



The Seneca Inheritance Tax Service (SITS)

INDIVIDUAL INVESTORS APPLICATION FORM

Application Instructions

Applicants

Applicants should read the Investor Agreement and complete the Application Form, signing on page 7.

You will receive written confirmation of acceptance of your application to the address detailed in section 1 on page 3.

Authorised Financial Advisers

Authorised Financial Advisers should complete sections 5 and 6, signing on page 8.

Joint Applications

Joint applications are not permitted; spouses should make separate applications.

Applications from Representatives

Please complete the form with the details of the Investor and signed by the Representative. Please include a copy of the power of attorney or court order certified in accordance with the instructions on page 8. Each Representative will also need to include the appropriate Anti-Money Laundering documentation as listed on page 9 for all the Representatives and the Investor.

For Trustee Applications

A separate Application Form for Trusts will be provided upon request.

Address for Applications

Applications must be received with Anti-Money Laundering documents as detailed on page 9 of the Application Form. Please enclose cheques with the Application Form or alternatively make arrangements for an electronic bank transfer. Incomplete applications will cause a delay in shares being allotted.

Payment Instructions

Options and instructions for payment are detailed in section 3 on page 7.

Completed applications should be sent to:

The IHT Team
Seneca Partners Ltd
12 The Parks
Newton-Le-Willows
Merseyside
WA12 0JQ

Tel: 01942 271 746

Part 1: Applications Form for Individual Investors



1. Investor Contact Information

Mr, Mrs, Miss, Ms or Title	<input type="text"/>
Surname	<input type="text"/>
Forename(s) (in full)	<input type="text"/>
Permanent Address	<input type="text"/>
Postcode	<input type="text"/>
Email Address	<input type="text"/>
National Insurance Number	<input type="text"/>
Date of Birth	<input type="text" value="DD / MM / YYYY"/>
Nationality	<input type="text"/>

2. Previous Address

If you have lived at the above address for less than 12 months, please also complete this section.

Previous Address	<input type="text"/>
Postcode	<input type="text"/>
Date of Change of Address	<input type="text" value="DD / MM / YYYY"/>
How long did you live at this address?	<input type="text"/> Years <input type="text"/> Months

3. Applications by Representatives

For applications by Representatives please indicate below the destination for correspondence. Addresses will be taken from AML documentation.

Investor Representative Representative and Investor

Please include a copy of the power of attorney or court order certified in accordance with the instructions on page 8. Appropriate Anti-Money Laundering documentation as listed on page 9 should be included for both the representative and the Investor.

4. Applications by Trusts

A separate Application Form for Trusts will be provided upon request.

Part 2: Suitability of the Seneca Inheritance Tax Service

Under the regulations introduced by the Markets in Financial Instruments Directive ("MiFID") on 1st November 2007, the Portfolio Manager is required to assess the suitability of the Seneca Inheritance Tax Service.

Suitability of a discretionary management service is assessed using the following framework:

- Your Knowledge and Experience
- Your Financial Situation
- Your Investment Objectives
- Your Attitude to Risk

Investing in unquoted securities generally carries a high degree of risk. Unquoted securities are inherently illiquid and you may not receive any of your investment back. Please consider this carefully when answering the following questions:

Your Knowledge and Experience

Please describe your occupation and any relevant professional experience and qualifications (e.g. Lawyer, Accountant, CFA, CPA etc.)

Please confirm which of the following types of investments you have previously made and how many years you have been making these investments:

	Experience Y/N	No. of Years
Tax products (e.g. VCTs, EISs, EZTs, BPRA or film schemes)	<input type="checkbox"/>	<input type="checkbox"/>
Large quoted companies (e.g. FTSE 100 and FTSE 250)	<input type="checkbox"/>	<input type="checkbox"/>
Smaller quoted companies (e.g. FTSE 350 and below)	<input type="checkbox"/>	<input type="checkbox"/>
AIM listed or unquoted companies	<input type="checkbox"/>	<input type="checkbox"/>

On average, how much have you invested in the types of investment described in each year?

Over £500,000	<input type="checkbox"/>	£50,000 to £100,000	<input type="checkbox"/>
£250,000 to £500,000	<input type="checkbox"/>	Under £50,000	<input type="checkbox"/>
£100,000 to £250,000	<input type="checkbox"/>		

Your Financial Situation

Please indicate your level of annual disposable income:

Above £200,000	<input type="checkbox"/>	£50,000 to £100,000	<input type="checkbox"/>
£100,000 to £200,000	<input type="checkbox"/>	Below £50,000	<input type="checkbox"/>

Please indicate the value of your net assets excluding your residence:

Above £5m	<input type="checkbox"/>	£250,000 to £500,000	<input type="checkbox"/>
£1m to £5m	<input type="checkbox"/>	Below £250,000	<input type="checkbox"/>
£500,000 to £1m	<input type="checkbox"/>		

Please indicate the value of your principal private residence net of any mortgage or other borrowings secured on it:

Above £5m	<input type="checkbox"/>	£250,000 to £500,000	<input type="checkbox"/>
£1m to £5m	<input type="checkbox"/>	Below £250,000	<input type="checkbox"/>
£500,000 to £1m	<input type="checkbox"/>		

Please describe your main sources of income
(e.g. earnings, pension, investment income)

Please describe the source of your subscription
(e.g. capital gain, savings, earnings)

Your Investment Objectives

	Yes	No
BPR qualifying investments are typically held for more than two years. Are you comfortable with this time horizon and can you confirm that you are unlikely to need any capital back during this time period?	<input type="checkbox"/>	<input type="checkbox"/>
If you withdraw money from a BPR qualifying investment after it has been held for two years or longer, you may lose any IHT relief on the amount withdrawn. Are you comfortable with this?	<input type="checkbox"/>	<input type="checkbox"/>
The Seneca Inheritance Tax Service will invest in shares in unquoted companies targeting an increase in net asset value generated from the retained profits from the provision of secured loans. Investments in shares in unquoted companies of this nature are considered high-risk investments where you may not receive all of your subscription back. Are you comfortable that this is your understanding of the investment?	<input type="checkbox"/>	<input type="checkbox"/>
Are you comfortable with the high-risk and illiquid nature of unquoted shares in private companies as detailed in the SITS Information Memorandum and Investment Management Agreement?	<input type="checkbox"/>	<input type="checkbox"/>
Are you relying on your investment in the Seneca Inheritance Tax Service to provide you with a source of income, upon which you are reliant?	<input type="checkbox"/>	<input type="checkbox"/>
Are you comfortably able to meet your regular financial commitments even if your investment in the Seneca Inheritance Tax Service was to be written-off in its entirety?	<input type="checkbox"/>	<input type="checkbox"/>

Part 3: The Investment

1. Investment Amount

Gross Amount

This is the amount subscribed to SITS which includes any Adviser Facilitated Charging detailed below.

