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PORTFOLIO MANAGEMENT AGREEMENT INCLUDING TERMS AND CONDITIONS OF BUSINESS

1) NAME AND ADDRESS

2) INITIAL TOTAL VALUE

3) SERVICE(S) REQUIRED – Discretionary Portfolio Management

4) ATTITUDE TO INVESTMENT RISK: (See page 9) Risk Grade

5) INVESTMENT OBJECTIVES:

6) SPECIFIC REQUIREMENTS & LIMITATIONS

7) REGISTRATION – A J BELL Nominee Service (See Page 4)

8) FEES PAYABLE: 1.5% per annum + VAT (if applicable) of the value of the portfolio, payable quarterly in arrears each march, june, september and december and deducted automatically from the portfolio.

TERMS & CONDITIONS OF BUSINESS

Charteris Treasury Portfolio Managers Ltd (CTPM) 8/9, Lovat Lane, London EC3R 8DW is regulated by the Financial Services Authority (FSA). CTPM are authorised to manage investments and to arrange and effect transactions relating to life assurance, pensions, individual savings accounts (ISA's), investment trust savings schemes, authorised unit trusts, collective investment schemes, advisory management and discretionary management services. These terms and conditions of business are effective from the date of signature by both parties to this agreement.

We keep records of our business transactions for: six years, where they relate to a life policy, pension contract or stakeholder pension scheme; indefinitely, in the case of pension transfer, pension opt-out or free standing additional voluntary contributions (FSAVC); five years for MiFID or equivalent business and for three years in any other case. You have a right to request copies of contract notes, vouchers and entries in our books or computerised records relating to your transactions.

If you should have any complaint you should contact the Compliance Officer at Charteris Treasury Portfolio Managers Limited, 8-9 Lovat Lane, London, EC3R 8DW. Our Complaints Procedure Policy is available on request. Should you be dissatisfied with the outcome of our investigation, you may refer your complaint to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR. Your right to take legal proceedings against the company will not be prejudiced by doing this. You will be classified as a Retail client (which affords the highest level of consumer protection), but you have the right to request another classification.

If you make a valid claim against this firm and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme; which we will send you at your request. Further information is available from the FSA, 25 The North Colonnade, London, E14 5HS. The firm maintains Professional Indemnity insurance, providing additional protection.

PORTFOLIO MANAGEMENT SERVICES

DISCRETIONARY SERVICES

A discretionary agreement enables CTPM to take action on the portfolio in line with the Risk Grade chosen by the client as it feels appropriate and without reference to the client. All transactions are carried out with regard to the client's specific requirements, objectives and limitations, but the prior approval of the client is not sought for each individual transaction. Contract notes in respect of deals are ordinarily forwarded to discretionary clients, unless you elect not to receive them.

A discretionary agreement allows CTPM to carry out transactions more rapidly, where necessary. In addition, transactions may be effected more cost effectively by combining transactions with those of other clients. In ordinary circumstances, this can have a beneficial effect on the portfolio and, in certain cases, can allow rapid changes to the portfolio when circumstances dictate. The inability of the firm to contact the client does not, therefore, necessarily prejudice the portfolio.

Because discretionary management involves CTPM in less administration, additional services such as income tax and capital gains tax reporting and planning, production of tax certificates, etc, can often be provided without additional cost.

The discretionary service is suitable for investors who wish their portfolio to be managed by a professional company in the most effective manner. It is particularly important for investors who may not be contactable by CTPM for an extended period.

FEES

We charge an annual ad valorem fee for our portfolio management services, which is charged half yearly or quarterly and is agreed at the time you sign our investment management agreement. In addition we levy a dealing charge to cover transaction costs. Depending on the nature of the transaction and investments, this charge may range ordinarily between 0.5% and 0.75%

Where client money is held in the name of CTPM or its nominee company, the client authorises us to deduct those fees due without further reference to the client. A statement will be provided to the client. In all other cases the client will be invoiced by the firm and fees are payable within fourteen days of notification. All fees, as applicable, are subject to Value Added Tax. Any investments of the client, which are managed, but for which fees are not charged, are separately laid out in the client agreement.

Where a client cancels the service within 6 months of the commencement of fees being charged, then a minimum charge equivalent to 6 months worth of fees will be payable, calculated using the initial portfolio value.

REPORTING

Under all services, we will normally provide a six monthly report (although you may request to receive reports quarterly) showing current investments, the holdings in each, the current value, and the change in value since purchase. Investments will be valued with reference to pricing information from reputable, third-party providers. A separate schedule of all acquisitions and disposals since the last report is included. For nominee investments where a cash account is held, a schedule of all receipts and disposals of income together with appropriate tax figures and a breakdown of all movements of cash within the account is provided. The annual reports for nominee holdings include a consolidated tax certificate giving details of tax paid on all investments. Further information can be provided on request. We will establish an appropriate method of evaluation and comparison such as a meaningful benchmark. You may request or choose durable mediums, other than paper, for the purpose of communications (which will be in the English language) with/ from you.

