

Terms & Conditions

Premier Private Client Portfolio



What is the purpose of the Terms & Conditions?

This document aims to provide you with all the information you need to know about the Premier Private Client Portfolio. This includes, for example, important risk warnings, details of the fees and charges, administration and reporting procedures as well as general information about our service levels and what you can expect from us. However, as this is a legal document, which can be quite technical in nature, you may wish to seek advice from your financial adviser if there are any points that you are unclear about.

How can I get more information?

If, after reading this document, you have any further questions or there are sections that are unclear to you, please contact your financial adviser in the first instance, who will be able to provide additional guidance. Alternatively, you can contact us, using the details below. Whilst we cannot give you any advice as to whether a particular portfolio is appropriate for you, we will be happy to help with any general queries about these terms and conditions.

Write to us at:

Premier Fund Managers Limited, Eastgate Court, High Street, Guildford, Surrey GU1 3DE

Telephone: 0845 130 1122 or 01483 30 60 90

Fax: 01483 300 845

Email: clientadmin@premierfunds.co.uk

Do I need to read the whole document?

There may be sections in this document that do not apply to you. The contents list below highlights the sections that you need to read and those that you only need to read if you have specified in your Application Form that you are making use of certain elements of the Portfolio service.

All clients should read sections 1 – 8 and section 11.

The information in these sections will apply to everyone who has signed up to the Premier Private Client Portfolio service.

Portfolio Assurance benefit

If you have specified on your Application Form that you wish to take advantage of the Portfolio Assurance benefit, you should also read section 9.

Online Valuation Service

If you have specified on your Application Form that you wish to make use of the Online Valuation Service, you should also read section 10.

Premier ISA

If all, or part, of your Portfolio is held through a Premier ISA, then you should also read sections 12 – 19.

Definitions

Section 1, the Introduction, also includes useful definitions of some of the terms commonly used throughout this document, which you may wish to refer to.

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1 INTRODUCTION

This document contains the Terms and Conditions which set out the basis on which we, Premier Fund Managers Limited, will provide investment services in respect of the Premier Private Client Portfolio.

It is very important that you read this document carefully. If you are unclear about anything we recommend that you seek advice from a suitably qualified and regulated financial adviser.

1.1 The following definitions apply:

Act - the Financial Services and Markets Act 2000, as amended.

Agreement - these Terms and Conditions and the Appendices together with the relevant Application Form and any amendment we agree in writing.

Application Form - the Premier Private Client Portfolio application form.

Associate - is as defined in the Glossary to the FSA Handbook of Rules and Guidance.

Base Rate - the Bank of England base rate, being the interest rate that the Bank of England charges financial institutions for secured overnight lending.

Client Limit Order - means a specific instruction from you to us to buy or sell a financial instrument at a specified price limit or better or for a specified size.

Collective Investment Scheme - a form of investment which involves the pooling of assets of a number of investors which are managed on their behalf by a professional investment manager.

Connected Investment Trust - an investment trust managed by us or our Associates.

Custodian - the person charged with providing custody services for the Portfolio.

Derivative - a financial instrument the value of which is generally derived from an underlying asset's value. Derivative transactions may include futures, contracts for differences, contingent liability investments and options.

Distance Contract - an agreement which has been entered into by the exclusive use of one or more means of distance communications such as telephone, mail, internet or fax, and not by a face to face meeting.

Fixed Quarterly Withdrawal Facility - the fixed quarterly income withdrawal facility set out in the Application Form.

FSA - means the Financial Services Authority and any successor entity.

FSA Rules - the Act and the FSA Handbook of Rules and Guidance as amended.

In-House Funds - collective investment schemes managed by us or our Associate.

Multilateral Trading Facility - a system which brings together multiple third party buying and selling interests in financial instruments in a way that results in a contract.

Portfolio - the portfolio of assets (including uninvested cash) entrusted from time to time by you to our management and which may include an Individual Savings Account, Self-Invested Personal Pension or other similar account which you require us to manage on your behalf.

SEI - SEI Investments (Europe) Limited of Time and Life Building, One Bruton Street, Fourth Floor, London W1J 6TL.

Service - our online valuation service website at www.premierassetmanagement.co.uk

We, our, us, Premier - the manager of the Portfolio, Premier Fund Managers Limited of Eastgate Court, High Street, Guildford, Surrey GU1 3DE.

You, your - the person(s) named in the Application Form to whom we provide services comprising the Premier Private Client Portfolio and, in relation to the Online Valuation Service, the authorised user or users provided with a User ID by us in order to obtain access to the Online Valuation Service.

1.2 We are authorised and regulated by the Financial Services Authority, under registration number 143097. Our main business activity is acting as investment manager and adviser. Nothing in these Terms & Conditions shall exclude any liability of ours to you arising under the Act, any regulations made under it, the Pensions Act 1995 (if applicable), or the FSA Rules, unless it is honest, fair and professional for us to do so. Nothing in these Terms & Conditions will reduce your statutory rights in connection with our provision of services to you. For further information about your statutory rights contact your local authority Trading Standards department or Citizens Advice Bureau.

1.3 The Agreement is provided to you in English and all communications with you will be in English.

1.4 Each of the obligations and rights under any of the paragraphs or sub-paragraphs or other provisions of these Terms & Conditions should be regarded as distinct and severable obligations and/or rights.

2 SERVICES TO BE PROVIDED

2.1 This Agreement regulates the provision of investment services to you in respect of the Portfolio and constitutes a binding contract between us and you that has legal consequences. This Agreement replaces any previous agreements entered into between you and us.

2.2 The effective date of our appointment shall be the date when we receive a signed Application Form and the documents of title and/or cash constituting the assets of the Portfolio,

provided that you give no contrary instruction.

- 2.3 We shall not be obliged to undertake the management of investments which we believe would be illegal, unreasonable or unduly onerous to us.
- 2.4 By entering into this Agreement you authorise us to manage the Portfolio for you on a discretionary basis (i.e. without prior reference to you) subject always to the appropriate investment restrictions set out in the Application Form. We will, normally acting as your agent, have complete discretion to buy, sell, retain, convert, exchange or otherwise deal in investments (including cash), make deposits, apply for issues and offers for sale and accept placings, underwritings and sub-underwritings of any investments, effect transactions on any markets and exchanges, negotiate and execute counterparty and account opening documentation, give instructions to the Custodian in relation to the Portfolio, take all routine day to day decisions and otherwise act as we think appropriate in relation to the management of the Portfolio without prior reference to you, with a view to fulfilling the investment objectives and the specific strategy you have selected in the Application Form, but always subject to our obligations under the FSA Rules.
- 2.5 We will provide investment management services on a discretionary basis in relation to:
- (a) shares in UK or foreign companies;
 - (b) debenture stock, loan stock, notes, certificates of deposit, commercial paper or other debt instruments, including government, public agency, municipal and corporate issues;
 - (c) unregulated investment funds, including hedge funds;
 - (d) warrants to subscribe for investments in (a) and (b) above;
 - (e) depositary receipts or other types of instrument relating to investments in (a), (b) or (d) above;
 - (f) unit trusts, open-ended investment companies, mutual funds and similar schemes in the UK and overseas;
 - (g) investment trusts and other closed ended investments;
 - (h) cash;
 - (i) structured products.

Subject to any investment restrictions specified in your Application Form we may amend this list and will notify you in writing of any such amendment in accordance with paragraph 11.

- 2.6 We may effect any underwriting arrangement on behalf of the Portfolio.
- 2.7 We will not effect transactions in Derivatives.
- 2.8 We, or an Associate, may on occasion act as principal in respect of a transaction in order to correct an error.
- 2.9 If you wish to amend your investment instructions and restrictions and the specific strategy you have selected in the Application Form at any time you should contact us immediately in writing, and we will confirm our agreement to these amendments in writing. Any such amendment shall not

be effective until we confirm our agreement in writing.

- 2.10 In compliance with FSA Rules, we hereby notify you that you will be treated as a retail client, based on our internal client categorisation process. Retail clients are generally afforded the highest degree of protection. You have the right to request a different categorisation, however, this may limit the level of protection afforded to you.
- 2.11 We may not lend to or deposit by way of collateral with a third party the documents of title by or on behalf of Premier and money cannot be borrowed on your behalf against the security of documents of title.
- 2.12 We may retain a lien or first priority security interest over any of your rights and interests to any assets comprising the Portfolio to the extent that fees, charges or expenses owed by you in relation to the investment services provided under this Agreement remain unpaid.
- 2.13 We may delegate any of our critical or important operational functions or investment services provided under the Agreement to third parties (including Associates) and may provide information about you and the Portfolio to any such person to whom such activities have been outsourced, however, we may not, without your written consent, delegate our discretionary investment management powers. We may, where reasonable, also employ agents (including Associates) to perform any administrative, dealing or ancillary services required to enable us to perform our services under the Agreement. We will act in good faith and with reasonable skill and care in the selection, use and monitoring of agents. Our liability to you for all matters so delegated shall not be affected thereby.
- 2.14 We may realise any part of the Portfolio in the following circumstances in accordance with 2.15:
- (a) at your request.
 - (b) to cover fees due to us, your authorised financial adviser, the Custodian, or in payment of any tax which we are, or we believe we shall be, bound to pay or repay to HM Revenue & Customs on your behalf.
 - (c) to settle any outstanding obligations arising from the Agreement.
- 2.15 In respect of any right we may have under this Agreement to realise assets within the Portfolio or, if applicable, in respect of administering the Fixed Quarterly Withdrawal Facility, you hereby authorise us to exercise our absolute discretion in selecting any assets and cash held within the Portfolio to sell, dispose, realise, set off or apply and to instruct the Custodian accordingly.
- 2.16 We may exercise voting rights attached to the investments of the Portfolio at our discretion including the voting rights attaching to the Portfolio's holdings of In-House Funds and Connected Investment Trusts unless the exercise of such votes involves a conflict of interest for us, in which case we will adhere to our conflicts policy as detailed in Appendix 2.
- 2.17 Subject to 2.18, at your request, or when we otherwise

consider advisable, we may provide you with information in connection with your investment objectives, the general conduct of the Portfolio and such other matters as we may deem appropriate.