Adviser Facilitated Charge

This is the amount payable to the Adviser named in section 5, on page 8. If it is a percentage, please convert to the actual amount payable.

Net Amount

This should be the gross amount minus any Adviser Facilitated Charge payable in full on application on the terms and conditions set out in the Investor Agreement, Application Form and Information Memorandum.

2. Advisor Facilitated Charging

Initial (Maximum of 3% of the Gross Amount stated in Section 1 above).

Option A

I have agreed to pay any charges directly to my Adviser on the basis agreed between us. I therefore do not require you to facilitate any payment from my investment.

OR

Option B

Please pay the Adviser detailed on page 8 the one-off fee I have agreed to pay my adviser out of my gross amount as set out below and as stated in Section 1 above.

Select either

a set fee of

OR

of the gross amount set out in Section 1 above.

Annual (Maximum of 1% of the Gross Amount stated in Section 1 above).

Option A

I have agreed to pay any charges directly to my adviser on the basis agreed between us. I therefore do not require you to facilitate any payment from my investment.

OR

Option B

Please pay my adviser annual charges detailed below by redeeming the appropriate number of shares from my Portfolio, calculated as follows:

of the Value of my initial net investment into the Portfolio Service.

3. Payment

Please mark with an X as appropriate:

I attach a cheque or bankers draft payable to "The Share Centre - Seneca" and crossed "A/C Payee Only" for the total amount due (the gross amount stated in Section 1 on page 6).

If you prefer to pay by electronic funds transfer, please tick here. Payee instructions will be provided to you once application formalities are complete.

Funds must be sent from the investor's personal bank account or the adviser's client account. If not, funds may be returned and there may be a delay in allotting shares.

4. Signature

1. I acknowledge receipt of terms of business contained within this Agreement and the Information Memorandum which has been provided to me.
2. I confirm that I have read and understood the same and agree to be bound by them.
3. I request and authorise you to register my investment in the name of the Custodian Nominee.
4. The particulars I have provided in the Application Form are correct.
5. I confirm that I am applying on my own behalf and that I have taken professional investment advice from a suitably qualified FCA regulated adviser with regard to the Seneca IHT Service.
6. I confirm that I have agreed with my Adviser the charging set out in section 2 on page 6.
7. I confirm that I am over 18 years of age, and that I am seeking to benefit from the investment returns and tax planning advantages of making an investment.

Signature

Date

5. Authorised Advice (to be completed by your financial adviser)

Firm Details

Title and Full Name of Adviser	<input type="text"/>
Advising Firm	<input type="text"/>
Address	<input type="text"/>
Email Address	<input type="text"/>
Telephone Number	<input type="text"/>
FCA Number	<input type="text"/>

If a fee is to be paid to the adviser, please provide the advising firm's bank details:

Name of Bank	<input type="text"/>
Address of Bank	<input type="text"/>
Sort Code	<input type="text"/>
Account (in the name of)	<input type="text"/>
Account Number	<input type="text"/>

I hereby certify that we have undertaken an assessment, which we consider accurately reflects the Investor's expertise, experience, knowledge, financial circumstances and objectives, and have reached the conclusion that this service is suitable for them.

Signed by Adviser	<input type="text"/>
Date	<input type="text" value="DD / MM / YYYY"/>

6. Anti-Money Laundering (to be completed by your financial adviser)

Money Laundering Regulations 2007

In order to comply with these regulations you will need to supply the following:

Option 1

The identity of the applicant, and where applicable, their representative, may be provided by means of an originally signed "**Confirmation of Verification of Identity**" in the prescribed form. This should be provided by the introducer detailed in Section 5. Seneca reserves the right to request original Anti-Money Laundering documentation. Seneca is not able to accept Confirmation of Verification of Identity for investors residing outside of the UK; please provide copy documents as detailed below in Option 2.

OR

Option 2

You must ensure that at least one document from List A and at least one document from List B (see page 9) are enclosed with the Application Form. Copies should be originally certified by an FCA-approved person, a solicitor, a chartered or certified accountant or bank official. Original documents will be returned by post at your risk. Applications received from any person who has not provided such evidence cannot be processed. Seneca reserves the right to carry out its own verification using an electronic anti-money laundering check upon application and on an on-going basis for the Investor, Representatives and/or Trustees.

List A

Identity ID Requirements

Acceptable Documents	Date of Document
Passport	Valid
Photocard driving licence (full or provisional)	Valid
National Identity card	Valid
Firearms certificate or shotgun certificate	Valid
Old style, paper, full UK driving licence	Valid
Correspondence from the state, a local authority or judicial authority (benefit, tax credit, pension, educational or grant)	Within 1 year

List B

Address ID Requirements

Acceptable Documents	Date of Document
A bill or statement from a regulated utility company (excluding mobile phone bill, store or online bills)	Within 3 months
Instrument of a court appointment (such as liquidator or grant probate)	Within 1 year
A bank statement issued by a regulated financial sector firm	Within 3 months
A credit or debit card statement issued by a regulated financial sector firm	Within 3 months
Valid photocard driving licence (full or provisional) (where not used in List A)	Valid
Firearms certificate or shotgun certificate (where not used in List A)	Valid
Old style, paper, full UK driving licence (where not used in List A)	Valid
Council tax demand letter, or statement	Within 1 year
Correspondence from the state, a local authority or judicial authority (benefit, tax credit, pension, educational or grant) (where not used in List A)	Within 1 year

Application Process and Check List

Tick When Complete

Applicant

Please ensure that all sections are complete including:

Source of Funds on page 5	<input checked="" type="checkbox"/>
Adviser Facilitated Charging on page 6	<input checked="" type="checkbox"/>
Signed and dated page 7	<input checked="" type="checkbox"/>

