

Terms and Conditions

Thank you for choosing Arjent for your investment needs.

Please ensure you read and understand these terms and conditions and retain them for your future reference

About these Terms and Conditions

These terms and conditions, together with the Client Application Pack, constitute a legally binding agreement between you and Arjent Limited (Arjent) and also between you and Pershing Securities Limited (PSL). Please ensure you read and understand these terms and conditions, as well as retaining them for your future reference; if you have any queries please contact your Investment Manager/us.

Our aim is to treat you fairly, considering the following issues that may affect our relationship with you as a client:

- How we describe and deliver our services to you.
- Whether the advice we offer you is appropriate, given your financial requirements and attitude to risk.
- How we train our staff to make sure you receive service of a high standard.
- Handling any disputes or dissatisfaction that may arise between us in a fair and effective manner.

Contents

About Arjent	2 - 3
Our Clients	4
Risk Appetite and Investments	5
Keeping in Touch	6
Dealings	7 - 9
Accounts and Transactions	10 - 14
Investment Conditions	15
Our Fees	16
Other Information	17 - 20
Risk Warnings	21

1. ABOUT ARJENT

1.1 ABOUT US

The full name of our firm is Arjent Limited. Trading under the name of 'Arjent' in relation to all investment management and stockbroking activities, we are registered in England at 25 Christopher Street, London EC2A 2BS Company no 04077864. Arjent is authorised and regulated by the Financial Services Authority (FSA) (No. 197330). You can check our regulatory status by visiting www.fsa.gov.uk/register. The address of the FSA is 25, The North Colonnade, Canary Wharf, London E14 5HS.

1.2 RELATIONSHIP WITH PERSHING SECURITIES LIMITED

We have entered into an agreement with Pershing Securities Limited (PSL) on behalf of ourselves and each of our clients whereby PSL has agreed to provide settlement, safe custody and associated services for clients whom we introduce to them. We may from time to time agree with PSL that it is to provide additional services. For example, we may agree that it will provide us with investment dealing services to assist us in providing our dealing services to you.

PSL is registered in England, company number 2474912, and has its registered office at Capstan House, One Clove Crescent, East India Dock, London E14 2BH. PSL is authorised and regulated by the Financial Services Authority ("FSA") which is at 25, The North Colonnade, Canary Wharf, London E14 5HS. PSL is a member of the London Stock Exchange.

The current terms and conditions of PSL and the principal terms of the agreement with them as applicable to our clients including you ("the Pershing Agreement") are set out or summarised below.

By acceptance of this agreement, you agree that:

- i. we are authorised to enter into the Pershing Agreement on your behalf as your agent on the terms summarised below;
- ii. acceptance of these terms will constitute the formation of a contract between you and ourselves and also between you and PSL and that you will be bound by the terms of the Pershing Agreement and the terms and conditions of PSL (as set out or summarised below) accordingly;
- iii. we are authorised to give instructions (as provided for in these Terms of Business and the Pershing Agreement) and provide information concerning you to PSL and PSL shall be entitled to rely on any such instructions or information without further enquiry;
- iv. PSL is authorised to hold cash and investments on your behalf and is authorised to transfer cash or investments from your account to meet your settlement or other obligations to PSL.

Under the Pershing Agreement you will remain a customer of ours but will also become a client of PSL for settlement and safe custody purposes only. We retain responsibility for compliance and regulatory requirements regarding our own operations and the supervision and operation of your account and generally for our on-going relationship with you. In particular, we remain responsible for approving the opening of accounts, money laundering compliance and to the extent required by applicable rules, explaining to you the types of investments covered and the nature and risks of investments and investment transactions and investment strategy, accepting, transmitting and executing orders in investments, assessing the suitability or appropriateness of transactions and investments or, where permitted, warning you of their possible inappropriateness, providing any investment advice to you or where relevant taking investment management decisions. PSL is not responsible to you for those matters and in particular neither provides investment advice nor gives advice or offers any opinion regarding the suitability or appropriateness (as appropriate) of any transaction or order and relies on information provided to it by us in respect of all such matters.

1.3 OUR SERVICES

We may advise you or execute transactions on your behalf in the following types of investments:

- Shares in UK or Overseas-based companies
- Government, public agency, municipal and corporate issues, bonds, notes, loan stocks, debentures or similar investments
- Units in collective investment schemes such as unit trusts, investment trusts and OEICs (Open Ended Investment Companies) both regulated and unregulated in the UK and elsewhere
- Preference Shares
- Permanent Interest Bearing Shares (PIBS).
- Individual Savings Accounts (ISAs) and Personal Equity Plans (PEPs)
- Unlisted/illiquid investments
- Alternative Investments (e.g. Hedge Funds)
- Structured Products
- Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs)
- Derivatives including Contracts For Differences (CFDs)

Arjent may provide other services which will require a separate written agreement between us.

Please read the risk warnings at the end of these Terms and Conditions.

The services we provide will be in accordance with one of the following categories. You should indicate in your Client Application Pack the service you require. If you have any queries on these categories you should contact your Investment Manager:

- **Managed Service:** for clients who require advice on both the structure of their overall portfolio and individual investments. We will advise you on the composition of your portfolio on an ongoing basis taking into account your investment objectives and risk profile indicated in the Client Application Pack. We will make recommendations to you, where appropriate, but will only act on your instructions.
- **Advisory Dealing Service:** for clients who do not wish to have a comprehensive portfolio management service but may require advice on individual stocks from time to time. We will advise you taking into account your investment objectives and risk profile, as indicated in the Client Application Pack. We will make recommendations to you, where appropriate, but will only act on your instructions and do so without reference to your portfolio, or other investments, as a whole.

2. OUR CLIENTS

2.1 CLIENT CLASSIFICATION & CAPACITY

Under the definitions prescribed by the FSA, we must classify you as one of three categories of client: a retail client, professional client or an eligible counterparty. Unless otherwise stated in writing we will treat you as a private 'retail client'. If you are acting as an agent for someone else, we will treat you alone as our client for the purposes of FSA rules and you will be liable to that person in respect of any transactions carried out. Where we categorise you as a professional client or an eligible counterparty, we will inform you of this and issue separate terms and conditions.

