

BEAUFORT

TERMS OF BUSINESS

This copy is for your records

BEAUFORT SECURITIES LTD

131 Finsbury Pavement, London, EC2A 1NT

Telephone: +44 (0)20 7382 8300

Fax: +44 (0)20 7382 8400

Email: info@beaufortsecurities.com

Web: www.beaufortsecurities.com

Beaufort Securities Ltd, Registered No. 2693942, 131 Finsbury Pavement, London, EC2A 1NT

Authorised & Regulated by the Financial Conduct Authority (Register No. 155104)

Members of the London Stock Exchange and ISDX

© Copyright Beaufort Securities Ltd (Version 19, 16th March 2015)

1. PARTIES TO THIS AGREEMENT

1.1 This Agreement is between the following parties:

- (a) Beaufort Securities Limited;
- (b) Beaufort Asset Clearing Services Limited; and
- (c) you (the recipient(s) of this Agreement).

1.2 This Agreement sets out the basis upon which we will provide the Services to you and replaces any previous agreement or terms of business issued by us in relation to the Services provided by Beaufort Securities Limited. Amendments to this Agreement will be set out in writing and agreed between us subject to Applicable Regulations. For the avoidance of doubt, where we are required to immediately implement a new or revised regulation we will do so and inform you as soon as practicable in writing.

1.3 Beaufort Securities Limited ("**BSL**") is authorised and regulated by the Financial Conduct Authority in the United Kingdom with financial services registration number 155104. Beaufort Securities Limited is a company registered in England and Wales (registration number 02693942) and has its principal place of business at 131 Finsbury Pavement, London, England EC2A 1NT.

1.4 Beaufort Asset Clearing Services Limited ("**BACS**") is authorised and regulated by the Financial Conduct Authority in the United Kingdom with financial services registration number 485165. Beaufort Asset Clearing Services Limited is a company registered in England and Wales (registration number 06637499) and has its principal place of business at 131 Finsbury Pavement, London, England EC2A 1NT.

1.5 Please note that all clauses in this Agreement are applicable to both BSL and BACS unless it is expressly indicated otherwise.

2. DEFINITIONS AND INTERPRETATIONS

2.1 In this Agreement the following words shall have the corresponding meanings unless the context otherwise requires:

"Account Investments" means shares, cash and any other investments held in a Stockbroking Account, Stocks and Shares ISA or SIPP Stockbroking Account as permitted by the relevant regulations;

"Administrator" means the person or organisation(s) responsible for the maintenance and running of a SIPP. The SIPP administrator is responsible to HM Revenue & Customs for the operation of the SIPP in accordance with the Pension Scheme Rules and Regulations. The Administrator may be the same person as the Trustee;

"Agreement" means these terms of business between BSL, BACS and you, the document entitled "Personal Information & Data Protection Policy" and our published charges sheet as any of such documents are amended from time to time and which taken together constitute the terms of business;

"AIM" means the AIM Market of The London Stock Exchange;

"Applicable Law" means all laws, enactments, regulations, rules, regulatory guidance and regulatory authorisations, licenses and permits which apply to the provision or the receipt of the Services, including the Act and the FCA Rules and the rules of any exchange or clearing or settlement system on which BACS settles securities;

"Applicable Regulations" means (i) the Financial Services and Markets Act 2000 as amended; (ii) the FCA Rules; (iii) any other rules of a relevant regulatory authority; and (iv) regulations and rules in force from time to time in any jurisdiction;

"Application Form" means a completed application form and/or instruction and/or transfer application/instruction form and/or online application/instruction (as the case may be) relating to an account of a type subject to these Terms of Business or any part of them, e.g.:

- (a) an individual stockbroking account subject to these Terms of Business;
- (b) an ISA stockbroking account subject to these Terms of Business and the Additional Terms of Business set out in Clause 36 of these Terms of Business; and
- (c) a SIPP stockbroking account subject to these Terms of Business and the SIPP Terms of Business set out in Clause 37 of these Terms of Business;

"Business Day" means any day which is not a Saturday, Sunday or public or bank holiday in England;

"Client Agreement" means the agreement between BSL, BACS and you for the provision of order execution, settlement, custody, nominee services, and associated administration of your stockbroking accounts;

"Client Money" has the meaning given by the FCA's Client Assets Sourcebook;

"Complex Instrument" means a financial instrument which is not a non-complex instrument, as defined in the FCA Rules;

"CREST" means the organisation responsible in the United Kingdom for the paperless registration, transfer and settlement of transferable securities;

"Eligible Claimant" means a person eligible to bring a claim for compensation under the Financial Services Compensation Scheme, as defined in the FCA Rules;

"Eligible Complainant" means a person eligible to have a complaint considered under the Financial Ombudsman Service, as defined in the FCA Rules;

"FCA" means the Financial Conduct Authority whose address is 25 The North Colonnade, Canary Wharf, London E14 5HS or any successor body;

"FCA Rules" means the rules of the Financial Conduct Authority (or its successor) in the United Kingdom;

"FSMA" means the UK Financial Services and Markets Act 2000;

"iPhone App" means the Beaufort iPhone application;

"Insolvency Event" means when a person becomes the subject of a petition in bankruptcy or winding-up, has a receiver or administrative receiver, administrator, liquidator or trustee in bankruptcy appointed with respect to it or any of its assets and/or proposes or enters into any scheme of arrangement or composition with creditors;

"ISA" means an Individual Savings Account which is designated as a Stocks and Shares ISA under the ISA Regulations subject to these Terms of Business;

"ISA Regulations" means the Individual Savings Account Regulations 1998, the Individual Savings Account (Amendment) Regulations 2007 and the related HM Revenue & Customs guidance notes for ISA managers, as from time to time and amended and in force;

"ISA Terms of Business" means the Terms of Business relating to ISA accounts as set out in Clause 36 of these Terms of Business;

"London Stock Exchange" means The London Stock Exchange plc;

"Nominee Company" means Beaufort Nominees Limited which is a subsidiary of Beaufort Asset Clearing Services Limited or any other Nominee company appointed by us from time to time;

"LSE" means the London Stock Exchange;

"Member" means the individual who has opened the Account and has beneficial ownership of pension assets belonging to the SIPP;

"OEIC" means Open Ended Investment Company;

"Operator" means the Trustee or Administrator of your SIPP as appropriate under the terms of your SIPP;

"Our website" means www.beaufortsecurities.com;

"Pension Scheme Rules" means any statutory provisions, regulatory requirements and the specific rules of the relevant SIPP from time to time in force;

"PIN" means a Personal Identification Number;

"Professional Client" has the meaning given by the FCA Rules;

"Qualifying Investments" means investments which can be held in an ISA or SIPP in accordance with the relevant regulations;

"Registered Office" means the registered office of Beaufort Securities Limited and Beaufort Asset Clearing Services Limited, being 131 Finsbury Pavement, London EC2A 1NT;

"Regulator" means the FCA and any successor body and any other authority or body having regulatory jurisdiction over either party, including any exchange or settlement system;

"Retail Client" has the meaning given by the FCA Rules;

"SIPP" means a Self Invested Personal Pension Scheme within the meaning of the SIPP Regulations;

"SIPP Regulations" means the SIPP Regulations and any relevant guidance issued by HM Revenue & Customs, as amended and from time to time in force;

"Stockbroking Service" means the execution only share dealing services provided by BSL and BACS in which your assets will be held by BACS and managed and monitored by you;

"Tax" means income tax, capital gains tax, value-added tax, stamp duty, stamp duty reserve tax and all other applicable taxes, levies payable to the authorities of the United Kingdom or any other relevant jurisdiction;

"Tax Year" means a tax year beginning on 6 April in any calendar year and ending on 5 April in the following year;

"Terms of Business" means these Terms of Business, any applicable additional Terms of Business, the relevant Application Form and any other document referred to therein;

"The Rules" means The Rules and Regulations of the London Stock Exchange, the London International Financial Futures and Options Exchange, Euroclear UK & Ireland and any other exchange, clearing house or regulatory authority having jurisdiction in relation to business which we transact for you, together with any requirements arising from

or regulations made by or under the Financial Services and Markets Act 2000 ("FSMA");

"Trustee" means the legal owner of the assets in the SIPP, which it holds until benefits are paid out;

"You" or "you" means the recipient(s) of this Agreement; and

"We" (we, our, us) means BSL and BACS acting either independently or together.

2.2 Clause headings in this Agreement are for ease of reference only.

2.3 A reference in this Agreement to an annex, a 'clause' or a 'schedule' shall be construed as a reference to, respectively, an annex a clause or schedule of this Agreement, unless the context requires otherwise. References in this Agreement to any statute or statutory instrument or Applicable Regulations include any modification, amendment, extension or re-enactment thereof. A reference in this Agreement to 'document' also includes electronic documents. References to persons include but are not restricted to bodies corporate, unincorporated, associations and partnerships.

2.4 Where applicable, any term used in this Agreement has the meaning given to it by the FCA Rules.

3. EFFECT OF THIS AGREEMENT

3.1 By completing the online client take on form and completing the required take on information, you are accepting this Agreement therefore you should read it carefully. You should note that we may not be able to offer the Services to you if you do not complete the client take on process in full.

3.2 we may from time to time send you further schedules and supplementary material relating to, among other things, exchanges, transactions or fees. In the event of a conflict between clauses of a schedule and this Agreement, the clauses of the relevant schedule shall apply.

3.3 We reserve the right at all times at our sole and absolute discretion to determine whether we will do business with you under this Agreement.

3.4 Please let us know as soon as possible if there is anything in this Agreement which you do not understand or with which you do not agree.

4. CLIENT CATEGORISATION

4.1 In accordance with the FCA Rules we hereby notify you that we have categorised you as a Retail Client. If other firms regulated by the FCA would normally classify you as a Professional Client we may wish to re-classify you as a Professional Client. We will notify you in writing if we wish to change your client classification.

