

TERMS OF BUSINESS & POLICIES

RISK NOTICE

We provide services for trading derivative financial contracts. These contracts are traded on a margin or leverage basis, a type of trading which carries a high degree of risk to your capital. The price of the contract may change quickly and your profits and losses may be many times the amount of your investment or deposit. If you do not hold sufficient funds to meet your margin requirements, then your open positions may be closed immediately and without notice. Please read the Risk Warning Notice carefully to fully understand the risks of trading on a margin or leverage basis. You should not deal in such contracts unless you understand and accept the risks of margin trading. Trading in these products may not be suitable for everyone.

1 INTRODUCTION

1.1 Union Investment Management Limited (**UIM**) is authorised and regulated in the conduct of investment business in the UK by the Financial Services Authority (**FCA**). Our principal place of business is 52 Brook Street, London, W1K 5DS. The FCA's present address is 25 The North Colonnade, Canary Wharf, London, E14 5HS.

1.2 This document referred to as Terms of Business (**Terms**) is part of a wider agreement between you (**Client**) and UIM (**Company**) in relation to the Client's investment activities with the Company.

1.3 The Company's agreement with the Client consists of several documents that can be accessed through the Company's website or upon request and specifically comprises:

- (a) these Terms (including the Schedules);
- (b) any application or form that the Client submits to open, maintain or close an Account; and
- (c) any specific terms and conditions relating to the Company's website which will be displayed on the relevant website.

which are together referred to as the Agreement. This Agreement constitutes the entire agreement between the Client and the Company with respect to the subject matter hereof and supersedes all prior or contemporaneous oral or written communications, proposals, agreement or representations with respect to the subject matter.

1.4 There are additional documents and information available to the Client upon request, which provide more

details about the Company and its services, but which do not form part of the Agreement. These include:

- (a) the Company's 'Order Execution Policy' which explains certain aspects of how the Company deals with Orders and Transactions;
- (b) the Company's 'Conflict of Interest Policy' which explains how the Company handles conflicts of interests in a manner that treats customers fairly;
- (c) the Company's 'Data Protection Policy' which explains how the Company deals with personal information that the Client provides to the Company; and
- (d) the Company's 'Complaint Handling Procedure' which details how the Company deals with customer complains.

1.5 For the clients benefit and protection, the Client should take sufficient time to read the Terms, as well a any additional documents and information (forming part of the Agreement or otherwise) available on the Company's website or upon request, before the Clients opens an Account and places any Order or Transaction with the Company. The Client should contact the Company to ask for further information or seek independent professional advice if it does not understand anything.

2. DEFINITIONS

2.1 in these Terms, the following words and phrases shall, unless the context otherwise requires, have the following meanings and may be used in the singular or plural as appropriate:

'Account' means any account that the Company maintains for the Client for dealing in the products or services made available under these Terms;

'Agent' means an individual or legal entity undertaking a Transaction on behalf of another individual person or legal entity but in his/its own name or in the Client's name;

'Agreement' has the meaning given to it in clause 1.2 of these Terms;

'Applicable Regulations' means FCA Rules or any other rules of a relevant regulatory authority or any other rules of a relevant Market and all other applicable laws, rules and regulations as in force from time to time;

'Associated Company' means, in respect of the Company, the Company's subsidiaries or holding companies or subsidiaries of such holding companies with "subsidiary" and "holding company" being as defined in Section 1159 of the Companies Act 2006 (as amended from time to time);

"Attorney" means an Agent or representative authorised by the Client under a Limited Power of Attorney who the Company agrees may act for the Client and give instructions to the Company on the Client's behalf in respect of these Terms;

'Business Day' means any day other than a Saturday or Sunday where the banks are open for general commercial business in London, United Kingdom;

'CFD' means a contract for difference within the meaning of Articles 85(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

'Client' means you, the individual person or legal entity who is a party to these Terms and a customer of the Company;

'Closing Date' means the date on which a Transaction is closed by either the Client or the Company in accordance with these Terms;

'Company' means Union Investment Management Limited (02788777), a private limited liability company incorporated under the laws of England and Wales and having its registered office at 52 Brook Street, London, England. W1K 5DS;

'Complex Products' means certain derivative products such as, without limitation, Spread Bets, CFD's and certain shares if they are not listed on a Regulated Market or on a Market which has equivalent standards of regulations as an EEA Market;

'Conflict of Interest Policy' means the Company's policy on potential conflicts of interest that may arise in providing its services and how the Company manages them;

'Corporate Action' means the occurrence of any of the following in relation to the issuer of any relevant financial instrument and/or Underlying Instrument:

- (a) Any rights, scrip, bonus or capitalisation or other issue or offer of shares/Equities or whatsoever nature or the issue of any warrants, options or other like giving the rights to subscribe for shares/Equity;
- (b) An acquisition or cancellation of own shares/Equities by the issuer;
- (c) Any reduction, subdivision, consolidation or reclassification of share/Equity capital;
- (d) Any distribution of cash or shares, including any payment of dividend;
- (e) A take-over or merger offer;
- (f) Any amalgamation or reconstruction affecting the shares/Equity concerned; and/or
- (g) Any other event which has a diluting or concentrating effect on the market value of any share/Equity which is an Underlying instrument or otherwise;

'Custodian' means the meaning given in the FCA Rules and the Custodian appointed from time to time by the Client;

'Discretionary Investment Management Service' means the services as described in clause 7.5 of these Terms;

'EEA' means the European Economic Area which is all the countries in the EU plus Iceland, Norway and Liechtenstein;

'Eligible Counterparty' has the meaning given to it in the FCA Rules effective from 1 April 2013;

'Equity' has the meaning given to the term 'equity share' under the FCA Rules, which generally means, shares comprised in a company's equity share capital;

'Event of Default' means any of the events listed in clause **18.1** of these Terms;

'Exceptional Market Event' means the suspension, closure, liquidation, imposition of limits, special or unusual terms, excessive movement, volatility or loss of liquidity in any relevant Market or Underlying Instrument, or where the Company reasonably believes that any of the above circumstances are about to occur;

'FCA' means the Financial Conduct Authority in the United Kingdom or any successor organization or authority for the time being responsible for the regulation of investment business in the United Kingdom;

'FCA Rules' means the Handbook of Rules and Guidance of the FCA;

'Force Majeure Event' has the definition given to it in clause **19** of these Terms;

'General Risk Disclosure Notice' means the notice provided to clients in Appendix 1 of these Terms;

'HMRC' refers to HM Revenue and Customs of the United Kingdom or any successor organization established from time to time;

'Insolvency Officer' has the definition given to it in clause 18.1(g) of these Terms;

'Limited Power of Attorney' means the document through which the Client appoints an Agent or representative to act and/or give instructions on its behalf in respect of the Agreement;

'Manifest Error' has the meaning given to it by clause 20 of these Terms;

'Margin' means the deposit of funds or other collateral acceptable to the Custodian as security for payment of losses incurred by the Client in respect of any Transaction;

'Margined Transaction' means any Transaction liable to Margin;

'Market' means any market or multinational trading facility subject to government or state regulation with established trading rules and trading hours including without limitation a Regulated Market and a Multilateral Trading Facility as defined in Article 4 of the Markets in Financial Instruments Directive 2004/39/ED;

'Non Complex Product' means certain products including, without limitation, shares traded on a Regulated Market or

an equivalent Market outside Europe, as well as bonds and units in a regulated collective investment scheme;

'Open Position' means a Transaction which has not been closed in whole or in part under these Terms;

'Order' means an instruction to purchase or sell a CFD Contract, a Spread Bet Contract and/or any other products;

'Order Execution Policy' means the Company's policy on the extent to which the Company will be required to provide clients with the best execution when executing Trades and Orders a summary of which is provided in Appendix 2;

'OTC' is an abbreviation of 'Over The Counter' and means any Transaction concerning a commodity, security, currency, or other financial instrument or property, including any option, future, or CFD which is traded off exchange rather than on a regulated stock or commodity exchange;

'Principal' means the individual person or legal entity which is a party to a Transaction;

'Professional Client' has the meaning given to it in the FCA Rules effective from 1 November 2007;

'Regulated Market' means a multilateral trading system operated by a market operator in the EEA such as the London Stock Exchange that brings together multiple third party buying and selling interests in financial instruments where the instruments traded are admitted to the Market according to its rules and systems;

'Retail Client' has the meaning given to it in the FCA Rules effective from 1 November 2007;

'Security' means investments within articles 76 to 80 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

'Service Provider' means a person or firm who provides a third party service to the Client which is compatible with or enhances the Company's Services, and who is not an agent of the Company;

'Services' means the services to be provided under these Terms;

'Spread Bet' means a gaming contract, which under the Financial Services and Markets Act 2000 constitutes the selling or buying of a CFD;

'Terms' means these Terms of Business between the Company and the Client;

'Transaction' means a contract in a financial instrument or any other contractual arrangement placed by the Company for the Client;

'Underlying Instrument' means the index, commodity, currency, Equity or other instrument, asset or factor whose price or value provides the basis for any third party

to determine its price or the executable price for a Market or product.

2.2 A reference in the Terms to a 'clause' or 'Schedule' shall be construed as a reference to, respectively, a clause or Schedule of these Terms, unless the context otherwise requires.

2.3 References in these Terms to any law, statute, regulation or enactment shall include references to any modification, amendment, extension or re-enactment thereof.

2.4 In the Terms, references to an individual person shall include bodies corporate, unincorporated associations, partnerships and individuals.

2.5 Capitalised words and phrases defined in the FCA Rules have the same meaning in these Terms unless expressly defined in these Terms.

2.6 Headings and notes in the Terms are for reference only and shall not affect the contents and interpretation of the Terms.

3. REGULATORY DISCLOSURE

3.1 The Company has its registered office at 52 Brook Street, London. W1K 5DS and is authorised and regulated by the FCA. The FCA's address is 25 The North Colonnade, Canary Wharf, London. E14 5HS (www.fca.gov.uk). The Company's FCA reference number is 178723.

3.2 As noted in clause 1.3, the Company maintains a 'Complaints Handling Procedure', which may be provided to the Client upon request. The Client should notify the Company as soon as reasonably practicable if it wants to raise a complaint or dispute by emailing the Company at operations@uim.co.uk. The Client should keep its own records of any information which might be cited in the Client's complaint, as that will assist the Company in investigating such complaints or disputes. The Company will investigate any complaint or dispute and notify the Client of the results of that investigation. The Company has procedures and guidelines designed to enable it to deal with complaints fairly and quickly; the Client may contact the Company at any time for further information on such procedures and guidelines.

4. RISK ACKNOWLEDGMENT

4.1 The Client acknowledges, recognises and understands that trading and investments in leveraged as well as non-leveraged products;

- (a) Is highly speculative;
- (b) May involve an extreme degree of risk; and
- (c) Is appropriate only for persons who, if they trade on Margin, can assume risk of loss in excess of their Margin deposit.

