



**Simplified Prospectus of The SF t1ps**  
**Smaller Companies Gold ICVC**



The Financial Services Authority is the independent financial services regulator. It requires us, Sharefunds Limited, to give you this important information to help you to decide whether our SF t1ps Smaller Companies Gold ICVC is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

The SF t1ps Smaller Companies Gold ICVC ("the Fund") is an Open Ended Investment Company (OEIC) which complies with UCITS regulations. Any references to "the Fund" in this document refers to the SF t1ps Smaller Companies Gold ICVC.

### **The Aim of the Fund**

The investment objective of the Fund is to achieve capital growth.

It is the Fund's policy to seek to invest at least 80% of its core investment portfolio (*i.e.* the portion of its assets excluding any investments in approved money market instruments, deposits, cash and near cash) in securities of companies which are predominantly involved in the mining, exploration, development and production of gold. Up to 20% of the Fund's core investment portfolio may be invested in the securities of companies predominantly engaged in the mining, exploration, development and production of silver and other precious metals.

The Fund will seek to invest at least 60% of its core investment portfolio in equities admitted to or dealt in on the Main Market or the Alternative Investments Market (AIM) of the London Stock Exchange, PLUS Markets or the Channel Islands Stock Exchange. Up to 40% of the Fund's core investment portfolio may be invested in the securities of companies admitted to or dealt in on the Australian Securities Exchange or the Toronto Stock Exchange. At its discretion, the Fund may invest in securities admitted to or dealt in on other Eligible Markets. Up to 10% of the Fund's core investment portfolio may be invested in unlisted securities.

The Fund will seek to invest its core investment portfolio predominantly in equity securities and loan notes and convertible loan notes that qualify as transferable securities. The Fund may also invest in other transferable securities, approved money market instruments, government and public securities, deposits, cash and near cash, but does not intend to invest in collective investment schemes or derivatives.

The Fund aims to achieve the investment objective and policy primarily to deliver capital growth as a result of stock selection and an anticipated increase in the price of gold and other precious metals during the next five years.

### **Your investment**

Your money buys shares in the Fund at the calculated price. As the value of the Fund rises so the value of your shares rises too. The value of shares can also fall and, as a result, you could get back less than you originally invested.

Sharefunds Limited acts as the Authorised Corporate Director (the ACD).

The Share Centre Limited acts as the administrator for the Fund along with providing stockbroking services for retail clients. You can open an account with the Share Centre to buy shares in the Fund.

t1ps Investment Management Limited acts as the Investment Adviser and promotes the Fund and is responsible for the management of the underlying investments in the Fund.

The Fund was created on 22 July 2009 and is authorised and incorporated in the United Kingdom.

## **What is the tax position of the Fund?**

The Fund is exempt from UK tax on Capital Gains but is liable to Corporation Tax at the lower rate of income tax (20%) on its income, other than dividends from UK Companies, less its expenses of management.

Although Stamp Duty will not be applied on your investment, the Fund may have to make a monthly Stamp Duty Reserve Tax payment to HM Revenue & Customs depending on the transactions in the Fund. This will be paid from the Fund property.

## **What is the Income Tax position on dividends I receive?**

Because dividends will have an associated tax credit, basic rate tax payers will have no further liability to income tax; higher rate tax payers may have a further income tax liability. If you hold your shares in a Share Account with The Share Centre, dividends paid will be included in the annual Composite Tax Certificate provided to you annually, in April.

Please remember, the bases and levels of taxation relating to the Fund, or to your chosen investment vehicle (e.g. an ISA) may change and can depend on the individual circumstances of each investor.

## **Will my shares be liable for Capital Gains Tax ('CGT')?**

Gains within the Fund itself are not liable for CGT. However, when you sell your shares any gain may give rise to a CGT liability in the normal way.

If you are unclear about which tax regime applies to you, you should seek professional advice before making an investment.

## **How much can I invest in the fund?**

After an initial amount of £500 you can invest anything from £25 or more in further lump sums, or contributions on a regular monthly basis.

There is no limit on how much you can invest unless this is in an ISA. The maximum investment for an ISA in each tax year is £7,200.

## **Profile of a Typical Investor**

The Fund is available to a wide range of investors seeking access to a portfolio managed in accordance with the Fund's specific investment objective and policy. Investors are advised to consult an appropriately qualified financial adviser in respect of any investment decision.

The ACD views an investment in the Fund as being most suited to an investor with a medium to high attitude to investment risk seeking growth from a medium to long term investment which is likely to be held for at least 5 years.

## **What risk factors should I bear in mind?**

Many things could happen to affect the value of your investment, for instance:

- the Fund is newly formed. There can be no assurance that the Fund will achieve its investment objective;
- the investment growth may be lower than expected;
- the Fund's charges may be higher than assumed;
- the tax treatment of the Fund, or of the investment instrument in which the shares are held (e.g. an ISA) may change;
- due to market fluctuations the value of the investments and the income from them can fall as well as rise and, particularly in the short-term, you may get back less than your original investment;
- the income from your investments cannot be guaranteed. The ACD may operate 'income smoothing' to try to alleviate large differences between the interim and final dividend paid to you;
- the Fund is intended to be a medium to long-term investment. In the short-term, any initial charge can have a higher impact on the overall value of your investment;
- the Fund does not guarantee returns and you may not get any money back, including your initial investment;
- Please note that past performance should not be seen as a reliable indication of future performance and should only be used as part of your considerations before investing;

- The value of your investment can fall as well as rise due to factors such as other investors cancelling shares and charges being higher than assumed;
- In addition, the values, in Pounds Sterling terms, of investments that are not denominated in pounds sterling may rise and fall purely on account of exchange rate fluctuations, which will have a related effect on the price of shares.

All risks associated with the Fund can be found in the prospectus of The SF T1ps Smaller Companies Gold ICVC.

### **Performance History**

There is currently no performance history available for the Fund. When the Fund has been in operation for a period of at least one year, performance information will become available.

### **How will I know the price of shares at any time?**

The price of the shares in the Fund will be shown on the Sharefunds website ([www.sharefunds.com](http://www.sharefunds.com)) and is also available by calling The Share Centre on 01296 41 42 43. Remember, there is just one single price that applies to both buying and selling shares in the Fund.

### **How is the price of shares calculated?**

The share price is calculated at noon each business day and is applied on a 'forward price' basis. Buy or sell orders received before noon will be dealt at the calculated price for that day; orders received after noon will be dealt at the price calculated on the next business day.

### **How do I buy shares?**

You can deal in shares in the Fund through The Share Centre, or through another stockbroker. Your instructions can be given to The Share Centre in writing by post or fax, over the telephone or via the internet.

An Initial Fee of 5.25% is payable on purchases of the fund.

### **How do I sell shares and receive sale proceeds?**

You can withdraw money by selling some, or all, of your shareholding at any time. If you are selling only some of your shares, the value of the remaining shares must be above £1000.

You can send your sale instructions to The Share Centre by post, telephone or fax. Shares will be sold at the price determined at the next valuation point following receipt of your sale instruction. Proceeds from the sale of your shares will be credited to your account with The Share Centre, from which they can be withdrawn in the normal way. Such withdrawals are subject to the tariff applicable to your account. If you do not have an account with The Share Centre, proceeds will be distributed via your stockbroker.

### **Will I receive a share certificate?**

Shares in the Fund are held either through an Account with The Share Centre (in which case they are held for you in the name of Share Nominees Limited) or through another stockbroker. Share certificates will not be issued but you will receive a Contract Note setting out full details of your transaction.

### **How is income distributed?**

The Fund only issues Accumulation shares and therefore any income received by the Fund is not distributed.

### **How am I kept in touch about the performance of the Fund?**

Every year you will be sent the summary Annual and Half Year Report detailing the Fund's performance and information about the underlying investments. A Full Annual and Half Year report are available, free of charge, on request.

## What are the charges?

There is an initial fee of 5.25% payable whenever you purchase shares in the Fund, and an annual management charge of 1.5% deducted from the Fund on a quarterly basis.

These charges cover the costs of setting up of your investment and the ongoing administration and professional management of the Fund. Any change to the level of these charges will only be made after shareholders have been given at least 60 days' notice, in writing.

A dilution charge may be made on either the purchase or sale of shares. It is envisaged this will only apply to sales in excess of £50,000 or 2.5% of the Fund value, whichever is the smaller; however the ACD does reserve the right to levy such a charge on any or all deals where this is deemed to be in the interest of shareholders.

All other costs, such as dealing commission, custody fees, audit costs, registration fees and depositary expenses are borne by the Fund and are deducted from income received by the Fund. Details of fees and charges incurred by the Fund are shown in the Full Annual Report.

Where the Fund's shares are held in an Account with The Share Centre, the normal tariff for that Account will apply except no quarterly administration fees will be charged for accounts only holding shares in the Fund.

## What is the total expense ratio of the Fund?

The Total Expense Ratio (TER) if the Fund size was £5 million would be 2.69%. The actual TER could be more or less depending on the actual size of the Fund.

The TER shows the annual operating expenses of the Fund – it does not include transaction expenses. All European funds highlight the TER to help you compare the annual operating expenses of different schemes.

## How will charges and expenses affect my investment?

The tables below show the effect of charges on a lump sum investment of £1,000 and a regular monthly contribution of £100 per month in the fund. They assume a growth rate of 6% per annum for investing directly in the funds and 7% for investing via a tax efficient wrapper such as an ISA. Please note these figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

At the end of year	Investment to date		Effect of deductions to date		What you might get back at 6% growth	
	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver
1	£1000	£1,200	£90	£106	£977	£1,138
3	£1000	£3,600	£139	£247	£1067	£3,617
5	£1000	£6,000	£188	£487	£1171	£6,366
10	£1000	£12,000	£322	£1,587	£1489	£1,6184

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £322 (Lump Sum Investment) or £1,587 (monthly saver).

Putting it another way if the growth rate were to be 6% a year, which is in no way guaranteed, this would have the same effect as reducing the investment growth from 6% a year down to 3.1% a year (lump sum investment) or 2.8% per year (monthly saver).

At the end of year	Investment to date		Effect of deductions to date		What you might get back at 7% growth	
	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver
1	£1,000	£1,200	£74	£88	£993	£1,156
3	£1,000	£3,600	£117	£209	£1,092	£3,658
5	£1,000	£6,000	£162	£428	£1,203	£6,434
10	£1,000	£12,000	£292	£1,476	£1,539	£14,777

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £292 (Lump Sum Investment) or £1,476 (monthly saver).

Putting it another way if the growth rate were to be 7% a year, which is in no way guaranteed, this would have the same effect as reducing the investment growth from 7% a year down to 4.4% a year (lump sum investment) or 4.3% per year (monthly saver).