- 2.18 We will seek to maximise investment returns within your Portfolio which may result in the realisation of gains subject to UK taxation. We will consider any requests to restrict the level of realised gains in any tax year, but will not be bound to adhere to such requests. We will not be liable for any losses or tax liability, including but not limited to penalties and legal costs arising from our not adhering to any requests.
- 2.19 We will not provide you with any advice regarding your personal financial circumstances or the suitability or otherwise of any other investments. You, your authorised financial adviser and/or professional tax adviser are responsible for ensuring that your personal financial affairs are managed appropriately and to the best advantage for tax purposes.
- 2.20 We are entitled to rely on the information provided by you in the Application Form and any information you provide to us in the context of the investment management services we provide under this Agreement unless we are aware that the information is manifestly out of date, inaccurate or incomplete. If you do not provide us with the information requested in the Application Form (or such information requested by us to satisfy our obligations under the FSA Rules) we will not be permitted to act for you.
- 2.21 We have certain responsibilities under the UK's anti-money laundering legislation to check the identity of our clients and we will need to make certain enquiries, which may include electronic checks with credit reference agencies, and obtain certain information from you for that purpose. We will not accept any application until we have completed to our satisfaction the relevant compliance checks. Failure to provide all relevant information may adversely affect the quality of the service we provide. You confirm that we may pass on such information as we consider necessary to comply with any reporting requirements and applicable anti-money laundering legislation.
- 2.22 If you have selected the Fixed Quarterly Withdrawal Facility in the Application Form any cancellation and amendment to this facility must be received by us in writing at least 20 business days prior to the quarterly payment date (as specified in the Application Form).

3 DEALING

- 3.1 Details of our Order Execution Policy as amended from time to time are shown in Appendix 1. You hereby confirm that you have read and understood the Notice shown in Appendix 1 and agree to our Policy. In particular, you agree that we may trade outside of a regulated market or Multilateral Trading Facility.
- 3.2 In effecting transactions for the Portfolio, we will at all times comply with our Order Execution Policy and in particular will act in your best interests and comply with any applicable obligations regarding best execution and suitability under the FSA Rules. Subject to our Order Execution Policy, we may deal on such markets or exchanges and with such counterparties as we think fit. All transactions will be effected in accordance with the rules and regulations of the relevant market or exchange.
- 3.3 If you give us specific instructions in relation to the execution of orders you acknowledge that this may prevent us from taking steps we have designed and implemented in our Order Execution Policy to obtain the best possible result for the execution of such orders in respect of the elements of execution covered by the instruction.
- 3.4 When you place a Client Limit Order for shares traded on a regulated market you expressly instruct us that if the Client Limit Order is not immediately executed under prevailing market conditions, we are not required to make that order public so as to be accessible to other market participants.
- 3.5 Subject to the FSA Rules, we may aggregate transactions for the Portfolio with those of other clients, Associates and our Associates' employees, and will allocate such transactions on a fair and reasonable basis and in accordance with FSA Rules. You recognise that aggregation may delay the execution of a transaction, and that it may operate to your advantage or disadvantage on some occasions. We may act as agent for you in relation to transactions which we are also acting as agent for other clients and Associates.
- 3.6 We may match buyers and sellers of investments, and act as agent for both. We will not execute such deals on terms less favourable for you than could be obtained at the time in the open market. Similarly, we may execute transactions in securities in which we or any of our Associates have an interest.
- 3.7 We may effect and arrange for the settlement of transactions for the Portfolio with counterparties, on such basis as may be usual for the market, or size of transactions concerned, notwithstanding that the compensation arrangements available in the event of the default of such counterparty may be less favourable than those obtaining in other markets, or for other sizes of transaction, or that there may be no such arrangements, and we are expressly authorised for the purposes of such transactions to give such warranties or undertakings on your behalf and to surrender such liens or other rights as may be requisite or usual practice.
- 3.8 We will act in good faith and with reasonable skill and care in our choice and use of counterparties. Upon your request, we shall use our reasonable endeavours to pursue, on your behalf, all appropriate legal remedies against any such counterparty who has failed to deliver any necessary documents or amount due within a reasonable period. All reasonable costs and expenses properly incurred by us and/or the Custodian in connection with such pursuit will be payable by you and you hereby authorise us to debit such costs and expenses from your account.
- 3.9 We may postpone execution of your order if we consider it is in your best interest. In the case of an aggregate transaction, we will take reasonable steps to ensure that the deal will not

operate to your disadvantage.

- 3.10 We may enter into formal dealing arrangements with counterparties in which case details of these arrangements, including goods and services received in relation to trade execution and the provision of research will be provided to you on an annual basis. However, we have not currently entered into any such dealing arrangements. If for whatever reason we receive any such fee or commission payments we have appropriate systems and controls in place to deal with these in accordance with the FSA Rules. Further details are set out in paragraph 4.6.

4 FEES AND CHARGES

- 4.1 We are entitled to be remunerated by you for our services and reimbursed for our reasonable costs and expenses under the Agreement as shown in the Application Form. These costs and expenses will include commissions, transfer and registration fees, taxes, stamp duties and other fiscal liabilities. These fees are calculated by reference to the value of your Portfolio. The fees paid or payable will be affected by fluctuations in financial markets which are beyond our control. You may also be subject to additional taxes or other costs that you are liable for that are not paid via us or imposed by us.
- 4.2 Where you seek advice from an authorised financial adviser, we may deduct from the Portfolio an initial fee equal to the fee which you and your adviser have agreed on, as detailed in the Application Form. The initial fee is deducted from your investment and your net investment, after the deduction of this fee, will be invested into your Portfolio.
- 4.3 In addition, where you have agreed with your authorised financial adviser to pay them an annual management fee, we will calculate the fee at the rate stated in the Application Form, plus VAT at the applicable rate, based on the value of your Portfolio (including any cash held within your Portfolio). This fee will be calculated, paid and deducted from your Portfolio every 3 months. We will then pay your financial adviser on your behalf. We may, where appropriate, sell investments held within your Portfolio to cover the fees being paid.
- 4.4 You acknowledge that the costs and expenses detailed in paragraph 4.1 above may be paid in foreign currencies. The conversion rates used are available from us upon request.
- 4.5 Fees and charges relating to safe custody services are included within our fee referred to in 4.1 above.
- 4.6 You accept that we may from time to time pay or receive fee or commission payments or other non-monetary benefits to or from a third party in connection with the services provided under this Agreement in accordance with the FSA Rules. Typically, these will be commission payments arising from investment in collective investment schemes. Such payments are likely to be small in nature, and as a result it will be uneconomic for us to allocate these out to individual clients. Whilst you agree that we are entitled to retain these payments in addition to the remuneration stated in the Application Form, our usual policy is to return these payments to the relevant

product provider, and where this is not possible, donate the payments to charity. Further details regarding these types of arrangements are available from us on request.

- 4.7 For the purposes of calculating fees, uninvested cash will be included in the valuation of the Portfolio.
- 4.8 We may charge a fee when investments are made in In-House Funds. In addition, our Associates will receive a fee for managing and operating the In-House Fund. The current fees received by our Associates are shown on our website, www.premierassetmanagement.co.uk, or by telephoning us. Please also see our Conflicts Policy Notice in Appendix 2 for further details.
- 4.9 We will pay interest on cash held in your Portfolio at no less than the Base Rate less 0.5%. However where the Base Rate is 1% or less we reserve the right not to pay any interest. In addition, we reserve the right not to pay interest where the amount earned is less than £20 per year and where any residual balance of cash held in your Portfolio is below £5.
- 4.10 There are no additional costs which will be incurred as a result of you entering into the Agreement by means of a Distance Contract.

5 REPORTING AND ADMINISTRATION

- 5.1 A statement showing the initial composition and initial value will be supplied as soon as reasonably practical after the effective date of this Agreement. All valuations will be calculated on the following basis:
- (a) Investments quoted on a Recognised or Designated Investment Exchange or over-the-counter market and collective investment schemes will be taken at the closing middle market price or, if bid and offer prices are not obtainable, then at the closing price at, or last traded price before, the close of business on the relevant valuation date; and
 - (b) Other assets and not readily realisable investments shall be valued at such fair market price as may be determined on each occasion by us.
- 5.2 Where requested in the Application Form, contract notes may be provided. Where contracts notes are provided, these shall be despatched within 24 hours of receipt of confirmation from the counterparty.
- 5.3 We will provide periodic statements setting out the value and composition of the Portfolio at least twice a year, as at 5 April, and 5 October. In certain circumstances, we may also provide valuations as at 5 January and 5 July. You may request to receive periodic statements every three months by notifying us in writing. These will be despatched to you and any other person specified within the Application Form within 25 business days of the above dates. Performance will be measured by comparing the performance of the Portfolio against relevant benchmark indices as we may identify from time to time.