For the purposes of the FSA rules, PSL shall (unless otherwise separately notified to you by them) adopt the same client classification in relation to you as that determined by us and rely on information provided to them by us as to that classification.

The following provisions shall apply to you if you fall within the categories specified below:

- i. Joint account holders shall be jointly and severally liable to PSL and PSL may discharge its obligations to make any payment or account to all such holders by making such payment or account to any one or more of them;
- ii. The trustees of any trust shall be regarded as PSL's client (as opposed to any beneficiary) and shall be jointly and severally liable to PSL; and
- iii. All the partners of any partnership which is PSL's client shall be jointly and severally liable to PSL.

Where you are acting as agent on behalf of another (whether disclosed to us or not) you will be, and at all times remain, liable to PSL as principal in relation to any transactions which are to be performed under these terms and PSL will treat you as its client under the FSA rules. You agree that you will be liable to PSL jointly and severally with any such underlying person in respect of all obligations and liabilities arising from instructions given to PSL.

2.2 CLIENT RESTRICTIONS

Minors cannot use our services. Designated accounts may be held for minors but must be operated by a person over 18 years of age.

3. RISK APPETITE AND INVESTMENTS

3.1 RISK APPETITE & INVESTMENT OBJECTIVES

(not applicable to execution only transactions)

We will provide advice and/or execute transactions, based on our knowledge of your circumstances. All investments involve a degree of risk and before you begin dealing in the stock market you should take into account your savings as well as levels of indebtedness. It is important to establish the degree of risk acceptable to you and decide on a suitable investment objective. Managed Service clients should discuss their investment objectives and attitude to risk with their Investment Manager. Please read the risk warnings contained in Schedule 10.

Investment Objectives

You can choose from:

- **Capital Growth:** objective is to achieve long term capital growth.
- **Income:** objective is to achieve a desired level of income; capital growth is not necessarily a consideration.
- **Balanced Return:** objective is to achieve a balance between capital growth and income; the income requirement should not erode the potential to maintain the capital value of the portfolio in real terms.

If you do not indicate a desired investment objective in your Client Application Pack; we will proceed on the basis of 'Balanced Return'.

Appetite to Risk

We need to assess your appetite to risk. We have three levels of risk:

Low Risk – if your appetite to risk is low, we will only advise you on low risk investments. These are typically very liquid (i.e. easy to buy and sell) and less volatile investments (i.e. in terms of price movements). By selecting low risk, we will assume you are looking for capital preservation with the focus on income and that you are only prepared to accept a low probability that the value of your investments could fall, but that such falls may still be possible.

Medium Risk – if your appetite to risk is medium we will only advise you on medium and low risk investments. By selecting medium risk as your appetite to risk, we assume that you are looking for a combination of income and capital growth and are prepared to accept some risk that the value of your investment could fall.

High Risk – if your appetite to risk is high, we will advise you on all types of investments including those that are medium and low risk. By selecting high risk as your appetite to risk, we assume you are focusing on capital growth and that you accept there is a strong possibility that you could lose some or all of your capital.

If you do not indicate a risk profile on your client agreement, we will proceed on the basis of 'Medium Risk'.

3.2 INVESTMENT RESTRICTIONS

(not applicable to execution only transactions)

You will inform us on your client agreement of any investments, type of investments or markets on which you do not want us to recommend to you, or execute a transaction on your behalf. In the absence of any restrictions set by you we may recommend to you, or purchase on your behalf, any investment on any market in, accordance with your stated investment objectives and risk appetite.

3.3 EXECUTION ONLY TRANSACTIONS

We will not advise you about a particular transaction if we reasonably believe that when you gave the order for that transaction, you were not expecting advice. We will deem such orders to be 'execution only' and accept no liability for the merits or suitability of the transaction. Similarly, we will deal on an execution only basis for Managed and Advisory Dealing clients, where we believe that a particular transaction, as instructed by you, is not in accordance with your usual specific risk objectives. When a transaction is carried out on this basis we will let you know, either at the time the transaction is carried out, or on a contract note despatched to you. Under FSA rules we must ensure that for complex investments (for example derivatives or warrants), those investments are appropriate, based on our knowledge of your circumstances.

4. KEEPING IN TOUCH

4.1 INFORMATION FROM US

Valuations & Statements

PSL will send you an asset statement every 12 months detailing all the investments held in their custody, together with a cash balance. This statement is not intended to provide a performance measure of your portfolio. If you are on our Managed Service, we will provide a detailed valuation of your portfolio at least every six months. The detailed valuation will include details of the method(s) of valuation used.

Contract Notes

Unless there is no requirement to do so we will issue a contract note for each transaction as evidence of the purchase or sale. We will issue a contract note at least by close of business on the day following the transaction. The contract note should be checked immediately on receipt to see that it accurately reflects your instructions. If you do not receive a contract note as confirmation of your order, please contact your Investment Manager.

4.2 COMMUNICATION BETWEEN US

You should direct all enquiries regarding your account to us and not to PSL.

Any communications (whether written, oral, electronic or otherwise) between you, us and/or PSL shall be in English.

Telephone Calls & Call Monitoring

We may contact you by telephone to discuss investments from Monday to Saturday from 8am — 9pm, unless you inform us in writing that you do not wish us to do so.

Telephone calls between us may be recorded and such recordings will remain the sole property of Arjent. We may rely on these recordings in the event of a dispute and may also deliver copies or transcripts to a court or regulatory authority, if required to do so to meet our legal and regulatory obligations.

Other Documentation

We will not accept responsibility for any documents (including cheques and share certificates) which are mislaid in transit to and from our offices with the exception of share certificates sent by us to you. In such cases our liability will be for 4 weeks from the date of despatch and will be limited to the registrar's charge for issuing a replacement certificate.

Instructions

You may give instructions to us by telephone, mail or electronic means (including, for the avoidance of doubt, by facsimile or electronic mail). However, we reserve the right to require that you confirm your instructions in writing. PSL shall only accept instructions concerning your account(s) from us and not directly from you, unless you are a Professional Client and a separate specific agreement has been entered into relating to the giving of instructions, including such further mandate and/or indemnities as PSL may require. In the absence of actual notice in writing to the contrary received from us in sufficient time to prevent the processing of any instructions, PSL shall be entitled to rely upon and act in accordance with any instruction which PSL believes in good faith to have been given by us or our representatives. PSL reserves the right to take such action as it considers appropriate in the event that it has sought instructions from us and we have failed to respond within a reasonable time. PSL will not be responsible for any delays or inaccuracies in the transmission of any instructions or other information due to any cause outside PSL's reasonable control.