4.2 If we categorise you as a Professional Client, you will not benefit from the same level of protection afforded by the FCA Rules to Retail Clients. For example you may not have rights under the Financial Ombudsman Service or the Financial Services Compensation Scheme. We will provide you with more information concerning this on request.

4.3 You are responsible for keeping us informed about any change that could affect your client categorisation. You have the right to request a different client categorisation, however we may choose not to deal with you on such basis.

5. OUR SERVICES

5.1 We offer the following services:

Service	Party primarily responsible	Material clause(s) of this Agreement
Advice	Beaufort Securities Limited	5, 7 and 8
Arranging	Beaufort Securities Limited	5, 6 and 8
Managing Investments	Beaufort Securities Limited	5, 6 and 8
Execution Only Dealing	Beaufort Securities Limited	5 and 6
Settlement	Beaufort Asset Clearing Services Limited	14
Holding Client Money	Beaufort Asset Clearing Services Limited	15
Custody of assets	Beaufort Asset Clearing Services Limited	16

5.2 BSL will provide investment, advisory and dealing services with respect to a range of investments and securities, including the following but, acting reasonably, shall be entitled at any time to restrict such categories as it deems appropriate:

- (a) listed, traded and unquoted shares in UK and foreign companies (including partly paid shares);
- (b) debenture stock, loan stock, bonds, certificates of deposit, commercial paper or other debt instruments, including those issued by or on behalf of any government, local or other public body;
- (c) warrants and other derivatives to subscribe for securities within subparagraphs 5.2(a) and 5.2(b) above;
- (d) depository receipts and other types of instrument relating to securities within such sub-paragraphs;
- (e) collective investment schemes (including those which are unregulated); and
- (f) Exchange Traded Funds.

All transactions are subject to Applicable Regulations and the customs and practices of the exchange or market on which they are executed. You confirm to us that you are not prohibited from using our Services by the laws of the country in which you currently reside or otherwise, and that your dealings will comply with all relevant laws and regulations affecting you.

5.3 If you wish to deal in warrants, contingent liability investments or any other contracts for differences, futures or options or other complex instruments, you must request the separate Derivatives Risk Warning Notice and complete an appropriateness assessment. It is your responsibility to read, sign and return the risk warning notice to us before we can deal in these investments on your behalf. You should refer to the risk warnings in Schedule 1 in relation to such instruments, and other relevant risk warnings.

6. EXECUTION SERVICES

6.1 Details of our arrangements for order execution are available on our website at www.beaufortsecurities.com. If you require a printed copy please contact us. Any subsequent amendments to these arrangements will be notified only via our website.

6.2 In some circumstances when executing orders on your behalf, BSL may transact "off market" i.e. away from a regulated market or multi-lateral trading facility. By entering into this Agreement you expressly consent to your orders being executed in this way.

6.3 If you decide to place a limit order or a stop order (which, for the purposes of this Agreement, includes any type of limit or stop order) with BSL you accept that:

- (a) special risks apply to the placing of stop and limit orders and these are placed entirely at your own risk. To the extent that disputes arise which are caused by matters beyond BSL's control, you accept sole responsibility and that BSL bears no responsibility for such matters;
- (b) you are advised to review these orders on a regular basis in order that you are aware of your outstanding commitments and that they remain in line with your current investment objectives;

(c) BSL does not guarantee that limit orders or stop orders will be executed even if the limit price is met. This could be as a consequence of:

- (i) market conditions at the time (such as a "fast market", i.e. where the market is so volatile that prices quoted by market makers are only indicative rather than guaranteed);
- (ii) other clients having placed similar orders, but then having an earlier time priority than your order and being executed in priority to your order; or
- (iii) other factors which are outside BSL's control,

(d) limit orders and stop orders will only be executed if there are sufficient funds in your account for purchases and sufficient securities in your account to cover sales:

- (i) BSL will only execute orders in sizes which are at or below the maximum quote size offered by the market maker at the point of execution. If your limit order or stop order is above this size, it will not be executed automatically (even partially), even if the price is matched by the market price. Where possible, BSL will attempt to manually execute such orders on a best endeavours basis. You are therefore advised to ensure that your order can be matched in terms of size; and
- (ii) special risks apply to Stop Loss and Rising Buy orders. Stop orders are designed to trigger a sale when the price of a security falls below, or a purchase when the price rises above, a specified level. You should be aware that certain factors may cause the bid-offer spread of a security to increase, even momentarily, to an abnormally wide level, thereby causing your stop order to execute. However, these abnormal prices are the prevailing best prices for that security at that time.

6.4 BSL reserves the right to cancel a transaction without notice where it believes there is sufficient justification. This may include, for example (without limitation), circumstances where BSL is requested to do so by its counterparty or the relevant exchange, or where BSL believes it is necessary to maintain an orderly market or, where you execute multiple trades in the same security within a short space of time, where the aggregate size exceeds the maximum online size. BSL shall not be liable for any loss or expense you incur as a result of the cancellation of a transaction in such circumstances.

6.5 Orders in unit trusts and OEICs will normally be for the earliest possible execution. If BSL receives your order or instructions before the dealing time specified by it, BSL will submit your instructions for execution the same Business Day or at that dealing time. Orders received after this time will not usually result in execution until the following dealing time.

7. INVESTMENT OBJECTIVES

7.1 Advice and/or recommendations will not be given unless you have provided BSL with information regarding your knowledge and experience of the investments in question, your investment objectives (including the level of risk you are prepared to take in relation to investments) and your financial situation so that BSL can assess the suitability of a particular investment for you in accordance with the FCA Rules. BSL has asked you to complete an online client take on form to provide this information and advice and/or recommendations will not be provided until this has been completed in full.

7.2 BSL may contact you to verify that the information that you have provided remains accurate. If the information that you provide conflicts with information contained in the client take on form, you agree that BSL is entitled to rely on the former. BSL may provide you with a written record of its understanding of your revised objectives upon which its recommendations will be based. If you believe that BSL's record is incorrect, it is your responsibility to request BSL to amend such record. You agree that, in the absence of any request by you, the record will be deemed to be accurate and you will have no claim against BSL for making recommendations that are based on in-accurate information.

7.3 In order to help BSL ensure that it does not make unsuitable recommendations to you, you should inform BSL immediately of any changes to your circumstances which may be relevant. It is your responsibility to keep BSL informed of any matters which it should take into account when giving advice to you.

8. ADVICE AND RECOMMENDATIONS

8.1 In the course of providing you with execution services or otherwise BSL may, at its discretion, provide you with advice and personal recommendations. Unless agreed separately, BSL will not act as your investment manager, which means that BSL does not accept responsibility on a continuing basis for advising on the composition of your account or portfolio of investments held on your behalf by us or any other party.

8.2 It is your responsibility to contact BSL if you wish to seek advice on any of its recommendations. Although BSL will endeavour to provide advice when you request it, you acknowledge that BSL is not obliged to do so.

8.3 If you do not inform BSL of any particular investments or types of investments which you do not wish BSL to recommend to you, it may recommend any investment which falls within the categories set out in clause 5 above. This however will not affect BSL's obligation under the FCA Rules only to recommend to you those investments which it has reasonable grounds to consider are suitable for you.

8.4 If BSL advises you that an order or request to deal in relation to a particular investment is not suitable or appropriate for you, it will only accept an instruction in relation to that investment on an execution only basis.

8.5 BSL may provide you with information and research (oral and written), which for the avoidance of doubt will not constitute advice within the meaning of the FCA Rules, on an unsolicited basis. You agree to receive communications of this nature. If you decide to transact business on the basis of communications received from BSL, you accept that BSL has no obligation to advise you on a continuing basis with respect to investments purchased on the basis of its recommendations. BSL does not accept liability for any direct or consequential loss arising from the use of any research or recommendation provided in this way.

8.6 BSL will not be responsible for considering the tax implications for you of any recommendations that it may make.

8.7 On request BSL can provide you with a premium advisory managed service which provides you with the opportunity to invest in more than just equities, exchange traded funds and bonds. By selecting this service you will have access to an experienced broker who can provide advice in relation to international investments and assist you with your investment decisions. The charges for this premium service are set out in our published charges sheet, a copy of which is provided with and is incorporated into this Agreement. If you have not received the copy sent to you, it is your responsibility to request a further copy or you can view a copy at www.beaufortsecurities.com.

9. AGENCY AND POWER OF ATTORNEY

9.1 You alone will be treated as our customer under the FCA Rules, even if you are acting as an agent and have informed us of the identity of your principal.

9.2 We shall be entitled to rely on and treat as binding any instructions we reasonably believe to have been given by you or on your behalf. We may refuse to carry out your instructions, if in our reasonable opinion, compliance with them would be contrary to any applicable law, rule, regulation, regulatory requirement, market practice or code of conduct, or to do so would be unreasonable in the circumstances.

9.3 If you wish to give authority to another person to deal on your account, we will require a duly signed power of attorney to that effect. Subject to any limitation in such power of attorney, you agree that we are entitled to treat your attorney as having an unlimited authority to deal on your account. We are under no obligation to obtain your confirmation concerning any limits on the value, size, frequency or indebtedness of their dealings or instructions in respect of safe custody services and we will not be obliged to consider whether they have exceeded the authority you have given to them in light of your circumstances that are known to us.

9.4 Any notice given by us under this Agreement will be deemed to have been duly given to you if it is given to the person(s) whom you have

informed us is your agent or to the person(s) whom you have informed us holds a power of attorney granted by you.

10. COMMUNICATIONS

10.1 We will communicate with you in English. We shall be entitled to communicate with you by letter, facsimile, any forms of electronic communication or other virtually instantaneous communication medium (including email and text message) and by telephone. Where this Agreement is entered into with more than one person, any instruction, notice, demand, acknowledgement, request or other communication by or to you may be given by or to any one of you.

10.2 You expressly confirm that a purpose of your accepting this Agreement is to receive recommendations. Accordingly you agree to receive unsolicited contact by telephone or by other medium with recommendations to enter into transactions to buy or sell investments. Contact may be made between 08:00 - 21:00 hrs. (and such other hours as the markets in which you normally deal are open) in our local time, Monday to Saturday. Please inform us of any times that you do not wish to be telephoned for reasons of work patterns, religious faith or other personal reasons.