4.2 The Client acknowledges, recognises and understands that:

- (a) Because of the low Margin normally required in Margined Transactions, price changes in the underlying asset may result in significant losses, which may substantially exceed the Client's investment and Margin deposit;
- (b) When the Client directs the Company to enter into a Transaction, any profit or loss arising as a result of a fluctuation in the value of the asset or the underlying asset will be entirely for the Client's account and risk;
- (c) Unless it is otherwise specifically agreed, the Company shall not conduct any continuous monitoring of the Transactions already entered into by the Client. Hence, the Company cannot be held responsible for any Transactions that may develop differently from what the Client might have presupposed; and
- (d) Guarantees of profit or freedom from loss are impossible in investment trading. The Client accepts that it has not received such guarantees or similar representations from the Company or any other entity with whom the Client deals with relating to its Account.

4.3 The Client's attention is drawn to thoroughly read, review and understand Appendix 1 of these Terms which provides a General Risk Disclosure Notice in respect of Complex Products.

5. CLIENT CLASSIFICATION

5.1 In compliance with the European Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (MiFID) and with the implementation into English legislation (through changes to the Financial Services and Markets Act 2000, secondary legislation and the FCA Rules) the Company classifies its clients into three main categories: Eligible Counterparties, Professional Clients and Retail Clients.

5.2 The Company attaches different levels of regulatory protection to each category and hence to Clients within each category. Currently, the Company does not deal with Retail Clients. The Company will only deal with a Client that satisfies the definition of either a Professional Client or Eligible Counterparty. Professional Clients and Eligible Counterparties are considered to be more experienced, knowledgeable and sophisticated and able to assess their own risk; they are therefore afforded fewer regulatory protections. Please note that Professional Clients and Eligible Counterparties will not generally be eligible for the protection provided by the Financial Services Compensation Scheme. More information about the scheme and on your eligibility under the scheme is available on request.

5.3 The Company offers its Clients the possibility to request reclassification and thus to increase or decrease the level of regulatory protections afforded. It is the responsibility of the client, considered to be and categorised as a Professional Client to ask for a higher level of protection when it deems it is unable to properly assess or manage the risks involved. Where a Client requests a different categorization, the Client needs to meet certain

specified quantitative and qualitative criteria. On the basis of the Client's request, the Company will undertake an adequate assessment of the expertise, experience and knowledge of the Client to give reasonable assurance in light of the nature of transactions or Services envisaged, that the Client is capable of making its own investment decisions and understanding the risks involved. However, if the above mentioned criteria are not met or given the Company's current policy not to deal with Retail Clients, the Company reserves the right to choose whether to provide Services under the requested classification and may decline to act for you. The Company reserves the right at any time to unilaterally reclassify the Client as a Retail Client by notice in writing to the Client

5.4 The Client undertakes to provide the Company with correct information and to immediately inform the Company of any material change to the information provided to the Company on the account opening documentation including any change to the Client's contact details or financial status.

6. CAPACITY

6.1 In relation to the Account, the Company will assume that the Client is acting as Principal and for the Client's own account at all times in relation to the services provided by the Company. The Client should notify the Company immediately if the Client is not acting as Principal. If the Client acts as Agent, regardless of whether the Client identifies the Principal to the Company, the Company shall not be obliged to accept the said Principal as a customer and consequently the Company shall be entitled to consider the Client as Principal in relation to the Account.

7. SERVICES

7.1 Subject to the Client fulfilling its obligations under the Terms, the services carried out by the Company will be on an execution only basis unless otherwise agreed by us, in writing as being on an advisory basis (either discretionary or non-discretionary).

7.2 Where the Company deals with the Client on an execution only basis, the Company will not make any personal recommendations or advise on the merits of purchasing, selling or otherwise dealing in particular investments or executing particular Transactions, their taxation consequences or the composition of any account or any other rights or obligations attaching to such investments or Transactions. The Client should bear in mind that any explanation provided by the Company as to the terms of a Transaction or its performance characteristics does not itself amount to advice on the merits of the investment. The Company is not required to assess the suitability of the investment or Transaction in contemplation or the service provided to you and you will therefore not benefit from the FCA Rules on assessing suitability.

7.3 Where the Company provides general trading recommendations, independent research, market commentary, guidance on shareholding disclosure or other

information to Clients who receive an execution only service:

- (a) This is incidental to the Company's relationship with the Client and is provided solely to enable the Client to make independent investment decisions;
- (b) The Client acknowledges that where such information is general and not specifically targeted to the Client, the information does not amount to a personal recommendation or advice;
- (c) The Company gives no representation, warranty or guarantee as to the accuracy or completeness of such information or as to the legal, tax or accountancy consequences of any Transaction; and
- (d) Where information is in the form of a document (electronic or otherwise) containing a restriction on the person or category of persons for whom that document is intended or to whom it is to be distributed to, the Client agrees that it will not pass such information contrary to such restriction.

7.4 Where the Company has agreed in writing that dealings between the Company and the Client are on a non-discretionary advisory basis:

- (a) The Company may advise the Client on Transactions and investments within the range of products notified to the Client by the Company. The Company is not obliged to provide advice on a one-time or continuing basis;
- (b) Following the Company's advice, the Client may (but will not be obliged to) instruct the Company to enter any kind of Transaction or arrangement for the Client. The Company will only accept the Client's order on an execution only basis;
- (c) The Company will not advise the Client on the merits of a particular Transaction if the Company reasonably believes that at the time of the Client initiating the order, the Client was not expecting such advice. The Company will only accept the Client's order on an execution only basis.
- (d) All decisions on whether to invest in, hold or dispose of any asset or to enter into any Transaction belong to the Client;
- (e) The Company will only enter into Transactions on behalf of the Client as the Client instructs;
- (f) The Company will have no ongoing obligations to advise the Client on or monitor any Transaction or portfolio of investments held by the Client;
- (g) The Company shall not be responsible for the profitability or any advice, information or recommendations.

7.5 The Company may from time to time offer a Discretionary Investment Management Service in certain

products. Where the Company agrees to provide the Client with its Discretionary Investment Management Service in writing, the following provisions will apply in respect of that investment service:

- (a) The Company will undertake an assessment of the Client's personal and financial circumstances and will agree the investment strategy, a component of which will be the investment objective. The Company will manage the Account monies allocated to the investment strategy with a view to achieving the investment objective, subject to any restrictions in the investment strategy or which otherwise apply to the provision of the Company's services under the Agreement. To allow the Company to do that, the Client grants to the Company full authority, at the Company's sole discretion and without reference to the Client, to enter any kind of Transaction or arrangement for the Client in the agreed product; and
- (b) Although the Company will use reasonable endeavours to achieve the investment objective, the Company will not be responsible if the investment objective is not achieved for any investment strategy the Client selects.

7.6 Notwithstanding paragraphs 7.1 or 7.5 above, the Company may decline, in its absolute discretion, to provide any service to the Client, or execute any Transaction instructed by the Client, in which case the Company will use reasonable endeavours to notify the Client of such decision.

7.7 The Company may delegate any of its operational functions or investment services (including critical or important functions or services) provided under these Terms to Associated Companies, provided that the Company is satisfied that such Associated Companies are competent to perform or exercise the obligations or rights so delegated and have all relevant licences. Such delegation may amount to "Outsourcing" as defined in these Terms, and the Company may provide information about the Client and their investments to any person to whom such activities have been outsourced, but the Company's liability to the Client for all matters so delegated shall not be affected thereby.

7.8 The Company may, where reasonable, employ agents (including Associated Companies) to perform any administrative, dealing or ancillary services (not covered by paragraph 7.7 above) required enabling the Company to perform its services under these Terms. The Company will act in good faith and with reasonable skill and care in the selection, use and monitoring of these agents.

7.9 The Client should be aware that unregulated collective investment schemes may not be subject to levels of regulation and compensation schemes equivalent to those provided for by the FCA Rules.

7.10 The Company shall not provide any tax advice. Furthermore, the Company shall not at any time be deemed to be under a duty to provide tax advice.

7.11 The Client confirms that they understand:

- (a) The value of investments may go down as well as up. The Client may not realise the full amount of their investment;
- (b) Levels of income from investments may fluctuate. Part of the capital invested may be used to pay income, for example, in some collective investments;
- (c) Where an investment is denominated in a currency other than the Client's usual currency, changes in rates of exchange between currencies may cause the Client's investment and/or the income to go down or up;
- (d) The tax regime applicable to investments may change in the future. The Company strongly recommends that the Client seek appropriate professional taxation advice; and
- (e) The Company is not the Client's general investment adviser and our obligations under these Terms are limited to the Client's Account and investment Portfolio. In particular the Company does not hold itself out as advising the Client generally on your financial affairs, pensions, taxation or similar matters.

8. JOINT ACCOUNTS

8.1 Where the Agreement is entered into between the Company and more than one person, as regards each person (except where the Company has agreed otherwise in writing):

- (a) Both persons shall be considered a Client and their obligations and liabilities under the Agreement are joint and several;
- (b) They each have full authority (as full as if they were the only person entering into the Agreement) on behalf of the others to give or receive any instruction, notice, request or acknowledgement without notice to the others, including an instruction to liquidate and/or withdraw investments from the Account and/or close any Account;
- (c) The Company may in its sole and absolute discretion, require an instruction request or demand to be given by all joint account holders before the Company takes any action for any reason or no reason whatsoever;
- (d) Any such person may give the Company an effective and final discharge in respect of any obligations under the Agreement; and
- (e) Upon the death of any joint account holder, the Company will transfer the investments and the responsibility for any obligations connected with the Account into the surviving joint account holder's sole name. These Terms will remain in

full force between the Company and the surviving joint account holder.

8.2 Unless otherwise agreed in writing, the Company may contact and deal with the account holder named first in the Company's records subject to any legal requirements to the contrary.

8.3 Either account holder may ask the Company to convert the Account into a sole Account. The Company may (but shall not be obliged) require authority from all Account holders before doing so. Any person removed from the Account will continue to be liable for all obligations and liabilities under the Agreement relating to the period before they were removed from the Account.

9. TRUST ACCOUNTS

9.1 Where the Agreement is entered into between the Company and a Trust, as regards each Trustee (except where the Company has agreed otherwise in writing):

- (a) All Trustees shall be considered a Client and their obligations and liabilities under the Agreement are joint and several;
- (b) They each have full authority (as full as if they were the only person entering into the Agreement) on behalf of the others to give or receive any instruction, notice, request or acknowledgement without notice to the others, including an instruction to liquidate and/or withdraw investments from the Account and/or close any Account;
- (c) The Company may in its sole and absolute discretion, require an instruction request or demand to be given by all Trustees before the Company takes any action for any reason or no reason whatsoever;
- (d) Any Trustee may give the Company an effective and final discharge in respect of any obligations under the Agreement; and
- (e) The Trustees agree to fully indemnify and hold the Company, its officers, directors, employees harmless from any loss, damage or claim arising as a result of the Company's reliance upon the information provided to it on the account opening documentation and supporting documentation.