Adviser

Please ensure that you have completed and signed page 8	<input checked="" type="checkbox"/>
Please ensure that you have completed section 6 on page 8 enclosing Anti-Money Laundering as appropriate.	<input checked="" type="checkbox"/>

Address for Applications

Completed applications should be sent to:

The IHT Team
Seneca Partners Ltd
12 The Parks
Newton-Le-Willows
Merseyside
WA12 0JQ

Appendix 1: Investment Management Agreement

This Investment Management Agreement (the "Agreement") sets out the terms and conditions under which the Seneca Inheritance Tax Service has been established. On acceptance of an Investor's application by Seneca Partners Limited, a company registered in England and Wales with registered number 07196273 ("Seneca Partners" or, as the case may require "the Portfolio Manager") this document (together with the Application Form and the SITS Information Memorandum) will constitute a binding agreement between the Investor and the Portfolio Manager ("Seneca Partners"). All communication in relation to the Service or Agreement will be in English.

1. Definitions

- 1.1. This Agreement uses the same defined terms as are found in the Application Form and in the Subscription Details and Definitions section of the SITS Information Memorandum together with the following additional defined terms:

"Associate"	means: (1) in relation to any body corporate, any holding or subsidiary undertaking (as defined in the Companies Act 2006) of such body corporate and any other body corporate directly or indirectly controlled by such body corporate or by the same (or some of the same) person(s) as control such body corporate; and (2) in relation to Seneca Partners, any body corporate which is controlled by individuals who are shareholders, officers or employees in or of Seneca Partners; and (3) any officer, partner, member, employee or agent of such body corporate and any of such undertaking and other body corporate as are referred to in (1) and (2) above;
"Borrower"	means any person or entity to which a Qualifying Company makes a loan in the ordinary course of its business;
"BPR" or "Business Property Relief"	means business property relief as provided for in Chapter 1 of Part V of the Inheritance Tax Act 1984;
"Custodian"	means The Share Centre Limited, a company registered in England and Wales with company number 2461949 or such other Custodian as the Portfolio Manager may appoint from time to time;
"Custodian's Terms of Business"	means the Terms and Conditions upon which the Custodian will have custody of and deal with the Investor's Portfolio and/or the Investor's cash and the Nominee will hold the Investor's Investments;
"FCA"	means the Financial Conduct Authority (and any successor or replacement authority or body);
"FCA Rules"	means the rules and regulations for the time being of the Financial Conduct Authority;
"Investment"	means an investment in shares in a Qualifying Company made through SITS;
"Nominee"	means Share Nominees Limited, a company registered in England and Wales with company number 2476691, which is an Associate of the Custodian or such other nominee as may be appointed by the Custodian with the agreement of the Portfolio Manager or by the Portfolio Manager from time to time;
"Portfolio"	means the Investor's portfolio of Investments made through the SITS, including any uninvested cash;
"Portfolio Manager"	has meaning given to it above;
"Qualifying Company"	means a company the shares in which constitute "relevant business property" under section 105 of the Inheritance Tax Act 1984 and in which an Investor invests through the SITS;
"Seneca Partners"	has meaning given to it above;
"SITS" or "Service"	means the Seneca Inheritance Tax Service as described in the SITS Information Memorandum;
"Valuation"	has the meaning given in Clause 6.1.

- 1.2. Words and expressions defined in the FCA Rules which are not otherwise defined in or for the purposes of this Agreement shall have the same meaning in this Agreement.
- 1.3. Any reference to a statute, statutory instrument or to rules or regulations shall be references to such statute, statutory instrument or rules and regulations as from time to time amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution thereof as from time to time in force.

- 1.4. The word "purchase" in relation to Investments(s) shall include subscription and the word "sale" in relation to investment(s) shall include repayment and/or cancellation and/or redemption or purchase by the relevant Qualifying Company.
- 1.5. References to the singular only shall include the plural and vice versa and references to the masculine shall include the feminine.
- 1.6. Unless otherwise indicated, references to Clauses and Schedules are to clauses of, and schedules to, this Agreement.
- 1.7. Headings to and within Clauses and Schedules are for convenience only and shall not affect the interpretation of this Agreement.
- 1.8. In the event of any conflict between this Agreement and the SITS Information Memorandum, this Agreement shall prevail.

2. Investing in SITS and Cancellation Rights

- 2.1. By signing the Application Form, the Investor agrees to be bound by the Terms and Conditions set out in this Agreement, the SITS Information Memorandum and the Application Form and by the Custodian's Terms of Business.
- 2.2. The Investor hereby appoints the Portfolio Manager to manage the Portfolio for the Investor at the Portfolio Manager's sole discretion without prior reference to the Investor or his advisers and to select and manage Investments. The Portfolio Manager will, acting as the agent of the Investor, purchase and sell Investments and otherwise act as it thinks appropriate in relation to the management of the Portfolio but subject always to the provisions of this Agreement. The Portfolio Manager agrees to accept its appointment and obligations on the terms set out in this Agreement, the Application Form and the SITS Information Memorandum.
- 2.3. The Portfolio Manager is authorised and regulated by the FCA with registration number 583361. The Portfolio Manager has categorised the Investor as a retail client for the purposes of the FCA Rules. This categorisation has been determined following the Portfolio Manager's internal client categorisation process. You may request a different categorisation but as retail clients are generally afforded a higher degree of protection than other clients, the Portfolio Manager reserves the right to reject such requests.
- 2.4. The Investor has the right to cancel this Agreement for a period of up to 14 days from the date on which the Portfolio Manager accepts the Investor's Application Form. If the Investor wishes to cancel this Agreement, he must submit a cancellation request in writing to the Portfolio Manager within the requisite time limit. In the event of cancellation the Investor will receive back from the Portfolio Manager the amount subscribed by him pursuant to the Application Form (the "Subscription"), net of the Portfolio Manager's reasonable processing costs within 28 days of receipt of the cancellation request. All further provisions of this Agreement shall then cease to apply.