- 5.4 You agree that we may receive statements from the Custodian relating to the assets and cash held in your Portfolio prior to providing you with periodic statements and valuations referred to in this section.
- 5.5 Each year, we will provide you with a schedule of capital gains received up to 5 April, including adjustments for indexation and taper relief together with a schedule showing dividends received and tax paid.
- 5.6 The despatch of any documents (including any documents despatched by electronic mail) shall be at your risk.
- 5.7 We will assist you in fulfilling any obligations to disclose shareholdings under the Companies Act 2006 or Chapter 5 of the FSA's Disclosure Rules and Transparency Rules Sourcebook.
- 5.8 Instructions from you relating to any aspect of the service provided by us (including in relation to safe custody services) will be acknowledged by us by acting upon them unless you are advised to the contrary and we will act upon and be entitled to rely on any instruction or communication purporting to be given by you or any person authorised by you to do so. If any instruction or communication is incomplete or unclear we shall not be liable for any loss you incur if we are required to verify and/or correct any such instruction or communication with you.
- 5.9 Instructions to us may be given in writing, by facsimile transmission or by electronic mail to our administrative office. Any instruction given to us by facsimile transmission or electronic mail should be followed up in writing to our administrative address; for security and anti-money laundering purposes, we will not release any sale proceeds until we have received an instruction bearing your original signature. You acknowledge that email and facsimile communications may be subject to delays, misroutings, breakdown or other errors that are not attributable to us and that this may result in the non-receipt or delayed receipt of email and facsimile communications that may not be apparent to us. You further acknowledge and accept that as a result of the nature of the Internet we cannot guarantee that email communications sent to us or from us will not be viewed or intercepted whilst en route, and you therefore acknowledge and accept that the use of email and facsimile in the course of performing this Agreement is at your sole risk.
- 5.10 All written communications from us to you will be sent to the last address notified to us. We will deem the date of receipt to be 2 days after dispatch.
- 5.11 Any information provided to you under this Agreement will remain valid until we advise you otherwise or provide you with updated information.
- 5.12 There is no minimum duration of the Agreement. This Agreement will remain in full force and effect until it is terminated by either party as described in paragraph 5.13 below.
- 5.13 You are entitled to terminate the Agreement at any time by written notice to us and are entitled to determine when this may take effect. Should you not specify the date that notice is to take effect from, it will become effective on the date we receive your notification. We may also terminate the Agreement upon one month's written notice to you. We may terminate the Agreement without notice if required to do so by any competent authority or if you commit fraud, are in liquidation, winding up or become insolvent, or any other similar circumstances.
- 5.14 Termination will be without prejudice to the completion of any transactions already initiated.
- 5.15 You will pay us fees due pro rata to the date of termination and/or all reasonable additional expenses necessarily incurred by us in liquidating your Portfolio, closing out any transactions or settling or concluding outstanding obligations incurred by us on your behalf, and any charges in connection with transferring or registering your Portfolio into your name or as you may direct.
- 5.16 On termination we will arrange to account to you for all securities and cash held for the Portfolio's account. We would expect to issue this account within 10 working days of the last transactions being completed. We shall be entitled to retain any securities and cash to settle transactions already initiated or to pay any of your outstanding liabilities in either case without prior notice to you.
- 5.17 We may, subject to 6.1b, upon receipt of your termination notice, delay any instructions to sell investments for up to 5 days, to enable us to aggregate these orders with transactions for other clients. Any such aggregation will be carried out in accordance with the FSA Rules.
- 5.18 Where you have entered into the Agreement by Distance Contract, you may have the right to cancel the Agreement (for example if you have received investment advice and/or you are transferring your ISA to us) within 14 days of the effective date as specified in paragraph 2.2 ("the cancellation period"). If this is applicable you may exercise your right to cancel by informing us in writing to us at the address given at the end of this Agreement. You should note that if you decide to cancel the Agreement and the value of the Portfolio has fallen at the time we receive the cancellation instructions, you may not receive a full refund. This is because an amount equal to any fall in the value of the investments will be deducted from the sum you originally invested. If you do not exercise your right to cancel within the cancellation period you will be bound by this Agreement.

6 RISK WARNINGS AND NOTIFICATIONS

- 6.1 The following risk warnings are intended to give you information regarding the types of risks which are typically associated with our investment service so that you are reasonably able to understand the nature of and risks of the service being offered and to make an informed decision. However this information is not intended as investment advice nor as any recommendation to enter into this service or invest in any product mentioned below. If anything is unclear you should speak to your authorised financial adviser.

- (a) The value of investments and income derived from them may fall as well as rise, and you may not get back the amount originally invested and may lose money. Past performance is no indicator of future performance. Tax laws currently in place may change in the future which could affect your investments.
- (b) We may effect transactions in investments which are not readily realisable, meaning that they are not traded on a recognised investment exchange, or because transactions in them are too infrequent or irregular for a reliable quoted price to be available. There can be no certainty that they will be able to be sold and it may be difficult to determine their current value.
- (c) We may effect transactions in penny shares. There is an extra risk of losing money as there can be a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than was paid for them. The price may change quickly and may go down as well as up.
- (d) We may effect transactions in investments, the prices of which are being stabilised. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The FSA allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found. Stabilisation is carried out by a 'stabilising manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation. The stabilisation rules limit the period when a stabilising manager may stabilise a new issue, fix the price at which he may stabilise (in the case of shares and warrants but not bonds) and require him to disclose that he may be stabilising but not that he is actually doing so. The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors or of the price at which they are prepared to buy the securities.
- (e) We may effect transactions in warrants. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. Warrants often involve a high degree of gearing. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. In the event that the right to subscribe is not taken up within the predetermined time limit, the investment will become worthless. You should understand that you should not agree to permit us to buy warrants unless you are prepared to sustain a total loss of the money invested.
- (f) We may undertake transactions in securities, or an investment trust savings scheme, where either (i) securities are listed investment entities or investment trusts where the issuer uses or proposes to use gearing as an investment strategy or (ii) the securities invest or propose to invest in listed investment entities or investment trusts where the issuer uses or proposes to use gearing as an investment strategy, you are warned that the strategy which the issuer uses or proposes to use may result in:
- (i) movements in the price of the securities being more volatile than the movements in the price of the underlying investments;
 - (ii) the investment being subject to sudden and large falls in value; and
 - (iii) you getting back nothing at all if there is a sufficiently large fall in value in the investment.
- (g) Movements in exchange rates may have a favourable or unfavourable effect on the gain or loss which would otherwise be experienced on the investment.
- (h) Investments in emerging markets may suffer from liquidity problems (such as difficulties with dealing, settlement and custody practices) and can be very volatile. This means that it can sometimes be difficult for us to sell certain shares and therefore these types of investments carry more risk. There is also a greater potential for social and political instability in these countries.
- (i) Investments in small companies may carry higher risk as they are less liquid than larger companies, which means that fluctuations in price may be greater than for larger companies.
- (j) We may effect transactions in collective investment schemes. While investment in collective investment schemes may reduce risk by spreading your investment more widely than would be possible if you invested directly in an asset, there may be risks in the underlying assets held by the collective investment scheme which are referred to elsewhere in this section including liquidity, credit risk and market risk.
- (k) Investments in a high income denominated collective investment scheme are, due to the nature of the investments held within these types of funds, subject to the possibility that the capital value of the investment may fall. Also, from time to time, these types of funds may hold sub-investment grade bonds. Such bonds have a lower credit rating than others and carry a higher degree of risk.
- (l) Debt securities including bonds are subject to the risk of the issuer being unable to meet the principal and/or the income payments, and may be subject to price volatility due to interest rate sensitivity, market perception of the issuer's creditworthiness.

- (m) In order to achieve a higher rate of income, some funds will invest in a broad range of fixed interest securities (such as bonds), involving a higher risk of default and consequential risk to capital. Unit value is sensitive to interest rate trends and the capital value of units is likely to fall if interest rates rise in the medium and long term and vice versa. The level of income is not guaranteed. These funds may include overseas investments, which are not denominated in sterling, so exchange rate changes may cause the value of these investments and the level of income received to go up or down.
- (n) We may invest in units in unregulated collective schemes, such as hedge funds. These types of investments are not regulated and therefore do not have the same degree of investor protection as authorised collective investment schemes.
- (o) We may invest in investment trusts which use gearing as an investment strategy, such that the price of the shares in the investment trust may be more volatile than the movement in the price of the underlying assets held.
- (p) We may invest indirectly in commercial immovable property. Immovable property is often less liquid than other financial asset classes, and downturns in the property market may mean that property is difficult to dispose of. There may also be contractual or other legal restrictions on the sale or purchase of property.
- (q) We may seek commodity exposure by purchasing commodity related investments, such as commodity related equities or futures. There is a risk that these investment strategies may not capture the potential benefits (such as inflation-hedging and diversification) of direct investment in commodities. For example, a commodity related investment will not necessarily reflect changes in the price of the underlying commodity, and commodity related returns can also be affected by the financial structure and stability of the issuer.
- (r) We may invest in structured products. Structured products may be regarded as either transferable securities, warrants, collective investment schemes or derivatives, depending on the product in question. The common features of these products is that they are designed to combine the potential upside of market performance with limited downside. However, as structured products are typically linked to the performance of one or more underlying instruments or assets (such as rates, indices, equities or commodities), the relevant structured product may be subject to the risks related to the relevant underlying asset.
- (s) We may also engage in underwriting techniques whereby a portion of the Portfolio will assume the risk of bringing to market the issue of new securities by guaranteeing that the issuer will receive a certain price when the securities are sold. The benefits of such arrangements are that the Portfolio may gain from the price difference between the price paid to the issuer, and the price actually received when the securities are sold. However, the Portfolio shall bear the risk of selling the securities, and the costs of holding the securities until such time as they may be favourably sold.
- (t) There is a risk to capital, including the potential erosion of capital, resulting from withdrawals in excess of investment returns.
- (u) There may be a risk of loss where assets in the Portfolio are held in custody that could result from the insolvency, negligence or fraudulent action of the Custodian.
- (v) There is a risk that inflation will devalue the investment return from your Portfolio.
- (w) We may effect transactions in structured capital-at-risk products. You are warned that:
- (i) the return of the initial capital invested on your behalf is not guaranteed and therefore you may get back less than was originally invested;
 - (ii) the amount of initial capital repaid may be geared so that falls in the index or other factor to which the investment is linked may result in a greater reduction in the amount paid out;
 - (iii) any maximum benefit advertised is only available after a set period of time. Redeeming a product early may result in redemption penalties and you receiving back less than was originally invested; the initial capital may be placed into high risk investments, such as non- or sub-investment grade bonds which have a lower credit rating than others and carry a higher degree of risk; the initial capital may be placed into non-readily realisable investments;
 - (iv) the rate of growth or income advertised may depend on specified conditions being met, including, but not limited to, the performance of an index, indices or other factor;
 - (v) in the event that the institution arranging the underlying investments is unable to meet its financial obligations, the investment may be subject to a large fall in value, and you may lose part or all of the amount originally invested.

Structured products are often bespoke, meaning that there may not be an active secondary market for the disposal of the investment. The return from a structured product may not be realised until the investment matures. Structured products are often subject to "counterparty risk", which can be summarised as the risk that the counterparty to the investment does not meet its obligations.

You and your professional adviser should satisfy yourselves that structured capital-at-risk products are suitable for you, in light of your circumstances and financial position. You should not permit us to enter into transactions unless you are prepared to lose some or all of the capital invested in such products. Where you are in any doubt as to the suitability of structured capital-at-risk products, you are

strongly recommended to consult a professional adviser.