9.2 Unless otherwise agreed in writing, the Company may contact and deal with the Trustee named first in the Company's records subject to any legal requirements to the contrary.

9.3 If the Company is advised that a Trustee has retired or been removed they will only do so if such notification is received in writing and acknowledged by the Company as having been received. The

Company is entitled to request any additional documentation or information to support such notification. Any Trustee removed from the Account will continue to be liable for all obligations and liabilities under the Agreement relating to the period before they were removed from the Account.

10. CLIENT MONEY

10.1 The Client's assets and investments will be held by a Custodian. The Client will enter into a separate agreement with the Custodian (the Custody Agreement). The Custodian will act in accordance with the Custody Agreement to provide clearing, settlement, safe custody and associated services for the Client.

10.2 By opening an Account with the Company you are also agreeing to open an account with the Custodian.

10.3 The Client authorises the Company to give instructions and provide information about the Client to the Custodian.

10.4 The Company will undertake an appropriate risk assessment, and will exercise due skill, care and diligence in the selection of any Custodian before the Company holds the Client's investments with such Custodian or arrange registration of the Client's investments through such Custodian. However, the Company will not be liable for the default of any Custodian, depository or nominee, save that the Company will be liable to the extent that such default arises as a result of the Company's own fraud, negligence or wilful default.

10.5 The Custodian will be responsible for providing statements, confirmation notes and valuations to the Client. The Company shall take no responsibility for the accuracy of this information nor the availability and/or accuracy of any internet based reporting system provided by the Custodian to the Client. It is the Client's sole responsibility to check and confirm the accuracy of transactions, statements and valuations. The Client should notify the Company immediately of any apparent errors, omissions or other discrepancies in this information.

10.6 The Custodian will be responsible for claiming and receiving dividends, interest payments and other entitlements accruing to the Client in respect of investments held in custody with them, and funds received will be credited to the Client's Account.

10.7 Where the Client's investments are held overseas, there may be different settlement, legal and regulatory requirements in the relevant overseas jurisdiction from those that apply in the UK, and there may be different practices for separate identification of the Client's investments. If the Client objects to their investments being held overseas, please notify the Company in writing.

10.8 The Company is not responsible for any fees due under the Custody Agreement between the Custodian and the Client. The Company's actions under this arrangement will be restricted to movement in cash and securities

relating to Transactions entered into on behalf of the Client.

10.9 The Company will promptly advise the Custodian of all Transactions requiring settlement and/or delivery and the Company will respond promptly to any request for further information that the Custodian shall require in order for the Custodian to fulfil its obligations under the Custody Agreement.

10.10 The Company will not carry out Stock Lending (as defined in the FCA Rules). The Custodian may have the ability under the terms of the Custody Agreement to lend the Client's stock or collateral to itself or to others. The Client should be aware that their stock or collateral may be subject to Stock Lending or other related activities.

11. COMMISSIONS, CHARGES AND OTHER COSTS

11.1 The Client shall be obliged to pay to the Company the commissions and charges as set out in Appendix 3 of these Terms, and any additional commissions and charges agreed between the Company and the Client from time to time whether set out in the Terms or not.

11.2 The Company reserves the right to amend the commissions and charges from time to time, with notice to the Client. The Client is responsible for regularly reviewing any such notices and agrees to be bound by the same.

11.3 Independent of clauses 11.1 and 11.2 above, the Company shall be entitled to demand that the following expenses are paid separately to the Client with notice:

- (a) All extraordinary disbursements resulting from the client relationship (e.g. telephone, courier and postal expenses in cash where the Client requests hard copy confirmations, account statements etc. which the Company could have delivered in electronic form); and
- (b) Any expenses of the Company caused by the Client's non-performance of its obligations under these Terms, including a fee determined by the Company in relation to forwarding of reminders, legal assistance etc.

11.4 The Client agrees that the Company may receive remuneration from, or share commissions and charges with its associates or other third parties in connection with Transactions carried out on the Client's behalf. Details of such remuneration or sharing arrangements will be available to the Client following a written request. Subject to the foregoing, the Company shall not be liable to account to the Client for, or to disclose to the Client, any profit, charges or other remuneration made or received by the Company from, or by reason of, any transaction entered into with the Client.

11.5 Unless specified in the Terms, all amounts due to the Company under the Terms shall be deducted from the Account.

11.6 In the event of the Account being transferred, withdrawn or terminated, charges will be payable until the

date of notification of transfer, withdrawal or termination and a charge to cover transaction costs may also apply. The Company reserves the right to pass on any charges imposed by any third parties incurred by any transfer, withdrawal or termination.

12. TAX

12.1 The Company shall not provide any advice to the Client on any tax issue related to any Services. The Client is advised to obtain individual and independent counsel from its financial advisor, auditor or legal counsel with respect of tax implications of the respective Services.

12.2 The Client is responsible for the payment of all taxes that may arise in relation to its Transactions.

13. CONFLICTS OF INTEREST

13.1 The Company, its associates or Associated Companies may have an interest, relationship or arrangement that is material in relation to any Transaction affected, or advice provided by the Company under the Terms.

13.2 The Company is required to take reasonable steps to identify and manage conflicts of interest between the Company and its customers as well as conflicts of interest between customers that arise in the course of the Company's provision of Services. The Company operates in accordance with a Conflicts of Interest Policy it is designed for this purpose (where it identified those situations in which conflict of interests may arise, and in each case, the steps the Company has taken to mitigate and manage that conflict). A summary of the Company's Conflict of Interest Policy is available upon written request.

13.3 The Company is under no obligation to:

- (a) Disclose to the Client that the Company, its associates or Associated Companies have a material interest in a particular Transaction with or for the Client, provided the Company has managed such conflicts in accordance with its Conflicts of Interest Policy;
- (b) Disclose to the Client or take into consideration any fact, matter or finding which might involve a breach of confidence to any other person, or which comes to the notice of the Company's directors, officers, employees or agents, where the individual(s) dealing with the Client have no actual notice of such fact, matter or finding; or
- (c) Account to the Client for any profit, commission or remuneration made or received from or by reasons of any Transactions or circumstances in which the Company, its associates or its Associated Companies have a material interest or where in particular circumstances a conflict of interest may exist.

14. MANAGED ACCOUNTS

14.1 At the Client's request, the Company may allow a third party, selected by the Client to be the Client's Agent and

attorney in fact, managing the Client's Account, for the following purposes:

- (a) To enter into, modify and/or close Transactions on the Account;
- (b) To set, edit and/or delete all dealing preferences relating to the Account;
- (c) To enter into any agreements with the Company on behalf of the Client, which relate to transactions on the Account;
- (d) To communicate with the Company on behalf of the Client regarding any complaints or disputes that the Client or Company may have against one another relating to the Account;
- (e) To accept any amendments to the Company's terms of business, on behalf of the Client.

Where a Client wishes to have its Account managed by a third party, the Client must submit a Limited Power of Attorney between the Client and the Attorney to the Company in a form acceptable by the Company in its sole and absolute discretion. Both the Company and Client will be bound by these Terms, and the Client shall ensure that the authorisation given to the Attorney through the Limited Power of Attorney incorporates the provisions and restrictions of this clause 14.

14.2 The Company reserves the right, at any time and in its sole and absolute discretion, to require the Client to trade its Account. This would require the Client to revoke its grant of authority to its Attorney and take all actions on its Account itself. Where the Company so requires, the Company will notify the Client and the Attorney of its decision. The Company need not specify its reasons for requiring the Client to trade its Account.

14.3 The Client agrees to reimburse the Company for any loss, damage or expense incurred by the Company as a result of:

- (a) The Company acting on the instructions of the Attorney that fall outside the power granted in the Limited Power of Attorney; and
- (b) The Attorney's breach of any term of the Limited Power of Attorney.

14.4 The Client authorises the Company to accept all instructions given to it by the Attorney, whether orally or in writing, in relation to the Account. The Company shall not be obliged to make any enquiry of the Client or of any other person before acting on such instruction.

14.5 The Client ratifies and accepts full responsibility and liability for all instructions given to the Company by the Attorney (and for all Transactions that may be entered into as a result) and will indemnify the Company and keep it indemnified against any loss, damage or expense incurred by the Company as a result of its acting on such instructions. This indemnity shall be effective irrespective of the circumstances giving rise to such loss, damage or expense, and irrespective of any knowledge, acts or omissions of the Company in relation to any other account held by any other person or body (including the Attorney) with the Company. The Client further agrees that this

indemnity shall extend to loss, damage or expense incurred by the Company in reversing incorrect or erroneous instructions submitted by the Attorney that result in a Transaction that must, for the protection of the Company or of its other clients or for the reasons of market integrity, be reversed.

14.6 Unless otherwise agreed in writing between the Company and the Client, the Company may from time to time communicate with the Attorney directly regarding the Account. The Client consents to this and agrees that communications made by the Company to the Attorney are deemed to be received by the Client at the same time at which they are received by the Attorney.

14.7 By submitted a Limited Power of Attorney to the Company, the Client consents to and authorises the Company to disclose to the Attorney all information that the Company holds in relation to the Account, including personal information that the Company holds in relation to the Client.

14.8 If the Client wishes to revoke or amend a grant of authorisation under a Limited Power of Attorney, it must provide written notice of such intention to the Company by submitted the relevant form required by the Company from time to time. Any such notice shall not be effective until two working days after the Company receives it (unless the Company advises the Client that a shorter period will apply). The Client acknowledges that it will remain liable for all instructions given to the Company prior to the revocation/variation being effective, and that it will be responsible for any losses, which may arise on any Transactions that are open at such time.

14.9 The Company acting on its sole and absolute discretion may refuse to accept instructions from the Attorney in relation to the Account on a one-off or ongoing basis. The Company need not specify its reasons for refusing instructions from the Attorney.

15. SUITABILITY AND APPROPRIATENESS

15.1 If the Client and the Company agree that the Company shall provide the Client with advisory dealing services, the Company will assess the suitability of such instruments or services provided or offered to the Client in accordance with the FCA Rules on assessing suitability.

15.2 If, on the Clients own initiative, the Client asked the Company to provide it with execution only dealing services in Non-Complex Products, the Company is not required to assess the appropriateness of the instrument or the Service provided or offered to the Client. As a result, the Client will not benefit from the protection of the FCA Rules on assessing appropriateness. The Company shall further assume that the Client understands the risks involved with all products and Services where the Client is a Professional or Eligible Counterparty. Accordingly, when giving Orders or instructions to the Company, the Client must rely upon its own judgment. The Client should get independent advice from an authorised investment adviser if it has any doubt.

15.3 If the Company is providing execution only services to the Client in relation to Complex Products, the Company is required to assess whether it is appropriate for the Client to deal in a Complex Product by requesting from the Client certain information, relating to its experience and knowledge of trading such products, that will help the Company assess whether the Client understands the risks associated with dealing in them.