10.3 For your protection and to resolve any misunderstandings, we reserve the right to record all telephone calls, retain them for our records and to review them as part of our monitoring and training procedures. You agree that any such recorded calls may be used as evidence in a dispute between you and us.

10.4 In the case of communications sent by us to you by secure electronic message such communications will be deemed delivered to you upon us sending such communications to the secure mailbox within the Beaufort Securities website; we will not be obliged to seek acknowledgement of receipt from you in respect of communications so sent. We will not be liable to you for any delay or failure of delivery of any communication so sent, except where such delay or failure results from our negligence. Communications sent by us to you:

- (a) by post, at the last known postal address that we hold for you, will be deemed delivered and received by you 2 days after posting unless otherwise specified. We will not accept any liability for postal delays;
- (b) by fax will be deemed delivered and received immediately upon sending; and
- (c) by email or secure electronic message will be deemed delivered and received immediately upon sending.

10.5 You must inform us immediately of any changes to your personal details, including your postal address, your email address and your bank details. When we receive returned mail or emails, we will make reasonable endeavours to contact you to get your new details. We reserve the right to not send further communications to the old address or old email address. We will not be liable to you for any loss you may suffer as a result of you not receiving correspondence or payments where you have not informed us of any change in your details and/or bank account. All communications, including cheques, share certificates and other documents, sent to you by post, will be sent at your own risk to the last known postal address that we hold for you.

10.6 When you open a BSL account you will be provided with the ability to access your account online using the internet. You will be informed of your Username and we will issue you with an account number and separate PIN which together provide access to your account, either by internet or telephone. You acknowledge and agree that when you are acting as principal:

- (a) you are the sole exclusive owner of any account number allocated to you by BSL;
- (b) you will be responsible for the confidentiality and use of your own account number and PIN; and
- (c) we may rely on all orders and secure message instructions using your account number and PIN and you will be bound by any agreement entered into or expense incurred on your behalf in reliance on such orders and secure message instructions.

11. BEST EXECUTION

11.1 In accordance with the FCA Rules BSL is required, when executing orders, to take all reasonable steps to obtain the best possible result for its clients. In considering how it might achieve the best possible result for your order BSL will take a number of factors into account including price, costs, speed, likelihood of execution and settlement, size, nature of the order, your instructions, or any other considerations relevant to the execution of your order.

11.2 The weighting between these criteria may vary from order to order, but generally BSL will give the highest priority to price, speed of execution and likelihood of execution in deciding which of its selected execution venues is the most appropriate for your order. Factors such as the size of the order, the type of investment and liquidity of that investment will also be considered in its endeavour to deliver the best overall result in executing client transactions.

11.3 The execution venues BSL may use will be Regulated Markets including the London Stock Exchange and ISDX, Multilateral Trading Facilities and Retail Service Providers. However in exceptional circumstances BSL reserves the right to use other venues if the nature of the order requires it to do so.

11.4 You should note that, where you give BSL a specific instruction in respect of an order, BSL will follow your instructions but this may prevent BSL from taking steps that it has designed and implemented to obtain the best possible result for the execution of your order.

11.5 Further information in relation to BSL's Order Execution Policy are available on its website at <http://www.beaufortsecurities.com> or on request.

12. AGGREGATION OF ORDERS

We shall be entitled, without reference to you, to combine your orders of any nature with other orders for execution (including orders placed by persons connected with us or on our own account). Where such aggregation results in a number of transactions at different prices, we shall be entitled to average the prices obtained and allocate your own proportion at the average price. If we combine your order with others, we will follow our policy on aggregation (which requires us reasonably to consider that it would benefit each customer concerned) although you accept that on occasion, aggregation may work to your disadvantage. A copy of our order aggregation policy is available on request.

13. CONFLICT OF INTERESTS AND PERMITTED DEALINGS

13.1 Where we provide services to you under this Agreement we will comply with Applicable Regulations but we will have no further duty to disclose any interest to you including any benefit, profit, commission or other remuneration made or received by reason of any transaction.

13.2 We maintain arrangements which restrict access by our employees to information relating to areas of our business (and that of affiliates) with which, and the affairs of clients with whom, they are not directly concerned. Accordingly:

- (a) we will provide services to you from time to time under this Agreement on the basis of the information known to the particular employees who are at the time handling your affairs;
- (b) we will not be required to have regard to or disclose to you or make use of any information known to those employees, or to any of our other employees, agents or affiliates, which belongs to or is confidential to another client, or to us or any agent or affiliate, or which is not known to those employees; and
- (c) in exceptional circumstances, we may be unable to deal with you in relation to particular investments and be unable to disclose the reason for this.

13.3 In providing services under this Agreement, we will not be subject to any fiduciary or equitable duties which would prevent us or persons connected with us from acting in a dual capacity or oblige us to accept responsibilities more extensive than those set out in this Agreement.

13.4 Our arrangements for managing our conflicts of interest are available on our website at www.beaufortsecurities.com and any amendments to these arrangements will be detailed on our website.

13.5 You agree that BSL may buy or sell investments in which it deals as principal for its own account. In these circumstances BSL will disclose that it is acting as principal as required by the FCA Rules. BSL will nevertheless continue to be subject to the FCA Rules, and the Principles of Conduct requiring it to act in the best interests of its customers.

14. SETTLEMENT

14.1 BACS will settle transactions entered into pursuant to this Agreement.

14.2 You will ensure that all monies due to us are paid and all documents are delivered to BACS in good order to settle transactions effected by you or on your behalf, and that you have done everything necessary to allow settlement by the date confirmed to you at the time of dealing, or as stated in the contract note (whichever is the earlier).

14.3 You confirm that when you sell an investment through us, you own that investment and have the right to sell it free from all liens and any other restriction and to receive the proceeds personally.

14.4 All sums due to BSL in respect of commissions and other charges (whether under this Agreement or otherwise) may be deducted from any funds which BACS may hold from time to time on your behalf.

14.5 Payments to you in respect of sale transactions carried out on your behalf will be dependent on CREST accepting the stock as good. All dealings for securities held in CREST will be dealt for standard settlement unless we confirm otherwise. All dealings for securities held in certificated form will be dealt for non-standard settlement unless we confirm otherwise.

14.6 BACS does not make or accept payments to or from third parties unless BACS has agreed to do so by prior written agreement. You agree to inform BACS immediately if there are any errors in documentation that it sends to you and to repay to BACS immediately any overpayments made to you.

15. HOLDING CLIENT MONEY

15.1 Your money will be held by BACS as client money in accordance with the FCA Rules which, among other things, requires them to hold your money in a client bank account established with statutory trust status. Your funds will therefore be segregated from BACS's own funds at an approved bank, as defined in the FCA Rules. The approved bank may hold such money with money belonging to other clients of BACS in a pooled account in the name of BACS Client Account. **This means that client money is held as part of a common pool of money, so you do not have a claim against a specific sum in a specific account; your claim is against the client money pool in general.**

15.2 Client money in a foreign currency may be held in the country of origin, or the sterling equivalent protected in a UK bank. Money held in the country of origin will be held by an approved bank or depository in accordance with the FCA Rules. The legal and regulatory regime applying to such an approved bank or depository will be different from that of the United Kingdom. In the event of a default or failure of that foreign bank or depository, your money may be treated differently from the way in which it would be treated if it were held at an account in the United Kingdom.

15.3 BSL may undertake a transaction for you that involves your money being passed by BACS to any third party in connection with that transaction, including (but not exclusively) an exchange, clearing house, an intermediate broker, settlement agent or OTC counterparty located either in the United Kingdom, or in a jurisdiction outside the United Kingdom, which may also be outside the EEA. In the event of your money being passed to a third party, including (but not exclusively) an intermediate broker, settlement agent or OTC counterparty, outside of the United Kingdom, the legal and regulatory regime applying to the intermediate broker, settlement agent, or OTC counterparty may be different to that of the United Kingdom. In the event of a default of that

entity, your money may be treated differently from the way it would be treated if it were held in the United Kingdom.

15.4 If BACS receives money payable to you, it will hold it in its client bank account until such time as it is re-invested or you request for it to be transferred to you. In this case BACS will forward it to you by crossed cheque sent to your latest address known or by electronic transfer to your bank account.

15.5 If there has been no movement in an account for a period of not less than six years (apart from payment of interest or deduction of charges, interest, dividends or similar items) BACS shall be entitled to cease to treat unclaimed client money as client money, but before it does so, BACS (or BSL as appropriate) will send notice to that effect to your last known address, giving you 28 days in which to make a claim. BACS will make and retain records of all such balances and undertakes to make good any valid claims in respect of such funds received during such period.

15.6 You will be supplied with a consolidated tax certificate in respect of dividends and interest received on your behalf as soon as reasonably possible after the end of the tax year.

16. CUSTODY OF YOUR INVESTMENT AND CORPORATE ACTIONS

16.1 Under this Agreement BACS will hold your investment in safe custody.

16.2 UK registered securities which BACS is holding for you, will be held in either their physical possession, or in uncertificated form, and if so, will be registered in the name of BACS's nominee company or a custodian in accordance with the FCA Rules.

16.3 BACS is responsible for the acts of its nominee company and its custodian to the same extent as for its own acts, including, for the avoidance of doubt, for losses arising from fraud, wilful default or negligence. Whilst BACS will take reasonable care in selecting a nominee or custodian, you acknowledge that any nominee or custodian (other than its own nominee company or custodian) which holds your securities is not under the control of BACS and, notwithstanding any other provision, BACS shall not be responsible for any loss or damage suffered by you arising directly or indirectly from any act or default of any such nominee or custodian.

16.4 Such investments may be held on trust for you as part of an unallocated pool. In certain circumstances, investments will be held by a custodian eligible to safeguard client assets, again as part of an unallocated pool. Investments held in such a pool are not distinguishable by individual client. This means that in the event of default or insolvency of a custodian, if there is a shortfall which cannot be reconciled, you may share proportionately in that shortfall.