You, or any person, whose authority has been previously notified to us in writing, may give investment instructions. We may accept any instruction we believe, in good faith, to be from you, your agent, or any other third party authorised by you to act on your behalf, whether in writing, by telephone, email, facsimile or otherwise. Should investment authority be altered or withdrawn it is your responsibility to notify us, and we cannot be held responsible for any loss resulting from your failing to do so.

PSL may, in its absolute discretion, refuse to accept any order or other instruction for your account(s). PSL will advise us of its decision and the reason for its decision unless PSL is precluded from doing so owing to any legal or regulatory constraints.

5. DEALINGS

5.1 DEALING INCLUDING BEST EXECUTION

We shall be responsible for the execution of any order on your behalf and accordingly owe you the duty of best execution under FSA rules. This will include taking account of price, size, speed of settlement and the nature of the investment in relation to your objectives and risk profile.

By instructing Arjent to act on your behalf, you consent to our execution policy. A full copy of this policy is available on request or by visiting www.arjent.co.uk. PSL shall not owe you any duty of best execution under the FSA rules or otherwise with respect to any such orders.

We may execute orders through third parties, which may include PSL. As a result in some circumstances we may transmit orders to PSL for it to execute. In such circumstances we remain responsible to you for the order. We have agreed with PSL that where we send it an order for execution we, rather than you, shall be PSL's client for the purposes of the FSA Rules. If PSL executes an order on our instruction, you acknowledge and agree that the following provisions shall apply:

- i. PSL will execute such orders in accordance with PSL's order execution policy as amended from time to time, a summary of which is set out in PSL's website on www.pershing.co.uk under "compliance disclosure";
- ii. All such orders shall be executed by PSL subject to applicable FSA rules and the rules of any relevant investment exchange (including any EEA regulated market) or multilateral or other trading facility. You agree that orders may be executed otherwise than on an EEA regulated market or multilateral trading facility in accordance with PSL's order execution policy.
- iii. PSL shall be entitled to rely on instructions from us in relation to such orders;
- iv. PSL may combine orders that are received for your account with orders that are received for the accounts of its other clients or with its own orders. You acknowledge that aggregation of such orders may operate on some occasions to your advantage and on some occasions to your disadvantage;
- v. Following the execution of any order by PSL, PSL will provide us with a contract note or other information as required by FSA rules. We are responsible for checking that information and for providing information to you.

5.2 CONFLICTS OF INTEREST

When we give investment advice, or arrange a discretionary transaction for you, we, or a person connected with us may have an interest, relationship or arrangement that is material in relation to the investment which may give rise to a conflict of interest. We do, however, require our employees to comply with a policy of independence obliging them to disregard such interests when acting for you.

A full copy of our conflicts of interest policy is available on request or by visiting www.arjent.co.uk

In addition PSL or its associates may provide services or enter into transactions in relation to which PSL or its associates has, directly or indirectly, a material interest or a relationship of any description with a third party which may involve a conflict of interest or potential conflict of interest with you. PSL or any of its associates may, for example:

- i. be the counterparty to a transaction that is executed by PSL (whether or not involving a mark-up or a mark-down by PSL or its associates);
- ii. be the financial advisor to the issuer of the investment to which any instructions relate;
- iii. have a (long or a short) position in the investments to which any instructions relate; or
- iv. be connected to the issuer of the investment to which any instructions relate.

PSL may receive payments from fund managers in connection with the provision of services to fund managers through Pershing Nexus Funds. These payments will be made by fund managers to Pershing at a rate which is agreed between the fund manager and Pershing which is calculated by reference to the Annual Management Charge (AMC) levied by the fund manager (but is not part of that charge).

PSL may place money held for your account with a bank (in accordance with the FSA rules) and earn and retain interest payments from such bank, which may be shared with Arjent.

A summary of PSL's conflicts policy (including further disclosure concerning the payments PSL may receive from fund managers) is published on PSL's website at www.pershing.co.uk under the heading of "compliance disclosures" (a hard copy is available on request from us).

You acknowledge that neither PSL nor any of its associates is required to disclose or account to you for any profit made as a result of acting in any manner described above.

5.3 AGGREGATION

We or PSL may combine your order with orders of other clients, where we reasonably believe that we can obtain a more favourable price than if your order had been executed separately. On occasions, however, aggregation may result in you obtaining a less favourable price.

The most common occurrence of aggregation is in the first few days of dealing in a new issue and in dealings of very small, or very large, lots of shares.

5.4 LIMIT ORDERS

A limit order is an order to buy or sell a share at a specified price limit or better and for a specified size. You expressly instruct us not to make any limit orders which you may give us public. Should we consider that it would be in your best interests to make a limit order public we will seek your agreement to waive your express instruction in respect of the limit order in question and will explain to you the reasons we consider it would be in your interests to make the limit order public.

5.5 STABILISATION

We may make recommendations in securities where the price has been subject to 'stabilisation'.

Stabilisation enables the market price of a security to be artificially maintained in order to help counter the fact that, when a new issue comes to the market for the first time, the price can sometimes drop before buyers are found.

5.6 ILLIQUID & NON-READILY REALISABLE INVESTMENTS

We may recommend to you an investment we believe is suitable, although it is, or may later become illiquid or not readily realisable. This means that it may be difficult to deal in the investment and/or difficult to assess its value. We will always use reasonable care to execute such a transaction on terms that are fair and reasonable to you. There is an extra risk of losing money when shares are bought in smaller companies, including 'penny shares'. The FSA defines a 'penny share' as a security where the bid-offer spread is 10% or more of the offer price. This means that there is a big difference between the selling and buying price of these shares and if you sell them immediately you may not get back the price you paid for them.

5.7 FOREIGN EXCHANGE INVESTMENTS

We may enter into transactions of investments denominated in foreign currencies other than the Pound Sterling used to value your portfolio. This may involve entering into foreign exchange transactions on your account in connection with the purchase and sale of such investments. This involves a risk that a movement in exchange rates between currencies may cause the value of, or income from, your investments to go down as well as up. We may not be able to deal in US investments (or other countries) until we have received separate signed documentation as required by the appropriate authorities.