- 6.2 We may effect transactions in collective investment schemes including funds managed by our Associates. In these circumstances, we will always act independently.
- 6.3 We may make an introduction or arrangements or give advice on investments with a view to overseas brokers or other third parties conducting designated investment business with you from an office outside the United Kingdom. Where this is the case, you should note that in some or all respects, the regulatory system applying, including any compensation arrangements, will be different from that of the United Kingdom.
- 6.4 Where appropriate, we shall have regard to the requirements specified in the Pension Fund Disclosure Code.
- 6.5 We confirm that we will comply with the FSA Rules in relation to conflicts of interest and confirm by way of paragraph 8.1 that we have notified you of conflicts of interest to which we are or may be subject in relation to the Portfolio in accordance with both the FSA Rules and Regulation 5(2)(b)(i) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended).

7 CUSTODY AND CLIENT MONEY ARRANGEMENTS

- 7.1 You hereby appoint us as your agent to arrange for a Custodian to provide custody services for you in respect of our investment management services. In the event we appoint SEI as Custodian the terms in Appendix 3 shall also apply to you and comprise part of this Agreement. To the extent that there is any conflict between Appendix 3 and the remaining terms in this Agreement the terms in Appendix 3 shall prevail.
- 7.2 The Custodian is responsible for the safekeeping of any investments forming part of the Portfolio (including, where relevant, dealing with any cash), the settlement of transactions effected by us, the collection of income, the presentation for redemption or payment of any securities which are redeemed or called, and the effecting of other administrative actions in relation to the Portfolio. You hereby authorise us to instruct and otherwise deal with the Custodian in relation to the Portfolio for the purposes of effecting matters attaching to the Portfolio (including exercising voting rights and effecting the sale and purchase of assets held in the Portfolio) and for any other purpose ancillary to this Agreement.
- 7.3 Unless otherwise agreed between us, all assets held in the Portfolio will be held in the safe custody of the authorised Custodian in a designated account and will be pooled with those of one or more of our other clients in an omnibus account. Accordingly, your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic records. In the event of an irreconcilable shortfall following the default or insolvency of the Custodian, you may share in the shortfall in proportion to its original share of the assets in the pool and you may not recover all your assets. A further effect of pooling can be that following an allocation or share issue that favours the small investor, your allocation may be less than it otherwise would have been had the investment been held in your own name.
- 7.4 In accordance with the FSA Rules we must exercise all due skill care and diligence in the selection, appointment and periodic review of the Custodian and the arrangements for the holding and safekeeping of your investments. If you would like further information regarding the Custodian and the services it provides in respect of the Portfolio please contact us.
- 7.5 You acknowledge that we are authorised to deal with takeovers, other offers or capital reorganisations and exercise voting, conversion and subscription rights attaching to the assets of the Portfolio from time to time.
- 7.6 Uninvested money (being money not immediately required to settle an investment) received or held for the account of your Portfolio, will be held as client money in a separate interest bearing client bank account, established with statutory trust status, in accordance with the FSA Rules, and interest earned will be credited to the Portfolio in accordance with clause 4.9. Your money will therefore be segregated from our own funds however money held will be pooled with money held in a client bank account for one or more of our other clients. In the event of any default, you do not have a claim against a specific sum in a specific account; you will have an unsecured claim against the client money pool in general.
- 7.7 You acknowledge that in the event assets held within the Portfolio are held with a third party in a country outside the EEA such assets will be subject to the laws of that non-EEA country and your rights relating to those assets may be different from rights relating to assets held by parties subject to the FSA Rules. For example, the settlement, legal and regulatory requirements may be different, and there may be different practices for the separate identification of securities.
- 7.8 We may cease to treat your money as client money if we have taken reasonable steps to trace you to return your balance after a six year period during which there has been no movement on your account. You will be given 28 days from the date of notification of the intention to cease to treat the balance as client money to make a claim.
- 7.9 You agree that your money may be placed in a qualifying money market fund and in such case your money will be held in accordance with the FSA Rules on custody and not client money. You acknowledge your right to oppose the placement of your money in such a fund.
- 7.10 For the avoidance of doubt, we only accept liability for any actions, omissions or defaults by the Custodian to the extent that the loss suffered by you arises directly from the performance of this Agreement and is a result of our negligence, wilful default or fraud.

8 GENERAL

- 8.1 We and any Associate shall have discretion to effect, without

- prior reference to you, transactions in which we or an Associate, or another client of ours or of our Associate, has a direct or indirect interest or relationship which involves or may involve a potential conflict with our duty to you. We will ensure that transactions are effected on terms which are as favourable to you as if the potential conflict had not existed. Conflicts, if any, which we are unable to manage effectively, will be disclosed to you in writing.
- 8.2 We or our Associate will not be liable to account to you for any profit, commission or remuneration made or received from transactions undertaken in accordance with 8.1 nor rebate all or part of our fee.
- 8.3 Our Conflicts Policy, shown in Appendix 2, sets out the types of actual or potential conflicts of interest which affect our business and provides details of how these are managed. Further details of our Conflicts Policy are available upon request.
- 8.4 We will normally act as your agent and you will be bound by our actions under the Agreement. Nevertheless, to the extent that any fiduciary or equitable duties arise as a result of the services to be provided hereunder, such duties shall not prevent or hinder us or any Associate in effecting transactions with or for you.
- 8.5 If the Client is more than one person, their obligations under the Agreement shall be joint and several and any notice given to any of you will be considered to be given to all of you and we may act on the instructions of any one of you.
- 8.6 On the death of any person constituting the Client (being survived by another), the Agreement shall not terminate. The survivor(s) will be treated as the only person(s) entitled to the Portfolio.
- 8.7 On your death (where paragraph 8.6 above does not apply) the Agreement will terminate immediately we are notified of your death. We will not accept any instructions regarding your portfolio from your personal representatives until we have been provided with a grant of representation.
- 8.8 We will act in good faith and with due diligence in managing your Portfolio in accordance with this Agreement. We accept responsibility for loss to you to the extent that such loss is due to the negligence, wilful default or fraud of ourselves or that of any delegates appointed pursuant to paragraph 2.13 above or that of our or their employees. We will not otherwise be liable for any loss to you.
- 8.9 No warranty is given by us as to the performance or profitability of any investments, cash or other property forming all or part of the Portfolio, or that the investment objectives of the investment strategies you have selected in the Application Form will be achieved.
- 8.10 We will not be responsible for any loss of opportunity whereby the value of the Portfolio could have been increased or for any decline in the value of the Portfolio arising from errors of fact or judgement or for any action taken (or omitted to be taken), except to the extent that the loss or decline is due to our fraud, wilful deceit or negligence or we are in breach of our obligations under FSA Rules.
- 8.11 You undertake not to deal, except through us, with any of the assets of the Portfolio and not to authorise anyone else to deal in any of them.
- 8.12 No party shall be liable for any failure or delay in performing any of its obligations under or pursuant to this Agreement if such failure or delay is due to any cause whatsoever outside its reasonable control and it shall be entitled to a reasonable extension of time to perform its obligations.
- 8.13 We have established procedures in accordance with FSA Rules for the effective consideration of complaints. All formal complaints should, in the first instance, be made in writing to our Compliance Officer, who is responsible for complaints procedures, at Eastgate Court, High Street, Guildford, Surrey GU1 3DE. In addition, or if you are not satisfied with our response, you have the right to complain directly to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR, telephone 0845 080 1800. Please note that making a complaint will not prejudice your right to take legal proceedings.
- 8.14 We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for £50,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.
- 8.15 Neither us nor any Associate is obliged to disclose to you or, in making any decision or taking any step in connection with the management of the Portfolio, to take into consideration any information either:
- (a) the disclosure of which by us to you would or might be a breach of duty or confidence to any other person; or
 - (b) which comes to our or an Associate's notice, but does not come to the actual notice of the individual making the decision or taking the step in question.
- 8.16 The parties to the Agreement will at all times respect and protect the confidentiality of information acquired in consequence of it, except pursuant to any right or obligation in accordance with the provisions of the Agreement by virtue of which they may be entitled or bound to disclose information or under compulsion of law or pursuant to the requirements of regulatory authorities.
- 8.17 In accordance with legal and regulatory requirements, we will retain your records for a minimum period of six years following the termination of the Agreement. You will not be at liberty to request the destruction or deletion of any record pertaining to you unless we are required to do so by law or other regulatory requirement.
- 8.18 In the interests of the proper management and administration of the Portfolio, we may send e-mails or make unsolicited telephone calls to you between the hours of 8.30am and 8.30pm. You consent to such communications.
- 8.19 Telephone conversations with you may be recorded by us for our mutual protection and for training purposes.