16.5 Should you instruct us in writing (by letter or email) that investments purchased through BACS be registered in the name of some other person (which must not be BACS or BSL, or an affiliate of BACS or BSL) whom you specify, the consequences of registration carried out in accordance with your instructions, are entirely your risk. The legitimacy of such registrations also remains your responsibility.

16.6 You consent to the fact that overseas investments may be registered or recorded in the name of an eligible custodian or in the name of BACS or its nominee company in one or more jurisdictions outside of the United Kingdom, which may also be outside the EEA, where due to legal requirements or the nature of market practice in the jurisdictions concerned, it is in your best interests, or it is not feasible to do otherwise. As a consequence of this, your investments may not be segregated from investments belonging to BACS and therefore, your protection may be less should a default occur on the part of the person in whose name the investments belonging to you are so recorded. Investments belonging to you which are held overseas may be subject to different settlement, legal and regulatory requirements than those that apply in the United Kingdom. BACS will not be liable in the event of a default by a custodian. However, BACS shall be liable for the acts of its nominee company as if they were its own in accordance with the terms of this Agreement and does not disclaim responsibility for losses arising directly from its own fraud, wilful default or negligence.

16.7 As your securities may be held in an unallocated pool, they are not distinguishable by client/beneficial owner, the type of account within which they were purchased or to which they were transferred, the country of residence of the beneficial owner, or any other factors that might have a bearing on the rate at which dividends or other distributions in relation to those securities might be taxed. As a consequence, and because dividends and other distributions may be taxed at source, you may receive dividends or other distributions net of tax, which has been paid or withheld at rates that are less beneficial than those that might otherwise be applicable, where the securities held in your own name or in allocated accounts. You will at all times remain the beneficial owner of your securities but you acknowledge that any shareholder incentive attached to your securities may be lost in the event of transfer to a nominee company. Except in the case of ISA accounts, voting rights on shares held by BACS will not be exercised on your behalf, nor will it be possible for you to attend company annual or extraordinary general meetings.

16.8 If your investments are pooled with those of other customers, you may find that your entitlement to new shares distributions and other corporate actions is different from what you would have received if your investments were not pooled. BACS reserves the right in this situation either to apportion the total entitlement received in respect of the pooled investments between you and the other customers involved, or treat any fractional entitlement in the same way as the company concerned has done so with respect to the corporate action when acting through its registrar.

16.9 In the event of mandatory corporate action events such as cash dividends, conversions and consolidations, you will be notified of these changes and the resulting cash or securities will be credited to or debited from your account.

16.10 Your entitlement will be rounded down to the nearest whole number and any fractional entitlements received that cannot be divided on a pro rata basis will be retained by us.

16.11 In the event of an optional corporate action event in relation to securities held on your behalf, we will use reasonable endeavours to notify you in order to obtain your instructions. However, we cannot be held responsible for any losses arising from that notification failing to reach you or our inability, due to circumstances beyond our control, to carry out your instructions. Where instructions are not received by the relevant deadline, BACS will proceed in accordance with the following default conditions:

- Conversion	no action to be taken
- Exercise of warrants	no action to be taken
- Instalment payment	pay instalment using cleared funds
- Redemption	no action to be taken
- Rights issue/Open offer	allow entitlement to lapse and allocate any premium over £5 per client
- Scheme of arrangement	no action to be taken
- Recommended offer	acceptance of the default option of the offer
- Contested offer	acceptance of the offer or when the offeror has acquired 90% of Acceptances

16.12 BACS will endeavour to forward to you information about corporate actions sent from those companies' shares held by BACS's nominee company on your behalf. However BACS shall not be responsible for the failure of information to reach you or your instructions to reach it as a result of loss of mail or other event outside its control. BACS will not forward to you annual reports and accounts or other information to shareholders. The consequences of your failure to provide instructions by the relevant time, once notification has been given to you, are entirely your own responsibility.

16.13 To the extent that a charge is levied for the custody services, these charges are set out in the charges schedule which can be found on our website or attached to this Agreement.

16.14 BACS will make a statement available to you on a "trade date" basis at least once every six months detailing the transactions that have

occurred on your account, payments of dividends and other transactions. BACS will make available to you on at least an annual basis, a record of investments that you hold in its custody on a "trade date" basis. BACS will provide you with statements on a more frequent basis if so requested in writing.

16.15 Statements and records of your investments will be sent to your online Beaufort Securities account via email. You can opt to receive paper copies of these documents by writing to our Client Services department with such an instruction.

17. STOCK LENDING AND USE OF DOCUMENTS OF TITLE

BACS will not lend any documents of title or evidence of title to investments registered in the name of its nominee company to any third party, or borrow money on the security of such documents.

18. CONTRACT NOTES

If you request BSL, orally or in writing, to retain contract notes, then you agree that the oral disclosure of BSL acting as principal with you at or around the time of dealing is sufficient notification for the purposes of this Agreement and regulatory compliance with the FCA Rules.

19. OUR CHARGES

Our charges are set out in our published charges sheet, a copy of which is provided with and is incorporated into this Agreement. If you have not received the copy sent to you, it is your responsibility to request a further copy or you can view a copy at www.beaufortsecurities.com. Our charges are subject to change. Subject to clause 21, we will inform you of any changes to our charges. Our charges are incurred on a per bargain basis, and any overall variation in charges that you request or negotiate will only be enforceable if we have expressly agreed in writing. Transactions dealt on non-standard settlement may result in additional charges or fees levied by third parties, which will be notified on your contract note. Dealing on non-standard settlement terms may also mean that you are offered a worse price than the price quoted for standard settlement. Interest charged for late settlement is detailed in clause 15. We may share dealing charges with our associated companies and other third parties, or receive remuneration from them in respect of transactions carried out on your behalf. Details of any such remuneration or sharing arrangements will not be set out on the relevant contract note but are also available on written request.

20. POWER OF SALE/PURCHASE

20.1 All investments (including any cash) which we hold (or are entitled to receive) on your behalf constitute a first security interest for the payment of any liabilities which you may have incurred to us and which remain outstanding on the due settlement date.

20.2 At any time after the due settlement date in respect of any liabilities which you have incurred to us, we shall have the power to sell or dispose of any such investments in or toward satisfaction of those liabilities and will account to you for any surplus. Any costs incurred by us in effecting the above will be debited to your account.

20.3 Without prejudice to our rights we shall be entitled, without instructions from you, to execute an offsetting transaction at your expense, if we do not receive a certificate and signed sold transfer form for the investments sold for you by the relevant due settlement date.

21. VARIATION OF AGREEMENT

We may amend this Agreement by notice to you specifying the proposed amendments. Such notified amendments shall become effective on the date specified in the notice which will be at least ten business days after the notice is sent. It may be impractical in certain circumstances for us to give you advance notice, in which case, at the time of giving you notice of the change, (which may be done orally or by other instantaneous communication) you will be deemed to have accepted the amendment by continuing to use our services.

22. FINANCIAL SERVICES COMPENSATION SCHEME

Both BSL and BACS are covered by the provisions of the Financial Services Compensation Scheme ("FSCS"). Compensation may be available from the FSCS if BSL or separately BACS cease trading. This depends on whether you are an "eligible claimant", the type of business and the circumstances of the claim. Most types of investment business

are covered up to a limit of £50,000 per person per claim. Full details of the FSCS detailing the restrictions and financial limits that apply are available on request from the FSCS. You can contact them on 0800 678 1100 or 0207 741 4100 or at www.fscs.org.uk. You can also write to them at FSCS, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU.

23. EXCLUSION OF LIABILITY

We shall not be liable for loss, costs or expenses (including tax) that may be suffered or incurred by you as a result of, or in connection with the provision of any services to which this Agreement applies unless, and then only to the extent that, such loss, costs or expenses are caused by our fraud, negligence or wilful default, or by our failure to comply with the FCA Rules for the time being in force.

24. COMMENCEMENT

This Agreement will become effective following receipt by us of a signed copy of this Agreement and subject to our obligations under money laundering regulations having been satisfied.

25. FORCE MAJEURE

In the event of any failure, interruption or delay in the performance of our obligations, resulting from acts, events or circumstances outside our reasonable control (which circumstances shall include, but not be limited to unanticipated dealing volumes, industrial disputes, acts or regulations of any governmental or supranational bodies or authorities, act of God, threats or acts of terrorism, fire, war, civil commotion, insurrection, embargo, breakdown, failure, malfunction or delay caused by any public utility, telecommunications or computer service or systems) we shall not be liable for any loss or damage incurred or suffered by you.

26. CANCELLATION & WITHDRAWAL

You have the right to cancel this Agreement between us within 14 days from the date of application. However, you do not have cancellation rights in respect of: (1) transactions that you have entered into with us prior to cancellation, (2) where the transaction has been completed by both parties at your express request or (3) the contract is in relation to services subsequently provided under this Agreement. Your right to cancel is without prejudice to our accrued rights under this Agreement and the termination provisions in the following paragraph.

27. TERMINATION

You are entitled to terminate this Agreement between us at any time by giving written notice to us, such termination to be effective on the first working day after the notice has been received by us or at any time specified in such notice, whichever is later, subject, in either case, to the completion of outstanding transactions. We may terminate the agreement at any time, acting reasonably, by giving you notice in writing, or orally or by facsimile, electronic or other virtually instantaneous communication medium. Such termination will be effective from the date specified in the notice. Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty. If, on termination, any sum is, or may become, due from you to us, you shall pay such sum to us immediately, and without demand. On termination of this Agreement, we reserve the right to cancel, close out, terminate or reverse any transaction or enter into any other transaction or do anything which has the effect of reducing or eliminating any liability under any contracts, positions or commitments undertaken on your behalf.

28. JOINT CUSTOMERS

If you are a party to this Agreement with another person, or persons, the liability of each of you will be joint and several. Where such persons are trustees, you warrant that you have been validly appointed and will inform us in writing of any changes to the trustees.