3. Subscriptions

- 3.1. The Investor will make an initial Subscription of not less than £50,000.
- 3.2. The Investor may make further Subscriptions to the Service in multiples of £10,000 at any time prior to the termination of the Service.
- 3.3. The Portfolio Manager intends to invest Subscriptions (net of fees) within 3 months of receipt in one or more Investments which should qualify for BPR.
- 3.4. The Investor may only withdraw his Subscriptions (after the cancellation period referred to in Clause 2.4) pursuant to Clause 12.

4. Service

- 4.1. The Portfolio Manager will undertake the Service on the terms set out in this Agreement from a date 14 days after acceptance of an Investor's Application Form. Subject to Clause 4.4, the Portfolio Manager will exercise all discretionary powers in relation to the selection, purchase and sale of Investments and/or exercising rights relating to Investments on the terms set out in this Agreement.
- 4.2. Except as expressly provided in this Agreement or unless otherwise authorised, the Portfolio Manager shall not have any authority to act on behalf of or in the name of the Investor or to act as the agent of the Investor.
- 4.3. Unless the Portfolio Manager in its discretion determines otherwise, the Portfolio Manager will not sell or otherwise realise the Investor's Investment(s) unless (a) the Service terminates in accordance with Clause 13.1, (b) it has received a written request from the Investor or his personal representatives to withdraw all or part of his Subscription(s) in accordance with Clause 12.1 and Schedule 2 or (c) the Portfolio Manager acting reasonably believes that such Investments no longer qualify for BPR. The Investor acknowledges that his Investments may not be easily realisable and therefore it could be difficult, or not possible, to realise them.
- 4.4. The Investor agrees that Seneca Partners may decide that another person (which is appropriately authorised by the FCA) may succeed Seneca Partners as the Portfolio Manager. In such event Seneca Partners shall notify the Investor in writing of the date on which the change in the Portfolio Manager is to take effect and details of the new Portfolio Manager and with effect from such date Seneca Partners shall cease to be a party

to this Agreement and the new Portfolio Manager shall become a party to this Agreement in that capacity.

- 4.5. The Investor acknowledges that the Portfolio Manager is not responsible for providing, nor has provided, any investment or tax advice to the Investor in relation to the Investor's decision to invest in the Service and therefore it is recommended that the Investor seeks independent advice from an appropriately qualified financial adviser who is authorised to advise on such investments by the FCA.
- 4.6. Investments made through the Service will be made into one or more companies which will be managed, or be provided with services, by Seneca Partners and/or by Associates of Seneca Partners.

5. Custody and Administration Arrangements

- 5.1. The Portfolio Manager has engaged the Custodian to provide a custody, safekeeping and administration service for Investors and to procure the Nominee to hold the Investor's Investments. The Custodian has agreed to provide such services to the Investor on the terms set out in the Custodian's Terms of Business.
- 5.2. The Custodian will be responsible for the safekeeping of Investments and cash comprised in the Portfolio, including the settlement of transactions, collection of income and the effecting of other administrative actions in relation to Investments.
- 5.3. Investments will be registered in the name of the Nominee and will be beneficially owned by the Investor at all times and the Nominee will hold the Investor's Investments as trustee for the Investor. The Investor authorises the Portfolio Manager to act on behalf of the Custodian and the Nominee and on behalf of the Investor in respect of the acquisition, holding and realisation of their Investments and to exercise all rights (including voting rights) attaching or relating to each Investment held in the Investor's Portfolio as the Portfolio Manager at its entire discretion thinks fit, subject at all times to its duties and obligations under the FCA Rules. The Investor authorises each of the Custodian and the Nominee to appoint the Portfolio Manager to be the Custodian's proxy to vote (or to refrain from voting) in respect of the Investment(s) as the Portfolio Manager so determines.

6. Valuations, Reports and Information

- 6.1. The Portfolio Manager will undertake a valuation (each a "Valuation") of each Qualifying Company twice in each 12 month period but at intervals of no more than 6 months, which it is anticipated will be based on the net asset value of each Qualifying Company.
- 6.2. The Investor will be sent a report every six months (subject as mentioned in Clause 6.3), in compliance with the FCA Rules. Reporting will ordinarily be completed as at 31st March and 30th September each year. Reports will include:
 - 6.2.1. details of, and a twice yearly valuation of, the Investor's Investments based on the Valuation of each Qualifying Company;
 - 6.2.2. the amount of cash held for the Investor at the beginning and at the end of the reporting period;
 - 6.2.3. a measure of performance when valuations are available for the Investor's Investments including the cost of his Investments;
 - 6.2.4. details of any dividends, interest or other payments which are received in respect of the Investor's Investments;
 - 6.2.5. the total amount of all fees and charges incurred during the reporting period, itemising the total management fees incurred and total costs incurred in executing the Investor's Investments;
 - 6.2.6. information about any corporate actions of each Qualifying Company which may give rights in respect of an Investment,
 - 6.2.7. comparison against relevant benchmark(s) where available. This will not be included where no such relevant benchmark is identified, or;

and/or such additional or less or other information as the FCA may from time to time require.

- 6.3. Details of any dividends which are received in respect of the Investor's Investments will also be provided in respect of each tax year ending 5 April and appropriate statements sent to the Investor.
- 6.4. The Portfolio Manager will, if so requested by the Investor, supply a report (in the form specified in Clause 6.1) every three months and the Investor may also request that the Portfolio Manager shall supply (or arrange for the Custodian to supply) such further information which is in its possession or under its control as the Investor may reasonably request as soon as reasonably practicable after receipt of such request.
- 6.5. Any statements, reports or information provided to the Investor will state the basis of such valuations of Investments as have been made.

7. Fees and Expenses

- 7.1. The Portfolio Manager and the Custodian will receive fees for their respective services, and reimbursements of costs and expenses, as set out in Schedule 1.
- 7.2. The costs, charges and fees which may be charged by the Portfolio Manager (and/or any of its Associates) per annum in connection with the Service shall be limited as set out in paragraph 2 of Schedule 1.

- 7.3. All fees payable to the Custodian or otherwise associated with the custody of the Investor's Investments will be met by the Portfolio Manager.
- 7.4. All or part of an Investment may be realised in order to discharge an obligation of the Investor under this Agreement, for example in relation to payment of fees, costs and expenses.