Please note that The Share Centre's dealing and account costs are not included in these figures.

### **How much will advice cost?**

To ensure there are no conflicts of interest The Share Centre does not, at present, provide advice in respect of the Fund and so makes no charge.

If in doubt as to whether The Fund is suitable for you, you should seek independent financial advice. When you invest through a third-party, such as an independent financial adviser there may be a cost; your adviser will give you details about the cost. The amount may depend on the amount of the investment.

### **What if I change my mind?**

If, having invested in shares in the Fund, you change your mind you will need to sell those shares in the normal way. Cancellation rights, otherwise known as a 'cooling off' period, do not apply to shares in the Fund.

### **What if I have a complaint?**

If you have a complaint you can contact the ACD by any means including letter, telephone or e-mail. Contact details for the ACD are on page 6.

If we are unable to resolve your complaint to your complete satisfaction, you may be entitled to refer it to the Financial Ombudsman Service, the independent complaints body for the financial services industry. Their contact details are:

Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR

Telephone: 0845 080 1800

Email: [enquiries@financial-ombudsman.org.uk](mailto:enquiries@financial-ombudsman.org.uk)

Web: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

The Financial Ombudsman is unable to consider your complaint until we have completed our investigation and given you a final response.

We have made our complaints procedure simple to follow, so that you should not have to use a solicitor or seek professional help. If you choose to do this, you will be responsible for the costs.

A copy of the full complaints handling procedure is available on request from the ACD.

### **What happens if the Fund or The Share Centre can't meet their liabilities?**

Both The Share Centre Limited and Sharefunds Limited participate in the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if either company cannot meet its obligations. This will depend on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. This limit increases to 100% of the first £50,000 from 1 January 2010. Further information about the compensation arrangements is available from the FSCS at [www.fscs.org](http://www.fscs.org) and their telephone number is 020 7892 7300

## **Enquiries**

If you have any queries or require additional information please contact The Share Centre's Customer Service team on 01296 41 41 41.

If you would like a copy of the full Prospectus, Annual or Half Yearly report please contact the ACD. These can be provided free of charge at any time.

The Authorised Corporate Director of the Fund is:

Sharefunds Ltd, Oxford House, Aylesbury, Bucks, HP21 8SZ. Tel: 01296 41 41 41, E-Mail: [info@share.co.uk](mailto:info@share.co.uk)

The Investment Manager and Promoter of the Fund is:

T1ps Investment Management Limited, 2<sup>nd</sup> Floor, Henry Thomas House, 5-11 Worship Street, London, EC2A 2BH.

The Depositary of the Fund is:

BNY Mellon Trust & Depositary Fund plc, 160 Queen Victoria Street, London, EC4V 4LA.

The Auditor of the Fund is:

Deloitte & Touche LLP, 3 Rivergate, Temple Quay, Bristol, BS1 6GD

The Fund is authorised by The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS.

This Simplified Prospectus was issued on 23 July 2009.

## Terms of Business

### Terms of Business for an account with The Share Centre Ltd

#### Section 1

##### Terms of business - applicable to all accounts

###### 1. Introduction

1.1 It is important that you read and understand these terms of business, which apply when you open an account with The Share Centre (the "Account"), and provide you with information about how it will be operated. Some paragraphs are included to ensure there is no misunderstanding as to who will do what and when, and some are included simply because different pieces of legislation (which include Acts of Parliament) say that we must include them. We have tried to make them as readable as possible, but if you have queries about them please contact us on 01296 41 41 41.

1.2 Where you see the words "you" or "your" in these terms of business, it means you as the individual, or if opening a joint Account, all individuals named on the joint Account. If you are applying as an official of a company or a trust, then it is referring to the company or trust, and not you personally.

1.3 The Share Centre Limited ("TSC") is a limited company incorporated in England and Wales and its registered office address is Oxford House, Oxford Road, Aylesbury, Buckinghamshire HP21 8SZ. TSC is authorised and regulated by the UK's financial services 'watchdog', the Financial Services Authority ("FSA") to provide share dealing and administration services. The FSA reference number for TSC is 146768. You can check this on the FSA's website at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register). The FSA's address is 25 The North Colonnade, Canary Wharf, London E14 5HS.

1.4 On the application form for your Account, you will be asked to sign and accept these terms of business (or click on an 'I accept' button if TSC has enabled you to open your Account via the Internet), which creates a legal agreement between you and TSC, referred to in these Terms as "the Agreement", provided TSC accepts your application to open an Account. This Agreement includes not only these terms of business, but also:

- the literature that describes your Account in more detail;
- the Account tariff; and
- the Advice Team's terms of business (only relevant if you use TSC's advice services);

all of which may be amended by TSC from time to time, subject to paragraph 1.7 below, where TSC has a valid reason. A valid reason means in the following circumstances only:

- to give effect to a change in law, regulations, industry guidance or codes of practice;
- as a result of new market practices;
- for economic reasons, including a variation in taxation rates or costs incurred in supplying a product or service (in which case TSC will respond proportionately).

No other terms and conditions will apply, unless indicated below or as notified to you.

1.5 Before your application can be considered you must agree to abide by the terms of this Agreement in the manner described above. However, a legally binding agreement will only arise once TSC notifies you that it has accepted your application by sending you a welcome letter. If TSC decides not to accept your application, there will be no Agreement, and if you have provided any documentation in support of your application it will be returned to the address shown on your application form.

1.6 Unless TSC otherwise informs you in writing, you will be treated as a 'retail client' under the rules of the FSA, which means that you are entitled to the full extent of applicable regulatory protections. You have the right to request in writing recategorisation as either a 'professional client' or 'eligible counterparty' subject to meeting specific criteria; however, as a consequence, there will be limitations to the level of applicable regulatory protections. Such limitations will include loss of access to the Financial Ombudsman Service and Financial Services Compensation Scheme (which are explained further in paragraph 12). Further details on different client categorisations can be obtained from TSC's Compliance and Legal Services Team.

1.7 Although TSC may change this Agreement in accordance with paragraph 1.4 above, no change will affect any rights or obligations of yours arising prior to such change becoming effective. TSC will give you at least 30 days advance notice, either by post or email (if applicable to you), of any such changes. Where a change results in an increase in charges to you, you are free to terminate this Agreement within a further 30 days of the change becoming effective without any additional charges over and above those that were applicable prior to the change taking effect.

1.8 This Agreement is in English and all future communications with you will also be in English. The Agreement is governed by English law and in the event of a serious dispute, will be subject to the exclusive jurisdiction of the English courts.

1.9 Any transactions undertaken for you in stocks and shares will be subject, where applicable, to the rules of the London Stock Exchange ("LSE"), Sharemark, Crest (the system used for transferring shares between sellers and buyers), Cofunds Nominees Limited ("Cofunds", which is used to safeguard holdings in some collective investment funds such as unit trusts), the FSA, PLUS Markets and all other applicable laws, rules and regulations. TSC will act as your agent in any such dealings. Where there is a conflict between this Agreement and any such laws and regulations, the latter will prevail. You must also comply with the City Code on Takeovers and Mergers (and the FSA's Disclosure and Transparency Rules regarding the notification of major shareholdings), which may be relevant if you are dealing in large quantities of shares. Further details can be obtained from TSC's Compliance and Legal Services Team.

1.10 There may be occasions where a conflict of interest develops between you and TSC or between you and another customer. TSC has taken all reasonable steps to identify such conflicts of interest and has a Conflicts of Interest Policy in place, designed to prevent conflicts of interest from adversely affecting the interests of its customers. A summary version of this Policy is set out within Schedule 1 of these terms of business.

1.11 Unless you have sought specific investment advice from TSC's Advice Team, all transactions are carried out on your own initiative (i.e. 'execution only'). TSC is, therefore, not responsible for advising you on the suitability of the services or transactions provided or offered by TSC. You will not benefit from the protection of the FSA's rules relating to suitability which would require TSC to ensure that a product or service is suitable for you when taking into account your knowledge and experience in the relevant investment field, your financial situation and your investment objectives.

1.12 Where you have received a personalised communication (as defined by FSA) from TSC or wish to deal in a 'complex' investment (e.g. a warrant, covered warrant or 'securitised derivative') on an execution only basis, you may be required to complete an appropriateness test. This requires TSC to ensure that a product or service is appropriate for you when taking into account your knowledge and experience in the relevant investment field before TSC can accept your dealing instruction. TSC reserves the right not to accept an instruction to deal where you fail such a test.

1.13 TSC does not provide advice on the legal implications of accepting this Agreement and, unless otherwise specifically indicated to you by the Advice Team, does not provide advice on aspects of taxation.

## **2. Cancellation Rights**

2.1 You have the right to cancel this Agreement for a period of up to 14 days (or 30 days if this Agreement relates to a pension) from the day on which TSC accepts your application (i.e. the date of the welcome letter that will be sent to you).

2.2 However, the right to cancel cannot apply to any transactions undertaken during the cancellation period, where the prices of the investments concerned can fluctuate within the financial marketplace and where those fluctuations are not within TSC's control (e.g. TSC is unable to have any control over the movement of share prices).

2.3 In order to cancel the Agreement, you must ensure that your written instructions to cancel are sent to TSC before the end of the 14 day (or 30 day, for pensions) cancellation period.

2.4 If you do decide to cancel, you must still pay for any services that TSC has actually provided (which may include re-registration and commission charges), based on the published tariff sheet.

## **3. Customer Information**

3.1 You will supply TSC with all information reasonably requested as soon as practical. You confirm that all information will be, to the best of your knowledge and belief, correct when supplied and that you will notify TSC of any changes.

3.2 TSC will treat all personal information about you and your financial affairs as confidential. TSC may however disclose any such information to its authorised agents or if required to do so by law or regulation, or requested by a financial regulator, or where you have given your consent to the disclosure. The information may also be shared with other financial organisations to protect TSC and its customers, and other financial organisations and their customers, against financial crime. Further information on safeguarding customer data is contained within TSC's Privacy and Security Policy available from TSC's website, [www.share.com](http://www.share.com), within the Important Information section.

3.3 You agree that TSC may hold information about you and your affairs in order to:

– verify your identity and financial standing (among other things TSC is likely to consult a credit or mutual reference agency, which may retain a record of our enquiry);

– provide you with TSC's services (which may also necessitate TSC liaising with third parties, such as companies and their registrars, and disclosing some aspects of your personal information in order to verify, or otherwise discuss, your investments in the proper provision of TSC's services);

– keep you up-to-date regarding other services which TSC considers may be of interest to you (if you would prefer not to receive direct marketing information, please advise TSC on 01296 41 41 41).