5.8 UNIT TRUSTS AND OTHER COLLECTIVE INVESTMENT SCHEMES

Where we recommend to you, or arrange for you, to buy certain investments we are required to provide you with a key features document. These investments can be investment trust savings schemes or units in a collective investment scheme, e.g. a unit trust. The key features document will be provided to you before a written application is made or, where there is no written application, an oral explanation will be given and the key features document forwarded within 5 business days. The requirement will not apply to execution only transactions or if you agree it does not apply. Similarly, the requirement does not apply if you already hold the same investment and have previously received a key features document. For certain types of unit trusts or UCITS, a simplified prospectus may be available.

5.9 PLACINGS & NEW ISSUES

Placings of new shares issued by existing quoted companies are only open to professional clients. Should you wish to participate in placings and new issues, please discuss with your Investment Manager.

5.10 DISCLOSURE OF INTEREST

You may be responsible for disclosure to a company when your shareholding in that company reaches/exceeds/falls below certain threshold levels in accordance with the current legislation.

6. ACCOUNTS AND TRANSACTIONS

6.1 CLIENT ACCOUNTS

PSL shall open and maintain one or more account(s) on its books in your name in connection with the services to be provided by PSL under these terms. Any cash and investments delivered by you or held for your account shall be recorded in such account(s).

PSL may, in its absolute discretion, cease to provide any services under these terms and close any such account(s) maintained in your name. PSL will advise us of its decision and the reasons for its decision unless PSL is precluded from doing so owing to any legal or regulatory constraints.

6.2 SETTLEMENT OF TRANSACTIONS

All transactions resulting from the execution of orders will be due for settlement in accordance with market requirements and the relevant contract note or advice. You undertake to ensure that all investments and other documents of title and/or transfer forms that are required and or/any relevant cash balance are delivered, transferred or paid to PSL (or to PSL's order) in reasonably sufficient time on or before the contractual settlement date to enable PSL to settle the transaction and that all cash and investments held by, or transferred to PSL will be and remain free from any lien, charge or encumbrance. All payments due to PSL will be made without set-off, counterclaim or deduction.

You acknowledge that in settling transactions on your behalf, PSL is acting as agent on your behalf and that PSL will not be responsible for any default or failure on the part of any counterparty to a transaction or of any depository or transfer agent and delivery or payment will be at your entire risk.

You acknowledge that you shall not have any rights in respect of any cash or investments that are due to be received pursuant to a transaction and that PSL shall have no obligation to account to you for any such cash or investments until you have performed your obligations in relation to such transactions and PSL, as your agent, has been able to settle the transaction. PSL shall, without further notice to you, be entitled to sell or otherwise dispose of any such investments and apply any proceeds or any such cash received by PSL under a relevant settlement in discharge or reduction of any of your obligations in relation to such transactions.

You agree, in respect of any transaction which is the subject of a netting process as applied by a central counterparty (CCP), central securities depository or other securities settlement system (CSD) or other body in respect of any transaction entered into on your behalf, that you consent to the discharge of the settlement obligations arising from such transaction on a net basis in accordance with the rules and practices that CCP, CSD or other body.

Any transactions undertaken on your behalf on non-UK markets shall be subject to the rules of the relevant overseas exchange, clearing system or depository and any terms of the foreign agent or custodian employed by PSL, including but not limited to, any right of reversal of any transaction (including any delivery or redelivery of any investment and any payment) on the part of any such entity or person.

Where trades are settled by PSL, in accordance with arrangements agreed between Arjent and PSL such trades may settle in the books of a relevant CSD, other body or custodian together with trades for the account of other clients of Arjent. PSL will allocate cash or investments received by it or on its behalf as a result of such settlements in accordance with the client trades notified to it by Arjent. In the event that cash or investments for trades intended to settle at the same time (but which do not set up at the same time,) are received by PSL, PSL will allocate such cash or investments received by it on the following basis:

- i. In accordance with any priority for settlements as determined by PSL or by Arjent;
- ii. Where transactions have the same priority, on the basis of the earliest or the earlier in time, by reference to their intended settlement date (ISD) as specified to PSL by Arjent, such that the earlier transaction will settle first in each case;
- iii. In the case of transactions with a same priority and with the same ISD, by reference to the larger or largest trade by value, such that the larger trade by value (and not by number of units or size) will settle first in each case.;

In each case such allocations are subject to the operations of the relevant CSD or other body, custodian or CCP in each case and may be affected e.g. by the operation or by any netting rule or practice or any other operation, (such as e.g. auto splitting).

6.3 CLIENT MONEY

PSL shall hold any money it receives for your account in accordance with the FSA client asset rules (to the extent it is required to do so in accordance with such rules), which, inter alia, require PSL to hold your money in a client bank account segregated from PSL's own funds. PSL will exercise due skill, care and diligence in the selection, appointment and periodic review of any credit institution or bank (other than a central bank) where your money is deposited and for the arrangements for holding your money but PSL shall not be responsible for any acts, omissions or default of any such credit institution or bank.

Your money may be pooled with money belonging to other clients which means that you do not have a claim against a specific sum in a specific account; your claim is against the client money pool in general.

PSL may use a bank which is affiliated to PSL to hold client money on your behalf.

Any uninvested client money, i.e. money not immediately required to settle an investment transaction, will attract interest at the rate published in our website from time to time. Any interest due will be calculated on a daily basis and will be credited to your account every six months. PSL may not distribute interest amounts until they reach a minimum threshold amount agreed with us but such amounts will nevertheless be credited to your account.

You agree that PSL will cease to treat as client money any unclaimed balances after a period of six years and PSL has otherwise taken reasonable steps to trace you and return any balance to you. PSL will nevertheless make good any subsequent valid claim against such balances.

We or PSL may undertake a transaction for you that involves your money or investments being passed by us or PSL to any third party in connection with that transaction or to meet obligations to provide margin or collateral, including (but not exclusively) an exchange, clearing house, intermediate broker, settlement agent or OTC counterparty located either in the UK, or in a jurisdiction outside the United Kingdom, which may also be outside the EEA. In such circumstances your money or investments may be at risk in the event of the insolvency of such third party.

