared with the Custodian and Nominee for the proper performance of the Agreement; or
  - 17.3.6 is authorised to be disclosed by you, provided that in making any such disclosure the Portfolio Manager shall use all reasonable endeavours to prevent any breach of this paragraph 17 through further or onward disclosure of such information.

## 18. Complaints and compensation

- 18.1 The Portfolio Manager has established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available on request. Should you have a complaint, you should contact the Portfolio Manager in the first instance. If the Portfolio Manager cannot resolve the complaint to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service.
- 18.2 The Custodian participates in the Financial Service Compensation Scheme, established under the FSMA, which provides compensation to certain eligible retail clients in the event of a firm being unable to meet its customer liabilities. Payments under this scheme are limited (to a maximum of £85,000 as at October 2019).
- 18.3 Further information is available from the Financial Services Compensation Scheme at 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU or at [www.fscs.org.uk](http://www.fscs.org.uk).

## 19. Notices, instructions and communications

- 19.1 Notices to the Portfolio Manager should be in writing and signed by an Investor, quoting an investment reference number except as otherwise specifically indicated.
- 19.2 The Portfolio Manager may rely and act on any instruction or communication which purports to have been given by persons authorised to give instructions by an Investor under the Application Form or subsequently notified by an Investor from time to time and, unless that relevant party receives written notice to the contrary, whether or not the authority of such person shall have been terminated.
- 19.3 Communication to an Investor shall be to the address or in the manner specified in the Application Form, or as otherwise notified in writing to the Portfolio Manager by an Investor.

## 20. Unsolicited real time financial promotion

- 20.1 The Portfolio Manager may communicate an unsolicited real time Financial Promotion (i.e. interactive communications such as a telephone call promoting Qualifying Company investments) to an Investor.

## 21. Amendments

- 21.1 Subject to paragraph 21.2 below, the Portfolio Manager and the Investor may amend this Agreement if such amendments are agreed and in writing.
- 21.2 The Portfolio Manager may also amend these Terms and Conditions with immediate effect (and without your explicit consent or approval):
  - 21.2.1 if it is necessary in order to comply with the FCA Rules; or
  - 21.2.2 if such amendments will make the terms fairer or more easily understandable or to correct a mistake (provided that this correction would not adversely affect you; or
  - 21.2.3 if such amendments are a response to new industry guidance or codes of practice; or
  - 21.2.4 if such amendments are considered by the Portfolio Manager (acting reasonably) to be consistent with the objectives of the Service (and such view is supported by the Investment Committee), and such amendments will become effective as soon as you are notified in writing.

## 22. Data protection

- 22.1 For the purposes of this paragraph 22, "Personal Data" has the meaning given to it in the Data Protection Legislation and includes data which enables you to be identified from it, or from the data and other information which is in the possession of, or is likely to come into the possession of the Portfolio Manager.
- 22.2 All Personal Data which you provide to the Portfolio Manager is held by the Portfolio Manager as the Data Controller (which has the meaning given to it in the Data Protection Legislation) of the Personal Data in accordance with the DPA.
- 22.3 You agree that the Portfolio Manager may pass your Personal Data to:
  - 22.3.1 Other Seneca companies such as subsidiaries of Seneca Partners Limited, Seneca Finance Ltd (and its subsidiaries) and other Seneca branded companies in which you are an investor or for whom you are a customer, for the purposes of providing efficient and complete updates to you or your adviser or responding to any queries made by you or your adviser;
  - 22.3.2 Other Seneca companies such as subsidiaries of Seneca Partners Limited, Seneca Finance Ltd (and its subsidiaries) and other Seneca branded companies for the purposes of marketing other Seneca provided products and services, where you have agreed that we can do so on page [7] of the Application Form;