8. Obligations of the Investor

- 8.1. The Investor's Investment in the Service shall be on the basis of the declaration made by the Investor in the Application Form which includes statements by the Investor that the information stated in the Application Form is true and accurate in all respects as at the date of this Agreement.
- 8.2. The Investor agrees immediately to inform the Portfolio Manager in writing of any change in the information provided in the Application Form to which Clause 8.1 refers.
- 8.3. In addition, the Investor agrees to provide the Portfolio Manager with any information which it reasonably requests for the purposes of providing the Service to the Investor pursuant to the terms of this Agreement.

9. Delegation and Assignment

- 9.1. The Portfolio Manager may employ third parties, including its Associates and Seneca Partners and its Associates, to perform any administrative, custodial or ancillary services to assist the Portfolio Manager in performing its services, in which case it will act in good faith and with due diligence in the selection, use and monitoring of such third parties. Any such employment of third parties shall not affect the liability of the Portfolio Manager under the terms of this Agreement.

10. Potential Conflicts of Interest and Disclosure

- 10.1. The Portfolio Manager and its Associates may:
 - 10.1.1. provide similar services or any other services whatsoever to any other client;
 - 10.1.2. manage and/or provide services to Qualifying Companies and/or Borrowers;
 - 10.1.3. have direct or indirect interests in Qualifying Companies and/or Borrowers.
- 10.2. The Portfolio Manager and its Associates may be paid fees for the services referred to in Clauses 10.1.1 and 10.1.2 (including by Qualifying Companies and by Borrowers) and receive income or other amounts arising out of the interests referred to in Clause 10.1.3. In addition, each Borrower may pay an arrangement fee and/or monitoring fees either to the Qualifying Company which made the loan or to the Portfolio Manager (or part to one and part to the other).
- 10.3. The Portfolio Manager and its Associates shall not in any circumstances be required to account to the Investor for any of the fees, charges, income or other amounts earned (and any profits made) referred to in Clause 10.2.
- 10.4. So far as is deemed practicable the Portfolio Manager will use all reasonable endeavours to ensure fair treatment as between the Investor and other clients in compliance with the FCA Rules.
- 10.5. The Portfolio Manager has in place a conflict of interest policy ("Conflicts Policy") pursuant to the FCA Rules which set out how it (and its Associates) identifies and manages the conflicts of interests mentioned in Clause 10.1 and any other conflicts of interest which may arise. Under its Conflicts Policy, the Portfolio Manager (and its Associates), are each required to take all reasonable steps to identify conflicts of interest between:
 - 10.5.1. Itself and its Associates and any of its other clients; or
 - 10.5.2. one client of the Portfolio Manager and another such client;
 - 10.5.3. Itself and its Associates and any other entity or arrangement in which it or any of its Associates may be directly or indirectly interested.
- 10.6. The Portfolio Manager believes that it should identify any conflicts that may arise in other situations including between itself and any of its other investors. Where the Portfolio Manager owes a duty to such investors or other persons, it must maintain and operate arrangements to prevent any conflict from giving rise to a material risk of damage to the interest of its clients.
- 10.7. The Portfolio Manager's Conflicts Policy is available at www.senecapartners.co.uk.

11. Liability of the Portfolio Manager

- 11.1. The Portfolio Manager will at all times act in good faith and with reasonable care and due diligence. Nothing in this Clause 11 shall exclude any duty or liability owed to the Investor by the Portfolio Manager under the FCA Rules.
- 11.2. The Portfolio Manager will not be liable for any loss to the Investor arising from any investment decision made or other action undertaken in accordance with this Agreement, except to the extent that such loss is directly due to the negligence or wilful default or fraud of the Portfolio Manager or Seneca Partners or of their Associates or any of their respective employees.
- 11.3. The Portfolio Manager will not be liable for any defaults of the Custodian or any counterparty, agent,

banker, nominee or other person or entity which holds money, investments or documents of title, other than such party which is its Associate and other than provided for in this Agreement.

- 11.4. In the event of any failure, interruption or delay in the performance of the Portfolio Manager's obligations resulting from acts, events or circumstances not reasonably within their control including but not limited to war, riot, civil commotion, terrorism or threat thereof, acts or regulations of any governmental or supranational bodies or authorities and breakdown, failure or malfunction of any telecommunications or computer service or systems, the Portfolio Manager will not be liable or have any responsibility of any kind to any loss or damage thereby incurred or suffered by the Investor.
- 11.5. As the Investor is classified as a retail client, the Portfolio Manager is required to carry out an assessment of suitability of the Service as an investment for the Investor and is required to assure itself that the Service is in general terms appropriate for the Investor. However, the Portfolio Manager does not give any representation or warranty as to the suitability or appropriateness of the Service for the Investor. The Investor acknowledges that the Investments will be non-readily realisable investments as there is a restricted market for such Investments and therefore it may therefore be difficult to sell or otherwise realise his Investments or to obtain reliable information about their value. The Investor undertakes that he has himself considered the suitability of investing in the Service carefully and has noted the risk warnings set out in the SITS Information Memorandum about the Service.

12. Withdrawal

- 12.1. Subject to Clause 12.2, the Investor may withdraw all or part of his Subscription(s) from the Service by giving to the Portfolio Manager notice in accordance with, and otherwise following the procedure set out, in Schedule 2, which may be varied from time to time in accordance with Clause 19.2.2, provided that the period of notice which the Investor must give to the Portfolio Manager of a withdrawal shall not in any event exceed six months.
- 12.2. Any withdrawal by an Investor is conditional upon all or part of his Investment(s) being realised and the Investor acknowledges that his Investment(s) may not be easily realisable and therefore it could be difficult, or not possible, to sell or otherwise realise it/them.
- 12.3. The Investor acknowledges that upon a withdrawal of all or any part of his Subscription(s) each of his Investment(s) will be realised at a price which represents the relevant proportion of the Valuation of the Qualifying Company concerned and the Portfolio Manager confirms that the Investor will be notified of the price which will be paid for his Investment(s) upon a withdrawal and that it/they will not be sold unless he confirms that he wishes his Investment(s) to be realised at the price notified to him.
- 12.4. Upon the Investor confirming to the Portfolio Manager in accordance with Clause 12.1 and Schedule 2 that he wishes all or part (as the case may be) of his Investment(s) to be realised, the Portfolio Manager will seek to realise all or part of the Investment(s) (as may be required) and to effect the withdrawal as soon as reasonably practicable.
- 12.5. The Investor acknowledges that, if he makes a withdrawal, he may lose Business Property Relief in respect of the Investment(s) sold or otherwise realised to enable the withdrawal to be effected.