Where your money is held in a credit institution or bank outside the UK or EEA or your money or investments are passed to such a third party, the legal and regulatory regime applying to such person may be different to that of the United Kingdom or the EEA and your rights in relation to it may therefore differ, particularly in the event of a default of such person.

6.4 CUSTODY

Investments which are held by PSL for your account will be registered either:

- i. in your name where this has been requested by and agreed with you;
- ii. in the name of a nominee company controlled by PSL, a member of its group or by a recognised or designated investment exchange; or
- iii. in the name of a third party (or its nominee) selected by PSL in accordance with the FSA rules (an "Eligible Custodian").

If any investments are registered in your name, you will bear the risks and obligations in relation to such registration. PSL shall, where it has agreed to do so, administer any such investments in accordance with the provisions of these terms. Any bearer investments shall not be held by PSL, but may be held by an Eligible Custodian.

Overseas investments may be registered or recorded either in the name of PSL (and by agreeing in writing to these terms you consent to such registration) or in the name of an Eligible Custodian but only where PSL has taken reasonable steps to determine that it is in your best interests to do so or it is not feasible to do otherwise because of the nature of the applicable law and market practice. As a consequence of this, your investments may not be segregated from investments belonging to PSL or the relevant Eligible Custodian and therefore, your protection may be less should a default occur on the part of the person in whose name the investments belonging to you are so recorded because your investments will not necessarily be separately identifiable and may be subject to third party claims (including claims by general creditors) made against PSL or the relevant Eligible Custodian.

Investments belonging to you which are held overseas may in any event be subject to different settlement, legal and regulatory requirements than those that apply in the United Kingdom or the EEA and your rights in relation to them may therefore differ.

You acknowledge that any investments held with an Eligible Custodian or depositary may be subject under the applicable laws to a right of security, lien, set-off, retention or sale or other encumbrance in favour of such custodian or depositary.

Investments registered or recorded in the name of PSL or an Eligible Custodian or a relevant nominee company may be held in an omnibus account and/or will otherwise be pooled with those of one or more of our or PSL's other clients. Accordingly, your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register. In the event of an irreconcilable shortfall following any loss by or default of the custodian responsible for such pooled investments, you may not receive your full entitlement and may share in that shortfall pro-rata. 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 your investments been registered in your own name.

PSL uses a wide range of Eligible Custodians globally to hold your investments which may include an associate of PSL.

PSL will exercise due skill, care and diligence in the selection, appointment and periodic review of any Eligible Custodian and the arrangements for holding and safekeeping of your investments but PSL shall not be responsible for any acts, omissions or default of any such Eligible Custodian save where such a default is caused by negligence, fraud or wilful default on the part of PSL or its nominee company. Although PSL will seek to ensure that adequate arrangements are made to safeguard your ownership rights, especially in the event of its own insolvency, your investments may be at risk if an Eligible Custodian becomes insolvent.

All instructions regarding the administration of investments held by PSL on your behalf should be made in writing, to us, for onward transmission to PSL. We do not accept from, or send instructions to third parties, unless a valid power of attorney has been established for this purpose.

PSL will inform us of any rights issues, take-over offers, capital reorganisations, conversion or subscription rights that affect any investments that are held for your account by PSL or any Eligible Custodian as soon as reasonably practicable after receiving notice of those events.

PSL will be responsible for claiming and receiving dividends, interest payments and other entitlements accruing but is not responsible for taking any decisions in relation to any rights. We will be responsible for instructing PSL to:

- i. exercise conversion and subscription rights
- ii. deal with takeovers or other offers or capital reorganisations
- iii. exercise voting rights (where PSL exercises such rights)

The consequences of a failure on your part to provide instructions to us by the stated time once notification has been given are entirely your own responsibility.

Dividends, interest and other rights and payments may be received by PSL or any Eligible Custodian net of local withholding or similar taxes or deductions and PSL or any Eligible Custodian may, if required to do so to comply with legal or regulatory requirements, itself withhold or deduct tax or other amounts from dividend or interest payments received. You shall reimburse to PSL any costs incurred by PSL or any Eligible Custodian in complying with its obligations to apply withholdings or deductions. For the avoidance of doubt, responsibility for reclaiming amounts withheld or deducted shall remain with you and not PSL or any Eligible Custodian.

If PSL receives any investments for the account of more than one client, PSL may in accordance with FSA rules allocate such investments between clients on whatever basis it considers fair and reasonable in accordance with its allocation policy in force from time to time.

As your investments are held on a pooled basis, from time to time various amounts may arise in relation to your investments (for example, following certain corporate actions) that would not otherwise have arisen if the investments had been registered in your own name. You may not be entitled to any such additional amounts.

On an annual basis, PSL will provide you with a statement detailing any cash balances and all investments held on your behalf by PSL. The value of any investments held, as identified on the annual statement is calculated using the mid-market closing price at the close of business on the date of the valuation, except for futures and options which are calculated at bid and offer prices. Holdings are reported on a trade date basis.

PSL reserves the right to refuse to hold any investments on your behalf but PSL will advise of its decision to do so and the reasons for such decision unless precluded from doing so owing to any legal or regulatory constraints.

PSL may enter into arrangements for securities lending or financing transactions in relation to investments it holds for you or otherwise use such investments for its own account if you have entered into a separate specific agreement with PSL in relation to such use.

6.5 SECURITY AND DEFAULT

PSL reserves a right of retention with respect to all cash, securities or other assets of any description paid or delivered (or which are due to be paid or delivered) to PSL for your account and you confirm that all such cash, securities or other assets will be paid or delivered free and clear of any charge, lien or encumbrance and that you will not deal with any such cash, securities or other assets other than in accordance with these terms without PSL's prior consent.

In the event that PSL does not receive cash or securities from you when due (as shown in the relevant contract note or advice) or in the event of you not taking all such steps as may be necessary to secure the due and prompt settlement of any such transaction (or PSL reasonably considers that you have not or are unlikely to perform your obligations under these Terms), PSL may, inter alia, without further notice to you, enter into any other transaction or do or not do anything which would or could have the effect of reducing or eliminating liability under any transaction, position or commitment undertaken for you.