- 8.20 We may collect, use and store the personal information which you submit to us in your application, including information relating to our products and services you have purchased from us and use, transactions that you carry out and your relationship with us and our Associates ("Information").
- 8.21 If you contact us we may keep a record of that correspondence and we may keep copies of any documents that you provide to us including any documents provided for verifying your identity such as your passport or driving licence.
- 8.22 No person who is not a party to the Agreement may enforce any term of the Agreement. The parties agree that the Contracts (Rights of Third Parties) Act 1999 shall not apply to the Agreement or to any agreement or document entered into pursuant to this Agreement.
- 8.23 You agree that we may use the Information that we collect:
- (a) to process your application;
 - (b) to supply the products and/or services which you are applying for;
 - (c) to carry out credit assessments;
 - (d) to meet our obligations under any applicable laws, in particular, anti-terrorism and anti-money laundering laws;
 - (e) for customer service, product analysis and market research purposes;
 - (f) for general account administration purposes.
- 8.24 You agree that we may share your information with third parties in the following circumstances:
- (a) where we use your information to carry out credit assessments we will need to share your information with credit reference agencies to assess your eligibility for the product or service applied for and to verify your identity;
 - (b) we may share your information with third parties who we use to assist us administering your Portfolio. These may be based outside the European Economic Area. We will always take appropriate measures and meet our legal obligations to ensure that any information transferred to such third parties is kept securely;
 - (c) if we restructure our business or the whole or any part of our business is sold then we may transfer your information to another division or Part of the Premier Asset Management Marketing Group (if there is a restructuring) or to the buyer of our business (if the business is sold);
 - (d) we may share your information with our Associates, UK and overseas law enforcement agencies or regulatory authorities and other relevant bodies for crime prevention purposes; and
 - (e) we may also share your information with our Associates if they provide any products or services to you on our behalf.
- 8.25 You agree that we may, unless you have informed us otherwise, use and share your Information to provide you with information about our other similar products and services, those of our Associates and those of selected third parties, which we think may be of interest to you. We may provide this information by telephone, post, email, text message and other means. If you would like to stop receiving this information you should tell us in the Application Form.
- 8.26 You have the right, upon payment of a reasonable fee (currently £10), to receive a copy of the information that we hold about you to the extent that it constitutes personal information. For more details, please write to Premier at our administration address Eastgate Court, High Street, Guildford, Surrey GU1 3DE.
- 8.27 We will keep confidential any data or other information which we hold on you. We may however disclose some or all of this information if:
- (a) we are required to do so in accordance with FSA Rules;
 - (b) we are required to by any other governmental, judicial, law enforcement or regulatory bodies;
 - (c) you consent to the disclosure;
 - (d) we have stated that we may above in this section.
- 8.28 This Agreement and any dispute arising out of or in connection with it is governed by and construed in accordance with English law, and the parties submit to the exclusive jurisdiction of the English courts.

9 PORTFOLIO ASSURANCE

- 9.1 The Portfolio Assurance is part of a group life assurance contract entered into by us with an external life assurance company. The principal terms of the contract are shown below, however these provisions do not constitute advice as to the suitability or otherwise of the Portfolio Assurance and you should speak to your authorised financial adviser in order to decide whether you wish to apply for the Portfolio Assurance. To the extent you have elected to be covered by the Portfolio Assurance, your attention is drawn to the following policy conditions set by the life assurance company. A copy of the policy document is available from us on request. The policy does not form part of this Agreement and you have no contractual relationship with the external life assurance company.
- 9.2 Under the terms of the policy, we are liable for the payment of premiums and are also entitled to receive all sums due.
- 9.3 You agree that an additional fee of 0.35% per annum is payable representing the premium payable to the life assurance company, and an administration charge. If the life assurance company impose an additional premium once they have considered your application, for example, on health grounds, we will seek your written agreement to the increased premium before proceeding further.
- 9.4 Once the beneficiary of a trust has been nominated as the life assured the nomination cannot be changed without the

- written consent of the life assurance company.
- 9.5 In the case of jointly held Portfolios, both or all clients will be assured. It is not possible for only one client to be insured under a joint Portfolio.
- 9.6 Should any question in the Application Form (Health Declaration) not be answered to the satisfaction of the life assurance company, you may not be eligible for Portfolio Assurance.
- 9.7 The minimum age at entry is 18 and the maximum is restricted to 74 on commencement of cover. In the case of a joint Portfolio, both or all clients must satisfy these criteria.
- 9.8 Once accepted, cover will continue until you (or any one of the joint clients) or the nominated life assured reaches age 85. Cover will also terminate in the following events:
- (a) you terminate this Agreement; or
- (b) the last life assured dies before reaching age 85; or
- (c) if there are insufficient funds available to pay the premiums; or
- (d) Premier ceases to offer the Portfolio Assurance; or
- (e) the life assurance company withdraws cover from the life assured; or
- (f) you choose to stop paying the additional fee.
- 9.9 In accordance with paragraph 8.7, in the event of the death of the last person constituting the client, the Portfolio Assurance will provide a cash sum calculated as the value of the Portfolio at commencement plus any additional investments (ie the sum assured), less the value of the Portfolio at the date of death less any withdrawals.
- 9.10 In the event that the value of the Portfolio on the date that your personal representatives instruct it to be sold is higher than the sum assured, no Portfolio Assurance payment will be made.
- 9.11 If the Portfolio value on the date that your personal representatives instruct it to be sold has fallen since its value on the date of your death, the cash sum is not increased to take account of the reduction in market value. It is therefore possible that your Estate may receive less than the amount originally invested.
- 9.12 Cover will commence when the opening valuation is issued in accordance with paragraph 5.1.
- 9.13 Stocks and/or cash which are not held in the name of the Custodian or the Custodian's nominee in accordance with paragraph 7.1 and/or Appendix 3 will not be insured.
- 9.14 In accordance with paragraph 8.7, on your death, the Portfolio will be transferred to your personal representatives, or as directed by them after probate has been granted and proven. The total value of the Portfolio forms part of your estate for inheritance tax purposes. Where the investment in a Portfolio was made under a trust, the payment shall instead be made to the trustees of the trust.
- 9.15 The Portfolio Assurance payment will only be made once the Portfolio has been fully encashed or transferred to another investment manager.
- 9.16 If your personal representatives do not sell the Portfolio after probate has been granted and proven, no Portfolio Assurance payment will be made. If the Portfolio is transferred to a Premier Private Client Portfolio in another's name, the value as at the date of death is then used as the initial sum assured.
- 9.17 Portfolio Assurance for joint investors is on a last death basis.
- 9.18 Where the investment in the Portfolio is made by the trustee or manager of a personal pension scheme, the life assured shall be the member in respect of whom the Portfolio is invested.
- 9.19 For investments on behalf of trusts, the trust's beneficiaries are insured on a last death basis.
- 9.20 No claim will be met as a result of:
- your suicide;
 - intentional self-inflicted injury or misuse of drugs or alcohol;
 - commission of an assault or any unlawful act or being engaged in any illegal activity;
 - flying other than as a passenger on any fully licensed multi-engined aircraft operated by an airline or chartered company;
 - participating in or training for any dangerous or hazardous sport (for example, scuba diving, mountaineering);
 - participating or riding or driving in any form of race or competition.
- 9.21 Subject to paragraph 9.1 to 9.5, you will be covered on a worldwide basis.
- 9.22 In the event that the life assurance company refuses to meet a claim, we will not be obliged to pay any sum to your beneficiaries. If the life assurance company pays a lump sum which is lower than the amount provided by paragraph 9.9, the amount we shall pay shall be reduced accordingly.
- 9.23 The maximum single claim amount is restricted to £150,000.
- 9.24 Claims must be submitted within six months of the date of death. The life assurance company reserves the right to refuse to entertain any claims made after this period.
- 9.25 In the event of any fraud, misstatement or concealment by you in connection with any document on which the Portfolio Assurance is based, or in any other matter relating to the making of a claim, the Portfolio Assurance shall become null and void.
- 9.26 The premiums are payable by us in accordance with the terms of the policy document. You shall pay us an amount equivalent to such premium for providing this benefit. You agree and authorise us to deduct such amounts for providing this benefit in addition to any other fees specified in the Application Form (including the management fee) from your Portfolio on the basis specified in the Application Form.

- 9.27 We shall not be liable to pay any sums to your personal representatives or beneficiaries unless and until such sums have been received by us from the external life assurance company.
- 9.28 We will provide one month's written notice of any amendments to the terms, or complete cessation of, the Portfolio Assurance benefits, should the life assurance company amend or cancel the agreement.

10 ADDITIONAL TERMS AND CONDITIONS FOR ONLINE VALUATIONS

- 10.1 The Online Valuation Service provides valuations of your investments comprising your Portfolio which are normally updated once each business day. We may modify the Service by displaying a message on the Service's website and terminate it on giving at least 10 business days' notice to you.
- 10.2 We grant you a personal and non-transferable right to access and use the Service in accordance with the instructions set out on the Service's website and subject to these Terms and Conditions. You acknowledge that other parties nominated by you, such as a professional adviser, may also be authorised to use the system. We may decline to authorise a user without giving a reason and similarly may withdraw authorisation without giving a reason. This may be because we suspect that your password or User ID has been misused by you or another person. You are responsible for protecting the security of your password and User ID and for all activities conducted using your password or User ID whether authorised by you or not.
- 10.3 We shall use best efforts to keep your information private and confidential and to provide you with continuous access to the Service. Both parties acknowledge that security risks exist since neither party has direct control over the internet. We cannot be held liable if information sent over the Internet to you is altered or amended in any way.
- 10.4 The Service is protected by copyright and other intellectual property rights and may only be downloaded and viewed by you or printed out in hard-copy form for your personal use only. The Service is not to be made available on a network or otherwise reproduced, transmitted or incorporated into any work in whole or in part without our prior written permission. All other rights are reserved by us.
- 10.5 Whilst we will use all reasonable skill and care in producing the Service and ensuring that the Service is available at all times, you acknowledge that access to it might not be uninterrupted or error free and could be subject to delays, including, for example, as a result of the Service being provided through the public Internet.
- 10.6 We shall use best endeavours to ensure that data provided over the Internet is accurate and timely, however, you acknowledge that various limitations may exist. In particular, we rely on third parties (in a number of ways which may change over time) for pricing information, investment data, other source data, and other services. We shall not be liable to you for any loss you may incur as a result of information provided by ourselves, sub-contractors or third parties. You acknowledge that the pricing information on some stocks is revised less frequently than on others so that real time changes may not be reflected in the data provided.
- 10.7 We make no other representations or warranties, express or implied, regarding the Service, including, but not limited to its quality or fitness for a particular purpose, and all representations, conditions, warranties, terms and conditions whether express or implied by statute, common law or otherwise are excluded.
- 10.8 We shall not be liable to you for any indirect, special, incidental, punitive or consequential losses or damages (including third party claims, loss of profits, revenue or goodwill) suffered by you or any third party howsoever caused (including any such loss or damage suffered by you as a result of an action brought by a third party) arising in relation to the Service. We will only be liable to you for any direct losses arising from our negligence, wilful default or fraud.
- 10.9 Any exclusions or limitation of liability within these Terms and Conditions are made to the fullest extent permitted by law and are subject to FSA Rules.
- 10.10 We may terminate your access to the Service immediately without notice if you are in breach of any of these Terms and Conditions or if the Agreement is terminated in accordance with paragraph 5.12 above, or you terminate the Agreement relating to these Terms and Conditions, or we give notice to you in writing of the termination of the Service, which we shall be entitled to do for any reason whatsoever.
- 10.11 Our delay or failure in enforcing the Service's Terms and Conditions will not constitute a waiver by us of rights or remedies.
- 10.12 If you are proposing to use the Service from a location outside the United Kingdom, you are responsible for ensuring that you may lawfully use the Service under the laws applicable in that other location:
- (a) we believe that such assignment is in your best interests;
 - (b) the relevant third party is appropriately authorised by either the FSA or any other relevant regulator; and
 - (c) the relevant third party has agreed in writing to accept responsibility for our duties and obligations under the terms of this Agreement.
- 10.13 Save as provided in paragraph 8.5 above, a person who is not a party to the Agreement shall have no right under the Contract (Rights of Third Parties) Act 1999 to enforce any of its terms.
- 10.14 With effect from 26 September 2011 the Online Valuation Service will no longer be available and will be replaced by a new service provided by SEI. The terms & conditions for this service will be made available at this time.