13. Termination

- 13.1. The Portfolio Manager may terminate the Service (either completely or just in relation to the Investor) by giving the Investor not less than 12 months' written notice of the date on which the Service will terminate.
- 13.2. If the Portfolio Manager:
 - 13.2.1. ceases to be appropriately authorised by the FCA;
 - 13.2.2. is (or is deemed by law or a court to be) insolvent or unable to pay its debts (as defined in section 123 of the Insolvency Act 1986);
 - 13.2.3. a receiver, administrator, administrative receiver, liquidator, trustee or similar officer is appointed to it or over any or all of its assets (other than for the purposes of a bona fide solvent scheme of reconstruction or amalgamation);
 - 13.2.4. other than where Clause 4.4 applies, the Portfolio Manager gives to the Investor not less than three months' written notice of its intention to terminate its role as Portfolio Manager under this Agreement,

then the Portfolio Manager shall endeavour to make arrangements to transfer its obligations to another appropriately authorised and regulated manager in which case that manager shall assume the role of the Portfolio Manager under this Agreement, failing which this Agreement shall terminate on the date on which the relevant event referred to in Clauses 13.2.1 to 13.2.3 occurs or on the expiry of the three months' notice referred to in Clause 13.2.4 .

(The date on which the Service or the Agreement terminates pursuant to Clauses 13.1 or 13.2 being the "Termination Date")

14. Consequences of Termination

- 14.1. Prior to the Termination Date, the Portfolio Manager will seek to realise all Investments expeditiously on the basis set out in this Agreement.
- 14.2. On the Termination Date, any remaining unrealised Investment(s) and cash will be transferred into the Investor's name or as the Investor may otherwise direct.
- 14.3. Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments, save that the Portfolio will bear the cost of fees, expenses and costs properly incurred by the Portfolio Manager or the Custodian and Nominee up to and including the date of termination and payable under the terms of this Agreement.
- 14.4. The Portfolio Manager may retain or realise such Investments as may be required to pay the Investor's outstanding liabilities, including fees, costs and expenses payable under Clause 7.

15. Confidential Information

- 15.1. None of the parties shall disclose to third parties information the disclosure of which by it would be or might be a breach of duty or confidence to any other person.
- 15.2. In performing this Agreement, the Portfolio Manager shall not be required to make use of information which comes to the notice of any of its employees, officers or agents (or those of any of its Associates) unless this has come to the actual notice of employees, officers or agents whom the Portfolio Manager specifically retains for the purposes of providing services under this Agreement to the Investor.
- 15.3. The Portfolio Manager will at all times keep confidential all information acquired in consequence of this Agreement, except for information which:
 - 15.3.1. is public knowledge; or
 - 15.3.2. it may be entitled or bound to disclose under compulsion of law; or
 - 15.3.3. is required to be disclosed by or to regulatory agencies; or
 - 15.3.4. is given to its professional advisers where reasonably necessary for the performance of its professional services;
 - 15.3.5. needs to be shared with the Custodian and Nominee for the proper performance of this Agreement; or
 - 15.3.6. is authorised to be disclosed by the Investor, provided that in making such disclosure the Portfolio Manager shall use reasonable endeavours to prevent any breach of this Clause 14 through further or onward disclosure of such information.

16. Complaints and Compensation

- 16.1. The Portfolio Manager has established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available on request. Should an Investor have a complaint, he should contact the Portfolio Manager in the first instance. If the Portfolio Manager cannot resolve the complaint to the satisfaction of the Investor, the Investor may be entitled to refer it to the Financial Ombudsman Service.
- 16.2. The Portfolio Manager and the Custodian each participate in the Financial Service Compensation Scheme ("FSCS"), established under the FSMA, which provides compensation to eligible Investors in the event of a firm being unable to meet its customer liabilities. The FSCS currently covers the first £50,000 of any eligible claim, but not every investor is eligible to claim. Further information is available on request from the Portfolio Manager or the FSCS directly.

17. Notices, Instructions and Communications

- 17.1. Notices and instructions to the Portfolio Manager should be in writing and signed by the Investor, quoting (once supplied to the Investor) an investment reference number and should be sent to the Portfolio Manager at the Portfolio Manager's registered office, or such other address that the Portfolio Manager may notify the Investor in writing.
- 17.2. The Portfolio Manager may rely and act on any instruction or communication which purports to have been given by persons authorised to give instructions by the Investor under the Application Form or subsequently notified by the Investor from time to time and, unless that relevant party receives written notice to the contrary, whether or not the authority of such person shall have been terminated.
- 17.3. Communication to the Investor shall be to the address or in the manner specified in the Application Form or as otherwise notified in writing to the Portfolio Manager by the Investor. For the avoidance of doubt this will include via email to the email address given in the Application Form or as advised by the Investor from time to time.
- 17.4. Any communication sent to the Investor at the address specified in the Application Form (or the last address notified to the Portfolio Manager in accordance with Clause 17.1) by the Portfolio Manager by first

class post or equivalent delivery service shall be deemed to have been received by the Investor 4 days following the day of posting. Any email sent to the Investor will be deemed to have been received by the Investor the day following its transmission.

18. Unsolicited real-time financial promotion

- 18.1. The Portfolio Manager may communicate an unsolicited real-time Financial Promotions (i.e. interactive communications such as a telephone call promoting investments) to the Investor.

19. Amendments

- 19.1. The Portfolio Manager and the Investor may amend this Agreement if such amendments are agreed and in writing.
- 19.2. The Portfolio Manager may amend these terms without the consent of the Investor:
 - 19.2.1. with immediate effect if it is necessary in order to comply with the FCA Rules and such amendments will become effective as soon as the Investor is notified in writing;
 - 19.2.2. as regards Schedule 2 only, by the Portfolio Manager sending to the Investor a revised Schedule 2 which shall become effective upon being deemed to have been received in accordance with Clause 17.4.
 - 19.2.3. 14 days after notice of the change has been given to the Investor in accordance with Clause 17.