3.4 Due to anti-money laundering regulations (which aim to prevent criminal property being used or disguised as legitimate wealth) you may have to produce satisfactory evidence of your identity, or the identity of any person on whose behalf you are placing the dealing instruction, before TSC can do any business with you, and from time to time thereafter. This identification process is designed to assist in the prevention of crime within the financial services industry and society at large. If you do not provide the information when requested, TSC may be unable to accept any instructions from you or provide you with any other services.

3.5 TSC will only accept applications from residents of certain qualifying countries, details of which are available from TSC. Where applications are received from such residents, additional identification requirements may apply.

3.6 TSC is registered to use your personal information under the Data Protection Act 1998 (as may be amended). Under the terms of this Act, you are entitled to a copy of any personal information TSC holds on computer and on certain written records, upon payment of the appropriate fee.

## **4. Charges**

4.1 You will pay all applicable fees, commissions and other charges in accordance with TSC's published tariff sheet. You must also pay any applicable taxes and levies (e.g. Stamp Duty) that TSC is required to charge you. All such charges may be deducted from your Account or any other account you hold with TSC. Other taxes and costs (e.g. Capital Gains Tax) may also exist that are not collected or deducted by TSC.

## **5. Your Money and Investments**

5.1 Your money will be handled in accordance with the client money rules of the FSA and unless otherwise agreed all money received or paid from or to you must be in British Pounds Sterling.

5.2 The cash balance held on your behalf, and as shown in your Account, will be deposited with an authorised banking institution in the name of TSC under customer trust status (i.e. separate from TSC's money), together with cash balances belonging to other customers of TSC. TSC may debit or credit your Account for all sums payable by or to you (including dividends you may receive in cash, fees and other amounts payable by you).

5.3 All payments to your Account must be drawn on your own bank account. You may credit money to your Account by using an acceptable form of debit card, providing the sum to be credited does not exceed such limit as TSC may advise. All payments received, either individually or collectively, in excess of £10,000 may be subject to clearance, at TSC's absolute discretion, prior to the acceptance of dealing instructions thereon.

5.4 TSC has the right to return money, whether received by cheque, bank transfer or debit card, to 'source' (i.e. from where it came). All money returned will be done so at your own risk and will be subject to the normal timings of the banking clearance system. Where requested, money will only be transferred overseas to certain qualifying countries, details of which are available from TSC.

5.5 Interest will be payable quarterly on credit balances on money in your Account at the rates published from time to time by TSC. Where you make a payment to TSC to be credited to your Account, no interest will start to be calculated on this sum until the payment has cleared.

5.6 In the event that TSC does not hear from you for a period of 6 years, has made reasonable attempts to contact you, and such attempts have been unsuccessful, any money held in your Account may be released to the benefit of TSC. Should you subsequently contact TSC and make a valid claim, TSC will reimburse the money to you. However, interest will not be due to you from the date of release of the money to TSC.

5.7 TSC has the right to delay the return of any money received from you until 10 business days after the date of clearance for credit control purposes.

5.8 All investments held within your Account will be registered either in the name of TSC's 'pooled' nominee company, Share Nominees Limited (the "Nominee") or Cofunds (in the case of certain unit trusts and open-ended investment companies ("OEICs")) and held for you as the beneficial owner, together with investments belonging to other customers of TSC. This means that there are no separate certificates, documents evidencing legal ownership or external electronic records of your individual investment holdings.

5.9 The Nominee and Cofunds hold the investments on trust, such that when customers buy or dispose entirely of an investment in accordance with this Agreement, their interest in relation to that investment within the trust is created or extinguished respectively.

5.10 On some occasions, because settlement is carried out on a pooled basis, your investments may be used by TSC to settle another customer's transaction (for instance, where another customer wishes to sell a holding they have only just bought and TSC has not yet received that customer's stock). This will not affect the record TSC maintains which shows how much stock is held on your behalf.

5.11 TSC may deliver or accept delivery of certificates and/or investments via Crest on behalf of the Nominee.

5.12 TSC accepts responsibility for holdings in the name of the Nominee and for acts and omissions of the Nominee, but not in relation to Cofunds, nor the acts or omissions of Cofunds.

5.13 Dividends from investments will usually only be received as cash.

5.14 Overseas investments may be held on behalf of TSC by an overseas custodian, its sub-custodian or an investment clearing system. TSC and the Nominee do not accept responsibility for any losses arising from the default of such an appointed custodian or clearing system. It should be noted that there may be different settlement, legal and regulatory requirements in overseas jurisdictions from those applying in the UK and different practices for the separate identification of investments.

5.15 Overseas investments held by the Nominee may be in the form of Crest Depositary Interests ("CDIs"). CDIs cannot be registered into certificates. CDIs may be liable for withholding tax from the country of origin of the underlying investment. TSC is not obliged to reclaim any foreign withholding tax deducted. If you are unsure about the tax implications of dealing in overseas investments, you should seek independent tax advice.

5.16 On some occasions, money relating to overseas investments not held by the Nominee may be deposited in a client bank account outside the United Kingdom ("UK"). Money held in its country of origin will be held with an approved bank or depositary unless the money relates to the settlement of a transaction or a series of transactions or the distribution of income which is subject to the law or market practice of a jurisdiction outside the UK and because of the applicable law or market practice, it is not possible to hold your money in a client bank account with an approved bank or depositary. In some cases, the bank or depositary with which your money may be held outside the UK may not have accepted that it has no right of set off or counterclaim against your money in respect of any sum owed by TSC on any other account held by TSC at the bank. The legal and regulatory regime applying to such bank or depositary outside the UK will be different from that of the UK and, in the event of a failure of the bank or depositary, your money may be treated in a different manner from that which would apply if the money was held by an approved bank in the UK.

5.17 Your money may be passed to another person, such as an exchange, clearing house or an intermediate broker, for the purposes of a transaction on your behalf through or with that person. Where such a person is located outside of the UK, the legal and regulatory regime applying to those persons will be different from that of the UK and in the event of the failure of such a person, your money may be treated in a different manner from that which would apply if the money was held by such a person in the UK.

5.18 You shall not charge or pledge the investments held under this Agreement (e.g. use them as security for a loan) or dispose of all or part of them otherwise than in accordance with this Agreement. Your investments and cash held by TSC or under TSC's control shall at all times be subject to a general lien and right of set off against all amounts owing to TSC from time to time. In other words, any sums due to TSC in respect of commissions, costs, fees, expenses or other amounts payable under this Agreement (plus any applicable value added tax) may be deducted or withdrawn (upon 3 business days prior notice) from any of your investments or cash held by TSC and TSC may have recourse against and sell, realise or dispose of any such assets and apply the proceeds in or towards the discharge of such sums. Any such sale, realisation or disposal may be at whatever price and in whatever manner TSC sees fit in its absolute discretion (without being responsible for any loss or reduction in price) and, subject to compliance with the FSA's rules in connection with any such disposal, TSC shall not be liable to you in respect of any loss arising nor in respect of any choice made by TSC in selecting the investments sold or disposed of. The proceeds of any sale or disposal of such assets (net of costs) will be applied in or towards the discharge of your liabilities and TSC will account to you for any balance. In the event that such proceeds of sale are insufficient to cover the whole of your liabilities, you remain liable for the balance. A certificate in writing from TSC that any power of sale or other disposal has arisen and is exercisable shall be conclusive evidence of the fact in favour of a purchaser or transferee of the whole or any part of any such assets.

5.19 Subject to paragraph 5.12 above, in the event of there being a shortfall in the total quantity of money or an investment held in a pooled nominee or client money bank account, compared with the quantity or balance which should be held for customers, or in the event of an authorised banking institution, the Nominee, Cofunds or any other third party custodian, bank or counterparty used by TSC defaulting (e.g. if they become insolvent), customers may have to bear that shortfall on a pro-rata basis.

5.20 Unless you are otherwise informed, TSC will send you a statement either in paper or electronically of your investments at least once in any 6 month period, which will be based on deal date information (i.e. the effect of purchases or sales which are unsettled at the statement date will be reflected).

5.21 Unless otherwise indicated, TSC will not accept or make third party payments on your behalf. All receipts and withdrawals of money and investments must be received from, or paid to, you or, in certain circumstances such as your death or incapacity, your legal representatives.

## **6. Dealing**

6.1 TSC may carry out transactions in such investments as are shown on the published tariff sheet, unless you are a permanent resident of a country outside the UK, in which case restrictions may apply. TSC will not deal in investments which have been suspended from dealing. TSC may also decide not to accept your dealing instructions or other instructions relating to your Account in certain circumstances (for example, where TSC is concerned about the lawfulness of the transaction or instruction). TSC may refuse to accept any dealing instructions from individuals who are resident or domiciled in any overseas country, if acceptance of a dealing instruction would require TSC to comply with any governmental or regulatory procedures or other formalities of such country.

6.2 All instructions to TSC to deal in investments must be on either a 'limit price' basis (where you set the maximum or minimum price at which you are prepared to deal) or 'best price' basis (where TSC will take all reasonable steps to obtain the best possible result for you). For both types of order, TSC will seek to obtain the best possible result, subject to any limit price specified in the case of a limit price order, in accordance with its Order Execution Policy, which is detailed within Schedule 2 of these terms of business. By placing an order to deal, you acknowledge that you have read, understood and accepted the Order Execution Policy.

6.3 Where you instruct TSC on a best price basis and the number of shares or units to be dealt is larger than the investment's normal market dealing size, the price obtained may differ from the price indicated to you at the time your instruction to deal was placed.

6.4 TSC may aggregate (i.e. combine) your orders with those of other customers, which may operate on some occasions to your disadvantage. Further information is contained within TSC's Order Allocation Policy, which is detailed within Schedule 3 of these terms of business.

6.5 Where you submit a dealing instruction to TSC, and depending upon the type of Account you have and the investment you are seeking to deal in, you may choose whether your dealing instruction is subject to 'realtime dealing' or 'batch dealing'. 'Realtime dealing' orders are dealt as soon as reasonably practicable in the circumstances. For many investments (predominantly equities), if submitting a best price order via TSC's Internet dealing facilities, if the market is open and a price is available, a price quotation will be displayed on your Internet screen, and will be valid for a period of 10 seconds, during which time you must confirm your dealing instruction in order to obtain that price. If you fail to do so, you can obtain a revised price quotation later or opt for batch dealing. Please note that although the price quotation is held for 10 seconds, the prevailing price within the marketplace could have risen or fallen during this 10 second period. If you specify a limit price on your dealing instruction, and that limit price can be achieved within the market, your dealing instruction will be dealt immediately without the display of any price quotation. 'Batch dealing' means that your dealing instruction will be undertaken during the next scheduled dealing session. Dealing sessions normally take place 3 times each business day, at around 9am, 1pm and 4pm. Orders must be received and validated by TSC before the start of a dealing session if the dealing instruction is to be included within that dealing session. Orders received less than 5 minutes before the start of a dealing session will not be included within that dealing session. Orders received less than 15 minutes before the start of a dealing session (but more than 5 minutes) may be included within that next dealing session at TSC's discretion, which will depend upon the prevailing volume of orders received.