29. AGREEMENT NOT TRANSFERABLE

Unless we consent in writing, your rights under this Agreement and any transactions effected under or pursuant to it are non-assignable and unenforceable by third parties whether under the Contract (Rights of Third Parties) Act 1999 or otherwise and your obligations shall not be capable of performance by anyone else.

30. INVALIDITY OF PROVISIONS

Each provision of this Agreement is severable and if any provision is or becomes invalid for any reason or contravenes any Applicable Regulations, the remaining provisions will not be affected and will remain enforceable.

31. NOTICES AND COMPLAINTS

All notices to be served on us should be in writing and sent to the Compliance Officer at Beaufort Securities Ltd, 131 Finsbury Pavement, London, EC2A 1NT. All complaints can be communicated in writing or verbally to the Compliance Officer. Any notice served by us on you will be sent to your last known address, email address or by text message to your last known number as shown in our records. If, after we have had a reasonable opportunity to deal with any complaint, you remain dissatisfied with our handling of it, or its outcome, you may take the complaint direct to the Financial Ombudsman Service, whose address is available from the Compliance Officer. If you wish to make a complaint, we will explain at the appropriate time our procedures for complaints handling. Details of our complaints handling procedures are available at any time from the Compliance Officer. You undertake to inform us promptly of any change in postal address, email address or telephone numbers.

32. GOVERNING LAW AND ENTIRE AGREEMENT

This Agreement is governed by and shall be construed in accordance with English law and each party submits to the jurisdiction of the English Courts for the resolution of disputes. This Agreement, together with the other documents referred to in it, constitutes the whole agreement between us, and supersedes all previous terms agreed between us.

33. DATA PROTECTION

33.1 You authorise us to use and process all data in our possession that relates to any aspect of transactions with you, as set out in the accompanying document entitled "Data Protection Policy." You authorise us to record and/or monitor your use of our website and email communications between us and you.

33.2 We may make searches about you at credit reference agencies who will supply us with information, including information from the Electoral Register, for the purpose of verifying your identity. The agencies will record details of the search whether or not this application proceeds. We may use scoring methods to assess this application and to verify your identity. We may also check your identity with fraud prevention agencies and if you provide false or inaccurate information and we suspect fraud, we will record this. Credit searches and other information which is provided to us and/or the credit reference and fraud prevention agencies about you and those with whom you are linked financially may be used by us and other companies if you, or other members of your household, apply for other facilities including credit and insurance applications and claims. This information may also be used for debt tracing and recovery and the prevention of fraud and/or money laundering as well as the management of your account. Alternatively, we may ask you to provide physical forms of identification. If you wish to receive details of those fraud prevention agencies from whom we obtain and with whom we record information about you, please write to the Compliance Officer at 131 Finsbury Pavement, London EC2A 1NT. You have a legal right to these details.

34. ADDITIONAL TERMS FOR DISCRETIONARY MANAGEMENT

Under the discretionary service agreement you delegate to us full authority to conduct business on your account without recourse to you. You will be required to provide details of your attitude to investment risk and your investment objectives, and to advise us of any changes in your circumstances that may affect our actions. Financial Conduct Authority rules require us to provide you with valuations and trading information at least every six months. In terms of managing your portfolio, subject to any instructions received to the contrary, we shall have full authority at our discretion, without prior reference to you, to enter into any kind of transaction or arrangement for your account and to exercise voting rights in relation to your portfolio holdings as we consider being in your interest. Under the rules of the Financial Conduct Authority we may only exercise discretion in accordance with your investment objectives and in a manner that we believe to be suitable for you having regard to any limits or restrictions which you specify. Please

set out in the Client Application Form any limit or restriction that you wish to apply:

- (a) on the type of investment in which we may enter into transactions on your behalf, or
- (b) on the amount of the consideration which may be involved in any transactions on your behalf, or
- (c) on the value of any investments or any class of investments which may be held for you, or
- (d) on the proportion of the portfolio which any one investment or any particular kind of investment may constitute.

Before we undertake investment management services on your behalf you are required to provide us with information regarding your knowledge and experience, financial situation and investment objectives in order that we may determine whether an investment is suitable for you.

We shall prepare valuations of your portfolio on a six monthly basis from the date of inception, or at six monthly intervals on dates agreed with you. However you are entitled to request valuations every three months should you so require, by putting this request to us in writing. We will agree with you appropriate performance criteria based upon your investment objectives and the types of investments included in the portfolio to enable you to assess our performance.

35. ADDITIONAL TERMS FOR ONLINE EXECUTION-ONLY ACCOUNTS

Our Services

35.1 Our online execution-only service enables you to trade in securities (as defined by the FCA Rules) via the Internet, telephone, web-enabled mobile devices and the BSL iPhone App.

35.2 The online execution-only service is provided on an execution only basis, which means we will not give you any form of investment advice or tax advice, or advise you about the merits of a particular transaction. In the provision of this service, we are not required to assess the suitability for you of the securities or services provided or offered and therefore you will not benefit from the protection of the FCA Rules on assessing suitability (an assessment of suitability takes into account an investor's knowledge and experience, financial situation and investment objectives and applies only when a firm makes a personal recommendation or manages investments). You must be aged 18 or over to use our services. You are not permitted to gift assets of any description to a third party.

35.3 Unit trusts, like shares, are subject to a spread between the bid and offer prices, whereas OEICs are single-priced. In most cases, unit trusts and OEICs can be dealt once each Business Day, though some may be dealt less frequently, as dealing times may vary from one provider to another and from one unit trust or OEIC to another. Further details are available on our website or can be provided on request. Unit trusts and OEICs are dealt on a forward pricing basis and, as a result neither you nor we will know in advance the price at which an order will be executed. They are also subject to initial and annual management charges and in certain circumstances may be subject to a dilution levy. You should read a fund's simplified prospectus before investing.

35.4 As a consequence of using our service, you may alter your personal tax position. The levels of and bases of taxation can change and you should consult your own tax adviser in order to understand any applicable tax consequence that might arise.

35.5 Settlement of transactions is undertaken via CREST or, in the case of unit trusts and OEICs, directly with the relevant fund managers or through a third party provider. Therefore, excepting unit trusts and OEICs, you can trade via and transfer to BSL only securities that can be settled via CREST. The securities and markets in which you may deal using the service can be viewed on our website. We can confirm the availability of individual securities on request. It is possible that charges to the securities and markets in which you may deal using the service may occur from time to time and our website will be updated accordingly.

35.6 In the event that we provide other services in the future, we may require you to enter into a separate agreement in respect of them prior to such services being made available to you.

35.7 We may amend, suspend and/or terminate any or all of our services at any time for any valid reason. Where reasonably practicable we will give advance notice of this but this may not always be possible and/or practical for business reasons. We may also restrict and/or charge the hours and time of operation of any of our services at any time for any valid reason. Where reasonably practicable we will give advance notice of this but this may not always be possible and/or practical for business reasons. We do not accept any liability for any loss that you may suffer because you are unable to place an order due to unavailability of our service as a result of maintenance or upgrade of systems or in certain market conditions.

Order Processing and Execution

35.11 Purchase orders placed using the online execution-only will only be transacted where you hold sufficient funds in your BSL account to cover the cost of the proposed order (including any amount in addition to the current price of the securities we consider may be needed, to cover associated costs and the possibility of fluctuations in price before execution).

35.12 Sale orders placed using the online execution-only service will only be transacted where you hold these securities in your BSL account.

35.13 Orders may be placed by web-enabled mobile devices and the BSL iPhone App. You should note that special risks apply to the use of wireless services and the reliability of these may vary depending on the connection type and its speed, location and systems configurations. Wireless access may also not be as secure as other internet access and there is a risk of eavesdropping and interception of messages. You should exercise additional caution when using these services and manage your accounts accordingly. We will not be held responsible or accept liability for errors in transmission, connection failures, interception or tampering of messages as a result of using wireless web services.

35.14 Once we have received your orders, you will not be able to change them, except in the case of orders necessarily pending execution, such as stop or limit orders.

35.15 In all cases, we reserve the right, at our absolute discretion, at any time to refuse to accept an order from you and you agree that we shall have no obligation to inform you of the reasons.

35.16 If we accept your instructions or orders, we will use reasonable endeavours to carry them out. However, we will not be liable for any loss or expense you incur if we are unable to do so for whatever reason or if there is a delay or change in market conditions before the transaction is completed.

35.17 If we receive an order from you, in response to, and within the time given for acceptance of, a fixed quotation then your order will be carried out in accordance with the quotation.

35.18 In circumstances where you wish to trade in a size exceeding the maximum online size you should telephone us or submit an order online to our dealers so that we can execute the trade.

35.19 All orders will be processed in accordance with our Order Execution Policy which is available on our website.

35.20 If you decide to place a limit order or a stop order (which, for the purposes of these Terms of Business, includes any type of limit or stop order) with us you accept that:

(a) special risks apply to the placing of stop and limit orders and these are placed entirely at your own risk. To the extent that disputes arise which are caused by matters beyond BSL's control, you accept sole responsibility and that BSL bears no responsibility for such matters. You should refer to the section headed "Limit Orders and Stop Orders" in the separate Investment Risk Warning that we will provide you with in this respect;

(b) you are advised to review these orders on a regular basis in order that you are aware of your outstanding commitments and that they remain in line with your current investment objectives;

(c) we do not guarantee that limit orders or stop orders will be executed even if the limit price is met. This could be as a consequence of:

(i) market conditions at the time (such as a "fast market", i.e. where the market is so volatile that prices quoted by market makers are only indicative rather than guaranteed);

(ii) other clients having placed similar orders, but then having an earlier time priority than your order and being executed in priority to your order; or

(iii) other factors which are outside our control.