20. Data Protection

- 20.1. All data which the Investor provides to the Portfolio Manager is held by the Portfolio Manager subject to the Data Protection Act 1998. The Investor agrees that the Portfolio Manager may pass personal data to the Custodian insofar as is necessary in order for it to manage the Service and to the FCA and any regulatory, governmental, judicial or law enforcement authority, body or agency if requested to do so.
- 20.2. At account opening or as may otherwise be determined by us, enquiries may be made at a Credit Reference Agency to assist us to verify your identity. This will involve checking details you supply with any of the Agency's databases. A scoring system may be used. A record of any such search will be held by the Agency and may be shared with other businesses. We may also make a search of the directors of limited companies.

21. Entire Agreement

- 21.1. This Agreement, together with the Application Form and the SITS Information Memorandum, comprises the entire agreement of the Portfolio Manager with the Investor relating to the provision of its services and supersedes all earlier meetings, any correspondences, or discussions that may have taken place preceding the signing of the Application Form.

22. Severability

- 22.1. If any term, condition or provision of this Agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality or enforceability of the remainder of this Agreement.

23. Rights of Third Parties

- 23.1. A person who is not a party to this Agreement has no right under the Contracts (rights of Third Parties) Act 1999 to enforce any term of this Agreement, save that the Custodian may enforce those provisions expressly set out in this Agreement which relate to the Custodian.

24. Governing Law

- 24.1. This Agreement and all matters relating thereto shall be governed by and construed in accordance with English Law and the parties submit to the exclusive jurisdiction of the English Courts.

Schedule 1: Fees and Expenses in Respect of the Service

1. Initial Fee and Costs

- 1.1. The Portfolio Manager will receive an initial arrangement fee of 2% of the Subscription (plus VAT where payable), which will be deducted from the Subscription and the net amount (after deduction of the fee referred to in paragraph 4.1) invested.
- 1.2. All costs associated with the setting up of the Service and all legal and start-up costs will be met by the Portfolio Manager out of the initial fee payable pursuant to paragraph 1.1.

2. Ongoing Fees and Costs

- 2.1. The Portfolio Manager will be paid an annual monitoring fee by each Qualifying Company of 1% of the amount invested in such Qualifying Company (plus VAT where payable).
- 2.2. Each Qualifying Company will be responsible for all costs incurred by it in the ordinary course of providing the Service. The Portfolio Manager (and/or any of its Associates) may provide resources and services to the Qualifying Companies and, subject as mentioned in paragraph 2.3, invoice them for such resource and/or service.
- 2.3. As part of the resources provided to Qualifying Companies the Portfolio Manager may provide the services of its employees, whether directly or indirectly (including by secondment) to a Qualifying Company, and may re-charge the costs of employment of such employees to such Qualifying Company. The aggregate amount invoiced by the Portfolio Manager for providing the services of its employees to the Qualifying Company together with the costs of employment of any employees directly employed by the Qualifying Company, but excluding the costs of any non-executive directors appointed by the Qualifying Company, and, for the avoidance of doubt, the fee payable pursuant to paragraph 2.1, will not exceed 2% (plus VAT where payable) of the aggregate amount invested in that Qualifying Company by Investors.
- 2.4. Each Borrower may pay an arrangement fee and/or monitoring fees either to the Qualifying Company which made the loan or to the Portfolio Manager (or part to one and part to the other).

3. Custodian's Fees

- 3.1. The Custodian's fees will be paid by the Portfolio Manager in accordance with clause 7.3.

4. Introductory Fees

- 4.1. Subject to the Investor confirming in writing that he has agreed to pay it, an initial fee of up to 3% of the Subscription (plus VAT where applicable), may be payable to the Investor's Independent Financial Adviser and/or other introducer, which will be deducted by the Portfolio Manager from the Subscription and paid by it to the independent financial adviser and/or other introducer and the net amount (after deduction of the initial fee referred to in paragraph 1.1) invested.
- 4.2. Subject to the Investor confirming in writing that he has agreed to pay it, an annual fee of up to 1% of the Subscription (plus VAT where applicable) may be paid to the Investor's Independent Financial Adviser and/or other introducer. The Portfolio Manager will pay such fee by the redemption of the appropriate number of shares held by the Investor in the Service.

5. Illustration of the Portfolio Manager's Fees

Initial Subscription	£100,000
Initial Fees:	
Portfolio Manager's initial Fee of 2% + VAT	(£2,400)
Net Amount Available to be Invested	£97,600

In the illustration above, based on an initial Subscription of £100,000 the amount available to be invested, net of the Portfolio Manager's Initial Fees, would be £97,600. This net investment amount is the amount that will be invested in a Qualifying Company and upon which BPR relief may be claimed in due course.

Please Note: Any charges or fees that you agree to pay to your Independent Financial Advisers or similar will further reduce the net amount of your Subscription available to be invested into Qualifying Companies.

Schedule 2: Procedure for Withdrawal of Subscription(s)

Notification by the Investor

If the Investor (or, where applicable, his personal representatives) wishes to withdraw all or part of his Subscription(s) from the Service, he must give written notice to the Portfolio Manager (a "Withdrawal Notice") stating the amount of his Subscription(s) which he wishes to withdraw (the "Withdrawal Amount") at least three months prior to the date he wishes the withdrawal to take place (the "Withdrawal Date"). If the Investor wishes to withdraw part of his Subscription(s) only, the Withdrawal Amount must be at least £5,000.

If the Investor requests a Withdrawal Date that falls on a Valuation Date or within the 30 working day period immediately following a Valuation Date, the Portfolio Manager reserves the right to either:

a) change the Withdrawal Date to 1 working day prior to the Valuation Date and therefore utilise the "Price per Share" from the previous Valuation Date; or

b) change the Withdrawal Date to 60 working days after the Valuation Date

The option taken will be at the absolute discretion of the Portfolio Manager.

Valuation and Confirmation of Withdrawal

The Portfolio Manager shall request a valuation of the shares in each Qualifying Company as at 31st March and 30th September in each calendar year (each a "Valuation Date") from the directors of the relevant Qualifying Company.