All orders submitted for dealing on Sharemark or within most unit trusts and open ended investment companies ('OEICs') are classified as 'realtime dealing' orders and are not subject to batch dealing. Where a choice between realtime and batch dealing is not provided, this is because of the type of Account you have with TSC or the nature of the investment you are seeking to deal in.

6.6 Where you have submitted a dealing instruction via TSC's Internet dealing facility for realtime dealing outside the usual business hours of the LSE or relevant market, the realtime dealing instruction will be executed as soon as reasonably practicable after 8.15am on the next day that the LSE or relevant market re-opens. You acknowledge that TSC may not necessarily obtain the official opening market price and that price movements may be more volatile when the market first opens. The difference between the buying and selling prices on some securities may also be greater at, or around, this time. It may be advisable for you to enter a limit price, as opposed to a best price, dealing instruction, outside the normal hours of the LSE or relevant market, or when submitting realtime dealing instructions.

6.7 If a realtime dealing instruction cannot be executed automatically for whatever reason, it will, if possible, be manually executed as soon as reasonably practicable.

6.8 Limit prices may be placed on dealing instructions for up to 365 calendar days. Limit prices may be cancelled and re-submitted at your discretion,

provided the dealing instruction has not been executed. Where any limit order cannot be immediately executed, you agree that TSC need not disclose or publish details of your unexecuted limit orders.

6.9 Batch dealing instructions may be cancelled and re-submitted up to 5 minutes before the start of a dealing session.

6.10 Dealing instructions may not be altered once they have been accepted and executed by TSC. Where the dealing instruction submitted was incorrect, you agree to indemnify (i.e. compensate in full) TSC for any costs or losses incurred by TSC in respect of transactions entered into on your behalf to correct the previous transaction, should TSC decide to accept an instruction to effect such a correction.

6.11 TSC cannot guarantee that limit price dealing instructions will be executed even if the limit price is reached. This could be due to prevailing market conditions (such as a 'fast market', where the market is so volatile that prices quoted in the stock market are only indicative rather than guaranteed), other customers having placed similar dealing instructions but then having an earlier time priority than your dealing instruction and their dealing instruction being executed in priority to your dealing instruction, or other factors beyond TSC's control.

6.12 All realtime dealing instructions are only dealt automatically if they can be completely satisfied; if not, they will be passed to the Dealing Team for manual action. Dealing instructions, other than dealing instructions in Sharemark investments (see paragraph 7 below), will not be partially filled.

6.13 Dealing instructions to purchase investments will only be executed if there is sufficient money in your Account to meet the potential cost of execution (including all applicable charges) or, where you are due to receive proceeds from a sale, sufficient sale proceeds to cover the intended purchase. Subject to this, TSC has the discretion to reduce the size of a purchase dealing instruction in the event of adverse price fluctuations, if there are insufficient funds in your Account when submitting a dealing instruction. Dealing instructions to sell investments will only be executed if there are sufficient investments recorded within your Account that can be transferred to the purchaser, which shall not be adversely affected by paragraph 5.10 above.

6.14 In the event of a change in the share capital of an investment, or other corporate action, which could significantly impact on any current limit price dealing instruction, TSC will endeavour to delete such pending dealing instruction. However, TSC is under no obligation to do so, and it remains your responsibility to ensure limit price dealing instructions remain valid and to make any adjustments you consider necessary or desirable to reflect any changes to prevailing market conditions.

6.15 You recognise and accept that certain features (where available) and risks apply to the use of different types of limit price dealing instructions:

- stop-loss dealing instructions should initiate when the price falls to or below the specified level;
- tracking stop-loss dealing instructions should initiate when the price falls by the specified amount from the monitored peak price;
- sale price limit dealing instructions should initiate when the price rises to or above the specified price level;
- purchase price limit dealing instructions should initiate when the price falls to or below the specified price level;
- certain factors may cause the bid-offer spread of an investment to increase, even momentarily, to a wide level, thereby causing a stop-loss dealing instruction to be initiated. These wide bid-offer spreads may nevertheless be the most favourable prices quoted for the investment at that time.

6.16 Limit price dealing instructions and automated price alerts (only available to Internet users) that reach the end of their expiry date are deleted after close of business on the expiry date: it is your responsibility to renew them if you require this.

6.17 Limit price dealing instructions for realtime dealing and price alerts are monitored each working day from 8.15am until 4.30pm. Limit price dealing instructions for batch dealing are monitored at each scheduled batch dealing session.

6.18 TSC may retain any commissions received from a third party arising from transactions carried out for you and the amount of such commission and the identity of the third party will be available upon request. Such instances can include payments of 'trail' commission to TSC from fund managers when you purchase their funds through TSC; this amounts to approximately 0.5% per annum on the value of the fund investment. In addition, TSC may pay a share of the fees or commissions charged to you with third parties and the amount paid to the third party and its identity will be available upon request. Such instances can include where a third party has introduced you to TSC.

6.19 You accept that the prices and values of stock market investments, and products related to them, together with the income that they produce, can go down as well as up and you may get back less than your initial investment. In addition, the levels and bases of taxation may also change, both generally and in relation to specific products and investments. Consequently, TSC cannot accept responsibility for any movements in the value of your investments or for monitoring whether they continue to be suitable for you, even where TSC initially provided you with investment advice. Past performance is no indication of future performance. Where you are dealing in more complex investments, there may be a greater risk that you could lose your initial investment.

6.2 All instructions to TSC to deal in investments must be on either a 'limit price' basis (where you set the maximum or minimum price at which you are prepared to deal) or 'best price' basis (where TSC will take all reasonable steps to obtain the best possible result for you). For both types of order, TSC will seek to obtain the best possible result, subject to any limit price specified in the case of a limit price order, in accordance with its Order Execution Policy, which is detailed within Schedule 2 of these terms of business. By placing an order to deal, you acknowledge that you have read, understood and accepted the Order Execution Policy.

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6.7 If a realtime dealing instruction cannot be executed automatically for whatever reason, it will, if possible, be manually executed as soon as reasonably practicable.

6.8 Limit prices may be placed on dealing instructions for up to 365 calendar days. Limit prices may be cancelled and re-submitted at your discretion, provided the dealing instruction has not been executed. Where any limit order cannot be immediately executed, you agree that TSC need not disclose or publish details of your unexecuted limit orders.

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6.10 Dealing instructions may not be altered once they have been accepted and executed by TSC. Where the dealing instruction submitted was incorrect, you agree to indemnify (i.e. compensate in full) TSC for any costs or losses incurred by TSC in respect of transactions entered into on your behalf to correct the previous transaction, should TSC decide to accept an instruction to effect such a correction.

6.11 TSC cannot guarantee that limit price dealing instructions will be executed even if the limit price is reached. This could be due to prevailing market conditions (such as a 'fast market', where the market is so volatile that prices quoted in the stock market are only indicative rather than guaranteed), other customers having placed similar dealing instructions but then having an earlier time priority than your dealing instruction and their dealing instruction being executed in priority to your dealing instruction, or other factors beyond TSC's control.

6.12 All realtime dealing instructions are only dealt automatically if they can be completely satisfied; if not, they will be passed to the Dealing Team for manual action. Dealing instructions, other than dealing instructions in Sharemark investments (see paragraph 7 below), will not be partially filled.

6.13 Dealing instructions to purchase investments will only be executed if there is sufficient money in your Account to meet the potential cost of execution (including all applicable charges) or, where you are due to receive proceeds from a sale, sufficient sale proceeds to cover the intended purchase. Subject to this, TSC has the discretion to reduce the size of a purchase dealing instruction in the event of adverse price fluctuations, if there are insufficient funds in your Account when submitting a dealing instruction. Dealing instructions to sell investments will only be executed if there are sufficient investments recorded within your Account that can be transferred to the purchaser, which shall not be adversely affected by paragraph 5.10 above.

6.14 In the event of a change in the share capital of an investment, or other corporate action, which could significantly impact on any current limit price dealing instruction, TSC will endeavour to delete such pending dealing instruction. However, TSC is under no obligation to do so, and it remains your responsibility to ensure limit price dealing instructions remain valid and to make any adjustments you consider necessary or desirable to reflect any changes to prevailing market conditions.

6.15 You recognise and accept that certain features (where available) and risks apply to the use of different types of limit price dealing instructions:

- stop-loss dealing instructions should initiate when the price falls to or below the specified level;
- tracking stop-loss dealing instructions should initiate when the price falls by the specified amount from the monitored peak price;
- sale price limit dealing instructions should initiate when the price rises to or above the specified price level;
- purchase price limit dealing instructions should initiate when the price falls to or below the specified price level;
- certain factors may cause the bid-offer spread of an investment to increase, even momentarily, to a wide level, thereby causing a stop-loss dealing instruction to be initiated. These wide bid-offer spreads may nevertheless be the most favourable prices quoted for the investment at that time.

6.16 Limit price dealing instructions and automated price alerts (only available to Internet users) that reach the end of their expiry date are deleted after close of business on the expiry date: it is your responsibility to renew them if you require this.

6.17 Limit price dealing instructions for realtime dealing and price alerts are monitored each working day from 8.15am until 4.30pm. Limit price dealing instructions for batch dealing are monitored at each scheduled batch dealing session.

6.18 TSC may retain any commissions received from a third party arising from transactions carried out for you and the amount of such commission and the identity of the third party will be available upon request. Such instances can include payments of 'trail' commission to TSC from fund managers when you purchase their funds through TSC; this amounts to approximately 0.5% per annum on the value of the fund investment. In addition, TSC may pay a share of the fees or commissions charged to you with third parties and the amount paid to the third party and its identity will be available upon request. Such instances can include where a third party has introduced you to TSC.

6.19 You accept that the prices and values of stock market investments, and products related to them, together with the income that they produce, can go down as well as up and you may get back less than your initial investment. In addition, the levels and bases of taxation may also change, both generally and in relation to specific products and investments. Consequently, TSC cannot accept responsibility for any movements in the value of your investments or for monitoring whether they continue to be suitable for you, even where TSC initially provided you with investment advice. Past performance is no indication of future performance. Where you are dealing in more complex investments, there may be a greater risk that you could lose your initial investment.

