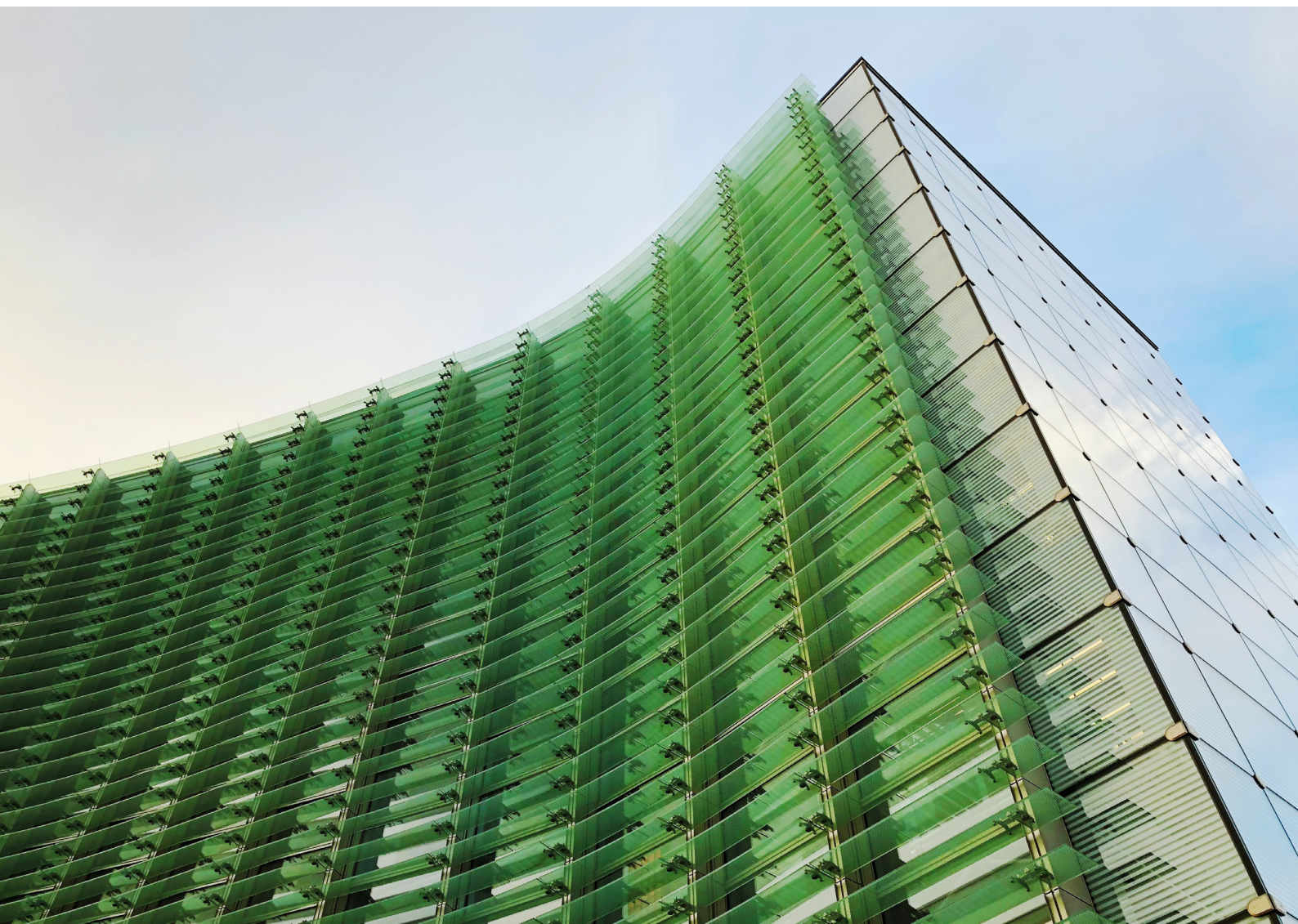




Waystone Financial Investments Limited

Governance Disclosures



Introduction

The purpose of this document is to satisfy the regulatory obligations on Waystone Financial Investments Limited to publicly disclose a summary of its governance arrangements.

Timing and Location

The disclosures will routinely be updated annually, in line with the finalisation of the Company's financial statements, and may be updated more frequently should circumstances warrant (e.g. on major regulatory or business change).

The disclosures will be placed on the Company's website.

Information disclosed is current as at the date of publication of this document.

The Company's Activities and Ownership

The Company acts as ISA manager of the "Prudential ISA". It has no other activities. Its activities involve the administration of clients' accounts and the passing of transactions to / from the providers of products available within the "Prudential ISA". It undertakes no market-facing activities.