15.4 Typically the Company will ask the Client for this information during the Account opening procedure but the Company may need to ask the Client for additional information in the future if the Client decides to deal in a new product type or sector.

15.5 If the Client does not provide sufficient information to allow the Company to carry out the appropriateness assessment, or does not provide any information at all, the Company will be unable to assess whether the Client has the necessary knowledge and experience to understand the risks involved. If the Client still wishes for the Company to proceed on the Client's behalf, the Company may do so at its reasonable discretion. If the Company does so, the Client should note that the Company may not be able to determine whether the dealing in the particular Complex Product is appropriate for the Client or is in the Client's best interests.

15.6 If, on the basis of the information that the Client has supplied to the Company in relation to the Client's knowledge and experience, the Company considers dealing in the particular Complex Product is not appropriate, the Company will warn the Client of this. If the Client still wishes the Company to proceed on the Client's behalf, the Company may do so at its reasonable discretion. If the Company does so, the Client should note that it may not be appropriate for the Client and that the Client may be exposing itself to risks that fall outside its knowledge and experience and/or which the Client may not have the knowledge or experience to properly assess and/or control to mitigate their consequences to the Client.

15.7 Even where the Company carried out an appropriateness assessment, the Client may in any event wish to get independent advice from an authorised investment adviser if it has any doubts about dealing in Complex Products.

15.8 The Company cannot be held responsible when carrying out the appropriateness assessment if the information provided to it by the Client is incorrect.

16 DEALING AND SETTLEMENT

16.1 The Company has a Best Execution Policy which applies where the Company transmits an order on the Client's behalf or receive or transmit order to other entities for execution for the Client's Account. A summary of the Best Execution Policy is included please refer to Appendix 2.

16.2 The Company may aggregate and subsequently execute the Clients orders with orders for other clients

where the Company reasonably believes that aggregation is in the overall best interest of the Company's customers and that such aggregation is unlikely to work overall to the Clients disadvantage. Nevertheless, on certain occasions this may cause a disadvantage. When the Client's order has been aggregated, the Company will complete the allocation of the Client's investments promptly and in any event within five Business Days from the time of execution.

16.3 The Company may in its sole and absolute discretion accept Client Limit Orders of up to one month's duration to buy or sell particular investments at specified prices. Where the Company accepts a Client Limit Order, the Company will use reasonable endeavours to require executors to make public Client Limit Orders, unless the Client instructs the Company otherwise, in respect of shares admitted to trading on a regulated market which are not immediately executed under prevailing market conditions. However, the Client acknowledges that Client Limit Orders will not be made public in all circumstances.

16.4 Where the Client's order is executed in tranches, the Company may send you information about the price of each tranche or the average price. If the average price is provided, the Company shall send you information about the price of each tranche upon request.

16.5 The Company will not affect or arrange a Transaction for the Client under which the Client may and/or will incur obligations as an underwriter or sub-underwriter in connection with any form of issue of investments unless the Client and the Company agree in writing in accordance with the FCA Rules.

16.6 Where the Company has authority to affect transactions or take steps on behalf of the Client, the Company may agree such reasonable terms as the Company thinks fit with the counterparty or other person involved (which may be an Associated Company) and for that purpose the Company may:

- (a) Give representations and warranties on behalf of the Client;
- (b) Execute Agreements, confirmations, terms of business, master documentation and enter into any contractual arrangements binding on the Client; and
- (c) Take any steps in accordance with market practice or custom as the Company think fit for the purpose of affecting or settling those transactions, and all such matters will be binding on the Client.

16.7 The Client irrevocably authorizes the Company to execute the Client's instructions by any conventional means that the Company considers suitable, including bank channels, electronic or manual funds transfer system mail, courier or telecommunications services, and other methods. The Client agrees that the Company may, without prior notice to the Client, use the services of any institution, exchange or correspondent bank in carrying out the Client's instructions and that the Company may reserve the right to pass on their charges. The Client agrees to be bound by the rules and regulations that

govern that applicable exchanges, funds transfer systems or institutions and to accept their normal charges.

16.8 The Client authorizes the Company to conduct any foreign exchange transactions we deem necessary or reasonably incidental to carry out the Client's instructions or protect the Company's rights under these Terms, and Client agrees to assume all risks associated with foreign exchange and currency conversion.

17. REPRESENTATIONS, WARRANTIES AND COVENANTS.

17.1 Representations and warranties are personal statements, assurances or undertakings given by the Client to the Company on which the Company relies when dealing with the Client. The Client makes the following representations and warranties at the time it enters into this Agreement and every time it places a Transaction or gives the Company any other instructions:

- (d) Where the Client is a natural person, the Client is of sound mind and over 18 years old;
- (e) The Client is aware of the risks involved in trading each investment product with the Company;
- (f) The Client and/or any person(s) entering into these Terms and performing any Transactions on the Client's behalf, has all necessary authority, powers, consents, licences and authorizations, and has taken all necessary actions to enable it to lawfully enter into and perform its obligations under these Terms. And/or place any Orders or instructions;
- (g) These Terms as well as each Transaction and the obligations created under them are binding upon the Client and enforceable against it (subject to applicable principles of equity) and currently to not and in the future will not violate the terms of any regulation, order, charge or agreement by which the Client is bound;
- (h) No Event of Default has occurred or is occurring with respect to the Client;
- (i) The Client is in compliance with all laws to which it is subject including, without limitation, all tax laws and regulations, exchange control requirements and registration requirements;
- (j) Except where the Company and Client have agreed otherwise in writing, the Client acts as Principal and is not acting as any other person's agent or representative;
- (k) All information which the Client provides or has provided to the Company (whether in the Account opening process or otherwise) is true, accurate and not misleading in any material respect;
- (l) The Client is willing and financially able to sustain a total loss of funds resulting from Transactions.
- (m) The Client has consistent and uninterrupted access to internet service and any email address provided in its Account opening documentation;
- (n) Where the Client is not a resident of the United Kingdom, the Client is solely responsible for ascertaining whether any Transaction entered into under these Terms is lawful under the

applicable laws of the jurisdiction where the Client holds residency; and

- (o) The Client is not a resident of the United States of America.

17.2 A covenant is a promise to affirmatively do something. The Client covenants to the Company:

- (a) That for the duration of this Agreement, the Client will promptly notify the Company of any change to the details supplied by the Client during the account opening process, including in particular any change of address, any such occasions where the Client moves to another territory or country, and any change or anticipated change in the Client's financial circumstances or employment status (including redundancy and/or unemployment) (which may affect the basis on which the Company does business with the Client;
- (b) The Client will at all times obtain, comply and do all that is necessary to maintain in full force and effect, all authority, powers, consents, licenses and authorizations referred to in this clause 15.
- (c) The Client will promptly notify the Company of the occurrence of any Event of Default or potential Event of Default with respect to itself;
- (d) Upon demand, the Client will provide the Company with such information as the Company may reasonably require from time to time; and
- (e) The Client will use all reasonable steps to comply with all applicable laws and regulations in relation to the Agreement.
- (f) The Client will have final responsibility, where the Company provides non-discretionary investment advice, for the decision whether or not to act upon that advice.

18. DEFAULT AND DEFAULT REMEDIES.

18.1 Each and any of the following shall constitute an Event of Default:

- (a) If the Client is in material breach of any part of these Terms;
- (b) If the Client dies or becomes of unsound mind;
- (c) The Company considers it necessary or desirable to prevent what is considered to be or might be a violation of any laws, applicable regulations, or good standard of market practice;
- (d) If any representations or warranties given by the Client are or become untrue;
- (e) If the Company reasonably considers it necessary for its own protection or the protection of any Associated Company, or if any action is taken or event occurs which the Company considers might have a material adverse effect on the Client's ability to perform any of its obligations under the Agreement;
- (f) If the Client is unable to pay its debts as they fall due, or is bankrupt or insolvent as defined under any bankruptcy or insolvency law applicable to the Client;

- (g) If the Client commences a voluntary case or other procedure, or an involuntary case or procedure is commenced against the Client, seeking or proposing liquidation, reorganisation, an arrangement or composition, a freeze or moratorium, or other similar relief with respect to the Client or its debts under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate law or other law applicable to the Client, if insolvent) or seeking the appointment of a trustee, receiver, liquidator, conservator, administrator, insolvency officer, or other similar official (each an "Insolvency Officer") of the Client or any part of the Client's assets, or if the Client takes any corporate action to authorise the foregoing;
- (h) If the client or any Insolvency Officer acting on either behalf, disaffirms, disclaims or repudiates any obligation under this Agreement or any other document containing an obligation of a third party or of the Client in favor of the Company supporting any of the Client's obligations under these Terms;
- (i) If any Event of Default (however described) occurs in relation to any other agreement that the Client may have with the Company.

18.2 Upon the occurrence of an Event of Default, the Company may, in its sole and absolute discretion, take all or any of the following actions:

- (a) Close any Open Positions or cancel any Orders on the Client's Account;
- (b) Prohibit the Client from accessing or using the Client's Account;
- (c) Suspend or in any way limit or restrict the Client's ability to place any Order, give any instructions or effectuate any Transaction in relation to the Client's Account;
- (d) Reverse any Transactions (as if they had never been entered into in the first place) and the effect of such Transactions on the Client's Account;
- (e) Require the Client to close any or all of its Open Positions by a specified date selected by the Company;
- (f) Make appropriate deductions or credits;
- (g) Terminate these Terms immediately without notice, or with notice with termination occurring on a specified date selected by the Company;
- (h) Exercise the Company's right of set-off.

18.3 The Client authorises the Company to take any or all of the actions described in clause 16.2 above of these Terms without notice to the Client and acknowledges that the Company shall not be responsible for any consequences of its taking such actions, unless the Company has exercised gross negligence in connection herewith. The Client shall execute the documents and take any action as the Company may request in order to protect the rights of the Company and its Associated Companies under the Terms or under any agreement with the Client may have entered into with any Associated Company.

19. FORCE MAJEURE

19.1 Since the Company does not control signal power, its reception or routing via Internet, configuration of the Client's equipment or reliability of its connections, the Company shall not be liable for any claims, losses, damages, costs or expenses, including attorney's fees, caused directly or indirectly, by any breakdown or failure of any transmission or communication system or equipment or computer facility or trading software, whether belonging to the Company or its Associated Companies, the Client, the Custodian, any Market, or any settlement or clearing system when the Company places an Order on behalf of the Client or when the Client trades online (via internet) or for any cause preventing the Company from performing any or all its obligations, any act of God, war, terrorism, malicious damage, civil commotion, industrial acts, any Exceptional Market Event, or acts and regulations of any governmental or supra national bodies or authorities which in the Company's opinion prevent an orderly market in relation to the Client's Orders (a "Force Event").