11 MISCELLANEOUS

- 11.1 This Agreement may be amended on any grounds if we have given you at least one month's written notice and explanation and you have provided your consent to the amendment in writing. This Agreement may be amended by us without your consent for the following valid reasons:
- (a) to respond to changes in general law or to the decisions of the Financial Ombudsman Service, or
 - (b) to meet regulatory requirements, or
 - (c) to reflect new industry guidance and codes of practice which are there to raise standards of consumer protection, or
 - (d) to change the rates of our fees, charges or deductions to reflect any cost increases or reductions including (but not exclusively) changes in taxation or indices.
- 11.2 Where practicable, if we intend to amend the Agreement without your consent we will give you at least one month's written notice of any amendment. Where one month's notice is not practicable, we will in any case notify you in writing at the earliest opportunity.
- 11.3 Where paragraph (d) applies, you will be entitled to withdraw from the Agreement immediately and without penalty.
- 11.4 In addition, either party may amend its correspondence address under this Agreement by notifying the other party in writing at least one month before the change, or if this is not possible, at the earliest opportunity.
- 11.5 Any amendment to this Agreement shall be notified to you in writing.
- 11.6 This Agreement is personal to the parties and neither party shall assign or deal in any other manner with any or all of its rights and obligations under this Agreement without the prior written consent of the other party, such consent not to be unreasonably withheld or delayed. We shall be entitled to assign all rights and benefits under this Agreement to an Associate provided such Associate accepts the duties and obligations owed to you under this Agreement. In circumstances where we are proposing to either cease our discretionary management services or cease our management of accounts such as your account, we may assign all rights and benefits under this Agreement to a third party provided that:
- (a) you are given at least one month's written notice prior to the date of the proposed assignment;
 - (b) we believe that such assignment is in your best interests;
 - (c) the relevant third party is appropriately authorised by either the FSA or any other relevant regulator; and
 - (d) the relevant third party has agreed in writing to accept responsibility for our duties and obligations under the terms of this Agreement.
- 11.7 We shall be entitled to assume that if you are the trustee(s) of

a trust, you have full power to deal in the assets of the Portfolio being trust property and we shall not be liable to the beneficiaries of the trust for any action that we properly take on your behalf.

ISA Terms & Conditions

Premier Private Client Portfolio

If you have elected to invest via an ISA the following ISA Terms and Conditions will apply to you and comprise part of the Agreement. Please read these Terms and Conditions carefully. Premier Fund Managers Limited ("we", "us", "our") will arrange and manage on behalf of the individual ("you", "your") who has completed an Individual Savings Account ("ISA") Application Form and/or a Transfer Form. Such ISAs consist of investments which qualify as ISA investments under the Individual Savings Account Regulations 1998 (referred to as "the Regulations") and the Financial Services Authority ("FSA") Rules (referred to as "the FSA Rules") as altered, amended, added to or cancelled from time to time by the relevant authorities.

12 INTRODUCTION

- 12.1 The ISA is managed by Premier Fund Managers Limited, Eastgate Court, High Street, Guildford, Surrey GU1 3DE. We are authorised and regulated by the Financial Services Authority under registration number 143097. Our ISA Manager reference is Z1498.
- 12.2 As specified in the completed ISA Application Form and/or transfer form, these Terms and Conditions confer on us full discretionary powers to invest the monies held within the ISA in accordance with your investment strategy as set out in the Application Form and the Agreement (which for the avoidance of doubt includes these Terms and Conditions), and to vary such investments from time to time as we may in our absolute discretion determine, subject to the requirements of the FSA Rules and Regulations, the Agreement and these Terms and Conditions.
- 12.3 Our appointment under these Terms and Conditions shall commence on receipt of a properly completed and signed Application Form and/or transfer form from you, together with a cheque and/or stock equalling the amount of the subscription.
- 12.4 All notices and instructions given by you to us should be in writing and delivered or sent by post to Premier Fund Managers Limited, Eastgate Court, High Street, Guildford, Surrey GU1 3DE. We reserve the right to refuse to accept instructions if they are contrary to the terms of this agreement or if implementation thereof would place us in breach of the Rules or Regulations.
- 12.5 The last declared yields and prices for all investments within the ISA are available by telephoning us.
- 12.6 Telephone calls made to us may be recorded for monitoring and staff training purposes.

13 SUBSCRIPTIONS

- 13.1 Cash subscriptions to the ISA will be invested at the price applicable at the time of acceptance of the application or as soon as practicable thereafter.
- 13.2 All contributions to the ISA, whether by subscription or otherwise, will be invested in accordance with your investment strategy as specified in the Application Form and as permitted by the Regulations. The FSA's cancellation and withdrawal right for collective investment schemes do not apply in the case of a discretionary managed ISA.
- 13.3 The Government has confirmed that ISAs will be available for the foreseeable future. The maximum amount that can be invested in an ISA in 2011/12 tax year, is £10,680.
- 13.4 In respect of ISA transfers, you should instruct your former ISA manager to make the transfer and complete the ISA Transfer Form explaining your wish to transfer your existing ISA to us. We shall not be required to accept the transfer until the former manager has sold or transferred all the investments held within your ISA.
- 13.5 We will acknowledge your instructions by acting upon them.
- 13.6 Where we act in reliance upon any instructions, such an instruction shall be deemed to be between us and you and to have been validly given by or on our behalf even though this may not in fact be the case, as the result of fraud or wrongdoing on the part of any person (other than us, or any of our employees or agents).

14 MANAGEMENT OF ISA INVESTMENTS

- 14.1 We will manage your ISA on a discretionary basis within the investment instructions and restrictions and investment strategy specified in the Application Form, and as set out further in this Agreement.
- 14.2 We will arrange for distribution of income from the investments included in the ISA to be reinvested on your behalf or paid out in accordance with the requirements specified in your Agreement with us.
- 14.3 We may employ agents in connection with the services we are to provide and may delegate all or any of our powers or duties to any delegate or delegates of our choice. We will ensure that

any person, to whom duties under these Terms and Conditions are delegated, is competent to carry out those duties. We shall not be liable for the negligence or misconduct of any such agent or delegates except where we have been negligent in our choice of such agent or delegate provided that this clause shall not exclude or restrict any liability to you to which we may be subject under the Regulations, the FSA Rules or the Financial Services and Markets Act 2000.

- 14.4 We may not commit you to supplement the ISA either by borrowing on your behalf or by committing you to pay further sums of money into the ISA.

15 DEALING AND COUNTERPARTIES

- 15.1 In effecting transactions for the ISA and in our choice of counterparts, we will be subject to Section 3 of these Terms and Conditions, amended if necessary so as to comply with the Individual Savings Account Regulations 1998.
- 15.2 Settlement of transactions within the ISA will be in accordance with Section 7 and/or Appendix 3 of these Terms and Conditions.

16 FEES AND CHARGES

- 16.1 Your ISA will be subject to the charges as detailed in Section 4 of these Terms and Conditions
- 16.2 There are no additional costs which will be incurred as a result of you entering into the Agreement by means of a Distance Contract.

17 REPORTING AND ADMINISTRATION

- 17.1 Contract notes for individual transactions will be despatched in accordance with paragraph 5.2 of the these Terms and Conditions.
- 17.2 We will provide periodic statements to you as specified in paragraph 5.3 of these Terms and Conditions.
- 17.3 The despatch of any documents shall be at your risk.
- 17.4 You authorise us to apply to HM Revenue & Customs on your behalf, to make any necessary claims, conduct appeals and agree on your behalf liabilities for and relief from tax in respect of the ISA. Claims in respect of tax shall be made by us in accordance with the Regulations and otherwise at such times and in such manner as we consider appropriate.
- 17.5 To the extent that the ISA holds investments issued outside of the United Kingdom any withholding taxes suffered in respect of income or other profits arising to the same may not be reclaimable. To the extent that such withholding tax is reclaimable, it shall be at our sole discretion as to whether

such a claim is made, or if it is made, pursued, on behalf of the ISA.

- 17.6 To obtain the proceeds of the ISA or to have your investments transferred to you, you should write to us at Premier Fund Managers Limited, Eastgate Court, High Street, Guildford, Surrey GU1 3DE. Subject to 3.8 and 5.16 we will then redeem the investments in your ISA at the ruling price and will issue a cheque for the proceeds or we will transfer the investments (according to your instructions), in each case within 7 days. If applicable the sale proceeds will be determined by multiplying the total number of shares being sold by the share price applicable after we receive your instruction and will include any uninvested cash. You may withdraw money from the ISA at any time by writing to us at the above address. We shall decide, at our absolute discretion, the investments to be sold in order to satisfy the withdrawal instructions received from you.
- 17.7 On written request and within the time stipulated by you, all or part of the investments held within the ISA, with all the rights and obligations attaching to it, may be transferred to another ISA manager. You can choose to transfer current year subscriptions in whole, and/or previous years' subscriptions in whole or in part to another ISA manager at any time. The current and previous years' subscriptions may only be transferred to a stocks and shares account belonging to you. We reserve the right to charge an administration fee to cover the costs of transferring the ISA to another ISA manager. This fee will not currently exceed £50 including VAT although we may increase it subject to ninety days notice to clients. You must stipulate a time within which any such transfer to you or another ISA manager is to be made. The time stipulated must be reasonable and must not exceed 30 calendar days from the date that the instruction to transfer is given.
- 17.8 We can also accept a full or partial transfer of an ISA from another ISA manager. You should instruct your former ISA Manager to make the transfer and complete a transfer form. We shall not be obliged to accept the transfer.
- 17.9 There is no minimum duration of the Agreement. You are entitled to terminate the Agreement at any time by written notice to us and are entitled to determine when this may take effect. Should you not specify the date that notice is to take effect from, it will become effective on the date we receive your notification. We may also terminate the Agreement upon one month's written notice to you. We may terminate the Agreement without notice if required to do so by any competent authority or if you commit fraud, are in liquidation, winding up or become insolvent, or any other similar circumstances.