Reports are normally issued, and fees become due, during each April and October, with the April valuations falling as close as possible to the financial year-end. However other charging periods may be agreed with the client. ISA reports are provided ordinarily in January and July.

INVESTMENT

We may invest in a range of investment types in your portfolio, including: equities, bonds, managed regulated funds etc, in accordance with the risk parameters set by the client.

We will not commit a client to any investment beyond the amount of cash and securities placed by the client in our control. Any transactions will ordinarily only be carried out when the client's cash and/or securities have been cleared by our bankers or custodians.

REGISTRATION DETAILS - NOMINEE REGISTRATION

Charteris have appointed A J BELL securities Ltd to act as Custodian for your investments. AJ Bell is one of the largest Independent Custodians and Trustee companies in the UK.

1. YOUR RELATIONSHIP WITH A J BELL SECURITIES LIMITED

- 1.1 A J Bell Securities Limited (AJBS) has agreed to provide clearing and settlement, safe custody and associated services for our clients. This means that you have an agreement with AJBS. This schedule sets out the terms of that agreement.
- 1.2 You can cancel your agreement with AJBS within 14 days by writing to us. You cannot cancel any trades carried out for you before the agreement is cancelled.
- 1.3 AJBS is incorporated in England, company number 2723420. Its registered office is at Trafford House, Chester Road, Manchester M32 0RS. AJBS is authorised and regulated by the Financial Services Authority (**FSA**) (Firm Registration Number 155593) whose address is 25, The North Colonnade, Canary Wharf, London E14 5HS.
- 1.4 You authorise us to give instructions and provide information about you to AJBS and AJBS is entitled to rely on these instructions or information.
- 1.5 You authorise AJBS to hold cash and investments on your behalf and to transfer cash or investments from your account to meet your settlement or other obligations to AJBS.
- 1.6 AJBS does not provide investment advice. We are solely responsible for ensuring that investments are suitable for you.
- 1.7 AJBS will categorise you as a retail client under the FSA rules. This gives you the highest level of protection.

2. CAPACITY

- 2.1 If you are joint account holders, you are jointly and severally liable to AJBS. If AJBS has an obligation to make a payment to all account holders, it can discharge that obligation by making the payment to any one or more of you.
- 2.2 If you are the trustees of a trust, AJBS will regard you (as opposed to the beneficiary of the trust) as its client and you will be jointly and severally liable to AJBS.
- 2.3 All the partners of any partnership which is AJBS's client are jointly and severally liable to AJBS.

3. GIVING INSTRUCTIONS TO AJBS

- 3.1 AJBS will only accept instructions concerning your account(s) from us and not directly from you.
- 3.2 If AJBS receives an instruction which it believes in good faith to have been given by us or our agents, AJBS is entitled to rely and act upon it.
- 3.3 If we fail to respond to a request from AJBS within a reasonable time, AJBS reserves the right to take such action as it considers appropriate.
- 3.4 AJBS is not responsible for any delays or inaccuracies in the transmission of any instructions or other information due to any cause outside AJBS's reasonable control.

- 3.5 AJBS may refuse to accept any order or other instruction for your account(s). AJBS may advise us of the reason for its decision unless prevented from doing so by law, court order or instruction by a Regulatory Authority.
- 3.6 You should direct all enquiries regarding your account to us and not to AJBS.
- 3.7 Any communications and all contractual terms and conditions between you, us and/or AJBS shall be in English.

4. DEALING AND SETTLEMENT

- 4.1 AJBS will be responsible for executing orders as instructed by us on your behalf.
- 4.2 For this purpose we, rather than you, shall be AJBS's client for the purposes of the FSA Rules.
- 4.3 When AJBS settles trades, it is acting as your agent and is not responsible for any default or failure by any counterparty to a transaction or by any depository or transfer agent.

5. YOUR MONEY AND ASSETS

- 5.1 Any money (in any currency) received by AJBS for your account will be held by AJBS in trust in accordance with the FSA Client Money rules. Client Money will be held in a pooled general Client Money bank account with an approved bank.
- 5.2 If there is a shortfall in the pooled Client Money account following a default of an approved bank or any third party holding money on your behalf, you may not receive your full entitlement and may share in any shortfall on a pro rata basis.
- 5.3 You will receive interest on your money at such rate as may be specified from time to time. It will be credited to your account at least every 3 months.
- 5.4 Your investments will be held in a pooled account in the name of AJBS's nominee or by a third party custodian to AJBS's order.
- 5.5 AJBS may also appoint agents, sub-nominees and sub-custodians, to hold your investments. AJBS will exercise reasonable care in the selection of agents, sub-nominees and sub-custodians and will carry out a risk assessment in accordance with the FSA Rules. AJBS will be responsible for the acts and omissions of its nominee, but in the absence of fraud or wilful default, AJBS will not be responsible for the default of any sub-nominee, custodian, sub-custodian, securities depository, intermediate broker or agent, clearing or settlement system or participant in such a system.
- 5.6 Your money and investments may be held outside the European Economic Area (EEA). Different laws and regulations apply in such jurisdictions, which means that your rights will be different, for example on the default of a bank or a custodian.