- 22.3.3 Brokers, intermediaries, agents, financial institutions and other businesses (including any distributor) for the purposes of credit referencing, due diligence and providing efficient and complete updates to you or your adviser or responding to any queries made by you or your adviser;
  - 22.3.4 The Custodian, for the purposes of fulfilling their responsibilities as Custodian and Nominee for the Service;
  - 22.3.5 Any contractor employed by Seneca Partners Limited, Seneca Finance Ltd (and its subsidiaries) or other Seneca branded companies to provide IT services, subject to such contractor entering into appropriate data processing obligations with the relevant Seneca company in order to protect the security and integrity of such Personal Data; and
  - 22.3.6 Any regulatory, governmental, judicial or law enforcement body (including the FCA) if requested to do so or if otherwise deemed necessary and in accordance with the Data Protection Legislation.
- 22.4 The Personal Data shared in accordance with the above paragraph will be limited to that which is strictly necessary for the purposes stated by the party receiving the data.
- 22.5 Upon receiving your Application Form or as may otherwise be determined by us, enquiries may be made at a Credit Reference Agency to assist us to verify your identity by either us or the Custodian. This will involve checking the details you supply with any of the Agency's databases. A record of any such search will be held by the Agency and may be shared with other businesses.
- 22.6 If you have made your application via an online platform, your Personal Data may also be shared with that platform for the purposes of assisting that platform fulfil its responsibilities to you as a customer of that platform.
- 22.7 Further details of the data processing that Seneca undertakes is available in our Privacy Notice, which can be found in the Downloads section of the Seneca website ([www.senecapartners.co.uk](http://www.senecapartners.co.uk)).

## 23. Entire agreement

- 23.1 These Terms and Conditions, together with the Application Form and the Information Memorandum, comprises the entire agreement of the Portfolio Manager with you relating to the provision of the services detailed herein and supersedes all earlier meetings, any correspondences, or discussions that may have taken place preceding the signing of the Application Form.

## 24. Severability

- 24.1 If any term, condition or provision of the Agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality or enforceability of the remainder of the Agreement.

## 25. Rights of third parties

- 25.1 A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement save that the Custodian may enforce those provisions expressly set out in this Agreement which relate to the Custodian.

## 26. Governing law

- 26.1 The Agreement and all matters relating thereto shall be governed by and construed in accordance with English Law and the parties submit to the exclusive jurisdiction of the English Courts.

## Section 2: Fees and expenses in respect of the Service

### 1. Initial Fee and Costs

- 1.1 The Portfolio Manager will receive an initial arrangement fee which will be deducted from the Subscription. When an Investor has made an investment upon the recommendation of an authorised Financial Adviser, the initial arrangement fee will be 1.75% of the Subscription. Otherwise, the initial arrangement fee will be 2.75% of the Subscription. In either case, there is a minimum fee of £500. The initial arrangement fee is subject to VAT.
- 1.2 After the deduction of the initial arrangement fee, the remaining balance will be invested, subject to a dealing fee of 0.5% + VAT. All other costs associated with the setting up of the Service and all legal and start-up costs will be met by the Portfolio Manager out of the initial fee payable pursuant to paragraph 1.1.

### 2. Ongoing Fees and Costs

- 2.1 The Portfolio Manager will be paid an annual management fee by each Qualifying Company of up to 1.0% plus VAT of the amount invested in such Qualifying Company.
- 2.2 Each Qualifying Company will be responsible for all costs incurred by it in the ordinary course of providing the Service. The Portfolio Manager (and/or any of its Associates) may provide resources and services to the Qualifying Companies and, subject as mentioned in paragraph 2.3, invoice them for such resource and/or service.
- 2.3 As part of the resources provided to Qualifying Companies the Portfolio Manager may provide the services of its employees, whether directly or indirectly (including by secondment) to a Qualifying Company, and may re-charge the costs of employment of such employees to such Qualifying Company. The aggregate amount invoiced by the Portfolio Manager for providing the services of its employees to the Qualifying Company together with the costs of employment of any employees directly employed by the Qualifying Company, but excluding the costs of any non-executive directors appointed by the Qualifying Company will not exceed the equivalent of 3.0% plus VAT where applicable (to include the annual management fee mentioned in 2.1 above) of the aggregate amount invested in that Qualifying Company by Investors.
- 2.4 Each Borrower may pay an arrangement fee and/or monitoring fees either to the Qualifying Company which made the loan or to the Portfolio Manager (or part to one and part to the other).