18 CUSTODY AND CLIENT MONEY ARRANGEMENTS FOR ISAS

- 18.1 Your money will be held in a separate high interest bearing bank account in accordance with Section 7 or Appendix 3 of these Terms and Conditions. "Uninvested money" (i.e. money

not immediately required to settle an Investment transaction) will attract interest at a rate no less than the Base Rate less 0.5%. However, where the Base Rate is 1% or less, we reserve the right not to pay any interest. In addition, we reserve the right not to pay interest where the amount earned is less than £20 per year and where any residual balance of cash held in your Portfolio is below £5. Interest, calculated on a daily basis in accordance with the Rules, will be credited quarterly.

- 18.2 Interest earned on such balances will be subject to a flat rate charge of 20%, which will be collected by us on behalf of HM Revenue & Customs.
- 18.3 Your investments will be held for your beneficial ownership and will be held in safe custody by an authorised custodian in a designated account in accordance with Section 7 or Appendix 3 of these Terms and Conditions in the name of the custodian or their nominee company in accordance with the FSA Rules. Shares or certificates or other documents of title to investments held within the ISA may not be lent to a third party and neither we nor you may borrow money against the security of those investments.
- 18.4 Upon written request to us, you shall be entitled to receive any or all of the following:
- (a) A copy of the annual report and accounts issued by every company, unit trust, open-ended investment company or other entity in which you have account investments.
- 18.5 All voting rights attached to the investments for the time being comprised in the Account shall, unless you have made the election referred to above, be exercisable at our sole discretion and neither we nor our nominee shall be responsible in any way for the exercise or failure to exercise such rights.
- 18.6 We shall, upon your written request to us, arrange for you to be able (i) to attend shareholders', securities holders' or unit holders' meetings, (ii) to vote, and (iii) to receive any other information issued to shareholders, securities holders or unit holders in addition to the annual report and accounts.

19 GENERAL

- 19.1 These Terms and Conditions may be amended by us without your express consent providing that we, where practicable, give you at least 10 business days notice of any amendment, and with the exceptions that:
- (a) We may amend the Agreement to make it consistent with any legal or regulatory requirements; and
- (b) either party may amend its correspondence address.
- 19.2 The ISA ceases to be exempt from tax with effect from the date of your death and the ISA will therefore be terminated immediately upon receipt of written notification of the death. Any tax reclaimed after the death will be repayable to HM Revenue & Customs. The ISA investments will be transferred, outside the ISA, to the order of your personal representatives pending receipt of their further instructions, subject to

deduction of any amounts due to us under these terms and conditions. Notwithstanding the termination of the ISA status, our rights and powers under these Terms and Conditions shall continue and shall bind your personal representatives until they are terminated by your personal representatives. We may, but are not bound to, act on the instructions of your personal representatives prior to any grant of representation being provided.

- 19.3 Our liability will be as stated in Section 8 of these Terms and Conditions.
- 19.4 Your warranties and liabilities will be as declared on the Premier Portfolio Application Form.
- 19.5 We shall notify you if, by reason of any failure to satisfy the provisions of the Regulations, an ISA has, or will become, no longer exempt from tax.
- 19.6 We may appoint an Associate (approved to act as an ISA Manager under the Regulations) as ISA Manager in our place and may transfer to that company all benefits, duties and obligations arising under these terms and conditions. You may not, however, assign any of the rights, benefits, duties or obligations under these terms and conditions.
- 19.7 In such circumstances you shall have the right to require us to transfer the whole of the ISA to another ISA Manager not connected in any way with the existing ISA Manager in the manner described in paragraph 17.7.
- 19.8 In accordance with legal and regulatory requirements, we will retain your records for a minimum period of six years following the termination of this agreement. You will not be at liberty to request the destruction or deletion of any record pertaining to you unless we are required to do so by force of law or other regulatory requirement.
- 19.9 We have procedures in place in accordance with the regulations for the effective consideration of complaints. All formal complaints should be in the first instance made in writing to the Compliance Officer, who is responsible for complaints procedures, at Eastgate Court, High Street, Guildford, Surrey GU1 3DE. In addition, and if you are not happy with our response, you have the right to complain directly to the Financial Ombudsman Service at the following address: Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Telephone: 0845 080 1800. Please note that making a complaint will not prejudice your right to take legal proceedings.
- 19.10 We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for £50,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.
- 19.11 These Terms and Conditions as they relate to ISAs represent our interpretation of the law and HM Revenue & Customs practice as at the date of publication.

APPENDIX 1

ORDER EXECUTION POLICY NOTICE

We take all reasonable steps to obtain the best possible result when orders to buy or sell are transmitted for execution on behalf of customers.

Most orders are transmitted to an approved panel of brokers who are obliged to provide Best Execution. They, in turn, execute most of these orders on:

- Regulated Markets (such as the London Stock Exchange) or
- Multilateral Trading Facilities (such as the Alternative Investment Market).
- In some instances, in order to obtain the best result, transactions may be arranged outside Regulated Markets or Multilateral Trading Facilities, for example:
- Systematic Internalisers (third party firms such as investment banks acting as market makers or liquidity providers).
- Non-EU entities performing similar functions.

We take a number of factors into consideration when deciding on our choice of broker including the quality and cost of clearing and settlement of a trade, creditworthiness and depth of liquidity, expertise of the broker in the relevant market, past experience of using the broker, as well as costs and prices available. We review periodically the panel of brokers we use. Where it appears in a particular case that better execution is available from a broker that we do not ordinarily use, we may use such other broker on a case-by-case basis.

Where we deal in collective investments schemes we will deal directly with the product provider based on the published price in the prospectus. For collective investment schemes which are supported by providers of electronic platforms, the trade is executed with the product provider via the electronic trading platform provider.

Where we deal with structured products we will execute transactions directly with the counterparty to the arrangement in each case. These tend to be bespoke and highly negotiated contracts. Typically we will approach several potential counterparties to determine the most favourable terms and price.

In considering how the best result may be obtained we will use our own commercial experience and judgement. We will consider the size and nature of the order, the characteristics of the financial instrument to which the order relates as well as venues to which it may be possible to direct the order.

In general, we will regard price as the most important factor for obtaining the best result. However, other factors may on occasion be more important, for example:

- the costs payable by the client
- the size and nature of the order

- the liquidity of the market
- the speed of execution and settlement
- the likelihood that the order will be executed and settled 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. Such instructions may prevent us from taking the steps we have designed and implemented in our Order Execution Policy to obtain the best possible result.

APPENDIX 2

In accordance with legal requirements under the European Union Markets in Financial Instruments Directive (MiFID), all MiFID companies within the Premier group (Premier Fund Managers Ltd and Premier Portfolio Managers Ltd, henceforth referred to as "Premier") have in place arrangements to identify and manage Conflicts of Interest that may arise between them and their clients or between different clients. In general, Premier arranges its business to minimise the potential for such conflicts of interest and where they do arise it manages such conflicts to ensure that its own interests are never put ahead of those of its clients, and that one group of clients is not treated more favourably than another.

Premier has established procedures which are designed to identify on an on-going basis any conflicts of interest that may arise. Rigorous controls and procedures are implemented to ensure that the interests of the client are never compromised. These controls include, inter alia, an Order Execution Policy, Gifts and Benefits Policy and a Personal Account Dealing Policy.

Potential conflicts of interest may arise and are managed as follows:

- A transaction is effected in units or shares of a connected investment trust, unit trust or open ended investment company of which Premier or an affiliated company is the manager or authorised corporate director.

All investments are assessed to ensure that by including them in a Portfolio they will help to meet the investment instructions and restrictions and the investment strategy specified by a client in the Application Form. Where a discretionary client is invested in a Premier Fund, such investments will generally be excluded from the client's portfolio for the purpose of calculating the annual management fees that will be retained by Premier to avoid the possibility of double charging.

- Premier purchases unit trusts and OEIC funds managed by other asset management firms for inclusion in some of the Premier funds; where possible Premier will purchase institutional share classes, however, where institutional share classes are not available, renewal commission is offered on such external unit trusts and OEICs which is known as 'trail commission'.

Trail commission received by Premier is credited to the account of the relevant Premier fund to which it applies.

Premier does not benefit directly from such commissions.

- A transaction is effected in securities for a client or fund in respect of which an associate or employee of Premier has traded previously or intends to trade on their own account known as 'personal account dealing'.

All Directors and employees of Premier are subject to the Premier Personal Account Dealing Policy. This policy ensures that all dealing on behalf of client portfolios or Premier Funds takes precedence over personal account dealing and that no personal account dealing would be to the detriment of a client. The policy requires all members of staff to obtain prior approval from senior management and the Compliance Department before they are allowed to transact in a security which might have an impact on a Premier Fund or client portfolio.

- Premier acting on behalf of a discretionary client, matches an order for that client with an order from another discretionary client known as an 'internal cross'.

Internal cross trades are reported to the FSA and are carried out inside the bid offer spread. Internal crosses may arise in circumstances such as trades of minimal size, where a market cannot be easily made or it is not cost effective to trade in the security.

- The possibility exists for an in house analyst or investment manager to be influenced in his research findings or investment decisions by the offer of gifts or other inducements from a broker, company or other financial institution.