(d) limit orders and stop orders will only be executed if there are sufficient funds in your account for purchases and sufficient securities in your account to cover sales;

(e) we will only execute orders in sizes which are at or below the maximum quote size offered by the market maker at the point of execution. If your limit order or stop order is above this size, it will not be executed automatically (even partially), even if the price is matched by the market price. Where possible, we will attempt to manually execute such orders on a best endeavours basis. You are therefore advised to ensure that your order can be matched in terms of size; and

(f) special risks apply to Stop Loss and Rising Buy orders. Stop orders are designed to trigger a sale when the price of a security falls below, or a purchase when the price rises above, a specified level. You should be aware that certain factors may cause the bid offer spread of a security to increase, even momentarily, to an abnormally wide level, thereby causing your stop order to execute. However, these abnormal prices are the prevailing best prices for that security at that time.

35.21 All on-exchange transactions will be subject to the rules, regulations, customs and market practice of the relevant investment exchange on which the transaction takes place and any such applicable rules and regulations will be binding on you.

35.22 We reserve the right to cancel a transaction without notice where we believe there is sufficient justification. This may include, for example (without limitation), circumstances where we are requested to do so by our counterparty or the relevant exchange, or where we believe it is necessary to maintain an orderly market or, where you execute multiple trades in the same security within a short space of time, where the aggregate size exceeds the maximum online size. We shall not be liable for any loss or expense you incur as a result of the cancellation of a transaction in such circumstances.

35.23 Orders in unit trusts and OEICs will normally be for the earliest possible execution. If we receive your order or instructions before the dealing time specified by us, we will submit your instructions for execution the same Business Day or at that dealing time. Orders received after this time will not usually result in execution until the following dealing time.

35.24 Following the sale or purchase of a security through us, you will be sent a contract note by email, secure electronic message or post.

35.25 Details of the securities and cash held in your account can be viewed in the secure section of our website. In accordance with FCA Rules you will be sent periodically by post a statement listing the securities and cash balance in your account. Statements are based on transaction date and may include unsettled transactions.

35.26 You will be supplied with a consolidated tax certificate in respect of dividends and interest received on your behalf as soon as reasonably possible after the end of the tax year.

35.27 If you wish to trade in warrants, securitised derivatives or other Complex Instruments, you will first be required to sign and return a risk warning notice and complete an appropriateness assessment.

Overdrawn/Negative Balances

35.28 If for any reason at any time you do not hold sufficient funds to cover the full costs of a transaction, or are in default in paying any amount due to us by the due date, or your account becomes overdrawn (with a negative balance) for reasons outside of our control (e.g. as a result of non-payment of charges or amounts due in respect of

corporate actions or recalled debit card payments etc) we reserve the right to close, cancel or reverse a transaction or take such other action as we consider, in our absolute discretion, appropriate to mitigate our loss. You will be liable for all costs, expenses or losses that we may incur in taking such actions, including, but not limited to, interest payable in respect of late payments and an administration charge.

35.29 Subject to the FCA Rules your securities, money or other property in your online execution-only account(s) are subject to a contractual lien and power of sale in our favour, whilst there remains any outstanding amounts due from you to us.

35.30 If you default in paying any amount by the due date, we will be entitled (but in relation to client money only so far as consistent with the FCA Rules) on such date to pay the amount in question to the credit of or, as the case may be, debit to any account of yours with us.

Commission and Other Charges

35.31 The commission and charges payable by you under the Terms of Business can be viewed on our website. These are subject to change at our discretion. You must also pay any applicable Value Added Tax on such charges and any stamp duty, other taxes and levies or other transaction costs in respect of your transactions. We may make reasonable charges to you to cover the administrative costs of the provision of any additional information, documents etc. which we agree to supply to you at your request.

35.32 Any charges or expenses due to us (or agents used by us) from you plus any applicable Value Added Tax may be deducted from any funds held in your online execution-only account. If there are insufficient funds in your account at any relevant time, we may in our absolute discretion defer, accrue, carry forward or roll over such charges or expenses until any future time when there are sufficient funds in your account to meet the aggregate charges and expenses then due, or raise an invoice with you to be settled otherwise. No such deferral, accrual, carry forward or rollover of any liability of yours shall act to limit our discretion to collect the relevant charges and expenses in any manner we see fit at any future date, nor shall it act to any extent or in any manner as a release or waiver of your liabilities to us.

35.33 We may share charges with associated companies and other third parties, or receive and retain remuneration from them in respect of transactions carried out on your behalf. Details of any such remuneration or sharing arrangements may not be set out in the relevant contract note but can be made available to you on request.

35.34 In the case of unit trusts and OEICs, where a discount is obtainable, any front-end commission received from the unit trust or OEIC managers will be rebated to you by way of an additional allocation of units. The amount of any front-end loading will be shown as a percentage on your contract note. In respect of certain unit trusts and OEICs, BSL will receive a renewal commission (sometimes known as a trail) on units held for longer than a relevant qualifying period, which differs depending on the provider and the particular unit trust or OEIC. Details of trail commission are available upon request.

35.35 We will accept payments from you by cheque, debit card, or bank transfer. We will only make payments to you by Direct Bankers Automated Clearing System Credit to this specified bank account and all payments to us must be from this bank account. You may be required to validate your payment by debit card when crediting your account online, by registering with the card supplier (e.g. Visa and MasterCard) and entering a verification code. We will not accept payments in the event that you are unable to validate your payment.

35.36 We would prefer that you pay money to us by debit card or cheque. Payments by electronic transfer initiated with your bank, as opposed to through our systems, will only be accepted exceptionally; such payments may be subject to delays and will require additional anti-money laundering checks. These payments will be processed by us with reasonable endeavours. As a consequence, we do not guarantee that such payments will be processed or applied to your account with us on the day of receipt. Furthermore, where we are unable to verify that a payment has come from the bank account that you have specified, we may instruct our bank to return the payment to its source and will not

be held responsible for any delays or charges incurred by you as a result. We will not accept liability for any resulting losses, costs, charges, liabilities or expenses (including, without limitation, loss of profit) incurred by you in this respect.

35.37 All sums payable by you under these Terms of Business are inclusive of all applicable taxes, and taxes will be included in amounts charged to your account by us at the same time as the sums to which they relate.

35.38 You will at all times be fully responsible for payment of all other taxes due in relation to any services we carry out for or with you or any money and securities in your account. You acknowledge that neither we nor any associated companies are providing tax advice to you.

Account Closure/Termination

35.39 Either of us is entitled to close your account by giving written notice to the other, which will take effect immediately or after such period as may be specified in the notice.

35.40 In addition to clause 35.39 above and provided notice is given to you, we may terminate your account and/or deactivate your access to our service with immediate effect if:

- (a) your account has not held any securities or cash for a period exceeding 18 months;
- (b) there has been no activity on your account for a period exceeding 18 months;
- (c) you fail to make any payments due to us;
- (d) you become insolvent or bankrupt or are subject to any insolvency proceedings/arrangements;
- (e) you are in breach of any of these Terms of Business and have not remedied this breach within three months of us having notified you of such breach;
- (f) you do or fail to do any act which jeopardises the continuance of the service; or
- (g) you breach any of the FCA Rules, the Financial Services and Markets Act 2000 or any other applicable legislation and this cannot be remedied.

35.41 Termination will not affect any outstanding transactions or any rights or obligations which may already have arisen between us. However, transactions in progress at the date of termination will be completed by us as soon as practicable. Termination will not affect any provision of these Terms of Business which is expressly stated to survive termination.

35.42 If we close your account, we will, as soon as reasonably practicable, arrange the delivery to you or to your order or legal representative(s) any money or securities in your account(s). A fee may be levied for this service. We will pay any money due to you by Direct Bankers Automated Clearing System Credit to the your nominated bank account. If we are unable to remit the funds by this method, or an attempt to pay you by this method is rejected, we will issue a cheque in your name(s). We will not issue cheques for less than £5 and will require that you confirm your bank account details so that we can transfer the closing balance to your chosen bank account.

35.43 At any time after the termination of these Terms of Business, or after we have determined in our absolute discretion that you have not performed any of your obligations to us and you have not remedied this within three months or that there has been a material adverse change in market or economic conditions, we may, without notice:

- (a) treat any investment transaction that is then outstanding as having been cancelled and terminated;
- (b) arrange the sale of your securities to realise sufficient funds to cover any outstanding amount; and/or
- (c) close out, replace or reverse any such transaction or take, or refrain from taking, such other action at such times and in such manner as we consider necessary or appropriate to cover, reduce or eliminate our loss or liability under or in respect of any contract, positions or commitments.

36. ADDITIONAL TERMS FOR ISA ACCOUNTS

This Agreement shall apply to ISA Accounts held by BACS. In addition, the following terms shall apply and if there is any conflict between such terms, the following shall take precedence:

36.1 Eligibility

(a) To subscribe to a Beaufort Securities Self Select ISA, ("The Account") You must be aged 18 or over and be resident or ordinarily resident for tax purposes in the United Kingdom or be a non-resident Crown employee or spouse.

(b) For these purposes the United Kingdom excludes The Channel Islands and the Isle of Man.

(c) Application must be made in your name only. You cannot apply for a Joint Account.

(d) You shall promptly notify BSL in writing of any change of address or in United Kingdom taxation status which may render you ineligible to subscribe further to the Account. You shall inform BSL immediately if you cease to be a UK resident for tax purposes, or if being a non-resident you cease to qualify as a crown employee.

(e) Investments eligible for inclusion in the Beaufort Securities Self Select ISA are restricted to those deemed Qualifying Investments by Her Majesty's Revenue & Customs ("HMRC") but exclude those investments listed below in 36.1(f).

(f) Investments which are ineligible for the Beaufort Securities ISA include Unit Trusts, OEIC's, UCITS, Life Assurance, Gilts, Cash Mini ISA's and other non-qualifying investments as prescribed by relevant regulations.

(g) Provided that your application is approved by BSL, your Account will open upon receipt by BSL of a duly completed application together with payment of your initial subscription.

(h) Your Account will cover the current tax year and remain open for subsequent tax years in which BSL receives a subscription from you, subject to any changes in legislation.

(i) Your National Insurance Number and Date of Birth (DOB) must be quoted on your application form.

(j) You may subscribe up to the allowable limit in each tax year, but the limit is subject to legislative change.