19.2 Upon the occurrence of a Force Majeure Event, the Company shall use commercially reasonable efforts to resume performance and it may give the Client written notice that a Force Majeure Event has occurred. Upon occurrence of a Force Majeure Event, all of the Company's obligations under these Terms shall be immediately suspended for the duration of such Force Majeure Event. Additionally, the Company may take any one or more of the following steps:

- (a) Alter normal trading times;
- (b) Amend or vary these Terms and any Transaction contemplated by these Terms, insofar as it is impractical or impossible for the Company to comply with its obligations;
- (c) Cancel instructions and Orders as the Company deems to be appropriate in the circumstances; and/or
- (d) Take or omit to take all such other actions as the Company deems to be reasonably appropriate in the circumstances having regard to the Clients positions and those positions of the Company's other customers.
- (e) Retain any funds, securities or other assets due to the Client and offset any liability due by the Client to the Company against them.

19.3 The Client irrevocably agrees that the Company, as the agent of the Client, may execute any transfer of securities or other documents, give any necessary instructions and generally act for the purpose of giving the Company the full benefit of this clause 19.

20. MANIFEST ERRORS.

20.1 A 'Manifest Error' means a manifest or obvious misquote by the Company, or any Market, exchange, price providing bank, information source, commentator or official on whom the Company reasonably relies, having regard to the current market conditions at the time an

Order is placed. When determining whether a situation amounts to a Manifest Error, the Company may take into account all information in its possession including, without limitation, information concerning all relevant market conditions and any error in, or lack of clarity of, any information source or announcement.

20.2 The Company will, when making a determination as to whether a situation amounts to a Manifest Error, act fairly towards the Client but the fact that the Client may have entered into or refrained from entering into a corresponding financial commitment, contract or Transaction in reliance on an Order placed with the Company (of that the Client has suffered or may suffer any loss of profit, consequential or indirect loss) shall not be taken into account by the Company in determining whether there has been a Manifest Error. The Company reserves the right, without prior notice, to:

- (a) Amend the details of such Transaction to reflect what the Company considers in its discretion, acting in good faith, to be the correct or fair terms of such Transaction absent such Manifest Error(s);
- (b) If the Client does not promptly agree to any amendment made under clause 20.2 herein the Company may void from its inception any Transaction resulting from or deriving from a Manifest Error; and/or
- (c) Refrain from taking any action at all to amend the details of such a Transaction or void such Transaction.

20.3 The Company shall not be liable to the Client for any loss, cost, claim, demand or expense the Client suffers (including loss of profits or any indirect or consequential losses) resulting from a Manifest Error or the Company's decision to enforce the details of a Transaction notwithstanding any Manifest Error, except to the extent caused by the Company's own fraud, willful default or gross negligence. In the event that a Manifest Error is made by any Market, exchange, price providing bank, information source, commentator or official on whom the Company reasonably relies, the Company will not be liable to the Client for any loss, cost, claim, demand or expense except to the extent caused by the Company's own fraud, willful default or negligence.

21. MARKET ABUSE.

21.1 The Client represents and warrants to the Company at the time the Client enters into these Terms and every time the Client enters into a Transaction or gives the Company any other instructions that:

- (a) The Client will not place and has not placed a Transaction with the Company if to do so would result in the Client, or others with whom the client is acting in concert having an interest in the price of the instrument which is equal to or exceeds the amount of a declarable interest in the instruments;
- (b) The Client will not place, and has not placed a Transaction in connection with:

- a. A placing, issue, distribution or other similar event;
 - b. An offer, takeover, merger or other similar event; or
 - c. Any corporate finance activity.
- (c) The Client will not place and has not placed a Transaction that contravenes any law or regulation prohibiting insider dealing, market manipulation or any other form of market abuse or market misconduct. The Client will act in accordance with all applicable laws and regulations.

21.2 The Company is entitled (and in some cases required) to report to any relevant regulatory authority details of any Transaction or instruction. The Client may also be required to make appropriate disclosures and the Client undertakes that it will do so where so required.

22. EXCLUSIONS AND LIMITATIONS OF LIABILITY

22.1 Nothing in these Terms shall exclude or restrict any duty or liability owed by the Company to the Client under the Financial Services and Markets Act 2000 or the FCA Rules (as may be amended or replaced from time to time). Apart from the foregoing, neither the Company nor its directors, officers, employees or Agents shall be liable to the Client or any third party for any losses, damages, costs or expenses (including direct, indirect, special, incidental, punitive, or consequential loss, business interruption, business opportunity, costs of substitute, services or downtime costs) whether arising out of negligence, breach of contract misrepresentation or otherwise incurred or suffered by the Client under these Terms (including any Transaction or where the Company has declined to enter into a proposed Transaction) unless such loss arises directly from the Company's respective gross negligence, willful default or fraud.

22.2 Without limitation, the Company does not accept liability:

- (a) for any loss that the Client suffers in an event where any computer viruses, worms, software bombs, or similar items are introduced into the Client's computer hardware or software via anything received by the Company, provided that the Company has taken reasonable steps to prevent any such introduction;
- (b) for any actions the Company may take pursuant to its rights under these Terms;
- (c) for any losses or other costs or expenses of any kind arising out of or in connection with the placement of Orders by the Client or the execution of Transactions with the Company;
- (d) for any adverse tax implications of any Transactions whatsoever;
- (e) by reason of any delay or change in market conditions before any particular Transaction is affected; and
- (f) for communication failures, distortions or delays when using the Trading Facility of the Custodian.

- (g) any loss arising as a result of the Company acting on any instruction purporting to be given by the Client by fax or by e-mail, whether or not such instruction was in fact given by or authorised by the Client.
- (h) for the Client failing to supply all of the information or accurate information requested in the account opening documentation which may result in the Company being able to provide suitable investment advice to the Client or to exercise discretion in a suitable manner.
- (i) for any failure by the Client to pay additional Margin to the Custodian at the Custodians request which failure to pay results in an open position being closed.
- (j) for any loss of opportunity whereby the value of investments could have been increased or for any decline in the value of investments or any taxation charges unless such decline or loss or charge is the direct result of the Company's willful default or negligence.
- (k) to the extent consistent with the FCA Rules, for any errors of fact or judgment or for any action lawfully undertaken or omitted to be taken by the Company unless such errors are the direct result of our willful default or negligence.

22.3 Nothing in these Terms will limit the Company's liability for death or personal injury resulting from its negligence.

22.4 The Company gives no warranty or undertaking as to the performance, profitability, liquidity or credit worthiness of any investments, cash or other assets acquired, held or sold by the Client.

23. REIMBURSEMENT

23.1 The Client will reimburse the Company, and keep it indemnified on demand, in respect of all liabilities, losses or costs of any kind or nature whatsoever that may be incurred by the Company as a direct or indirect result of the failure of the Client to perform any of its obligations under these Terms in relation to the Clients Account or any Transaction or in relation to any false information or declaration made either to the Company or any third party, in particular to any exchange.

24. AMENDMENTS

24.1 The Company may amend these Terms and any arrangements made hereunder at any time by written notice to the Client. The Client will be deemed to accept and agree to the amendment unless the Client notifies the Company to the contrary in accordance with the details of amendment notice within 10 business days of the date of the Company's amendment notice. Where the Client objects to the amendment, the amendment will not be binding on the Client, but the Client's Account will be suspended and the Client will be required to close its Account as soon as it is reasonably practicable.

24.2 Any amendment to this Agreement will come into effect on the date specified by the Company which will, in

most cases, be at least 10 business days from the date of the Company's amendment notice provided in accordance with clause 24.1 above.

24.3 Any amended agreement will supersede any previous agreement between us on the same subject matter and will govern any Transaction entered into after, or outstanding on, the date the new edition comes into effect.

25. SUSPENSION AND TERMINATION

25.1 The Client may terminate the Agreement immediately by giving written notice to the Company. The Client agrees that at any time after the termination of the Agreement, the Company may, without any notice to the Client, close out any or all of the Client's Open Positions.

25.2 The Company may suspend or terminate these Terms by giving five (5) business days written notice to the Client for any reason or no reason whatsoever, except that the Company may terminate the Agreement immediately, upon written notice to the Client for any reason or no reason whatsoever, if the Client has no Open Positions in its Account at the time when the notice of termination is sent. The Client agrees that at any time after the termination of the Agreement, the Company may, without notice to the Client, close out any or all of the Client's Open Positions. Where the Company suspends the Client's Account, the Company may prevent the Client from opening any new positions but the Company will not close the Client's Open Positions unless otherwise allowed by these Terms. The provisions of this clause 25.2 shall not prevent the Company from exercising any of its rights to terminate or suspend the Agreement as provided elsewhere in these Terms.

25.3 Upon the termination of the Agreement, all amounts payable by the Client to the Company will become immediately due and payable including (but without limitation):

- (a) All outstanding fees, charges and commissions;
- (b) Any dealing expenses incurred by terminating these Terms; and
- (c) Any losses and expenses realized in closing out any Transactions or settling or concluding outstanding obligations by the Company on the Client's behalf.

25.4 The Client irrevocably authorises the Company to claim such amounts referred to in clause 25.3 above due from the Client from the Client's account held with the Custodian. The payment shall be made as soon as reasonably practical after a claim has been made to the Custodian by the Company. If the Client does not have sufficient funds held with the Custodian the Company reserves the right to sell investments from the Portfolio to cover any such fees and charges. If there are insufficient investments to sell, the fees and charges will be immediately payable by the Client upon written notice from the Company.

25.5 Termination of the Agreement will not affect any rights or obligations, which may already have arisen between the Company and the Client. The termination of these Terms will not affect the coming into force or the continuance in force of any provisions in these Terms which is expressly, or by implication, intended to come into, or continue in force, on or after such termination.

26. IN THE EVENT OF DEATH

26.1 In the event of the Client's death, any person(s) purporting to be the Client's legal personal representative(s) or surviving joint account holder must provide the Company with formal notice of the Client's death in a form acceptable to the Company, including but not limited to the provision of an original death certificate in physical form.

26.2 Clauses 26.3 through to and including 26.8 will only apply if the Client is a sole account holder (including where the Client is the sole surviving joint holder following the earlier death of a joint account holder). In the event of death of a joint account holder (who is not the sole surviving joint account holder), the Client should refer to clause 26.1 above.

26.3 Upon the receipt and acceptance of the Client's death certificate, the Company will treat the Client's death as an Event of Default allowing the Company to exercise any of its rights under clause 18.2 of these Terms including but not limited to closing any and all Open Positions within the Client's Account. The Agreement will continue to bind the Client's estate until terminated by the Client's legal personal representative or by the Company in accordance with these Terms.

26.4 Where the Company provides the Client with an execution-only dealing service, the Company will be under no obligation to assume management of the Client's Account following his or her death. Where the Company provides the Client with an advisory service, the Company will terminate such service upon receipt of the Client's death certificate, the Company will not provide investment advice to the Client's legal personal representative. Where the Company provides the Client with a Discretionary Investment Management Service, the Company may (but shall not be obliged) continue to management the Client's investments in accordance with instructions to the contrary by the Client's proven legal personal representative(s); the Company may make such decision in its sole and absolute discretion.