6.20 You will be sent a contract note, either in paper or electronic format, following a transaction, except where otherwise permitted by the FSA's rules. Any query in relation to the contract note should be raised by you within 5 business days of receipt so that any matters arising can be promptly resolved, otherwise TSC will assume that you have

accepted the contents of the contract note. Prior to receiving the contract note, for information about the status of your order, you can contact a member of TSC's Dealing Team or view the status online at [www.share.com](http://www.share.com).

6.21 Where you instruct TSC to deal or otherwise act in relation to your money or investments by tone-phone, internet or other automated access route, provision of your customer reference number and personal identification number/password ("PIN") shall be sufficient authority for TSC to act upon such instructions. The PIN

must remain your personal secret, but can be changed by writing to TSC. You must change the PIN if you believe anybody else knows it and notify TSC immediately if you discover that your PIN has been lost or compromised. TSC will not be liable for any unauthorised use of a PIN resulting from negligence on your part or loss arising therefrom. TSC may withdraw the PIN where the wrong number is entered more than once or in other circumstances.

6.22 If you intend to purchase a unit trust or OEIC, you may request a copy of the relevant simplified prospectus, where applicable, from TSC's Dealing Team. When dealing in unit trusts or OEICs administered by Sharefunds Limited, TSC's sister company, dealing instructions must normally be received and validated by midday for dealing that day. All other unit trust and OEIC dealing instructions must be received and validated by 8.45am if they are to be dealt that day.

6.23 HM Revenue and Customs ("HMRC") may challenge any purchase or sale prices in less liquid investments for open market valuation purposes (for instance, for assessing capital gains tax liability). When assessing tax liabilities arising from a transaction in less liquid investments, you should seek independent tax advice, and should not necessarily rely upon any transaction price or contract note as evidence of an open market value.

## **7. Sharemark**

7.1 Dealings in Sharemark investments are subject to the terms and conditions set out in Schedule 4 of these terms of business.

## **8. Settlement**

8.1 Once TSC has executed your dealing instruction, sale proceeds (if a sale) or investments (if a purchase) will only become available to you once those sale proceeds or investments have been received in full by TSC.

8.2 Where the anticipated sale proceeds or investments are not received in full, you will, along with all other applicable customers of TSC:

- if purchasing investments: be entitled, in the chronological order in which instructions were received by TSC, to the relevant investments actually delivered to TSC and, in the event of any delivery shortfall, to the repayment of a cash sum from TSC's client settlement bank account equal to the whole or relevant part of the sum debited from your Account in respect of the relevant investments;
- if selling investments: be entitled, in the chronological order in which instructions were received by TSC, to cash actually received by TSC and in the event of any payment shortfall, to the return of the relevant investments held by the Nominee or Cofunds, as appropriate, equal to the whole or

relevant part of the number of shares, bonds, warrants or units originally sold.

## **9. Investment Communications**

9.1 You may apply to TSC for a 'proxy' directing how voting rights are to be exercised by the Nominee in respect of each of your investments.

9.2 In the case of changes in the share capital of your investments, receipt of a notice of conversion or proposal to wind-up, amalgamate or take-over a company or other corporate action where the investments are held for you by TSC:

- a bonus or capitalisation issue will be automatically credited to your Account;
- otherwise (where appropriate and subject to paragraph 9.3 below) you will be sent a summary of the proposal and the required action to be taken (if any);
- if, on a rights issue, no instruction is received from you, the Nominee will allow the rights to lapse. Lapsed proceeds received by the Nominee in excess of £3 will be returned to you. Sums less than this may be retained for the benefit of TSC;
- all offers will be accepted upon them being declared as going 'unconditional' whether or not any instructions have been received from you;
- your entitlement to shares will be to the nearest whole share, rounded down, and the aggregate of fractional entitlements may be held by the Nominee for TSC. Cash received by the Nominee representing fractional entitlements in excess of £3 will be returned to you. Sums less than this may be retained for the benefit of TSC.

9.3 Whilst TSC undertakes to notify you of all corporate actions relating to your investments, there may be instances where TSC is not advised of a corporate action by the company or its registrar, either at all or in sufficient time, and consequently cannot notify you of the terms of the corporate action. In such event, TSC will accept the default option of the corporate action on your behalf and cannot be held responsible for any loss that you may incur or any other outcome imposed by the company or its registrar.

9.4 Sometimes the terms of a corporate action will require an election to be made on behalf of the Nominee's entire holding in a company on an 'all or nothing' basis. In these circumstances, TSC may be unable to obtain appropriate instructions from all customers holding that investment within the Nominee. In such event, TSC reserves the right not to offer this entitlement to you, but will use its reasonable efforts to offer you an alternative entitlement, which may not match the entitlement offered by the company.

9.5 If partly paid shares held for you are the subject of a claim for any due balance and no valid instruction is received from you, TSC may sell sufficient of your investments to meet the claim.

9.6 You may, on payment of such a charge as TSC might levy, request that TSC arranges for you to be sent annual reports and accounts, and any other information issued to investors, in relation to an investment, and for you to attend meetings of shareholders in companies in which you have invested. TSC may inform the relevant company in which you hold such an investment, or its agent, of your name, address and any other necessary details.

9.7 Shareholder benefits will only be available to you if the relevant company has agreed with TSC to provide them.

9.8 Where instructions are sought from you, TSC and the Nominee will (other than as referred to elsewhere within this Agreement or in accordance with any other notified procedure) only act if instructions are received from you (or are reasonably believed to have been received from you or from your authorised agent). Where TSC has not received your instructions by the date specified by TSC within the summary of the corporate action, TSC will accept the default option of the corporate action on your behalf and cannot be held responsible for any loss that you may incur. For the avoidance of doubt, even where you have sufficient funds within your Account, TSC will not exercise any rights or entitlements on your behalf without your specific instructions.

9.9 As your investments are pooled with other customers, there may be occasions when your entitlement to such corporate actions referred to in paragraph 9.2 above may have been different had you held the shares in your own name. In such a situation TSC shall take such steps as it considers to be fair in the circumstances, which may include dividing the whole entitlement received from the corporate action between you and other customers or treating any fractional entitlements in the same way as the company concerned, acting through its registrars.

9.10 If TSC receives notice of a class action or group litigation order that is being proposed or taken concerning your investments, TSC will not be obliged to inform you or act upon that notification.

9.11 An investment will be removed from your Account upon confirmation from HMRC that the investment is of 'negligible value' for the purposes of a claim for Capital Gains Tax purposes under section 24(2) Taxation of Chargeable Gains Act 1992.

## **10. Liability and Indemnity**

10.1 You agree to indemnify TSC and the Nominee for any loss, expense or liability whatsoever and howsoever incurred by them in the proper performance of their

functions or exercise of their rights under or otherwise in connection with this Agreement, save insofar as such loss, expense or liability was due to their fraud, wilful default or negligence. TSC shall not be liable for any loss, expense or liability whatsoever and howsoever incurred by you, save insofar as the same is due to TSC's fraud, wilful default

or negligence. Neither this paragraph nor anything else within this Agreement will restrict or exclude any duty or liability owed to you under the rules of the FSA, the Financial Services and Markets Act 2000 ("FSMA") or under common law.

10.2 If TSC fails, interrupts or delays performing its obligations under this Agreement because of a breakdown, failure or malfunction of any telecommunications or computer services or systems (internally or externally) or any other event not reasonably within its control, then TSC will not be liable to you. TSC will not be responsible for any loss or damage caused by such an event or suffered by you as a result of such events. This includes, but is not restricted to, any delay, breakdown or failure of any transmission or telecommunication or computer systems or facilities, strikes or other industrial action or dispute, or the failure of any relevant exchange, clearing house, broker, independent software vendor, settlement agent or bank to perform its obligations or to operate efficiently and correctly or any other event which is reasonably outside TSC's control.

10.3 TSC may, at any time where it reasonably considers it necessary or desirable to do so, suspend all or any of its services including, without limitation, to carry out repairs, or to upgrade hardware or software or to correct any hardware or software error and it shall not be liable for losses arising from the suspension.

10.4 Whilst TSC will use its reasonable endeavours to ensure that its Internet Websites are available at all times, it will not be liable for any loss or damages resulting from the Internet Websites being inaccessible. Access to the Internet Websites may be suspended temporarily or permanently and without notice.

10.5 Where TSC provides certain calculator tools on its Internet Websites, TSC does not accept responsibility for the validity or results produced by these tools. It is your responsibility to verify the accuracy of their output.

10.6 TSC is not responsible for the security or transmission of electronic instructions either from TSC or from you.

10.7 Where information, or links to other information, on TSC's Internet Websites consists of pricing or performance data, or other information which has been obtained from third parties, TSC will not normally have carried out any independent verification of such data and does not accept liability for any reliance placed upon such data, where that data is proven to be inaccurate or incomplete. Furthermore, you undertake not to distribute, sell or license any content contained on TSC's Internet Websites. You agree that TSC or its authorised agents may at all reasonable times and on reasonable notice have access to and inspect your computer systems, accounts, records and other documents (in both hard copy and machine readable form) in relation to any suspected re-distribution, re-sale or sub-licensing of the content.

10.8 The information contained within TSC's Internet Websites originated by TSC is believed to be correct, but cannot be guaranteed.

## 11. Termination

11.1 This Agreement may be terminated immediately on written notice being given by you or TSC to the other. Termination is without prejudice to the performance by both parties of any transactions already initiated, and to your paying any outstanding charges or other amounts due to TSC, whether incurred before or after the effective notice of termination.

11.2 In the event of your death, upon receipt of a sealed copy of the UK grant of representation of your estate, TSC will instruct the Nominee to deliver your investments to your personal representatives.

## 12. Complaints and Compensation

12.1 If you have a complaint, please contact TSC on 01296 41 41 41 or write to the Compliance Manager, Compliance and Legal Services Team, The Share Centre, Oxford House, Oxford Road, Aylesbury, Buckinghamshire HP21 8SZ. If TSC cannot resolve the complaint to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service, the independent complaints handling body for the financial services industry. A copy of TSC's complaints handling procedure is available upon request.

12.2 TSC participates in the Financial Services Compensation Scheme, established under the FSMA, which provides compensation to eligible investors in the event of the firm being unable to meet its customer liabilities. Payments under the protected investment business scheme are limited to a maximum of £48,000, made up of 100% of the first £30,000 and 90% of the next £20,000 of the claim. Further information is available from TSC's Compliance and Legal Services Team.

## 13. General

13.1 All written or electronic communications TSC sends you will be to the latest address notified by you to TSC and shall be assumed received by you on the second day after posting or on the day after despatch in the case of electronic communication. Communications sent by you shall be deemed received only if actually received by TSC.

13.2 Telephone calls may be recorded for the purpose of training, monitoring quality and regulatory compliance.

13.3 Should you cease to live in a qualifying country (details of which are available from TSC), your Account will be terminated and all investments held can either be transferred to you, or sold; any money or sale proceeds will be returned to you.