### 3. Exit and Withdrawal Fees

- 3.1 Where an Investor, their representative or their executor makes a request to withdraw some or all of their Subscription from the Service, some or all of the shares held on behalf of that Investor within the Service will be sold to facilitate that request. Where this happens, a dealing fee equivalent to 0.5% + VAT of the amount realised will be charged. This fee will be paid by deduction from the amount realised.
- 3.2 Where an Investor, their representative or their executor makes a request to withdraw some or all of their Subscription from the Service, a Withdrawal Fee of 0.5% plus VAT will be charged on the amount withdrawn.
- 3.3 A Bank Payment Fee of £7 + VAT will be charged each time a bank payment is made to a financial adviser to cover an initial advice fee or ongoing advice fees.
- 3.4 Where an Investor, their representative or their executor makes a request to switch some or all of their Subscription from investing for income to investing for growth or vice versa, a dealing fee equivalent to 0.5% + VAT of the value of any share sold and a further dealing fee of 0.5% + VAT of the value of any shares purchased will be charged.

## 4. Introductory Fees

- 4.1 Subject to the Investor confirming in writing that he has agreed to pay it, an initial fee may be payable to the Investor's Independent Financial Adviser and/or other introducer. The investor should pay the amount of fee in addition to the Subscription.

## 5. Illustration of the Initial Fees

<b>Initial Subscription</b>	<b>£100,000.00</b>
Less initial fee of 1.75% + VAT	(£2,100.00)
Net Amount	£97,900.00
Investment Amount	£97,316.10
Dealing fee of 0.5% + VAT	£583.90
Cash	£0.00
	<b>£97,900.00</b>

The illustration above assumes that an initial subscription of £100,000 is made following advice from a Financial Adviser and that the share price is £1.26 per share\*. In this example, the amount invested after the deduction of the Initial and Dealing Fees would be £97,316.90. This net investment amount is the amount that will be used to purchase shares and upon which Business Relief might be claimed in due course.

\*The share price used is for illustrated purposes only.

## Section 3: Procedure for withdrawal

### Notification by the Investor

If the Investor (or, where applicable, his personal representatives) wishes to withdraw all or part of his Subscription(s) from the Service, he must give written notice to the Portfolio Manager (a "Withdrawal Notice") stating the amount of his Subscription(s) which he wishes to withdraw (the "Withdrawal Amount") at least three months prior to the date he wishes the withdrawal to take place (the "Withdrawal Date"). If the Investor wishes to withdraw part of his Subscription(s) only, the Withdrawal Amount must be at least £5,000 and the amount that remains invested should be a minimum of £25,000. The Investor must also specify the balance of the Investment which he wishes to invest for income and the balance which he wishes to invest for growth. In the absence of such specification, the split originally specified in your Application Form will be maintained.

If the Investor requests a Withdrawal Date that falls on a Valuation Date (as defined in Clause 6.1) or within the 30 working day period immediately following a Valuation Date, the Portfolio Manager reserves the right to either:

- a) change the Withdrawal Date to 1 working day prior to the Valuation Date and therefore utilise the "Price per Share" from the previous Valuation Date; or
- b) change the Withdrawal Date to 60 working days after the Valuation Date. The option taken will be at the absolute discretion of the Portfolio Manager.

### Valuation and confirmation of withdrawal

Upon receipt of a Withdrawal Notice, the Portfolio Manager shall request a valuation of the shares in each relevant Qualifying Company from the directors of that relevant Qualifying Company, based on the Investor's proportional interest in the net asset value of that relevant Qualifying Company as at the date the Withdrawal Notice is received.