Where for whatever reason you or we are in default of obligations to PSL to make any payment of cash or delivery of securities or meet any other contractual obligations in respect of any transactions from your account, then:

- a. until such time as you or, as the case may be, we have, fully discharged the relevant obligations:
 - i. PSL shall have no obligation to account to you or any other person for any investments or cash received by PSL or any Eligible Custodian (or its nominee) for your account; and

- ii. neither you nor any other person shall have any right, title or interest in or to (including any charge, pledge, lien or other security interest) any investment or cash received by PSL or an Eligible Custodian (or its nominee) for your account;
- b. without any requirement to give any prior notice to you, us or any other person, PSL may:
 - i. sell or otherwise dispose for value any investments received by it or an Eligible Custodian for your account and apply the proceeds (net of costs) in discharge or reduction of the relevant obligations which are then due and payable, but unpaid; and
 - ii. apply any cash received by it or an Eligible Custodian for your account in discharge or reduction of the relevant obligations which are then due and payable, but unpaid, and shall pay to you any surplus that is not so applied;
- c. upon PSL exercising its rights under (b) above, PSL shall have no further obligation (and neither you nor we shall have any right to require PSL) to account to you or any other person for any investment or cash received by PSL or an Eligible Custodian (or its nominee) under the relevant settlement. Any provision that purports to create any charge, pledge, lien or other security interest in or to investments or cash received by PSL or an Eligible Custodian (or its nominee) under a relevant settlement shall be disapplied and be of no effect in relation to any such investments or cash. If the proceeds of such cash or investments are insufficient to cover the whole of your liabilities you will remain liable to PSL for the balance;
- d. PSL's rights contained in this clause are created by way of reservation by PSL under its right, title and interest in and to investments and cash received by it (or its nominee on behalf of PSL) as being for your account and not by way of grant by you or any person; and accordingly, nothing in this clause is intended to, or shall, create any charge, pledge, lien or other security interest by you or any other person in favour of PSL in or to any such investments or cash;

- e. however the rights reserved to PSL by this clause are cumulative with PSL's rights to assert any general lien or set-off against securities, cash or other assets (including documents of a title) held by or to the order of PSL for you a continuing security for (a) all sums that become due from you or from us (so far as they relate to any transaction for your account) to PSL; and (b) the performance of any other obligation owed by you or by us (in so far as it relates to any transaction for your account) to PSL.

You hereby authorise PSL to set-off, transfer or apply (without prior notice) any indebtedness, liabilities or obligations of PSL to you in or towards the satisfaction of any indebtedness, liabilities or obligations or any sum that is due from you to PSL in any respect whatsoever (whether or not expressed in the same currency and including, without limitation, any payment of fees or charges due to PSL and payments pursuant to any indemnity).

In exercising any right or remedy pursuant to these Terms, PSL is authorised to effect such currency conversions and enter into such foreign exchange transactions with, or on behalf of you, at such rates and in such manner as PSL may, in its absolute discretion, determine. You acknowledge and accept that in exercising any right or remedy pursuant to these terms PSL will be acting on its own behalf rather than executing your orders and will not be liable to you in respect of any choice made in selecting the investments sold.

7. INVESTMENT CONDITIONS

7.1 INVESTMENT LIMITS

Unless otherwise agreed, you may only invest up to a limit of the amount held in your deposit account plus any sums from sales due for settlement prior to the purchase settlement day. If a purchase puts your account in breach of this limit, we reserve the right to reverse the relevant purchase in its entirety without notice. Sales proceeds and purchase considerations will be applied to your account and you will be liable for any resulting losses and costs.

7.2 EXTENDED SETTLEMENT

It is often possible to buy or sell for extended settlement, up to and between 10 and 25 days ahead. If, at our discretion, you make a purchase for extended settlement we reserve the right at any time to request payment in advance of the settlement date. If you fail to provide such payment within two business days we reserve the right to close the position with liability for any outstanding costs and payments lying with you. We will, wherever possible, but without any obligation use our best endeavours to contact you in advance of closing out such open positions in order that you can make alternative arrangements.

7.3 ROLLOVERS

Under the rules of the London Stock Exchange, we are only permitted to rollover settlement of a trade once. We reserve the right to refuse to do this and you will be liable for any fees or costs incurred from the original transaction and these will be due to us by the original settlement date.

7.4 SHORT SELLING

We do not permit short selling. A short position may arise if you sell investments which you do not own, have the authority to sell or cannot deliver in a timely manner. We may not sell any investments if we reasonably believe that the sale may result in a short position and you should not knowingly instruct us to do so. We reserve the right to buy stock to cover the shortfall and you will be liable for any expenses incurred.

8. OUR FEES

8.1 OUR FEES

Our charges will be in accordance with our published rate card in effect at the time the charges are incurred. We reserve the right to vary our charges at any time by giving you 30 days' notice and taking reasonable steps to notify you of any alterations. In addition to our charges, you will pay for any taxes, charges, and levies incurred by us dealing on your behalf. This will also include any charges for non-nominee services such as re-registration of nominee holdings into your own name. If we have shared any dealing charge or commission with a third party, this will be indicated on the relevant contract note.

Any fees or charges payable by you in relation to the services provided by PSL and taxes payable via PSL will be set out in our charging schedule as notified to you from time to time. PSL is entitled to pay such charges out of assets and money held for you or by set off under Security and Default clause or to require you to pay them direct to it or via us. You may be liable for other taxes or charges not payable via PSL.

8.2 INDUCEMENTS

We do not normally pay or receive fees, commissions or non-monetary benefits, unless they fall within the following exceptions:

- a. A fee, commission or non-monetary benefit paid or provided to or by a client or a person on behalf of a client;
- b. A fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of the third party, if:
 - i. the payment of the fee or commission, or the provision of the non-monetary benefit does not impair compliance with our duty to act in the best interests of the client;
 - ii. the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount, is clearly disclosed to the relevant client, in a manner that is comprehensive, accurate and understandable, prior to the provision of the service; and
 - iii. the payment of the fee or commission, or the provision of the non-monetary benefit, is designed to enhance the quality of the service to the client; or
- c. Proper fees which enable or are necessary for the provision of our services, such as custody costs, settlement and exchange fees, regulatory levies or legal fee, and which, by their nature, cannot give rise to conflicts with our duties to act honestly, fairly and professionally in accordance with the best interests of the client.