13.4 You agree that TSC may from time to time telephone or otherwise contact you to discuss potential or existing investments or investment services, subject to compliance with the rules of the FSA, and you are willing to accept such calls, unless you advise otherwise.

13.5 TSC and the Nominee may employ agents on such terms as they think fit. TSC will satisfy itself that any person to whom it delegates any of its functions or responsibilities under the terms agreed with you is competent to carry out those functions and responsibilities. TSC will take reasonable care in the selection and supervision of such agents but shall not otherwise have any liability for the performance of such functions or responsibilities.

13.6 Should any clause within this Agreement or part thereof become or be declared illegal, invalid or unenforceable for any reason, the remainder of the clause and Agreement shall be unaffected and shall remain in full force and effect.

13.7 The Contracts (Rights of Third Parties) Act 1999 will not apply to this Agreement, which means that only you and TSC have the right to enforce any of the terms and conditions mentioned.

## Section 2

Additional terms of business for Individual Savings Accounts (ISAs)

The terms of business in this section are only relevant to you if you are opening an ISA with TSC, in which case, the terms of business in paragraphs 1 to 13 shall also apply. Should any terms within paragraphs 1 to 13 conflict with these Additional Terms of Business, the Additional Terms of Business will prevail.

## 14. Eligible Investments

14.1 TSC may only carry out transactions in such investments as permitted under HMRC regulations.

14.2 You are responsible for ensuring that your ISA is invested only in investments qualifying for tax relief in accordance with HMRC regulations. TSC will not be liable to you for any taxation charges or other consequences arising from any breach of HMRC regulations unless this is due to the negligence of TSC, and does not result from your instructions.

## 15. Transferring your ISA

15.1 On your written request and within the time stipulated by you (which may not be less than 30 days) TSC will transfer or pay to you or another ISA Plan Manager, as the case may be, ISA investments, interest, dividends, rights or other proceeds in respect of such investments or any cash.

15.2 Although under HMRC regulations it is possible to transfer an ISA to another Plan Manager in part, TSC has chosen not to offer this as a service, and will therefore only process transfers of Accounts in whole (i.e. all stock and cash within a designated Account must be transferred). Once Accounts have been consolidated, TSC cannot re-separate them.

## 16. Termination

16.1 TSC will notify you as soon as reasonably practicable if it becomes aware that your ISA has or will become void as a result of any failure to satisfy HMRC regulations.

16.2 Where the value of your ISA falls below £100, no investments are held and the ISA has been fully subscribed, TSC reserves the right to close your Account and charge accordingly.

16.3 Where you cancel your ISA in accordance with paragraph 2 of these terms of business, your cancelled subscription will not count as a subscription to an ISA for the current tax year.

Additional terms of business for Child Trust Funds (CTFs)

The terms of business in this section are only relevant to you if you are opening a CTF with TSC, in which case, the terms of business in paragraphs 1 to 13 shall also apply. Should any terms within paragraphs 1 to 13 conflict with these Additional Terms of Business, the Additional Terms of Business will prevail.

## 17. Introduction

17.1 "You" or "Your" means you as the 'registered contact' acting on behalf of the minor to which the CTF relates (the "Child"). On the 16th anniversary of the Child's birth date, the Child can apply to become the registered contact. On the 18th anniversary of the Child's birth date, the Additional Terms of Business for CTFs will cease to apply, with paragraphs 1 to 13, as amended or extended, continuing to apply.

17.2 Any replacement registered contact will be required to accept a new agreement.

## 18. Subscriptions

18.1 Subject to published annual subscription limits, you may only subscribe to the CTF by way of a sterling cash payment, which may include cheque, direct debit/credit and standing order. Subscriptions received must be no less than £10. Any valid subscriptions received are made as a gift to the Child and cannot be refunded.

18.2 Where subscriptions are received in excess of the annual subscription limit, the excess funds will be transferred to a separate account (the "Holding Account"). The Holding Account will be operated in accordance with the client money rules of the FSA and any other applicable requirements detailed within this Agreement. The balance of the Holding Account will not be permitted to exceed the annual subscription limit and

funds may not be withdrawn unless due to death or terminal illness of the Child or where the Account is transferred to a provider where no similar facility exists.

18.3 Interest will be payable quarterly on credit balances in the Holding Account at rates published by TSC. Where you send a cheque to TSC which is credited to your Holding Account, no interest will start to be calculated on this sum until the cheque has cleared.

18.4 If the Child has become non-resident of the UK, further subscriptions can be made to the CTF although the Child may lose entitlement to further government contributions.

## 19. Eligible Investments

19.1 TSC may only carry out transactions in such investments as permitted under HMRC regulations.

19.2 Where TSC promotes a particular investment within the CTF brochure, TSC retains the right to cease promoting such investments. Where this is necessary, reasonable endeavours will be made to advise you accordingly.

19.3 All investments acquired for the Child will be registered either in the name of the Nominee or Cofunds for the Child as the beneficial owner, together with investments belonging to other customers of TSC in accordance with the remainder of this Agreement.

19.4 TSC will send you a statement either in paper or electronically of the CTF investments once a year within 61 calendar days of the anniversary of the Child's birth date, which will be based on deal date information (i.e. the effect of purchases or sales which are unsettled at the statement date will be reflected).

19.5 You are responsible for ensuring that your CTF is invested only in investments qualifying for tax relief in accordance with HMRC regulations. TSC will not be liable to you for any taxation charges or other consequences arising from any breach of HMRC regulations unless this is due to the negligence of TSC, and does not result from your instructions.

## 20. Transferring your CTF

20.1 On your written instructions and within the time stipulated by you (which may not be less than 30 days) the CTF with all rights and obligations shall be transferred free of charge (except charges such as, accrued subscription fees, stamp duty and other dealing costs connected with buying or selling investments), either internally to another type of CTF Account or to another CTF provider. Where applicable, transfers will be effected in cash only. In the event of an internal transfer, the cancellation rights, as detailed in paragraph 2 will apply.

20.2 All transfers of CTFs to TSC will be accepted free of charge (except charges such as stamp duty and other dealing costs connected with buying or selling investments).

## 21. Termination

21.1 TSC will notify you as soon as reasonably practicable if it becomes aware that the CTF has or will become void as a result of any failure to satisfy HMRC regulations.

21.2 This Agreement may only be terminated on notification of the following: the 18th anniversary of the Child's birth date; the death of the Child; on direct instruction from HMRC (where the CTF is void); or in accordance with paragraph 20 (Transferring your CTF) above.

21.3 Upon receipt of a copy of the grant of representation of the Child's estate, TSC will instruct the Nominee to deliver the stock and/or cash to the Child's personal representatives and anti-money laundering regulations may apply.

## Section 3

### Certificate Sales

1 It is important that you read and understand these terms of business. If you have any queries about them please contact us on 01296 41 41 41.

2 These terms and conditions only apply to The Share Centre's ('TSC') Certificate Sales Service. This service can be used to sell UK ordinary shares, which can be dealt in Sterling on the London Stock Exchange ('LSE'), Alternative Investment Market, PLUS Markets, Sharemark, and such other market as TSC may decide, and subject to the standard LSE settlement period. If you wish to purchase shares, please call TSC on the telephone number shown above.

3 Where you see the words "you" or "your" in these terms of business, it means you as the individual, or if selling shares in joint names, all individuals jointly holding the shares. If you are dealing as an official of a company or trust, then it is referring to the company or trust, and not you personally.

4 TSC is a limited company incorporated in England and Wales and its registered office address is Oxford House, Oxford Road, Aylesbury, Buckinghamshire HP21 8SZ. TSC is authorised and regulated by the UK financial services 'watchdog', the Financial Services Authority ('FSA') to provide share dealing and administration services. The FSA reference number for TSC is 146768. You can check this on the FSA's website at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register). The FSA's address is 25 The North Colonnade, Canary Wharf, London E14 5HS.

5 When you sign the certificate sales form and place a dealing instruction with TSC to deal in shares, you are agreeing to abide by these terms of business, and they will constitute a legal agreement between you and TSC as to how TSC will provide its services, and what you will be expected to do. This is referred to in the rest of these terms as "the Agreement", provided TSC accepts your dealing instruction.

6 The Agreement will apply to any instructions you give to us for the sale of certificated shares. In addition to these terms of business, and depending on the services we provide you with, the Agreement may also include:

- the Advice Team's terms of business (only relevant if you use TSC's advice services);
- the Certificate Sales brochure that describes this service in more detail and describes the charges.

Dealing in stocks and shares on TSC's trading platform, Sharemark, is subject to additional terms of business (set out in Schedule 4 of these terms of business) and completion of an alternative sales form, available in writing from TSC. No other terms and conditions will apply, unless indicated below or notified to you.

7 Unless TSC otherwise informs you in writing, you will be treated as a 'retail client' under the rules of the FSA, which means that you are entitled to the full extent of applicable regulatory protections. You have the right to request in writing recategorisation as either a 'professional client' or 'eligible counterparty' subject to meeting specific criteria; however, as a consequence, there will be limitations to the level of applicable regulatory protections. Such limitations will include loss of access to the Financial Ombudsman Service and Financial Services Compensation Scheme (which are explained further below). Further details on different client categorisations can be obtained from TSC's Compliance and Legal Services Team.

8 This Agreement is in English and all future communications with you will also be in English. The Agreement is governed by English law and in the event of a serious dispute, will be subject to the exclusive jurisdiction of the English courts.

9 All transactions undertaken for you will be subject, where applicable, to the rules of the LSE, Sharemark, Crest (the system used for transferring shares between sellers and buyers), the FSA, PLUS Markets and all other applicable laws, rules and regulations. TSC will act as your agent in such dealings. Where there is a conflict between this Agreement and any such laws and regulations, the latter will prevail. You must also comply with the City Code on Takeovers and Mergers (and the FSA's Disclosure and Transparency Rules regarding the notification of major shareholdings), which may be relevant if you are dealing in large quantities of shares. Further details can be obtained from TSC's Compliance and Legal Services Team.

10 There may be occasions where a conflict of interest develops between you and TSC or between you and another customer. TSC has taken all reasonable steps to identify such conflicts of interest and has a Conflicts of Interest Policy in place, designed to prevent conflicts of interest

from adversely affecting the interests of its customers. A summary version of this Policy is set out within Schedule 1 of these terms of business.

11 Even after you accept these terms and conditions, TSC has an absolute right to decide not to accept any instruction from you to sell shares. This includes, but is not limited to, an absolute right to refuse to accept a dealing instruction from persons who are residents or domiciled in any overseas country, if in its view acceptance of the dealing instruction would or might require TSC to comply with any governmental or regulatory procedures or any other formalities of such country. If TSC chooses not to accept your instruction, and you have provided TSC with any share certificates or other documentation, they will be returned to the address given by you on the sale form.