Premier has a "Gifts and Benefits" policy which prohibits staff from accepting gifts, hospitality or other benefits which have the potential to cause a conflict of interest with Premier's regulated business. Prior approval from a Director is required before any benefit is accepted above a de-minimis level and a register is kept by the Compliance Department.

The effectiveness of the above controls is monitored on an on-going basis by the Compliance team.

Unlike some asset management companies, Premier does not conduct proprietary trading (trading on securities for its own account to make a profit) nor does it issue securities or provide corporate finance advice, all of which may lead to conflicts of interest with clients.

Occasionally Premier does need to buy or sell stock into a Correction Account to correct an administrative error, such as purchasing too much stock on a client's behalf. Such dealing is infrequent and usually small in nature and is only conducted to the extent required to make the client whole with the correct position, with any shortfall covered by Premier.

Remuneration and bonus structures are designed so as not to create any incentive for a Director or employee to act contrary to a client's interests. Remuneration is overseen by the Executive, with the discretionary bonus scheme overseen by the main Premier Board.

Records of actual and potential conflicts and the procedures in place to manage them are regularly reviewed by the Premier Conflicts Committee and kept on file.

If a situation were to arise where Premier's procedures and controls were judged insufficient to ensure that a potential conflict of interest does not damage a client's interests it may consider it appropriate to disclose the potential conflict to the client and obtain the client's formal consent to proceed. Premier may also decline to act in circumstances where there is the risk of damage to the interests of any client.

APPENDIX 3

SEI CUSTODY TERMS

- 1 With effect from 26 September 2011 SEI will be appointed by us as Custodian in respect of the assets held in your Portfolio, and the following provisions in this Appendix 3 shall therefore apply to you and comprise part of your Agreement. Where SEI is appointed, should any inconsistency arise between Appendix 3 and the other terms in this Agreement, the provisions in this Appendix 3 shall prevail.
- 2 By entering into this Agreement you authorise us, acting as your agent, to appoint SEI as Custodian to provide custody services in respect of your Portfolio. SEI is authorised and regulated by the Financial Services Authority in the conduct of its regulated activities.
- 3 Under our arrangements with SEI we are required to provide you with a copy of SEI's (i) custody terms, (ii) conflicts of interest policy and (iii) best execution summary where required to do so by applicable law. Copies of these documents are also available from us on request. These terms will apply to you and you should read them carefully.

Authorisation

- 4 You hereby authorise us to give SEI, or any of its delegates, any instruction on your behalf which is necessary or desirable for the proper performance of the investment management services provided in accordance with this Agreement. If necessary, you agree to confirm such authority to such parties on request.
- 5 You authorise SEI to execute on your behalf ownership certificates, affidavits or other disclosures required in connection with the receipt of income, capital gains or other payments by you with respect to assets held in your Portfolio, or in connection with the sale, purchase or ownership of assets to the extent reasonably necessary for the performance by SEI in its capacity as Custodian.
- 6 If we so request you will assist us in promptly arranging for the execution or production of any documents necessary to carry out transactions effected in accordance with this Agreement. Where you envisage a delay or failure in delivering such documents, you shall notify us immediately.
- 7 You acknowledge that SEI may delegate any of its functions as Custodian to an affiliate or other third party. Upon request SEI shall notify Premier where third parties are appointed by SEI to hold assets held in your Portfolio.

Corporate actions

- 8 Where corporate events (such as partial redemptions) affect some but not all assets in respect of which SEI acts as Custodian, SEI will allocate the assets so affected to particular Portfolios in such fair and equitable manner as it considers appropriate (including, without limitation, pro rata allocation or an impartial lottery).

Payment of fees

- 9 You agree that we may where appropriate, deduct from your Portfolio any reasonable amounts in respect of:
- 9.1 SEI's fees for services it provides in respect of your Portfolio;
- 9.2 fees, commissions, expenses and charges assessed by third party brokers and dealers in connection with execution of transactions and related activities in connection with your Portfolio; and
- 9.3 fees, expenses and charges assessed by sub-custodians or other third parties relied upon or appointed by SEI to discharge its custody and related services to your Portfolio,

Registration of securities

- 10 You acknowledge that assets will be registered collectively in the same name for all SEI's customers and therefore your individual entitlements may not be identifiable by separate certificates or other physical documents of title. If SEI defaults you acknowledge that any shortfall in securities so registered may be shared pro rata among all SEI's customers. In particular you agree that:
- 10.1 you will be the beneficial owner of such proportion of all the assets of a particular class, denomination and issue held by SEI in a pooled account for one or more of its customers including you (the "Aggregate Holding") as the number of your assets of such class, denomination and issue held for you bears to the total number of such assets comprised in the Aggregate Holding (the "Customer Property");
- 10.2 SEI will hold the assets held in your Portfolio from time to time on trust for you on the basis of an equitable tenancy in common so that you have an equitable interest in an undivided portion of the Aggregate Holding;
- 10.3 in respect of assets held in your Portfolio that are held by a sub-custodian appointed by SEI, securities depository or clearing system, you will be the beneficial owner of such portion of SEI's interest in or rights in respect of all the assets of a particular class, denomination and issue held by such sub-custodian, securities depository or clearing system for SEI in respect of one or more of its customers including you (the "Aggregate Sub-custodian Holding") as the amount of the assets held in your Portfolio of such class, denomination and issue held by the sub-custodian, securities depository or clearing system for SEI on your behalf bears to the total number of such assets comprised in the Aggregate Sub-custodian Holding (the "Sub-custodian Property");
- 10.4 SEI shall hold your Sub-custodian Property from time to time on trust for you on the basis of an equitable tenancy in

common so that you have an equitable interest in an undivided portion of the Aggregate Sub-custodian Holding;

- 10.5 SEI will not (and will not permit a sub-custodian to) use assets held in your Portfolio for any purpose other than that of performing SEI's obligations under this Agreement without Premier's prior written consent.

Grant of security

- 11 You authorise SEI to take a lien on and security interest in the Portfolio and the assets in the Portfolio to the extent that any amounts owned to it remain unpaid to secure any and all amounts which are now owing or become owing in the future to SEI under the terms of its agreement with Premier in connection with the Portfolio, or where any debit balance or overdraft arises in connection with the Portfolio.

Indemnity

- 12 You shall indemnify SEI, each sub-custodian, and their respective agents, nominees and the partners, employees, officers and directors, and agree to hold each of them harmless from any against all claims and liabilities, and reasonable costs including reasonable counsel fees and taxes, properly incurred or assessed against any of them in connection with the provision of the custody services in accordance with SEI's agreement with Premier unless such claim arises out of the negligence, wilful default or fraudulent acts or omissions of SEI or any such indemnified person as the case may be. You acknowledge that to the extent Premier agrees that the claim and amount in question are covered by this indemnity, Premier shall authorise SEI to withdraw the relevant amount from the Portfolio.

Settlement

- 13 You acknowledge that:
- 13.1 SEI shall have no obligation to settle, purchase or subscribe for any asset in the Portfolio until the required amount necessary for the transaction has been transferred to SEI;
- 13.2 delivery or payment by any other party to any such transaction will be at your risk;
- 13.3 SEI's obligation to account to you for any asset held in your Portfolio or the proceeds or sale of any asset will be conditional upon receipt by SEI of the relevant documents or sale proceeds from the other party.

Risks

- 14 In addition to the risks set out in this Agreement you confirm that you have assessed and accepted the following risks (being 'Country Risk' and 'Sovereign Risk') and accepted responsibility for their occurrence and such investment risk:
- 14.1 Country Risk shall mean, with respect to acquisition, ownership, settlement or custody of assets held in the Portfolio in a jurisdiction, all risk relating to or arising in consequence of, systemic and market factors affecting the acquisition, payment for or ownership of such assets, including: (1) the prevalence of crime and corruption; (2) the inaccuracy or unreliability of

business and financial information; (3) the instability or volatility of banking and financial systems or the absence or inadequacy of an infrastructure to support such systems; (4) custody and settlement infrastructure of the market in which such assets are transacted and held; (5) the acts, omissions, operations or solvency of securities depository; (6) the risk of the bankruptcy or insolvency of banking agents, counterparties to cash and securities transactions, registrars or transfer agents; and (7) the existence of market conditions which prevent the orderly execution or settlement of transactions or which affect the value of assets; and

- 14.2 Sovereign Risk shall mean, in respect of any jurisdiction where an asset held in the Portfolio is acquired or held hereunder or under a sub-custodial agreement: (1) any act of war, terror, riot, insurrections or civil unrest; (2) the imposition of any investment, repatriation or exchange control restrictions by any governmental authority; (3) the confiscation, expropriation or nationalization of any such asset by any governmental authority, whether de facto or de jure; (4) any devaluation or revaluation of the currency; (5) the imposition of taxes, levies or other charges affecting Available Investments; (6) any change in the laws or regulations; or (7) any other economic or political risk incurred or experienced.
- 15 You accept full responsibility for SEI's use of third party foreign exchange dealers and for the execution of foreign exchange contracts and options, and you acknowledge that you shall be responsible for any and all costs and interest charges which may be incurred by Premier and/or SEI as a result of the failure or delay of third parties to deliver foreign exchange.

General

- 16 You acknowledge that SEI reserves the right to send documents and other communications directly to you where it is required to do so under applicable law.
- 17 You agree that any communication regarding your Portfolio shall be directed to us and not SEI.
- 18 Where instructions are submitted by facsimile the receipt of legible instructions cannot be assured and you acknowledge that SEI cannot verify that authorised signatories on facsimile instructions are original or properly affixed and SEI shall not be liable for losses or expenses incurred through actions taken in reliance on inaccurately stated, not clearly legible or unauthorised facsimile instructions.
- 19 We may amend this Appendix 3 in accordance with paragraph 11 of the Agreement.

Further Information

Head Office:

Premier Fund Managers Limited
Eastgate Court,
High Street, Guildford,
Surrey GU1 3DE

Tel: 01483 30 60 90

Visit: www.premierassetmanagement.co.uk or

Email: premier@premierfunds.co.uk

Premier Portfolio Managers Ltd and Premier Fund Managers Ltd are ISA managers and members of the Premier Asset Management Marketing Group, authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS. Premier Portfolio Managers Ltd is a member of the Investment Management Association. 1907117183