9. OTHER INFORMATION

9.1 ANTI-MONEY LAUNDERING & FRAUD PREVENTION

Anti-money laundering regulations require all financial institutions to verify the identity of their clients. Accordingly, we require you to provide us with evidence of your identity and permanent address prior to opening an account. Additional requirements will apply to Corporate and Trust clients. From time to time, we may ask for further information from you in order to fulfil our obligations under the anti-Money Laundering Regulations. We may also verify your details with fraud prevention and credit reference agencies.

If your identity, or any other parties for whom we are obliged to seek identity, cannot be verified we may not carry out further instructions from you and settlement may be withheld. Arjent accepts no liability in respect of losses incurred in such circumstances.

9.2 MARKET ABUSE

You agree that you will not deliberately, by negligent act or by omission commit or engage in market abuse. Market Abuse is defined in s.118 of the Financial Services and Markets Act (2000). Market Abuse is a civil offence for which you can be subject to a fine and ordered to pay unlimited restitution.

9.3 JOINT ACCOUNTS

Where accounts are set up in joint names, you agree that each account holder is jointly and severally liable. We may assume dealing instructions from one holder of a joint account or one trustee of a trustee account will be given on behalf of or with the knowledge of all holders or trustees of the account. Unless and until we receive written notice signed by all of you, withdrawing or varying your instructions, any action taken by us in complying with those instructions will be binding on you all. Instructions such as to change address, bank details or to close the account must be in writing and be signed by all of the holders or trustees. In the event of the death of one holder or a trustee, you should inform us as soon as possible. Unless you inform us to the contrary all assets will be held for holders as joint tenants, owning the holdings jointly. On the death of one holder, the assets will automatically pass to the remaining holder(s) who will become sole owner.

9.4 INVESTMENT CLUBS

Investment clubs should ensure that they are constituted in accordance with the ProShare approved investment manual or have taken legal advice in producing their own constitution. A letter of authorisation must be drawn up by all the members of the club nominating a member for communication purposes. A further member should be nominated for giving dealing instructions; this can be the same member. You remain responsible for informing us when any of the members or nominated persons change and for forwarding us a new letter of authority.

9.5 DATA PROTECTION

As a data controller acting under the provisions of the Data Protection Act (1998) we will process information we receive and hold about you lawfully and fairly. You authorise us to maintain such details as necessary to act on your behalf, to transmit your data to parties outside the EEA if our services relate to overseas investments and to use them to inform you of other services offered by us.

PSL may use, store or otherwise process personal information provided by you or us in connection with the provision of the services for the purposes of providing the services, administering your account or for purposes ancillary thereto, including, without limitation, for the purposes of credit enquiries or assessments. In the UK, PSL operates, and has made all appropriate notifications in accordance with, applicable data protection legislation.

The information we and PSL hold about you is confidential and will not be used for any purpose other than in connection with the provision of the services. Information of a confidential nature will be treated as such provided that such information is not already in the public domain. PSL will only disclose your information to third parties in the following circumstances:

- i. Where required by law or if requested by any regulatory authority or exchange having control or jurisdiction over us or PSL (or any respective associate);
- ii. To investigate or prevent fraud or other illegal activity;
- iii. In connection with the provision of services to you by us or PSL;

- iv. For purposes ancillary to the provision of the services or the administration of your account, including, without limitation, for the purposes of credit enquiries or assessments;
- v. If it is in the public interest to disclose such information; or
- vi. At your request or with your consent. This is of course subject to the proviso that PSL may disclose your information to certain permitted third parties, such as members of its own group and its professional advisors who are bound by confidentiality codes.

We and PSL do not sell, rent or trade your personal information to third parties for marketing purposes without your express consent.

Please be advised that, by signing or otherwise consenting to this agreement, you agree that PSL may send your information internationally including to countries outside the EEA, including the United States of America. Some of these jurisdictions offer differing levels of protection of personal information, not all of which may be as high as the UK. However, PSL will always take steps to ensure that your information is used by third parties in accordance with its policy from time to time.

In accordance with data protection laws you are entitled to a copy of the information PSL hold about you. In the first instance, you should direct any such request to us and we will pass your request on to PSL. PSL is entitled by law to charge a fee of £10 to meet its costs in providing you with details of the information PSL holds about you. You should let us know if you think any information PSL holds about you is inaccurate and we will ask PSL to correct it.

9.6 COMPLAINTS

All complaints should be directed in the first instance to our Compliance Officer who will carry out a full review of the matter in line with our internal procedures, copies of which are available on request. Our aim is to handle your complaint fairly. If however, your complaint concerns an aspect of the service provided to you by PSL and you wish to copy your complaint to PSL directly, copies should be sent to:

The Compliance Officer
 Pershing Securities Limited
 One Clove Crescent
 East India Dock
 London E14 2BH

We and PSL will endeavour to resolve your complaint as quickly as possible, but in any event, will acknowledge receipt of your letter within five business days. The acknowledgement will include a full copy of our or PSL's internal complaints handling procedure. Upon resolution of your complaint, we or PSL will send you a final response letter, which sets out the nature of that resolution and any applicable remedy. If for any reason you are dissatisfied with our or PSL's final response, please note that you may be entitled to refer your complaint to the Financial Ombudsman Service (www.financial-ombudsman.org.uk). A leaflet detailing the procedure is provided in our or PSL's final response.

9.7 INVESTOR COMPENSATION

Arjent and PSL are covered by the UK Financial Services Compensation Scheme (applicable to UK residents only). Compensation may be available from that scheme if PSL cannot meet its obligations to you. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of up to £50,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme www.fscs.org.uk

9.8 DEFAULT PROVISIONS & POWER OF SALE

You are required to settle all accounts promptly and in accordance with our settlement procedures. If you fail to pay us any amount due to us on the due date and in the manner required, we reserve the right to take the following action, which may include:

- charging interest on overdue accounts at the rate of 10% over LIBOR;
- realising assets by selling stock held by you with PSL;
- retaining funds due to you in order to offset outstanding liabilities; and/or
- charging you for any legal and other expenses incurred by us in recovery of outstanding liabilities.