(k) BSL will notify you if for any reason you fail to satisfy the ISA Regulations and that an Account has, or will, become void. BSL will not be responsible or liable for any loss that occurs should a termination of an account be required.

(l) Investments to your Account must either comprise cash subscriptions, transferred cash or Qualifying Investments in which BSL deals. It is your responsibility to determine whether any investments you wish to transfer to your Account meet these criteria. Please refer to our website for information concerning the Qualifying Investments in which BSL are able to deal.

(m) If a non-qualifying investment is bought by on or behalf of the Account BSL shall be entitled to transfer it (without notice) to Your General Trading Account. Such transfer will be treated as a withdrawal from the Account.

36.2 Appointment

(a) BACS is the "Plan Manager" for the Beaufort Securities Self Select ISA and is authorised by the Inland Revenue as Managers of ISA's under the Individual Savings Account Regulations 1998 (Statutory Instrument 1998 Number 1870).

(b) BACS will provide Account management and administration in accordance with the Rules and Regulations (as defined below) and otherwise as set out in this Agreement.

36.3 Beneficial Ownership

If you wish to benefit from the tax advantages of an ISA, you must remain the beneficial owner of the investments held in your Account.

36.4 Cash

(a) Account money committed for investment in an ISA will be held separately from monies in a General Trading Account.

(b) All cheques must be made payable to BACS.

(c) All cash received in your ISA including subscriptions, monies pending investment, any balance of un-invested cash, cash resulting from the

transfer in of an ISA, income payments, dividends, tax repayment or the proceeds of sale of Qualifying Investments will be held in a designated client account by BACS in accordance with the FCA Rules.

(d) We will only retain cash within your ISA for the purpose of applying it on your behalf to purchase your chosen Qualifying Investments.

(e) BACS reserves the right to transfer any cash held for more than a period of twelve months, and which has not been reinvested, to your General Trading Account. This may be done at shorter notice on the instruction of the Plan Manager or other lawful authority.

36.5 Transfers

(a) You may apply to transfer either the whole of an existing current years ISA to us, or the whole of your previous years' ISA's, in accordance with the ISA Regulations. Your application to transfer an ISA will need to be made in conjunction with an application to open an ISA with us.

(b) If you wish to transfer your ISA out to a new ISA Manager, the transfer of the account must be made in full. We do not allow a partial transfer out.

(c) As BSL will not be able to execute your orders whilst a transfer of investments is taking place, BSL will not be responsible for any loss of income or capital growth during such period.

(d) We will transfer your Qualifying Investments to a different ISA plan manager within 30 days of receiving written instructions to that effect, but provided that all fees and charges have been paid in full.

(e) You shall be entitled to transfer your full ISA or make withdrawals without restriction.

(f) At your request the Account and all rights and obligations of the parties hereto may be transferred to another account manager by you giving notice in writing to us and by the new plan manager accepting the account. A Written confirmation is required by the Plan Managers accepting the Account.

36.6 Investments

(a) You authorise the Plan Manager to recover from the HMRC such tax credits on dividends that are reclaimable for the credit of the Account.

(b) All investments acquired on your behalf will be subject to BSL's approval. However, if an investment is made by BSL, in accordance with your instructions, which is subsequently found to be non-qualifying, HMRC may require the money or investment to be removed from your Account and any losses or profits will be for your Account.

(c) Bonus issues of shares or units received can be retained in your plan so long as they are Qualifying Investments.

(d) In the event of a takeover offer or redemption of securities held within your Account, BACS will elect to receive the proceeds, in cash (if that option is available), into your account, converting non-Sterling proceeds into Sterling where appropriate.

36.7 Custody

(a) Dividends, interest payments and cash entitlements received in a currency other than Sterling will be converted to sterling as soon as reasonably practicable. We shall be entitled to charge you any foreign currency costs. The exchange rate used will be the appropriate prevailing commercial rate available from our bankers. We will round down to the nearest pound all converted dividends, interest payments and cash entitlements and shall be entitled to retain any amounts arising out of this rounding process for our own account.

(b) Dividends, interest payments and cash entitlements due to you will be paid promptly to your Account.

(c) You hereby authorise BACS to act on your behalf in respect of CREST and to enter into any arrangement it considers to be necessary to facilitate the clearing of settlement of your transactions through CREST.

36.8 Charges and Expenses

(a) You will pay to us the advertised annual fee on our web site for your ISA Account in advance as becomes due each year and at the outset of application for an ISA Account.

(b) Your annual fee will be debited automatically from your Dealing Account.

(c) All Account administration charges, but not commission and related bargain charges, will be deducted from the General Trading Account.

- (d) We may sell part or all of your holdings to cover any outstanding fees, charges or commission on your Account at our discretion.
- (e) Should you wish to receive annual reports and accounts, attend company annual or extraordinary general meetings, or exercise voting rights in respect of shares, securities or units which are held directly in the ISA, you should contact us on each occurrence to request this. An administration fee may be levied for these services.
- (f) Any interest paid on ISAs will be subject to a non-reclaimable flat rate charge imposed by HM Revenue & Customs, which we will collect and send to HM Revenue & Customs. The Beaufort Securities Self Select ISA does not meet the Governments CAT (charges, access and terms) standards.

36.9 Liability

- (a) The Plan Manager shall not be responsible for any loss or damage or depreciation in value of the Account or for its failing to produce a return on capital invested howsoever arising except insofar as the loss, damage or depreciation results directly from the fraud or wilful default or neglect of the Account Manager or by reason of breach of any of the Rules or Applicable Regulations.
- (b) You acknowledge that the value of, and income from, any investment in the Market may fall as well as rise and you may not get back the amount originally invested.
- (c) You also acknowledge that we have not given any advice as to the suitability of this investment service for you. You should consult an Independent Financial Advisor if you have any doubt that this investment service may not be suitable for you.

36.10 Subscriptions, Withdrawals, Terminations and Transfers

- (a) Subscriptions may be made at any time to your Account subject to the maximum annual subscription permitted by the Rules and Regulations (as defined below).
- (b) Transfers to us must be from an ISA registered in your name.
- (c) Subject to the HMRC Rules and Regulations, ("**Rules and Regulations**") the settlement of outstanding investment transaction(s), and any tax liabilities, charges and expenses, you may transfer your ISA or withdraw part or all of the investments in your Account at any time by giving us written instructions. Such transfer or withdrawal will take place as soon as reasonably practicable.
- (d) In the event of a withdrawal transfer of your Account any annual charges paid to us will not be repaid to you whether in whole or in part.
- (e) You shall be entitled to transfer your full ISA or make withdrawals without restriction.
- (f) Without prejudice to any other term of this Agreement you or we may terminate this Agreement without penalty or in the event that BSL ceases or intends to cease to be Plan Manager by giving written notice of not less than 30 days to the other party whereupon (and subject to payment for outstanding transactions, accrued fees and expenses and for sums due under the Regulations) we shall forthwith transfer or procure the transfer of the Account's investments to you or at your direction.
- (g) We may at our discretion complete any transactions commenced prior to receipt of a notice under clause 36.10(c)
- (h) We shall notify you if by reason of failure to comply with the Rules and Regulations the Account has or will become void.
- (i) Partial sales of stock will or withdrawals will be deemed to be capital for taxation purposes.
- (j) In the event you wish to close your ISA, any interest accumulated during that quarter will not be calculated nor applied to the Account before Account closure.
- (k) We offer no advice in respect of the Qualifying Investments you purchase within your ISA.
- (l) Where you subscribe to an ISA component in more than one tax year, each year's subscription will be merged together as one portfolio.
- (m) Where a subscription or payment is made by a debit card such as Switch and we do not receive the funds from the Debit card provider, we will sell investments from your portfolio to meet any costs incurred.
- (n) Cancellation and Withdrawal of your ISA application will be permitted within the first 14 days after successfully applying for an ISA with us. If you cancel without making a subscription to your ISA, the Inland Revenue Rules and Regulations permit you to retain an ISA subscription for the current tax year.

- (o) If you subscribe by transferring funds or assets into the ISA or transfer an existing ISA into your new ISA with us, you will be deemed by the Inland Revenue to have invested in the ISA for that tax year. If you cancel your ISA and not transfer it to another provider you will lose your ISA subscription for that tax year.
- (p) We will refund the Annual Management Charge upon cancellation of an ISA within the initial 14 days if no transfer or subscription has been received and will not charge an exit fee.
- (q) Termination of an ISA after the initial 14 days will be charged at the applicable rate of charges as described in Commission Rate and Charges set out in the Beaufort Securities Terms of Business and may mean your right to invest into an ISA in that tax year will be lost.
- (r) The effect of cancelling may have the effect of cancelling the entire ISA agreement and may also (where it is the case) delay you from entering into another ISA agreement until next year.

36.11 Death

Should you die your Account will cease to be exempt from tax, and the assets will be held by us awaiting instruction from your personal representatives, who may direct that the assets be sold or that the assets be registered in the names of the appropriate beneficiaries, subject to any restrictions relating to minimum holdings. We will comply with the reasonable requests of your personal representatives provided that such requests comply with the Rules and Regulations. Prior to any transfer that may result following your death we shall be entitled to deduct all amounts owing in respect of Transactions, accrued fees and expenses and sums owing under the Rules and Regulations and we shall be allowed to sell investments in the Account to raise any amount owing.

36.12 Records of Your Account

The Plan Manager shall make such returns to HMRC for the purposes of taxation as they are required to do by HMRC, and provide all taxation details to you, as may be required under the Rules and Regulations.

36.13 Assignment

Subject to the Rules and Regulations, we may assign this Agreement and/or appoint another company to be the Manager of your Account under this Agreement on giving you one month's notice. The party to who we assign this Agreement and/or the new Manager of your Account must be approved to act as an ISA manager by HMRC.

36.14 General

We reserve the right to refuse any application to subscribe to an ISA or open an Account without giving a reason for so doing.