It is a wholly-owned subsidiary of Waystone group of companies and is therefore subject to the group's governance framework as well as its own.

The arrangements summarised below are therefore set in context of the above.

Theme / Regulatory References	Regulatory Requirement	How Waystone Financial Investments Limited Satisfies Requirement
Duties of the Board MIFIDPRU 8.3.1 R SYSC 4.3A.1 R	<p>A common platform firm must ensure that the management body defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the firm, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of clients.</p> <p>The firm must ensure that the management body:</p> <ol style="list-style-type: none"> 1. has overall responsibility for the firm; 2. approves and oversees implementation of the firm's strategic objectives, risk strategy and internal governance; 3. ensures the integrity of the firm's accounting and financial reporting systems, including financial and operational controls and compliance with the regulatory system. 4. oversees the process of disclosure and communications; 5. has responsibility for providing effective oversight of senior management. 6. monitors and periodically assesses <ol style="list-style-type: none"> g. the adequacy and the implementation of the firm's strategic objectives in the provision of investment services and/or activities and ancillary services; h. the effectiveness of the firm's governance arrangements; and i. the adequacy of the policies relating to the provision of services to clients; <p>and takes appropriate steps to address any deficiencies;</p> <ol style="list-style-type: none"> 7. has adequate access to information and documents which are needed to oversee and monitor management decision-making. 	<p>In accordance with applicable requirements under regulation and company law, the Waystone Financial Investments Limited Board is ultimately accountable and responsible for the implementation of governance arrangements that ensure effective and prudent management of the firm, including the segregation of duties in the organisation and the prevention of conflicts of interest, and the matters listed in points 1. to 6. in the earlier column.</p> <p>In doing so, it has regard to its ownership by the Waystone Group, including the "three lines of defence model" operated by the group, and policies and procedures that apply groupwide.</p>

Theme / Regulatory References	Regulatory Requirement	How Waystone Financial Investments Limited Satisfies Requirement
SYSC 4.3A.1A R	<p>Without prejudice to SYSC 4.3A.1R, a common platform firm must ensure that the management body defines, approves and oversees:</p> <ol style="list-style-type: none"> 1. the organisation of the firm for the provision of investment services and/or activities and ancillary services, including the skills, knowledge and expertise required by personnel, the resources, the procedures and the arrangements for the provision of services and activities, taking into account the nature, scale and complexity of its business and all the requirements the firm has to comply with; 2. a policy as to services, activities, products and operations offered or provided, in accordance with the risk tolerance of the firm and the characteristics and needs of the firm's clients to whom they will be offered or provided, including carrying out appropriate stress testing, where appropriate; and 3. a remuneration policy of persons involved in the provision of services to clients aiming to encourage responsible business conduct, fair treatment of clients as well as avoiding conflict of interest in the relationships with clients. 	<p>Please see previous response.</p> <p>The Company's activities are limited to ISA management for the "Prudential ISA". Its policy is to act as a dedicated service provider, i.e. it has no present intention of expanding the services, activities, products and operations offered or provided.</p> <p>The Company maintains a remuneration policy to address the requirements set out in 3.</p>
<p>Board composition and effectiveness</p> <p>SYSC 4.3A.3 R</p>	<p>A common platform firm must ensure that the members of the management body of the firm:</p> <ol style="list-style-type: none"> 1. are of sufficiently good repute; 2. possess sufficient knowledge, skills and experience to perform their duties; 3. possess adequate collective knowledge, skills and experience to understand the firm's activities, including the main risks; 4. reflect an adequately broad range of experiences; 5. commit sufficient time to perform their functions in the firm; and 6. act with honesty, integrity and independence of mind to effectively assess and challenge the decisions of senior management where necessary and to effectively oversee and monitor management decision-making. 	<p>The Company's Board is subject to formal recruitment, induction, training, development, appraisal and performance management processes, and must also satisfy regulatory "fitness and properness" requirements and the duties imposed by FCA on individuals subject to regulatory approval.</p> <p>The Board is currently composed of two executive and one non-executive directors, all of whom are full-time employees of the Waystone Group.</p> <p>The Company believes the Board commits sufficient time to its affairs and reflects an appropriate range of experiences, having regard to the activities the Company performs.</p> <p>The Company keeps Board composition and effectiveness under review on an ongoing basis.</p>
SYSC 4.3A.2 R	<p>A common platform firm must ensure that the chairman of the firm's management body does not exercise simultaneously the chief executive function within the same firm.</p> <p>A firm may apply to the FCA under section 138A of the Act to waive SYSC 4.3A.2R.</p>	<p>The Company has appointed separate directors to fulfil these roles.</p>