The relevant Price per Share determined by the directors of the relevant Qualifying Company and agreed by the Portfolio Manager shall be final and binding save in the event of fraud or manifest error.

Subject to the Portfolio Manager being notified of the Price per Share from each relevant Qualifying Company and agreeing the Price per Share with the directors of the relevant Qualifying Company, the Portfolio Manager shall give written notice (a "Withdrawal Price Notice") to each Investor who has given, or is deemed to have given, a Withdrawal Notice which shall set out:

- a) the relevant Price per Share in relation to each Qualifying Company in which the Investor beneficially own shares;
- b) the number of shares in such Qualifying Company (the "Relevant Shares") which would need to be sold, repaid or otherwise realised in order to enable the Investor to withdraw the Withdrawal Amount; and
- c) a date, being not less than 10 business days after the date of the Withdrawal Price Notice, (the "Relevant Date") by which the Investor must give notice in writing to the Portfolio Manager (a "Confirmation Notice") if he wishes to proceed with the withdrawal of the Withdrawal Amount by the sale, repayment or other realisation of the Relevant Shares at the relevant Price per Share.

The Portfolio Manager will seek to give a Withdrawal Price Notice on or around 30 days prior to the Withdrawal Date but this is dependent upon when the Price per Share is received from the relevant Qualifying Company.

If the Portfolio Manager does not receive a Confirmation Notice from the Investor on or before the Relevant Date (or such later date as the Portfolio Manager may agree), the Investor shall be deemed to have revoked his Withdrawal Notice and chosen to leave the Withdrawal Amount in the Service.

### Release of the withdrawal amount

Following receipt of a Confirmation Notice, the Portfolio Manager will seek to release the Withdrawal Amount by realising the Relevant Shares at the relevant Price per Share by any available method which the Portfolio Manager may, in its absolute discretion, consider appropriate. This could involve the relevant Qualifying Company undertaking a capital reduction to repay the Relevant Shares at the Price per Share.

## Section 4: Glossary

This section of the Terms and Conditions explains the defined terms which are used throughout the rest of the Terms and Conditions.

Any reference in these Terms and Conditions to any statute, statutory provision or rule (including, without limitation, any reference to the FCA Rules) includes reference to any statutory modification or amendment of it or any re-enactment or replacement that supersedes it and to any regulation or subordinate legislation made under it (or under such modification or re-enactment).

References in these Terms and Conditions, the Agreement, or to any other document(s) referred to in them, shall include any permitted variations, amendment supplement to, or replacement of, such document(s).

References to the plural shall include the singular and vice versa. Any reference to a person shall be to a legal person of whatever kind, whether incorporated or unincorporated.

Any reference to a paragraph or section is to a paragraph or section of these Terms and Conditions.

<b>"Agreement"</b>	has the meaning given in paragraph 1.2 of these Terms and Conditions;
<b>"Allotment Date"</b>	means the date on which shares in a Qualifying Company are purchased with your Subscription (there are usually four Allotment Dates in each year on 2 January, 1 April, 1 July and 1 October or, if any of these fall on a weekend or a bank holiday, the next working day thereafter);
<b>"Applicable Laws"</b>	means any relevant UK laws (including, without limitation, FSMA) and the FCA Rules;
<b>"Application Form"</b>	means the application form document applicable to the Service and which you need to complete in order to be accepted for participation in the Service;
<b>"Associate"</b>	<ul style="list-style-type: none"> <li>a) in relation to any body corporate, any holding or subsidiary undertaking (as defined in the Companies Act 2006) of such body corporate and any other body corporate directly or indirectly controlled by such body corporate or by the same (or some of the same) person(s) as control such body corporate;</li> <li>b) in relation to Seneca Partners, any body corporate which is controlled by individuals who are shareholders, officers or employees in or of Seneca Partners; and</li> <li>c) any officer, partner, member, employee or agent of such body corporate and any such undertaking and other body corporate as are referred to in paragraph (a) and (b) of this definition above;</li> </ul>
<b>"Borrower"</b>	means any person or entity to which a Qualifying Company makes a loan in the ordinary course of its business;
<b>"BR" or "Business Relief"</b>	formerly known as Business Property Relief (or BPR), as provided for in Chapter 1 of Part V of the IHTA;
<b>"Conflicts Policy"</b>	has the meaning given in paragraph 13.5 of these Terms and Conditions;
<b>"Custodian"</b>	means Woodside Corporate Services Limited, a company registered in England and Wales whose registered office is at 1st Floor, 12-14 Mason's Avenue, London, EC2V 5BT or such other entity as may replace it as custodian for the Fund from time to time;