37. ADDITIONAL TERMS FOR SELF INVESTED PERSONAL PENSION (SIPP) ACCOUNTS

37.1 Unless these Additional Terms of Business state that the Terms of Business do not apply or they contain a different provision, our General Terms of Business will apply to any dealings in investments held in the account. Should the Terms of Business conflict with these Additional Terms of Business, these Additional Terms of Business shall apply.

37.2 Complaints in respect of the account or our services should be addressed to the Compliance Officer as set out in clause 31 of the Terms of Business. If your complaint relates to the administration of a SIPP, you should contact the Operator.

37.3 We provide our Stockbroking Services to enable you as the Member to buy or sell investments through the account. We are not responsible for the maintenance and running of the SIPP, which is the responsibility of the Operator in accordance with the Pension Scheme Rules and the SIPP Regulations.

37.4 For the purposes of the FCA Rules, the Trustee, and not the Member, will be treated as our client and will be classified as a Retail Client in respect of the account. The Trustee may not necessarily have rights under the Financial Ombudsman Service or the Financial Services Compensation Scheme.

37.5 We are not responsible for any loss suffered in the value of the account caused by a fall in the value of Account Investments.

37.6 We are not responsible for any loss caused by a breach of the SIPP Regulations arising from the Member's instructions to purchase inappropriate investments for the Account or to make purchases which do not meet the requirements of the SIPP Regulations.

Your Application

37.7 You must be aged 18 or over.

37.8 You must be eligible to hold a SIPP and you must have earnings in respect of which contributions to a SIPP can be made, in accordance with the SIPP Regulations. In addition, you must have established a SIPP under the terms of which an Account may be operated.

37.9 The Trustee acting on behalf of the Member will act as trustee and legal owner of the Account Investments.

37.10 In order to open an account, the Member and the Trustee and if separate the Administrator must complete an Application Form in full and return by post.

37.11 The account will be subject to the conditions set out in the Terms of Business and to the SIPP Regulations.

37.12 Your account will be opened when your application is accepted by us. We have the right to reject any application without specifying the reason for doing so.

Cancellation of Your SIPP Account

37.13 You have the right to cancel your Account within 14 days after the day on which we accept your application to open the Account. In order to cancel your account both you and the Trustee must send us written notice in accordance with clause 27 of these Terms of Business. If you cancel we will, in accordance with written instructions given by the Trustee, pursuant to clause 27 of these Terms of Business:

- (a) return to the Trustee any payments we have received for the Account;
- (b) sell any Investments already purchased and pay to the Trustee the net sale proceeds and any other cash we are holding in the in the Account; and/or
- (c) arrange for the transfer and/or payment to the Trustee of the Account Investments.

37.14 Our charges that may apply if you cancel your account are set out in our price list.

Account Authority

37.15 The Trustee agrees to give dealing authority to the Member and instructions in respect of dealing and corporate actions will only be accepted from the Member. In the event of the Member's death, this authority will pass to the Trustee once such documentary evidence of death as we require has been received from the Trustee. The Member is responsible for ensuring that orders and instructions are given to us in accordance with the Pension Scheme Rules.

37.16 We will only accept instructions to transfer funds to and from the Account from the Trustee. Any instructions received to transfer funds will be treated as acceptable by the Member.

Account Investments

37.17 Investments will be held in the name of the Nominee on trust on behalf of the Trustee.

37.18 We are authorised by the Member, the Trustee and Administrator, to hold monies in the Account.

37.19 Subject to any powers or rights of the Trustee and/or Administrator or under the Pension Scheme Rules or the SIPP Regulations, the Member has sole responsibility for making investment decisions in respect of the Account and must make any purchases or sales of Investments in accordance with the SIPP Regulations.

37.20 Only Investments permitted under the SIPP Regulations may be held in the Account. However, we may not permit certain investments (which are otherwise permitted Investments under the SIPP Regulations) to be held in the Account.

37.21 Contract notes and statements will be provided to the Member. We may also provide details of transactions and corporate actions to the Trustee if requested. A fee may be charged for this service and details of our current charges are available on request.

37.22 Other communications sent by us relating to the Account will be sent to each of the Member and the Trustee.

Account Closure

37.23 Clause 27 of the Terms of Business will apply except that if you wish to close your Account notice must be given to us by both you and the Trustee.

37.24 Once your account is closed, we will as soon as reasonably practicable arrange for the delivery of the Account Investments in accordance with instructions given by the Trustee.

Legal Matters

37.25 These Additional Terms of Business are governed by and construed in accordance with English law. You agree that legal action relating to these Additional Terms of Business may only be dealt with by the Courts of England and Wales.

37.26 These Additional Terms of Business are based upon our understanding of current HM Revenue & Customs legislation and practice. These may change from time to time.

SCHEDULE 1 - RISK WARNINGS

IF YOU ARE UNSURE ABOUT DEALING IN ANY SPECIFIC INVESTMENT YOU SHOULD OBTAIN APPROPRIATE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR

1. The risk associated with equity investments (shares in individual companies) is generally accepted to be higher than fixed interest and deposit investments. Equity investments cover a wide range of risk, which can vary depending on the size of the company, its business and products and the market on which the shares are listed or quoted. Within the framework of equity investments, the risk classification that we typically follow is:

- (a) Cash deposits - very low risk
- (b) FTSE100 Companies - lower risk
- (c) FTSE 350 Companies - medium risk
- (d) FTSE Small Cap Companies including AIM and the ICAP Securities & Derivatives Exchange and non-readily realisable and unlisted investments - high risk

2. The risk categories referred to above are general and not specific to any individual customer, and investments in FTSE100 companies can still result in partial or complete loss of capital. You must consider, in view of your circumstances, the level of risk which you wish to assume and your overall risk strategy. We consider that in general terms a customer with a low risk investment strategy should not hold more than 10 per cent of his equity portfolio in high-risk investments, with the remainder in lower risk investments. In general terms a medium risk investor should not hold more than 20 per cent of his portfolio in high risk investments, with the remainder in lower and medium risk investments. A high-risk investment strategy may be 100 per cent invested in high risk investments alone, or in combination with a smaller percentage of lower and medium risk investments.

- (a) All investments are speculative and are liable to fluctuate in value. It should not be assumed that the value of investments will always rise.
- (b) Past performance will not necessarily be repeated and is not guarantee of future success.
- (c) You should carefully consider in whether investing in stocks and shares is suitable for you the light of your financial resources and needs.
- (d) Changes in currency exchange rates may affect the Sterling value of your overseas investments (foreign securities).
- (e) Penny Shares. You run extra risks of losing money if you buy shares in smaller companies including "penny shares". There is often a big difference between the buying price and the selling price of these shares. If you have to sell such shares immediately, you may realise much less than you paid for them and you may also have difficulty in selling. The price of penny shares may change quickly, it may go down as well as up and it may be more difficult to sell such shares. You should not invest amounts you cannot afford to lose.
- (f) Warrants. A derivative security that gives the investor the right to purchase the underlying security (usually equity) from the issuer at a specific price within a certain time frame. Warrants are frequently attached to bonds or preferred stock. In the case of warrants issued with preferred stocks, investors may need to detach and sell the warrant before they can receive dividend payments.
- (g) Non-readily Realisable Investments. You may have difficulty in selling these investments at a reasonable price. In some circumstances it may be difficult to sell them at any price. It can also be difficult to assess a proper market price for these investments and you should not invest in them unless you have thought carefully about whether you can afford to make such investment and whether they are appropriate for you.
- (h) Geared Investments. Many companies use gearing or borrowing as part of their strategy and may borrow to make investments. The effect of gearing on investment trusts and investment companies may cause the share price to become more volatile than the value of their underlying investments and may result in the share price of shares in these companies being subject to sudden or large falls. It may also mean that you could get nothing back when you try to sell such shares.
- (i) AIM. The AIM market is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than those of the Official List of the London Stock Exchange and therefore the companies quoted on AIM carry a greater risk than a company with a full listing.

(j) Material Interest. We specialise in "Penny Shares" and shares quoted on AIM and the ICAP Securities & Derivatives Exchange and we may hold or have previously held a material interest in companies which are the subject of recommendations or research notes, and may provide or have provided significant advice or investment services in relation to any such company.

(k) BSL endeavours at all times to ensure that its research is clear, fair and not misleading, and accurately reflects our opinions at the date of publication. However, we do not hold our research out to be impartial and it should not be viewed as wholly objective since BSL may also be acting or seeking to act as market maker, broker or adviser to (or have taken positions as a principal in) the companies featured in the research notes.

(l) Stabilisation. BSL may deal for you in investments that may have been the subject of stabilisation. This is a price supporting process that often takes place in the context of new issues and similar offerings, including rights issues. The effect of stabilisation can be to make the market price of the investment, which is the subject of the issue or offering, higher than it would otherwise be. Stabilisation may also affect the price of investments of the same class, which are already in issue, and of other investments whose price affects the price of the new issue. Stabilisation is undertaken in order to ensure that the issue of investments is introduced to the market in an orderly fashion, and that the issue price and/or the price of associated investments is not artificially depressed because of the increase in supply cause by the new issue. The fact that there have been dealings in an investment in which stabilisation may be taking place does not necessarily mean that investors are interested in buying that investment or in buying it at the level at which the dealings have taken place. Stabilisation takes place for a limited period. There are limits on the price at which shares, warrants and depository receipts may be stabilised but the limits do not apply where loan stock or bonds are being stabilised. At the time of dealing, reasonable steps will be taken to enable you to understand the nature of the risks involved.

BEAUFORT SECURITIES LTD

131 Finsbury Pavement, London, EC2A 1NT

Telephone: +44 (0)20 7382 8300

Fax: +44 (0)20 7382 8400

Email: info@beaufortsecurities.com

Web: www.beaufortsecurities.com

Beaufort Securities Ltd, Registered No. 2693942, 131 Finsbury Pavement, London, EC2A 1NT

Authorised & Regulated by the Financial Conduct Authority (Register No. 155104)

Members of the London Stock Exchange and ISDX

© Copyright Beaufort Securities Ltd (Version 19, 16th March 2015)