Theme / Regulatory References	Regulatory Requirement	How Waystone Financial Investments Limited Satisfies Requirement
Board training and induction SYSC 4.3A.4 R	A common platform firm must devote adequate human and financial resources to the induction and training of members of the management body.	The Company satisfies this obligation by means of the processes set out in the “Board composition and effectiveness” response.
Other directorships held by members of the Board SYSC 4.3A.5 R	A common platform firm must ensure that the members of the management body of the firm do not hold more directorships than is appropriate taking into account individual circumstances and the nature, scale and complexity of the firm’s activities.	<p>All staff are subject to formal processes that govern the nature and number of external relationships.</p> <p>Directors of the Company may also sit on the boards of other entities within the same group of companies.</p> <p>Governance processes include the review of board composition both in light of business requirements from time to time and taking account of individual circumstances and the nature, scale and complexity of the Company’s activities.</p>
MIFIDPRU 8.3.1 R, 8.3.2 R	<p>A firm to which MIFIDPRU applies is required to disclose the number of directorships (executive and non-executive) held by each member of the <i>management body</i>.</p> <p>This disclosure can exclude:</p> <ol style="list-style-type: none"> 1. executive and non-executive directorships held in organisations which do not pursue predominantly commercial objectives; and 2. executive and non-executive directorships held within the same group or within an undertaking (including a <i>non-financial sector entity</i>) in which the <i>firm</i> holds a <i>qualifying holding</i>. 	Please see separate disclosure.
SYSC 4.3A.6 R MIFIDPRU 8.3.1 R (3)	<ol style="list-style-type: none"> 1. A common platform firm that is a significant SYSC firm must ensure that the members of the management body of the firm do not hold more than one of the following combinations of directorship in any organisation at the same time: <ol style="list-style-type: none"> a. one executive directorship with two non-executive directorships; and b. four non-executive directorships. 2. Paragraph (1) does not apply to members of the management body that represent the United Kingdom. <p>A firm may apply to the FCA to waive these limits in certain circumstances.</p>	<p>The Company does not fall to be regarded as a “significant SYSC” firm (the definition of which can be found in SYSC 1.5 in the FCA handbook).</p> <p>This provision is not currently applicable.</p> <p>The Company has therefore had no cause to seek a waiver from the FCA on this issue.</p> <p>The Company monitors its position against the thresholds determining “significant SYSC” firm status so as to be ready to implement any resulting requirements should that prove necessary.</p>

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SYSC 4.3A.7 R	<p>For the purposes of SYSC 4.3A.5 R and SYSC 4.3A.6 R:</p> <ol style="list-style-type: none"> 1. directorships in organisations which do not pursue predominantly commercial objectives shall not count; and 2. the following shall count as a single directorship: <ol style="list-style-type: none"> a. executive or non-executive directorships held within the same group; or b. executive or non-executive directorships held within undertakings (including non-financial entities) in which the firm holds a qualifying holding. 	Please see previous response.
MIFIDPRU 8.3.1 R (4)	<p>A firm to which MIFIDPRU applies is required to disclose a summary of the policy promoting diversity on the <i>management body</i>, including explanations of:</p> <ol style="list-style-type: none"> a. the objectives of the policy and any target(s) set out in the policy; and b. the extent to which the objectives and any target(s) have been achieved; and c. where the objectives or target(s) have not been achieved: <ol style="list-style-type: none"> i. the reasons for the shortfall; and ii. the firm's proposed actions to address the shortfall; and iii. the proposed timeline for taking those actions. 	<p>The Company is a wholly-owned subsidiary of Waystone Group and therefore has regard generally to Waystone Group's diversity and inclusion policy.</p> <p>Its activities are straightforward and its size is not significant. The size of its Board reflects these factors, but also limits the relevance of explicit targets or any potential shortfalls. No such targets or any specific diversity objectives have been formally established. Rather, the Company will have regard to diversity when it is considering Board effectiveness, composition, or the candidates for any particular role.</p>
Nomination arrangements SYSC 4.3A.10 R	<p>A common platform firm that does not have a nomination committee must engage a broad set of qualities and competences when recruiting members to the management body. For that purpose a common platform firm that does not have a nomination committee must put in place a policy promoting diversity on the management body.</p>	<p>The Company is not required to establish a nomination committee as it does not possess the scale at which MIFIDPRU 7.3.5 R becomes applicable.</p> <p>By extension, the specific duties of a nomination committee set out in SYSC 4.3A.9 R are not currently relevant.</p> <p>The Company's approach to Board composition and diversity is set out in the previous responses.</p>