12 Once TSC has received your dealing instructions, including a properly completed and signed sales form, your holding has been validated, TSC has received adequate verification of your identity and has agreed to accept your instruction, the sale of your shares will be carried out as soon as reasonably practicable.

13 Since a dealing instruction to sell shares relates to a service where the price of the shares depends on fluctuations in the financial marketplace outside of TSC's control, you will not have any cancellation rights.

14 Unless you have sought specific investment advice from TSC's Advice Team, all transactions are carried out on your own initiative (i.e. 'execution only'). TSC is, therefore, not responsible for advising you on the suitability of the services or transactions provided or offered by TSC. You will not benefit from the protection of the FSA's rules relating to suitability which would require TSC to ensure that a product or service is suitable for you when taking into account your knowledge and experience in the relevant investment field, your financial situation and your investment objectives. Where you have received a personalised communication (as defined by the FSA) from TSC or wish to deal in a 'complex' investment (e.g. a warrant, covered warrant or 'securitised derivative') on an execution only basis, you may be required to complete an appropriateness test. This requires TSC to ensure that a product or service is appropriate for you when taking into account your knowledge and experience in the relevant investment field before TSC can accept your dealing instruction. TSC reserves the right not to accept an instruction to deal where you fail such a test. If you are in any doubt about what action to take please contact an investment adviser. TSC accepts no liability for movements in share prices. TSC does not provide advice on the legal implications of accepting this Agreement and, unless otherwise specifically indicated to you by the Advice Team, does not provide advice on aspects of taxation.

15 TSC cannot accept any liability for certificates or transfer forms which are lost or delayed in the post, whether being sent by you to us or us to you. Queries and rejections of dealing instructions will be handled by post or telephone. Once we have sold your shares, you will be sent a contract note, either in paper or electronic format, following the transaction. Any query in relation to the contract note should be raised by you within 5 business days of receipt so that any matters arising can be promptly resolved, otherwise TSC will assume that you have accepted the terms of the contract note and that any further amendments should only be made in exceptional circumstances and without cost to TSC. Prior to receiving the contract note, for information about the status of your order, you can contact a member of TSC's Dealing Team.

16 Due to anti-money laundering regulations (which aim to prevent criminal property being used or disguised as legitimate wealth) you may have to produce satisfactory evidence of your identity, or the identity of any person on whose behalf you are placing the dealing instruction, before TSC can do any business with you. This identification process is designed to assist in the prevention of crime within the financial services industry and society at large. If you do not provide the information when requested we may be unable to accept any instructions from you or provide you with any other services.

17 TSC will treat all personal information about you and your financial affairs as confidential. TSC may however disclose any such information if required to do so by law or regulation, or requested by a financial regulator, or where you have given your consent to the disclosure. The information may also be shared with other financial organisations to protect TSC and its customers, and other financial organisations and their customers, against financial crime.

18 You agree that TSC may hold information about you and your affairs in order to:

- verify your identity and financial standing (among other things TSC is likely to consult a credit or mutual reference agency, which may retain a record of our enquiry);
- provide you with TSC's services;
- keep you up-to-date regarding other services which TSC considers may be of interest to you (if you would prefer not to receive direct marketing information, please advise TSC on 01296 41 41 41).

19 TSC is registered to use your personal information under the Data Protection Act 1998 (as amended from time to time). Under the terms of this Act, you are entitled to a copy of any personal information TSC holds on computer and on certain written records, upon payment of the appropriate fee.

20 Dealing instructions will be dealt on your behalf on the appropriate market. All dealing instructions must be submitted on either a 'limit price' basis (where you set the minimum price at which you are prepared to deal) or 'best price' basis (where TSC will take all reasonable steps to obtain the best possible result for you). For both types of order, TSC will seek to obtain the best possible result, subject to any limit price specified in the case of a limit price order, in accordance with its Order Execution Policy, which is detailed within Schedule 2 of these terms of business. Limit prices may be placed on dealing instructions for up to 30 calendar days. By placing an order to deal, you acknowledge that you have read, understood and accepted the Order Execution Policy. Limit prices will be checked against the current price within the market twice a day. Where you instruct TSC on a 'best price' basis and the number of shares to be dealt is bigger than the investment's normal market dealing size, the price obtained may differ from the price indicated to you at the time your dealing instruction was originally placed. TSC may aggregate (i.e. combine) your dealing instruction(s) with those of other customers, which may operate on some occasions to your disadvantage. Further information is contained within TSC's Order Allocation Policy, which is detailed within Schedule 3 of these terms of business.

21 Commission and other charges on deals will be applied at the rate shown in this Agreement (or as subsequently published prior to acceptance of the relevant dealing instruction). You must also pay any applicable duties and taxes that TSC is required to charge you (e.g. Stamp Duty). You may also incur other taxes and costs (e.g. Capital Gains Tax) which are not collected or deducted by TSC. TSC may pay a share of the commission charged to you to third parties and the amount paid to the third party and its identity will be available upon request. Such instances can include where a third party has introduced you to TSC.

22 Net sale proceeds will be sent to you on or as soon as practical following the relevant settlement day, provided TSC has received payment from the market. You will be sent a cheque made payable to you, or in the event of joint holders, the joint-named holders (unless the joint holders request cheques for pro rata equal amounts payable to each of them). When settled through Crest, your shares will be transferred into our nominee company name, Share Nominees Ltd A/c Certs, before delivery to the market. On some occasions, because settlement is carried out on a pooled basis, your investments may be used by TSC to settle another customer's transaction (for instance, where two customers wish to sell the same shares and only one dealing instruction is able to be executed, it is possible that one customer's shares are used to settle the other's transaction). This will not affect the record TSC maintains which shows how much stock is held on your behalf.

23 You agree to indemnify TSC (i.e. to compensate TSC in full) for any loss, expense or liability whatsoever and howsoever incurred in the proper performance of TSC's functions or the exercise of TSC's rights under or otherwise in connection with this Agreement, save insofar as such loss, expense or liability was due to TSC's fraud, wilful

default or negligence. TSC shall not be liable for any loss, expense or liability whatsoever and howsoever incurred by you, save insofar as the same is due to TSC's fraud, wilful

default or negligence. Neither this paragraph nor anything in this Agreement will restrict any duty or liability owed to you under the rules of the FSA, the Financial Services and Markets Act 2000 ("FSMA") or under common law.

24 If TSC fails, interrupts or delays performing its obligations under this Agreement because of a breakdown, failure or malfunction of any telecommunications or computer services or systems (internally or externally) or any other event not reasonably within its control, then TSC will not be

liable to you. TSC will not be responsible for any loss or damage caused by such an event or suffered by you as a result of such events.

25 TSC may at any time, where it reasonably considers it necessary or desirable to do so, suspend all or any of its services including, without limitation, to carry out repairs, or to upgrade hardware or software or to correct any hardware or software error and it shall not be liable for losses arising from the suspension.

26 Communications sent by you shall be deemed received only if actually received by TSC.

27 You agree that TSC may from time to time telephone or contact you to discuss potential investments or investment services, subject to compliance with the rules of the FSA and you are willing to accept such calls, unless you advise otherwise.

28 Telephone calls may be recorded for the purpose of training, monitoring quality and regulatory compliance.

29 TSC may employ agents on such terms as it thinks fit and is satisfied that any person to whom TSC delegates any of its functions or responsibilities under this Agreement is competent to carry out those functions and responsibilities. TSC will take reasonable care in the selection and supervision of such agents but shall not otherwise have any liability for the performance of such functions or responsibilities.

30 If you have a complaint, please contact TSC on 01296 41 41 41 or write to the Compliance Manager, Compliance & Legal Services Team, The Share Centre, Oxford House, Oxford Road, Aylesbury, Buckinghamshire, HP21 8SZ. If TSC cannot resolve the complaint to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service, the independent complaints handling body for the financial services industry. A copy of TSC's complaint handling procedure is available upon request.

31 TSC participates in the Financial Services Compensation Scheme, established under the FSMA, which provides compensation to eligible investors in the event of a firm being unable to meet its customer liabilities. Payments under the protected investment business scheme are limited to a maximum of £48,000, made up of 100% of the first £30,000 and 90% of the next £20,000 of the claim. Further information is available from TSC's Compliance & Legal Services Team.

32 Should any clause within this Agreement or part thereof become or be declared illegal, invalid or unenforceable for any reason, the remainder of the clause and Agreement shall be unaffected and shall remain in full force and effect.

33 The Contracts (Rights of Third Parties) Act 1999 will not apply to this Agreement, which means that only you and TSC have the right to enforce any of the terms and conditions mentioned.

## Section 4

### Schedule 1

#### Conflicts of Interest Policy - Summary Version

TSC aims to identify and prevent conflicts of interest which may arise between itself and its customers, and between one customer and another, in order to avoid any adverse effect on its customers. This Policy sets out procedures, practices and controls in place to achieve this.

The avoidance of potential conflicts of interest is a key consideration, so operational structures and procedures, password-controlled systems, data hierarchy, and the clear segregation of roles and responsibilities are all designed to work preventing any conflicts arising in the first place.

This Policy applies to all officers (whether Executive or Non-Executive), employees and any persons directly or indirectly linked to the Share plc group of companies ("the Group") and refers to all interactions with all customers of the Group.

#### Scope

Types of conflict which may carry a material risk of damage to the interests of a customer include, but are not limited to, the following.

Where the Group or any person directly or indirectly linked to the Group:

- Is likely to make a financial gain or avoid a financial loss at the expense of the customer;
- Has an interest in the outcome of a service provided to, or of a transaction carried out on behalf of, the customer which is distinct from that customer's interest in that outcome;
- Has a financial or other incentive to favour the interest of another customer or group of customers over the interests of the customer;
- Carries on the same business as the customer;
- Receives, or will receive, from a person other than the customer an inducement in relation to the service provided to the customer in the form of monies, goods or services, other than the standard commission or fee for that service;
- Designs, markets or recommends a product or service without properly considering all the Group's other products and services and the interest of their customers.