6. SECURITY AND DEFAULT

- 6.1 You confirm that all your cash, investments or other assets that you deposit or hold with AJBS are free of any charge, lien or encumbrance.
- 6.2 If you do not meet your obligations, AJBS may, without giving you notice, sell or dispose of any of your investments and apply the proceeds (net of costs) to reduce your unpaid obligations.

7. LIABILITY AND INDEMNITY

- 7.1 Neither AJBS, 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 AJBS of its services.
- 7.2 You indemnify AJBS and each of its directors, employees and agents against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes which are caused by your failure to comply with the terms of this agreement.
- 7.3 AJBS is not entitled to be indemnified against the consequences to it of its breaches of regulatory obligations, or of its own negligence, fraud or wilful default.
- 7.4 AJBS will not be responsible or liable for any failure to provide the services under this agreement if such failure is due to circumstances beyond AJBS's reasonable control.
- 7.5 The provisions in relation to Liability and Indemnity will continue to apply after AJBS has ceased to provide the services and are in addition to any other rights of indemnity or claim that exist.

8. CHARGES

- 8.1 Any fees or charges payable by you in relation to the services provided by AJBS and taxes payable via AJBS will be set out in our charging schedule as notified to you from time to time. AJBS is entitled to pay such charges out of assets and money held for you. You may be liable for other taxes or charges not payable via AJBS.

9. CONFLICTS OF INTEREST

- 9.1 AJBS may receive payments from fund managers based on the value of assets that AJBS holds in custody for its clients.
- 9.2 AJBS has adopted conflict of interest policies in accordance with the FSA's requirement for authorised firms to look after the interests of their clients, treat them fairly and manage conflicts of interest fairly. Further details are available on request.

10. DATA PROTECTION AND CONFIDENTIALITY OF INFORMATION

- 10.1 AJBS may use, store or otherwise process your personal information provided by you or us for the purposes of providing the services.
- 10.2 The information AJBS hold about you is confidential and will not be used for any purpose other than providing the services. AJBS will only disclose your information to third parties where it is required to do so by law or by a regulatory authority or if it is deemed to be in the public interest.
- 10.3 You agree that AJBS may send your information 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, AJBS will always take steps to ensure that your information is used by third parties in accordance with its policy.
- 10.4 Under data protection law you are entitled to a copy of the information AJBS hold about you. You should send your request to us and we will pass your request on to AJBS. AJBS is entitled by law to charge a fee of £10 to meet its costs in providing this information.

11. COMPLAINTS

- 11.1 If you wish to complain about AJBS' services, contact us and we will liaise with AJBS to resolve your complaint. If your complaint is not resolved to your satisfaction, you will have the right to refer it to the Financial Ombudsman Service, whose address is South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

12. INVESTOR COMPENSATION

- 12.1 AJBS is covered by the UK Financial Services Compensation Scheme. Compensation may be available from that scheme if AJBS cannot meet its obligations to you. Most types of investment business are covered for 100% of the first £50,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.

13. RIGHT OF AJBS TO AMEND THIS CONTRACT

- 13.1 You agree that AJBS has the right to alter the terms of this agreement at any time, giving 28 days notice to us, unless it is impracticable to do so.

14. GENERAL

- 14.1 AJBS's obligations to you will be limited to those set out in these terms and AJBS will, in particular, not owe any wider duties of a fiduciary nature to you.
- 14.2 No third party will be entitled to enforce these terms in any circumstances.
- 14.3 This agreement is governed by English law and any dispute relating to it will be dealt with in the English courts.

CHARTERIS LIABILITY

Our main purpose is to achieve your investment aims and objectives and we use all reasonable endeavours to achieve those objectives. However, no warranty is given by us as to the performance or profitability of any investments and other monies held or acquired for the account or the portfolio and 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 however arising, unless such loss or decline is due to our wilful default or negligence. We will not be liable for any errors of fact or judgement or for any action lawfully taken or omitted to be taken by us, howsoever arising, unless such errors are due to our wilful default or negligence. We carry, as legally required, a comprehensive policy of insurance for Professional Indemnity and Fidelity, which is available for inspection and we are bound by the Financial Ombudsman Service rules.