<b>"Data Protection Legislation"</b>	means the Data Protection Act 2018, the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2426/2003) (as amended), the General Data Protection Regulation (Regulation (EU) 2016/679) and all other applicable laws and regulations relating to the processing of the personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner or any other national data protection authority, and the equivalent of any of the foregoing in any relevant jurisdiction that come into force from time to time;
<b>"FCA"</b>	means the Financial Conduct Authority, which expression shall include any replacement or substitute and any regulatory body or person succeeding, in whole or in part, to the functions of the FCA or any other relevant supervisory body;
<b>"FCA Handbook"</b>	means the handbook of rules, regulations and guidance issue by the FCA;
<b>"FCA Rules"</b>	means the rules issued by the FCA, including (without limitation) the FCA Handbook;
<b>"FSMA"</b>	means the Financial Services and Markets Act 2000;
<b>"HMRC"</b>	means Her Majesty's Revenue & Customs;
<b>"IHTA"</b>	means the Inheritance Tax Act 1984;
<b>"Information Memorandum"</b>	means the information memorandum relating to the Service as published from time to time;
<b>"Investment Amount"</b>	means the amount an Investor invests after the deduction of the Initial Fee, Dealing Fees (excluding those charged when selling a holding) and any advice fee agreed with an Investor's financial adviser;
<b>"Investment Committee"</b>	means the investment committee appointed by the Portfolio Manager from time to time;
<b>"Investments"</b>	has the meaning given in paragraph 4.2 of these Terms and Conditions;
<b>"Investor"</b>	means any individual named in an Application Form which is accepted by the Portfolio Manager and therefore is participating in the Service;
<b>"Nominee"</b>	means WCS Nominees Limited or such other entity as may replace it as nominee for the Fund from time to time;
<b>"Portfolio"</b>	means the portfolio of assets (including uninvested cash and Investments) subject to management by the Portfolio Manager in accordance with the terms of the Agreement; the Fund Manager in accordance with the terms of the Agreement;
<b>"Qualifying Company" or "Qualifying Companies"</b>	means a company or companies the shares in which constitute "relevant business property" for the purposes of section 105 of the IHTA and in which the Service invests on your behalf as part of your Portfolio;
<b>"Retail Client"</b>	has the meaning given by the FCA Handbook being, in summary, a categorisation prescribed by the FCA which may be applied to clients and which affords the highest levels of protections under the UK regulatory regime;
<b>"Service" or "Seneca IHT Service"</b>	means the product / service as more particularly described in the Information Memorandum;

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<b>“Seneca Partners”, “Fund Manager”, “we”, “us” or “our”</b>	mean Seneca Partners Limited, a company registered in England and Wales whose registered office is at 9 The Parks, Newton-le-Willows WA12 0JQ or such other entity as may replace it as the manager of the Service from time to time;
<b>“Subscription”</b>	means the amount an Investor invests in the Service before the deduction of any fees or charges. Any advice fees are paid in addition to the Subscription;
<b>“Termination Date”</b>	has the meaning given in paragraph 15.1 of these Terms and Conditions;
<b>“UK”</b>	means the United Kingdom;
<b>“VAT”</b>	means Value Added Tax; and
<b>“you” or “your”</b>	means the person(s) named in the Application Form as being a participant in the Service and to whom the Portfolio Manager provides services in accordance with the terms of the Agreement.

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