#### Guarding against conflicts of interest

A number of different safeguard systems and processes are in place in order that the potential for conflicts of interest is minimised:

- Personal account dealing requirements upon all officers, employees and certain associates of TSC in relation to their own investments;
- An Investment Research Policy covering the production and dissemination of investment research by TSC;
- A Register of Information logging receipt and use of any 'inside information' by TSC;
- Chinese Walls restricting the flow of price sensitive information within TSC;
- A Gifts and Inducements Log registering the solicitation, offer or receipt of certain benefits;
- External business interests conflicting with TSC's interests are prohibited for TSC's officers and employees, unless Board approval is provided;
- Job roles and system access is subject to appropriate segregation of duties considerations, detailed within a separate Policy;
- Remuneration packages within TSC are structured to minimise any link with levels of business generated with retail customers;
- Corporate governance requirements are followed as appropriate to the size and nature of Share plc;
- Legal and regulatory record keeping requirements are followed, including the maintenance of a Privacy Policy for Internet users;
- A Public Interest Disclosure Policy ("whistleblowing") is in place for TSC employees;
- Where a conflict of interest arises, TSC will, if known, disclose it to a customer prior to undertaking investment business for that customer.

A full version of the Conflicts of Interest Policy is available on request from TSC's Compliance and Legal Services Team.

### Schedule 2

#### Order Execution Policy

##### Part One: The Quality of Execution

When executing orders on behalf of customers in relation to financial instruments, TSC will take all reasonable steps to achieve what is called "best execution" of customer orders. This means that TSC will have in place a policy and procedures which are designed to obtain the best possible execution result, subject to and taking into account, the nature of customer orders, the priorities the customer places upon TSC in filling those orders and the market in question, and which provides, in TSC's view, the best balance across a range of sometimes conflicting factors.

TSC will take into consideration a range of different factors which include not just price, but which may also include such other factors as the cost of the transaction, the need for timely execution, the liquidity of the market (which may make it difficult to execute an order), the size of the order and the nature of the financial transaction.

TSC's commitment to provide its customers with "best execution" does not mean that TSC owes customers any fiduciary responsibilities over and above the specific regulatory obligations placed upon TSC or as may be otherwise contracted. While TSC will take all reasonable steps based on those resources available to it to satisfy itself that it will have processes in place that can reasonably be expected to lead to the delivery of best execution of customer orders, TSC cannot guarantee that it will always be able to provide best execution of every order executed on each customer's behalf.

##### Part Two: Order Execution Policy

1 Customer orders must be received on either a 'best price' or 'limit price' basis and can be executed immediately or as part of a 'batch' order

containing multiple customer orders of the same security. Both best and limit customer orders are subject to the requirements of this execution policy.

2 Where a customer order is received with specific instructions relating to how the order should be executed, the order will be executed in line with those instructions; any such specific instructions from a customer may prevent TSC from taking the steps that it has designed and implemented in its execution policy to obtain the best possible result for the execution of customer orders covered by those instructions.

3 Customer orders received for transferable securities, i.e. shares, exchange traded funds/commodities, warrants, covered warrants and investment trusts will be executed on one of the following markets:

a. London Stock Exchange ("LSE"); the LSE is a regulated market and one of the larger better known European markets for dealing in both UK and international shares;

b. Alternative Investment Market ("AIM"); a market for smaller-capitalisation growth companies. AIM is not a regulated market, but is an exchange-regulated market owned by the LSE;

c. PLUS Markets ("PLUS"); PLUS is a regulated market. PLUS is an independent provider of equity market services. Formally known as OFEX, PLUS specialises in primary markets for both domestic and international smaller companies and also operates a secondary market quote driven trading platform for small and mid-capitalisation companies;

d. Sharemark; Sharemark is an MTF and not a regulated market. Sharemark is a share trading facility, owned by TSC, specifically designed for emerging or smaller companies whose shares are infrequently traded. Customer orders for companies traded on Sharemark must be submitted to TSC, or their chosen broker, on a limit price basis with shares being traded at a single price;

e. and such other markets as TSC considers appropriate in the circumstances.

4 The choice of market depends on which market or MTF a particular security is traded on, for example, where a security is only traded via the LSE, the customer order can only be executed via the LSE; however, where the same customer order can be executed on either of two separate markets, e.g. LSE or PLUS, the market that will result in the best possible result for that customer order will be chosen.

5 For venues other than Sharemark, customer orders are executed via specialist market makers known as Retail Service Providers ("RSPs"). TSC deals with a number of RSPs, all of whom are members of the LSE and are authorised and regulated by the FSA. The RSPs quote a price and size in securities in which they are registered and make this information available via various information vendors.

6 TSC's process for achieving the best possible result for a customer order is initiated by the receipt of the order from the customer. The order is then passed, via an information vendor, to an automated polling system, which connects directly to the RSPs registered with that information vendor and in the security concerned. The automated polling system will then identify the RSP offering the best price for the customer order; this information is then sent back to TSC for acceptance. The range of RSPs available to TSC will be dependent on which RSPs are accessible through the information vendor used; currently TSC is linked to a single information vendor, Thomson Financial, which provides access to a wide range of RSPs.

7 On some occasions, where the RSP is unwilling or unable to execute the customer order electronically, the order will have to be executed manually with the RSP over the telephone.

8 There may be occasions where, as a result of either specific customer instructions, the nature of the security being traded, or the services being provided, that customer orders will not be executed on either a regulated market or MTF. Where such instances arise, TSC will obtain the customer's prior express consent before proceeding to execute such orders. The customer's prior express consent may either be in the form of a general agreement or in respect of individual transactions.

9 Any customer orders received for collective investment schemes (e.g. unit trusts and/or OEICs) are executed either directly via the relevant fund manager, or via Cofunds.

10 Where a customer order is received for a bond or gilt-edged security, it will be electronically executed via Bondscape, an automated service designed primarily for brokers and other professional investment advisers trading small sizes of fixed interest securities. Two-way prices are provided by participating market makers. The service automatically selects the best price for execution from the competing market makers.

11 Generally, there are a number of different execution factors which can affect the outcome of customer orders e.g. price, cost, speed, the likelihood of execution and settlement, the size and nature of the order. However, as TSC does not differentiate charging structures or settlement processes between execution venues, the most significant factor is considered to be the price at which the order can be executed. By achieving the best price possible given the execution venues available, TSC delivers the best possible result for customer orders received.

#### Part Three: Client Acknowledgement

By placing an order with TSC, a customer acknowledges that they have been made aware of and accept the nature, policy and processes which TSC has in place for providing best execution as defined in this Order Execution Policy and that, in the absence of any express instructions from a customer, TSC shall have full discretion to choose a relevant venue from its current list of venues for executing any order or orders, but in doing so shall assess and balance a range of all relevant factors, including those set out in this policy disclosure statement which, in its reasonable determination, TSC considers relevant to achieving the best result for a customer order.

#### Schedule 3

##### Order Allocation Policy

Where a customer provides instructions for orders to be traded within one of the batch dealing sessions available at TSC, the order may be aggregated (i.e. combined) with orders received from other customers.

Customers should be aware that aggregating orders in this way may work to their disadvantage. Because their shares will be bought or sold alongside those of other customers, the price a customer pays or receives may not be the same as when buying or selling the shares immediately. The market may also quote a different price because of the larger number of shares being bought or sold together. The price the customer pays or receives could, therefore, be higher or lower than if their shares had been bought or sold on their own.

With the exception of orders executed on Sharemark, customer orders will only be carried out where the total, aggregated order can be dealt; in other words, customer orders will not be partially filled. Partially filled orders are allowable on Sharemark, such that a single order within any Sharemark auction may be partially filled, to the extent of the maximum executable volume of securities within that auction and at the prevailing Sharemark auction price.

Where a customer applies for a new issue of securities (e.g. within an initial public offer or a placing) and that offer is oversubscribed, the customer may receive a partial allocation of securities or none at all. The allocation guidelines of the offer will be followed wherever practicable by TSC when deciding how to allocate securities where more than one customer has applied within the same offer. In the absence of any guidelines, TSC will allocate the securities pro rata to each customer's application within the offer.

#### Schedule 4

##### Sharemark

1 Sharemark, a Multilateral Trading Facility and a trading division of TSC, is a trading system especially developed for buying and selling infrequently traded shares. The Sharemark facilities are designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. Further details on how Sharemark operates are contained on the Sharemark website ([www.sharemark.com](http://www.sharemark.com)).

2 Dealing instructions in Sharemark investments must be submitted to TSC on a limit price basis. Where the investment is traded only on Sharemark, the dealing instruction will be included within the next scheduled Sharemark dealing session. Where the investment is also traded on another market, the dealing instruction will be tested regularly against the prevailing price on the other market and dealt earlier than the next scheduled Sharemark dealing session wherever possible.

3 Other users of Sharemark may be retail clients, professional clients (e.g. large corporate customers or other stockbrokers) or eligible counterparties (e.g. large institutional investors), based within or outside the UK.

4 TSC will act as the settlement and clearing agent for Sharemark. TSC will be the counterparty to all transactions with you or, where you are a

retail client from and have not placed a deal via TSC, your Sharemark Authorised Broker will take on this counterparty role. All transactions will be settled in accordance with this Agreement.

5 Unlisted investments are traded on Sharemark. Sharemark will on request advise you how to obtain any publicly available information about such investments of which it is aware.

6 All transactions in Sharemark securities are subject to the FSA's transaction reporting requirements. Transactions in Sharemark securities also dealt on other markets may be subject to that market's trade reporting requirements. Where you are a retail client dealing through TSC, TSC will ensure compliance with the relevant requirements.

7 In the event of system or operational malfunction, Sharemark has the right to postpone or cancel any auction and to refuse to accept or to subsequently delete your orders.

8 Sharemark has the right in its reasonable absolute discretion to cancel or suspend your access to Sharemark.

9 Trading errors and dealing disputes should be referred initially to the Dealing Manager at TSC. Should the matter not be satisfactorily resolved, it should be escalated to the Compliance and Legal Services Team at TSC.

10 With the exception of investments which are also dealt on the LSE or Alternative Investment Market, none of the investments traded on Sharemark are qualifying investments for the purposes of the FSA's markets abuse regime.

11 The investments traded on Sharemark may not be listed on the LSE or any other Recognised Investment Exchange ("RIE"). It may be difficult for you to sell the shares and obtain reliable information about their value or the extent of the risks to which the share price is exposed. The share price and dividend yield of shares in Sharemark investments may fluctuate and fall. You may get back less than your initial investment. The share price may be subject to sudden and large falls in value, given the restricted marketability of the shares. Sharemark is not an RIE, Recognised Clearing House or regulated market within the meaning of the Markets in Financial Instruments Directive (which is a piece of European legislation that among other things identifies formally operated exchanges in the European Union).

12 Sharemark and TSC have not conducted due diligence to ensure the truth or accuracy of the statements contained in any information originating from the Sharemark company and provided by Sharemark or TSC to you.

13 You acknowledge that Sharemark and TSC may share your personal details with any company with securities traded on Sharemark where this is necessary to allow that company to act in accordance with its Articles of Association (for instance, where it may refuse to register the transfer of shares to a particular person).