TERMINATION OF AGREEMENT

This agreement may be terminated at any time by either party, giving notice in writing. There shall not be any penalty in terminating the agreement but settlement will be made for any transactions entered into before termination and a due proportion of any periodic payments for services. After termination of the agreement we will not execute any further transactions except at your specific request. If we wish to terminate this agreement, we will ordinarily give one month's notice in writing.

BEST EXECUTION

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

We will take into consideration a range of different factors which include not just price, but which may also include such other factors as the cost of the transaction, the need for timely execution, the liquidity of the market (which may make it difficult to *even* execute an order), the size of the order and the nature of the financial transaction including whether it is executed on a regulated market. In the absence of express instructions from you, we will exercise our own discretion in determining the factors that we need to take into account for the purpose of providing you with "best execution".

Our commitment to provide you with "best execution" does not mean that we owe any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

Our policy, in providing you with best execution, is, so far as possible to exercise the same standards and operate the same processes across all the different markets and financial instruments on which we execute your orders. However, the diversity in those markets and instruments and the kind of orders that you may place with us mean that different factors will have to be taken into account when we assess the nature of our execution policy in the context of different instruments and different markets. In some markets, price volatility may mean that the timeliness of execution is a priority, whereas, in other markets that have low liquidity, the fact of execution may itself constitute best execution.

N.B. if you provide us with specific instructions this may prevent us from taking the steps set out in our policy to obtain the best possible result for the execution of your order in respect of the elements covered by those instructions. Executing your order in accordance with your instructions satisfies our obligation to take reasonable steps to obtain the best possible result for the execution of your order.

CONFLICTS OF INTEREST

In accordance with the FSA Principles, CTPM must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client. We may do this by maintaining separation of activities, restricting activities, fully disclosing conflicts to clients and obtaining their informed consent, or in some cases, by declining to undertake business.

Charteris Treasury's Investment Risk Grades

The client is required to select a risk grade for your investments. It is important that you tell us the average risk grade that should apply across your portfolio. Please insert the appropriate number on page 1 of the Portfolio Management Agreement.

- 1 I do not need my portfolio to take risks at all. Whilst I would like some growth or income, this should not be achieved by exposing the investments to any risk. I realise that returns will be very limited.
- 2 I want my investments to grow by more than I can achieve on deposit, however, I am only prepared to take minimal investment risks. I understand that the returns may not be great and may not always exceed that of deposit-based holdings.
- 3 I want my portfolio to benefit from partial exposure to stock markets. I would like a cautious approach and expect an average of 30% in equity-based investments and the remainder in more secure areas. I do not expect significant returns from the portfolio.
- 4 I can invest for several years and want to benefit from stock market exposure. I am relatively cautious and do not expect all of my investments to be held in volatile areas. An average of 40% exposure to equity-based investments would be acceptable.
- 5 I am a medium to long-term investor and I would like my portfolio to have a substantial exposure, when the managers deem appropriate, to stock markets. From time to time this may allow 60% of my funds to be in equity-based holdings, although I would like an element of caution to try and ensure that I do not suffer too greatly in times of market weakness.
- 6 I wish my portfolio to be invested mainly in equity markets. I understand that the portfolio is likely to exhibit volatility but I can either invest for the long term, or am prepared, or can afford to accept these risks in order to seek greater growth or income.
- 7 I am seeking a good level of growth or income from the equity markets. I am comfortable with all of my funds being invested in potentially volatile investments in order to seek the best long term returns.
- 8 I consider myself an experienced investor and am seeking strong returns from my portfolio. I am comfortable with stock market investment and would be happy for the manager to include particularly aggressive investments when it is felt suitable.
- 9 I would like an aggressive portfolio, seeking strong growth over both the short and long term. I am happy for the portfolio to be actively and frequently traded in seeking opportunities which may be of substantially greater volatility than usual. I appreciate that the returns will be highly speculative and the chance of losses are great.
- 10 I would like a very aggressively managed portfolio and give the managers complete freedom to invest as they choose. I expect frequent trading and high volatility in the value of individual holdings and the portfolio as a whole. In chasing exceptional returns, I understand the chances of loss are great.

Your Investment Risk Grade can be changed at any time by mutual consent to be confirmed in writing.

I acknowledge that I have been made aware of and accept the nature, policy and processes which Charteris Treasury Portfolio Managers Ltd has in place for providing best execution. Charteris Treasury Portfolio Managers Ltd shall have full discretion to choose a relevant vehicle for executing any order or order, taking into account all relevant factors in order to achieve the best possible result.

I confirm that I have read and agree to the Terms and Conditions of Business and the Portfolio Management Agreement.

Signed

Date

(Client)

Signed.....

Date.....

(For and on Behalf of Charteris Treasury Portfolio Managers Ltd)

Authorised and Regulated by the Financial Services Authority