26.5 A person shall not be proven to be the Client's legal personal representative until the Company receives a grant of representation for the Client's estate. Once the Company receives the grant of representation for the Client's estate, the Company will carry out the written instructions from the Client's legal personal representative(s). The Company will only accept instructions that aim to wind-down and/or close the Account. No registered asset may be sold until any re-registration process is completed and all fees, charges and expenses which may be owed by the Client to the Company are accounted for. Where the Company has not

received any instructions after six months following receipt of the Client's death certificate, the Company may (but shall not be obliged) re-register the Client's holdings into the name of its legal personal representative(s), re-materialising any electronical holdings and send such holdings in certificated form to the registered correspondence address for the Client's estate, subject to appropriate charges detailed from time to time.

26.6 If the Client's estate is too small to warrant a grant of representation, the Company may in its sole and absolute discretion, require any person(s) purporting to be the Client's legal personal representative(s) to obtain a grant of representation or request an appropriate indemnity.

26.7 Any applicable charges will still be charged until the Account is closed.

26.8 Notwithstanding anything in the Agreement, if the Agreement is not terminated within two years after the date of the Client's death, the Company may take such action as it considers appropriate to close the Client's Account. The Client's estate or its legal personal representative(s) will be liable for all costs associated with the Company taking this action, or considering taking action, except to the extent that costs arise because of the Company's negligence, willful default or fraud.

27. NOTICES AND COMMUNICATION WITH THE CLIENT

27.1 The Company may notify, instruct or communicate with the Client by telephone, letter, fax, email or by posting a message on the Company's website, and the Client agrees that the Company may contact the Client through any of these mediums at any time. The Company will use the address, fax number, phone number, or email address specified in the Client's Account opening documentation or such other address (physical or electronic) or number (fax or phone) as the Client may subsequently provide the Company.

27.2 The Client will be deemed to have acknowledged and agreed with the content of the notice, instruction or other communication unless the Client notifies the Company to the contrary in writing within five (5) Business Days of the date on which the Client is deemed to have received it in accordance with clause 27.3 below.

27.3 Any notice, instruction or other communication will be deemed to have been properly given by the Company:

- (a) if hand delivered, when left at the Client's last known home address or work address;
- (b) if sent by post to the address last notified by the Client to the Company, on the next business day after being deposited in the post;
- (c) if given verbally over the telephone, immediately where the Company speaks with the Client. If the Company is unable to connect with the Client via phone, the Company may leave a message on the Client's answering machine. In such an event, the notice, instruction or other communication will be deemed to have been properly given one hour after the message is left;

- (d) if sent by fax, immediately upon receipt of a successful transmission report;
- (e) if sent by email, immediately after the email is sent providing the Company does not receive confirmation of a failed delivery from the relevant email provider; and/or
- (f) if posted on the Company's website as soon as it has been posted.

27.4 The Client is responsible for reading all notices posted on the Company's website in a timely manner.

27.5 The Client may notify the Company by letter or fax, both of which shall constitute written notice. The Client will use the Company's registered address or fax number specified by the Company from time to time in accordance with any notice requirement. The Company is not required to acknowledge receipt of any such notice.

27.6 Any notice will be deemed to have been properly given by the Client:

- (a) if hand delivered, when left at the Company's registered office;
- (b) if sent by post to the Company's registered address, upon receipt by the Company;
- (c) if sent by fax, immediately upon receipt of a successful transmission report; and/or
- (d) if sent by email, one hour after the email is sent providing the Client does not receive confirmation of a failed delivery from the relevant email provider.

27.7 The Client and the Company shall communicate with one another in English.

27.8 The Company shall not be liable for any delay in the Client receiving any communication once dispatched by the Company, except where the delay is caused by the Company's willful default, fraud or negligence.

27.9 The Company may record telephone conversations with the Client. Such records will be the Company's sole property and the Client accepts that such recordings will constitute evidence of the communications between the Client and the Company.

27.10 The Client may provide instructions to the Company by e-mail, in accordance with procedures (including security procedures and use of passwords) for giving such instructions which the Company may modify from time to time. The Company can only accept such instructions in limited cases as notified from time to time. The Company will not generally act on e-mail instructions for the purchase or sale of investments. The Company reserves the right to see appropriate confirmation before acting on any instructions or requests. The Client accepts that any instructions are deemed to have been given at the time they are accessed by the Company. The Client accepts that there may be a delay in processing the instructions received from e-mails after the Company has received them. The Client is advised that urgent, time sensitive and confidential communications should not be sent by e-mail. The Client further agrees that they will not use e-mail

correspondence for unlawful purposes or in contravention of laws on electronic communications or data protection.

27.11 The Client acknowledges that e-mails are not secure and you accept the risk of malfunction, viruses, unauthorised interference, and miss-delivery or delay (if, for example, the addressee at our offices is not available).

27.12 The Company may rely on any instructions which purport to have been given by the Client, and the Company may decline to act on instructions given by the Client if the Company reasonably believes them to have been given fraudulently or in any other unauthorised manner.

27.13 All statements, Trade Confirmations and Automated Trade confirmations will be sent from the Custodian to the Client at the address specified in the account opening forms, unless the Client requests in writing otherwise.

27.14 The Client is solely responsible for checking the accuracy of statements, trade confirmations, automated trade confirmation valuations and other documents as soon as possible and informing the Company if there appears to be any inaccuracy. A failure to inform the Company of any error, omission and/or possible breach contained within these documentation can act against the Client.

28. CONFIDENTIALITY AND DATA PROTECTION

28.1 The Company may obtain information (including personal data) from the Client during the course of its relationship with the Client. This section describes some of the key issues in relation to how the Company processes this personal data, which the Client should be aware of. Please note that this description is not comprehensive and the Company's Privacy Policy contains additional information. The Company's Privacy Policy is available upon request and should be read alongside this clause 28 as it sets out the types of personal data which the Company collects about the Client and additional ways in which the Company safeguards and uses such personal data.

28.2 The Company (and its Associated Companies where required) is/are registered as a data controller under the Data Protection Act 1998 and it will process the Client's personal data only in accordance with these Terms and the Company's Privacy Policy.

28.3 Subject to the following the Company will treat all information it holds about the Client as private and confidential, even when the Client is no longer a customer. The Client agrees, however, that the Company and any of its Associated Companies may:

- (a) use the Client's information to determine the Client's identity and background before and during the term of the Agreement for money laundering and regulatory purposes, administer and operate the Client's Account and monitor and analyse its conduct, provide Services to the Client, improve any of the Company's

operations, procedures, products and/or Services during the term of the Agreement, access any credit decision and enable the Company to carry out statistical and other analysis;

- (b) use the Client's personal data including its contact details, application details and details of the service the Company provides to the Client and how the Client uses them, to decide what products and Services may be of interest to the Client;
- (c) contact the Client by telephone, post, email and other electronic messages and fax with information, news, events and seminars on the Company's services and those of Associated Companies and other selected partners;
- (d) use the Client's personal data to comply and cooperate with regulators and the courts and to comply with its legal obligations.

28.4 The Company may share the Client's personal data with any of its Agents, including data processors, or any Associated Companies in jurisdictions in or outside of the European Economic Area who may only use it for the same purposes as the Company. Such purposes include those listed in clause 28.3 above in addition to the processing of instructions and generation of confirmations, the operation of control systems; the operation of management information systems and allowing staff of Associated Companies who share responsibility for managing the Client's relationship from other such offices to view information about the Client. The Company may take appropriate measures to protect the security of the Client's personal data and details of the companies and countries involved in processing the Client's personal data will be provided upon request to the Company's Data Protection Officer.

28.5 The Client has the right, on payment of a £10 fee, to receive a copy of the information the Company holds about the Client to the extent that it constitutes the Client's personal information. If the Client wishes to exercise this right, the Client should write to the Data Protection Officer.

28.6 If the Client would like to change or modify information previously provided to the Company, to remove information from the Company's database or elect not to receive certain communications from the Company, the Client should do so by writing to the Data Protection Officer.

29. MISCELLANEOUS

29.1 The Company may, but the Client may not, at any time transfer or assign absolutely its rights, benefits and/or obligations under these Terms by providing the Client with not less than 10 (ten) Business Days written notice. Any such transfer or assignment shall be subject to the assignee undertaking in writing to be bound by and perform our obligations under these Terms.

29.2 The Company's rights and obligations under these Terms are personal to the Client. This means that the

Client cannot assign them without the Company's prior written consent.

29.3 In order to comply with its obligations under various legislative and regulatory requirements including but not limited to the Companies Act 2006, the Financial Services and Markets Act 2000, the FCA Rules, the United Kingdom Listing Authority's Listing Rules, and/or the City Code on Takeovers and Mergers, the Company may be required to make certain disclosures relating to the Client's Transactions, which may or may not involve disclosing the Client's identity. In addition to complying with such obligations, the Company may comply with any request for information pertaining to the Client from any relevant regulatory or government authority. The Client agrees that such compliance does not constitute a breach of any obligation of confidentiality, which the Company owes to the Client pursuant to these terms.

29.4 Time is of the essence in respect of all of the Client's obligations under these Terms and any Transaction. This means that specified times and dates in the Terms are vital and mandatory. Any delay, reasonable or not, may be grounds for terminating a Transaction, multiple Transactions or the Agreement.

29.5 The rights and remedies provided under the Terms are cumulative and not exclusive of those provided by law.

29.6 The Company is under no obligation to exercise any right or remedy either at all or in a manner or at any time beneficial to the Client. No delay or failure by the Company to exercise any of its rights under these Terms (including any Transaction) or otherwise shall operate as a waiver of those or any other rights or remedies. No single or partial exercise of a right or remedy shall prevent further exercise of that right or remedies. No course of conduct or previous dealings shall create any future obligations to perform in the same manner.

29.7 If, at any time, any provision of these Terms is or becomes illegal, invalid or unenforceable in any respect under these laws of any jurisdiction, then such provision or part thereof will, to that extent, be deemed severable and not form part of these Terms. Neither the legality, validity or enforceability of such provision under the law of any other jurisdiction shall be in any way affected.

29.8 The Client accepts that the Company may be closed on significant holidays within the United Kingdom, Europe or the United States of America. This means that the Company may not offer Services, in whole or in part, everyday of the year. The Client should keep itself apprised of the Company's regular hours of business and closure schedule to avoid any Service disruption or inconvenience when trading.

29.9 The Company's records, unless shown to be wrong, will be evidence of the Client's dealings with the Company in connection with the Company's services. The Client will not object to the admission of the Company's records in any legal proceedings because such records are not originals, are not in writing or are produced by a computer. The Client will not rely on the Company to

comply with its record keeping obligations, although records may be available to the Client upon request, the provision of which is subject to the Company's sole and absolute discretion.

29.10 The Client and the Company do not intend that any provision of these Terms should be enforceable by virtue of the Contract (Rights of Third Parties) Act 1999 by any person who is not a party to these Terms.