From time to time, we may have to sell or transfer a stock without your consent; for example following a change to non-qualifying status for a stock in a PEP or ISA.

9.9 CHANGES

You agree to inform us immediately of any changes to personal circumstances that may affect the advice and services we provide you. This includes changes to personal details, such as the address we use for correspondence. We will not be liable for any losses you may suffer where we have not been informed of changes.

We reserve the right to amend these terms and conditions at any time by detailing such changes in a written notice to you. Also PSL reserves the right to alter these terms at any time, upon giving prior notice to us unless it is impracticable in the circumstances to give such notice.

9.10 TERMINATION

You may instruct us to close your account by giving us immediate written notice. This will not effect any outstanding order or transaction or any legal rights or obligations already incurred. You are required to settle any outstanding transactions, pay any fees or commissions and expenses incurred to the date of termination. This may include a charge for transferring investments held in PSL's nominee to your own name.

We reserve the right to terminate your agreement with us by giving you immediate written notice. Where you have not traded on an account for over 12 months and we are not holding investments or cash on your behalf we reserve the right to suspend or close your account without prior notification.

9.11 LIMITATION OF LIABILITY/INDEMNITY

You agree to indemnify us and any persons connected with us against any expense, charge or liability incurred by us under these terms and conditions except in the case of negligence, fraud or wilful misconduct by us or a person connected to us. This shall not exclude or restrict any duty or liability which we have to you under the rules of the FSA.

You agree that at all times your portfolio will be free of charge, lien, pledge or encumbrance, except as otherwise notified to us in writing or created by us. You agree that you have the necessary authority to enter into these terms and conditions and that any orders or instructions that you give us are, and will be, binding on you.

Neither PSL, nor any of its directors, employees or agents, shall be liable for any loss or damage sustained by you as a direct or indirect result of the provision by PSL of its services, save that nothing in these terms shall exclude or restrict any liability of PSL resulting from the negligence, fraud or wilful default of PSL or any contravention by PSL of the FSA Rules. PSL shall not, in any event, be liable for any indirect or consequential loss (including any loss of profit), or for any losses that arise from any damage to your business or reputation.

You undertake to indemnify PSL and each of its directors, employees and agents ("Indemnified Persons") on an after-tax basis, against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than our corporation tax) which are caused by:

- i. the provision by PSL of its services to you;
- ii. any material breach by you of any of these terms;
- iii. any default or failure by you in performing your obligations to make delivery or payment when due; or
- iv. any defect in title or any fraud or forgery in relation to any investments delivered to PSL by or on your behalf or in relation to any instrument of transfer in relation to such investments (including any electronic instruction) purporting to transfer such investments.

PSL shall not be entitled to be indemnified against the consequences to PSL of its own negligence or wilful default or any contravention by PSL of any provision of FSA rules.

PSL shall have no liability for any circumstance or failure to provide any of the services if such circumstance or failure results wholly or partly from any event or state of affairs beyond PSL's reasonable control (including, without limitation, any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action, the suspension or limitation of trading by any exchange or clearing house or any fire, flood or other natural disaster) and, in such circumstances, any of PSL's obligations shall be suspended pending resolution of the event or state of affairs in question.

You acknowledge and agree in connection with any net settlement as provided for in Clause 6 that PSL shall have no obligation to account to you other than to account for investments or cash received by it from any relevant CCP, CSD, custodian or their respective agents the cash and or investments (as the case may be) corresponding to the transactions relevant to the net settlement entered on your behalf and subject to such netting. In addition, you further agree and acknowledge that PSL shall have no liability to you in connection with the exercise by any CCP, CSD, custodian or their respective agents of any Power of Attorney or equivalent right or power which they may exercise in respect of any settlement account operated by or on behalf of PSL in connection with the settlement of any transaction.

The provisions of this clause shall continue to apply notwithstanding the fact that we or PSL cease to provide services and shall be in addition to any other right of indemnity or claim of any Indemnified Person whether pursuant to these terms or otherwise and shall not be affected by any forbearance, whether as to payment, time, performance or otherwise.

9.12 FORCE MAJEURE

We will not be liable for any claim, loss, damage expense or costs resulting from any cause beyond our control, including any act of God, fire, act of Government or state, war, civil commotion, act or terrorism, inability to communicate with market makers or failure of computer systems.

9.13 GENERAL

PSL's obligations to you shall be limited to those set out in these terms and PSL shall, in particular, not owe any wider duties of a fiduciary nature to you.

No third party shall be entitled to enforce these terms in any circumstances.

Any failure by PSL (whether continued or not) to insist upon strict compliance with any of these terms shall not constitute nor be deemed to constitute a waiver by PSL of any of its rights or remedies. The rights and remedies conferred upon PSL shall be cumulative and the exercise or waiver of any part thereof shall not preclude or inhibit the exercise by PSL of any other additional rights and remedies.

These terms shall be governed by English law and you hereby irrevocably submit for the benefit of PSL to the non-exclusive jurisdiction of the courts of England.

10. RISK WARNINGS

10.1 FLUCTUATIONS AND PAST PERFORMANCE

The price of investments will usually depend on fluctuations in financial markets outside of our or your control. The past performance of an investment does not guarantee future performance. When you make an investment, you are not certain to make a profit and may make a loss. You may not get back the full amount of the sum you invest and it is possible that you may lose the entire sum you invest.

10.2 DIVIDEND OR OTHER INCOME

In many cases the income produced by an investment is not fixed and may fluctuate. Some investments may yield no income return because of the nature of the investment or as a result of its performance.

10.3 TRANSACTIONS AWAY FROM REGULATED MARKETS

Certain stock exchanges or investment exchanges in the European Economic Area are designated as Regulated Markets or as Multilateral Trading Facilities. Investments bought or sold on such markets are subject to a regulatory regime imposed by EU directives. If investments are bought or sold away from such markets, the same degree of regulatory protection may not be available. This may, under certain circumstances, operate to increase the degree of settlement risk to which you are exposed.

10.4 LEVERAGE

The price of certain investments is derived from the price of an underlying investment. The use of gearing in relation to such derivative investments can magnify the gains or losses in the underlying investment. Such investments are therefore more volatile.

For further information

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