29.11 If any action or proceeding is brought by or against the Company in relation to these Terms or arising out of any act or omission by the Company, the Client agrees to cooperate with the Company to the fullest extent possible in the defence or prosecution of such action or proceeding.

29.12 If the Company deals for or advises the Client on the purchase or sale of regulated or unregulated collective investment schemes, the Company will do so on a fees plus Commission basis, and the Company will waive any initial commission (but no other types of commission) receivable by the Company from the operator of the scheme. The Company will charge its normal dealing charges for such purchases or sales. It is the Company's policy to purchase the best value units for its customers, and the Company will normally seek to purchase institutional units where possible.

29.13 The Company may cold call the Client for the promotion of unrelated investment opportunities, including, but not limited to, unregulated collective investments schemes, unless the Client provides the Company with written notice that they do not wish to receive such calls.

29.14 If the Client has any complaints, these should be directed by letter, telephone or email to the Compliance Officer whose address is available on request. Any such complaint will be dealt with in accordance with the Company's internal complaint handling procedures. A copy of a summary of such procedures is available on request and will be provided by the Client on the Company's acknowledgment of any complaint. Professional Clients are not eligible to refer a complaint to the Financial Ombudsman Service.

29.15 The Company reserves the right to re-dominate the currency of the Client's Portfolio into any currency, if required to do so by law or prevailing market practice.

29.16 The rights and remedies provided under these Terms are cumulative and not exclusive of those provided by law. The Company shall be under no obligation to exercise any right or remedy either at all or in a manner or at a time beneficial to the Client. No failure by the Company to exercise or delay in exercising any of the Company's rights under these Terms (including any transaction) or otherwise shall operate as a waiver of those rights or any other rights or remedies. No single or partial exercise of a right or remedy shall prevent further exercise of that right or remedy or the exercise of another right or remedy.

29.17 The Company does not handle clients' money. The Company will never accept a cheque or monies made payable to us (unless it is settlement of charges for which we have outlined in writing or due under the Terms) or handle cash.

29.18 Unless the Client objects in writing, the Company will assume that it may hold the Client's money at an Approved Bank, or financial institution outside the UK. The names of such banks or institutions are available on request. The legal and regulatory regime applying to the overseas bank will be different from that of the UK and in the event of the bank's default your money may be treated differently from the position which would apply if it was held in the UK.

30. GOVERNING LAW

30.1 A transaction which is subject to the rules of a Market shall be governed by the law applicable to it under those rules. Subject thereto, this Agreement shall be governed by and construed in accordance with English law.

30.2 The Courts of England have exclusive jurisdiction to settle any dispute arising in connection with the Agreement and for such purposes the Company and the Client irrevocably submits to the jurisdiction of the English courts.

30.3 Nothing in this clause 29 shall prevent the Company from bringing proceedings against the Client in any other country which may have jurisdiction to whose jurisdiction the Client irrevocably submits.

30.4 Irrespective of the Clients location, the Client agrees to the service of legal process or any other documents in connection with proceedings in any court by the registered mailing of copies to the Client's last address shown in the Company's records, or in any other manner permitted by English law, the law of the place of service or the law of the jurisdiction where proceedings are instituted.

APPENDIX 1

GENERAL RISK DISCLOSURE NOTICE – COMPLEX PRODUCTS

This Notice is provided to you in compliance with FCA Rules. This notice does not disclose all of the risks and other significant aspects of derivatives products such as CFD's and spread bets. **You should not deal in derivatives unless you understand the nature and extent of your exposure to risk. You should be satisfied that this type of product is suitable for you in the light of your circumstances and financial position.**

You should only engage in this type of trading if you are prepared to accept a high degree of risk and in particular the risks outlined below. You must be prepared to sustain the total loss of all amounts you may have deposited with the Custodian as well as any losses, charges (such as interest) and any other amounts (such as costs) that the Custodian and/or the Company incur in recovering payment from you.

Certain strategies, such as spread position or a straddle may be as risky as a simple long or short position. Whilst trading derivatives instruments can be utilised for the management of risk, some investments are unsuitable for many investors. Different instruments involve different levels of exposure to risk, and in deciding whether to trade in such instruments you should be aware of the following:

1. Contracts for Difference can be likened to futures which can be entered into in relation to the FTSE-100 Index or any other index or share, as well as currency. Spreads Bets are a form of Contracts for Difference. Unlike Futures and Options these contracts can only be settled in cash. Investing in a CFD or a Spread Bet carries risks similar to investing in a future or an option and you should be aware of these. Contracts for Differences or a Spread Bet may also have a contingent liability and you should be aware of the implications of these as set out in paragraph 2 below.

2. Foreign Markets involve different risks from UK markets. In some cases risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign currency will be affected by fluctuations in foreign exchange rates. Such enhanced risks include the risks of political or economic policy changes in a foreign media, which may substantially and permanently alter the conditions, terms, marketability or price of a foreign currency.

3. The placing of certain orders e.g. a stop loss or stop limits order that are intended to limit losses to certain amounts may not always be affected because market conditions or technological limitations may make it impossible to execute such orders.

4. Various situations, developments or events may arise over a weekend when the currency markets generally close for trading, that may cause the currency markets to open at a significantly different price from where they

closed on Friday. Clients will not be able to place or change orders over the weekend and at other times when the markets are generally closed. There is a substantial risk that stop loss orders left to protect open positions held over the weekend will be executed at levels significantly worse than the specified price.

5. Contingent liability transactions which are margined require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. You may sustain a total loss of the Margin you deposit to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional Margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be liable for any resulting deficit. Even if the Transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognized or designated investment exchange, may expose you to substantially greater risk. The Company will not be aware of any requirement for you to pay additional Margin as this is an arrangement between yourself and the Custodian. The Company cannot be held responsible or liable in respect of any requirements for you to pay additional Margin to the Custodian nor any subsequent losses incurred by the Client if the additional Margin is not paid and your positions are closed out at a loss.

6. Trading on margin, or Contracts for Differences, Spread Bets, Traded Options, Futures etc., may all provide high levels of gearing. When an adverse movement in a position held occurs, a margin call will be made, which will require immediate funding. Where insufficient cash funds are available, your investments held as collateral will be realised and in some circumstances the securities sold to meet a margin call will be entirely at the discretion of the Custodian. **A severe adverse price movement in a highly leveraged investment will seriously impact the value of your investments.**

7. Active, day or high frequency trading can be extremely risky. A day trading strategy is an overall trading strategy categorised by the regular transmission of intra-day orders to affect both purchase and sale transactions in the same security or securities. Day trading on margin or short selling may result in losses beyond your initial investment. Day trading is not appropriate for someone with limited resources and limited investment or trading experience and low to medium risk tolerance.

8. If collateral is deposited as security you should ascertain how your collateral will be dealt with. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited and you may have to accept payment in cash.

9. Before you begin to trade you should obtain details of all commissions and other charges for which you will be

liable. If any charges are not expressed in monetary terms you should obtain a clear written explanation to establish what such charges are likely to mean in specific money terms.

10. Equities rank after all other classes of corporate capital and are by definition risk capital. Generally they will fluctuate both up and downwards, depending upon market sentiment, often when little change has been seen for the outlook in corporate profitability. Accordingly the risk in such entities cannot usually be thought of as being lower than **medium** for the majority of medium/larger size well established and funded companies.

11. Many smaller less well established companies, especially those involved in mining exploration/development and technology, should in most instances be regarded as **high** risk. For those investors looking to make short term trading gains, they should generally regard such activity as speculative and **high** risk. The frequency of dealing using such methods will normally significantly increase transaction costs and this will impact negatively upon profits or losses. The use of leverage when trading investments, will inevitably increase the risk to a **high** level. Leverage will most often be seen with margin transactions, Contracts for Differences, Spread Bets and Futures.

12. Both income and capital for Sovereign debt is guaranteed by government, although country and currency risk must be considered before committing to overseas issues. Corporate debt issued by good quality companies will normally be secure. All types of fixed interest stocks can however be heavily impacted by significant trends in interest rates and any stock purchased above par will cause a loss of capital if held to redemption. Generally these classes of stock can be considered in the **low** risk spectrum, especially when the period to maturity is in the shorter time scale.

13. Equity Securities

Investments may include equity securities and equivalents of issuers in multiple jurisdictions, including issuers in emerging markets, of any market capitalisation (e.g. small, medium or large). Equity securities may include common and preferred stocks and warrants and equivalents (including convertible securities). As a result of investments in equity securities, the Portfolio will be exposed to the risks typically associated with equity investing. These risks include the general risk of broad market declines and specific risks relating to an issuer, such as management performance, financial leverage, financial position, industry problems and reduced demand for the issuer's goods or services.

14. Fixed Income Securities

When we manage the investments in your Portfolio, we may invest in fixed income securities of corporate and government issuers in multiple jurisdictions. Such fixed income securities are not required to satisfy any minimum rating standard and may include instruments that are in poor standing and that have predominantly speculative characteristics with respect of the issuer's capacity to pay interest and repay principal.

Fixed income securities are subject to the risk that the issuer may default on the payment of principal and/or interest. The prices of fixed income securities are inversely affected by changes in interest rates and thus are subject to the risk of market price fluctuations. In addition, changes in the credit ratings of a fixed income security or in the perceived ability of the issuer to make payments of principal and interest also may affect the security's market value.

15. Exchange Traded Funds (ETFs) & Structured Products

Investment may also include ETFs. These can be divided into two primary functions. They originated to hold and fully reflect their underlying investments, e.g., FTSE 100 Index, Gold etc. Management charges are low and largely track the value of the markets in which they are invested. Consequently the risk in such an investment is largely restricted to that of the underlying asset. In order to obtain exposure to markets where holding the underlying assets is not practical, e.g., Oil. Generally an ETF's Oil exposure will be obtained by holding a covering Futures Contract. The problem here is that Oil Futures may not fully correlate with the Oil price and extra risk is added should the Futures House providing the Oil exposure fall into financial difficulties. Subsequently ETFs have been engineered and are organised much in line with the risks and arrangements for Structured Products and will likely have increased risk through exposure to derivatives and leverage. Before committing to the acquisition of an ETF, clients should ensure they have a good understanding of the structure and the risks associated with their intended investment. As their name suggests ETFs are traded on markets and depending upon the liquidity in the markets, unlike structured products, can be readily acquired and realised.

Investment may also include structured products, also known as structured notes. Structured products are securities the redemption values and/or the coupons of which are indexed to the prices of a specific instrument or statistic. Structured products typically, but not always, are debt securities or deposits whose value at maturity or coupon rate is determined by reference to other securities, securities indices, currencies, precious metals or other commodities, or other financial indicators. Structured products in respect of gold, for example, typically provide for a maturity value that depends on the price of gold, resulting in a security whose price tends to rise and fall together with gold prices.

The performance of structured products depends to a great extent on the performance of the security, currency, or other instrument to which they are indexed, and may also be influenced by interest rate changes. At the same time, structured products are subject to the credit risks associated with the issuer of the security, and their values may decline if the issuer's creditworthiness deteriorates.

16. Structured Capital at Risk Products

Where we reasonably believe that such course of action is in your best interest, we may recommend that you invest

in structured capital risk products. Should you do so, you should be aware of the following:

- (a) The return of initial capital invested at the end of the investment period is not guaranteed and you may therefore get back less than what was originally invested;
- (b) The amount of initial capital repaid may be geared, which means that a small percentage fall in the related index may result in a larger reduction in the amount that is paid out;
- (c) Any maximum benefit being advertised may only be available after a set period;
- (d) Redeeming a product early may result in redemption penalties and a poor return;
- (e) The initial capital invested may be placed into high risk investments, such as non-investment grade bonds;
- (f) The rate of income or growth advertised may depend on specific conditions being met;
- (g) You should not enter into the transaction unless you are prepared to lose some or all of the money to be invested.

17. Hedge Funds

We may advise that you invest in hedge funds and funds of hedge funds.

Hedge funds may be established in jurisdictions where no or limited supervision is exercised by regulators. Hedge funds may use investment techniques such as leverage, short selling and the use of derivatives that are unavailable to, or generally are restricted with UK authorised collective funds. Many hedge funds are run as small boutiques and investors are not compensated for taking on operational risk. Hedge funds must have sufficient liquidity to capture investment opportunities that arise at the most advantageous time and therefore some funds may impose lock up periods when funds may not be sold. Hedge funds generally cannot be traded on the secondary market. Hedge funds are under no obligation to provide performance statistics or follow valuation procedures which are considered prudent by regulators. This has in a small minority of cases given rise to fraud.

The regulatory environment for hedge funds is evolving and changes therein may adversely affect the ability of the fund to obtain the leverage it might otherwise obtain or to pursue its investment strategies. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held in the fund. The effect of any future regulatory or tax change on the investments is impossible to predict.

Fund of hedge funds are collective investment vehicles (sometimes quoted investment trusts), managed by investment professionals who invest across a number of underlying hedge fund strategies. Funds of hedge funds aim to offer investors diversification across manager styles and therefore attempt to lower the degree of hedge fund specific risk. Funds of hedge fund managers are responsible for evaluating hedge fund strategies,

identifying and selecting managers and performing due diligence and the ongoing monitoring of funds.

The principal investment objective is to achieve superior absolute returns by investing (directly or indirectly) primarily in hedge funds which utilise a wide range of investment styles and instruments. By investing in this type of fund investors will be looking to access the varied skills and expertise of the managers of such hedge funds whilst in some cases lessening the level of volatility.

The nature of the securities to be purchased by the investment vehicles and investment techniques and strategies to be employed in an effort to increase profits may increase this risk. The success of any fund's investment program largely depends upon the ability of the managers of the investment vehicles to assess correctly the future course of price movements of stocks, bonds and other financial instruments and markets.

18. Property Funds

We may invest on your behalf in property and land through holding investments in property funds. These can be difficult to sell so you may not be able to sell/cash in this investment when you want to. We may have to delay acting on your instructions to sell your investment. The value of property is often a matter of a valuer's opinion rather than fact.

19. Cash Items

We may invest a portion of your assets in the Portfolio in cash or cash items. These cash items must be of high quality and may include a number of money market instruments such as securities issued by national governments and agencies thereof, bankers' acceptances, commercial paper, and bank certificates of deposit.

20. Suspension of Trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

21. Absence of Regulation

We may from time to time deal with you or for you in circumstances in which the relevant transaction is not regulated by the rules of any investment exchange and we may deal for you on an exchange which has not been recognised or designated by the FCA. The protection offered by such limited supervision may be less effective than if full supervision was exercised by a regulator in another jurisdiction.

22. Emerging Markets

Investments in emerging markets may expose investors to risks not typically associated with similar investments in more developed markets. The classification of a country as an "emerging market" is generally based on the relative economic, political and social development and is by necessity subjective. Some of the risks associated with emerging markets are similar to those affecting more developed economies but the undeveloped nature of an

emerging economy may mean that they are more pronounced or have a longer and deeper effect.

Country risk covers such factors as natural disasters which may have a greater effect on the economy and financial systems of an emerging market. The less well developed financial systems may mean that financial instability is more common and may be more exaggerated both by internal factors such as inflation or external factors such as changes in currency values. Many emerging markets experience rapid and significant changes in political control which may result in unpredictable changes in economic policy. Settlement, custodial and clearing systems may not be fully developed and investors may be subject to political intervention or risks arising from less developed systems and standards. Emerging companies may not be as economically stable as companies in more developed countries and as such might be subject to political intervention.

23. Illiquid Investments in General

Where we reasonably believe that such course of action is in your best interests, we may occasionally enter into transactions on your behalf in investments which are not readily realisable. It may be difficult to sell these investments at a reasonable price and, in some circumstances; it may be difficult to sell such investments at any price. It may also be difficult to assess a proper market price of such investments. We strongly recommend you to consider carefully and let us know whether such investments are appropriate in the light of your financial circumstances. (In addition to investments in property, further examples of such investments are available on request.)

24. Investments Affected by Stabilisation

Where we reasonably believe that such course of action is in your best interests, we may recommend investments to you whose market price may be affected by stabilisation.

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The FCA allows stabilisation in order to help counter the fact that, when a new issue comes on to the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is carried out by a “stabilisation manager” (normally the firm chiefly responsible for bringing a new issue to the market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

The fact that a new issue or a related security is being stabilised should not be taken as any indication on the level of interest from investors, or of the price at which they are prepared to buy the securities.

25. Dealing in Small Company Shares

Where we reasonably believe that such course of action is in your best interests, we may recommend to you or deal for you as an agent in shares of some small and very small companies including Penny Shares. There is an extra risk of losing money when such shares are bought. There is a significant difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may receive much less than the purchase cost. The price may change quickly and may go down as well as up.

26. Gearing

Where we reasonably believe that such course of action is in your best interests, we may recommend to you or deal for you as agent in securities which may use Gearing.

Gearing as an investment strategy is likely to be subject to fluctuations in value which are significant compared with the likely fluctuations in value of the underlying investments, we are required by the FCA Rules to give you the following warning:

The strategy which the issuer of such securities uses or proposes to use may result in:

- (a) Movements in the price of the securities being more volatile than the movements in the price of underlying investments; and
- (b) The investments being subject to sudden and large falls in value; and
- (c) There is a possibility that you get back nothing at all if there is a sufficiently large fall in value in the investment.

You acknowledge that there may be a period during the set-up of your Account where withdrawal periods apply and where your funds may not be invested by us. Where this is the case, there will be a risk that markets may move against you. We will not be liable for any consequence of market movements in such a situation where the delay in investment results from a withdrawal right that we are obliged to provide to you or from any other cause beyond our direct control.

27. Redemptions

All redemption requests must be made pursuant to a properly completed redemption form and must clearly identify the shares of the particular class to be redeemed including the purchase contract reference number or the redeeming shareholder’s account.

APPENDIX 2

BEST EXECUTION POLICY SUMMARY

Introduction

The FCA Rules require investment firms, such as the Company (“the Firm”), when transmitting orders to other entities for execution on behalf of clients to take reasonable steps to obtain the best possible result taking in to account; price, costs, speed, likelihood of execution

and settlement, size, nature of the order or any other relevant consideration (the “Best Execution Obligation”). The Firm has established and implemented an Order Execution Policy (“OEP”) setting out the most important and/or relevant aspects of the arrangements that the Firm has in place to comply with the Best Execution Obligation. The purposes of this summary are to provide clients with information on the Firm’s OEP.

The Firm will normally undertake all transactions on behalf of clients through another entity who has undertaken to provide the Firm with Best Execution obligation.

Scope of the Best Execution Obligation

When the Firm transmits an order in a Financial Instrument to another entity for execution on behalf of a client we owe the client the Best Execution Obligation.

The Firm will not ordinarily accept specific instructions as to how to execute a particular order but in the event it does receive specific instructions from a client in respect of the execution of a transaction, the Firm is deemed to have complied with its Best Execution Obligation by following those specific instructions.

Execution of Orders

The Firm transmits orders to the Custodian or other agreed arrangement (“the Broker”). The Firm has considered, and will keep under review, the appropriateness of any Broker providing dealing services. The Firm will endeavour to ensure it is able to obtain results for clients at least as good as the results that it could reasonably expect from using alternative entities.

Execution Factors

The Execution Factors the Firm take into account when transmitting orders to other entities to execute on behalf of a client will include; price, costs, speed, likelihood of execution and settlement, size, nature of the order/trade and any other consideration relevant to the execution of the order/trade in question. The Firm’s policy, as described above, is based upon the application of the Execution Factors as follows; our priority will be the likelihood of successful execution and settlement, followed by price and cost. Consequently our use of the Custodian is intended to enhance the overall quality of execution in terms of these factors.

Review and Monitoring

The Firm monitors the effectiveness of its Order Execution arrangements (including the OEP) to identify and, where appropriate, correct any deficiencies. The Firm review on a regular basis whether the execution venues included in the OEP provide the best possible results and whether the Firm needs to make any changes. The Firm undertakes a review of its Order Execution arrangements and the OEP at least annually, or whenever a material change occurs that affects the Firm’s ability to continue to obtain the best possible result for the execution of client orders on a consistent basis using the Broker. We will notify Clients of

any material changes to our execution arrangements or the OEP.

Client Consent

We are required by the regulations to obtain the consent of each client to our Order Execution Policy. Unless you advise us to the contrary, the Firm will deem that consent has been provided following the receipt of the notification contained within the summary of this OEP.

APPENDIX 3

Schedule of charges:-

All trades will normally be subject to an administration fee and a commission charge.

When commission is waived an administration fee will still be incurred.

Administration fees

\$45.00 per trade on North America securities

£45.00 per trade on UK securities

€45.00 per trade on European securities

\$45.00 per trade on Far East & other International securities.

NB. Local taxes and levies may also apply per trade.

Commission charges

Securities – a maximum of 2% based on the contract consideration.

Derivatives – a maximum of 2% based upon the market value of the underlying security.

Investment Management fee

An investment management fee of up to 2% which may be agreed by the client and charged in arrears half yearly.

Inactive accounts

An inactivity charge may be applied on an annual basis by our Clearing Agent. At its discretion Union Investment Management may apply an annual fee of £100.00 where deemed appropriate.

The charges will be subject to any applicable value added tax.

The Manager shall be entitled to vary the fees and other charges upon giving one months’ written notice to the Client. The Manager shall be entitled to claim such fees and charges from the Client’s account held with the Custodian. The payment shall be made as soon as reasonably practical after a claim has been made to the Custodian. If the client does not have sufficient funds held with the Custodian, the manager reserves the right to sell investments from the Investment Portfolio to cover any such fees and charges. If there are insufficient investments

to realise, the fees and charges will immediately payable by the Client upon receiving written notice from the Manager.