Such valuation per share shall be determined by the directors of the relevant Qualifying Company by reference to such company's management accounts for the period ending on the relevant Valuation Date and agreed with the Portfolio Manager. This valuation is likely to be based on the net asset value of the relevant Qualifying Company at the relevant Valuation Date (being the aggregate of all of its assets less the aggregate of all of its liabilities) divided by the total number of shares in issue on the relevant Valuation Date or such other suitable valuation method as the directors of the relevant Qualifying Company may determine (such amount being the "Price per Share"). The relevant Price per Share determined by the directors of the relevant Qualifying Company and agreed by the Portfolio Manager shall be final and binding save in the event of fraud or manifest error.

Subject to the Portfolio Manager being notified of the Price per Share from each relevant Qualifying Company and agreeing the Price per Share with the directors of the relevant Qualifying Company, the Portfolio Manager shall give written notice (a "Withdrawal Price Notice") to each Investor who has given, or is deemed to have given, a Withdrawal Notice which shall set out:

a) the relevant Price per Share in relation to each Qualifying Company in which the Investor beneficially own shares;

b) the number of shares in such Qualifying Company (the "Relevant Shares") which would need to be sold, repaid or otherwise realised in order to enable the Investor to withdraw the Withdrawal Amount; and

c) a date, being not less than 10 business days after the date of the Withdrawal Price Notice, (the "Relevant Date") by which the Investor must give notice in writing to the Portfolio Manager (a "Confirmation Notice") if he wishes to proceed with the withdrawal of the Withdrawal Amount by the sale, repayment or other realisation of the Relevant Shares at the relevant Price per Share.

The Portfolio Manager will seek to give a Withdrawal Price Notice on or around 30 days prior to the Withdrawal Date but this is dependent upon when the Price per Share is received from the relevant Qualifying Company.

If the Portfolio Manager does not receive a Confirmation Notice from the Investor on or before the Relevant Date (or such later date as the Portfolio Manager may agree), the Investor shall be deemed to have revoked his Withdrawal Notice and chosen to leave the Withdrawal Amount in the Service.

Release of the Withdrawal Amount

Following receipt of a Confirmation Notice, the Portfolio Manager will seek to release the Withdrawal Amount by realising the Relevant Shares at the relevant Price per Share by any available method which the Portfolio Manager may, in its absolute discretion, consider appropriate. This could involve the relevant Qualifying Company undertaking a capital reduction to repay the Relevant Shares at the Price per Share.

Appendix 2: The Share Centre Limited - Terms & Conditions

Section 1: Terms of Business - Applicable to all Accounts

1. Introduction

- 1.1. It is important that you read and understand these standard terms of business, which apply when you open an account with The Share Centre (the "Account"), and provide you with information about how it will be operated. Some paragraphs are included to ensure there is no misunderstanding as to who will do what and when, and some are included simply because different pieces of legislation (which include Acts of Parliament) say that we must include them. We have tried to make them as readable as possible. For your own benefit and protection you should read these terms carefully. If you do not understand anything, please contact us on 01296 41 41 41.
- 1.2. Where you see the words "you" or "your" in these terms of business, it means you as the individual, or if opening a joint Account, all individuals named on the joint Account. If you are applying as an official of a company or a trust, then it is referring to the company or trust, and not you personally.
- 1.3. The Share Centre Limited ("TSC") is a limited company incorporated in England and Wales and its registered office address is Oxford House, Oxford Road, Aylesbury, Buckinghamshire HP21 8SZ. TSC is authorised and regulated by the Financial Conduct Authority ("FCA") to provide share dealing and administration services. The FCA reference number for TSC is 146768. You can check this on the FCA's website at www.fca.org.uk. The FCA's address is 25 The North Colonnade, Canary Wharf, London E14 5HS.
- 1.4. On the application form for your Account, you will be asked to sign and accept these terms of business (or click on an 'I accept' button if TSC has enabled you to open your Account via the Internet), which creates a legal agreement between you and TSC, referred to in these Terms as "the Agreement", provided TSC accepts your application to open an Account. This Agreement includes not only these terms of business, but also:
 - the literature that describes your Account in more detail; and
 - the Account tariff;

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

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

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

- 1.5. Before your application can be considered you must agree to abide by the terms of this Agreement in the manner described above. However, a legally binding agreement will only arise once TSC notifies you that it has accepted your application. If TSC decides not to accept your application, there will be no Agreement, and if you have provided any documentation in support of your application it will be returned to the address shown on your application form.
- 1.6. Unless TSC otherwise informs you in writing, you will be treated as a 'retail client' under the rules of the FCA, which means that you are entitled to the full extent of applicable regulatory protections. You have the right to request in writing re-categorisation as either a 'professional client' or 'eligible counterparty' subject to meeting specific criteria; however, as a consequence, there will be limitations to the level of applicable regulatory protections. Such limitations will include loss of access to the Financial Ombudsman Service and Financial Services Compensation Scheme (which are explained further in paragraph 11). Further details on different client categorisations can be obtained from TSC's Compliance team.
- 1.7. Although TSC may change this Agreement in accordance with paragraph 1.4 above, no change will affect any rights or obligations of yours arising prior to such change becoming effective. TSC will give you at least 30 days advance notice, either by post or email (if applicable to you), of any such changes. Where a change results in an increase in charges to you, you are free to terminate this Agreement within a further 30 days of the change becoming effective without any additional charges over and above those that were applicable prior to the change taking effect.
- 1.8. This Agreement is in English and all future communications with you will also be in English. The Agreement is governed by English law and in the event of a serious dispute, will be subject to the exclusive jurisdiction of the English courts.

- 1.9. Any transactions undertaken for you in stocks and shares will be subject, where applicable, to the rules of the London Stock Exchange ("LSE"), any such other market as TSC may decide, CREST (the system used for transferring shares between sellers and buyers), Cofunds Nominees Limited ("Cofunds", which is used to safeguard holdings in some collective investment funds such as unit trusts), the FCA and all other applicable laws, rules and regulations. TSC will act as your agent in any such dealings. Where there is a conflict between this Agreement and any such laws and regulations, the latter will prevail. You must also comply with the City Code on Takeovers and Mergers (and the FCA's Disclosure and Transparency Rules regarding the notification of major shareholdings), which may be relevant if you are dealing in large quantities of shares. Further details can be obtained from TSC's Compliance team.
- 1.10. There may be occasions where a conflict of interest develops between you and TSC or between you and another customer. TSC has taken all reasonable steps to identify such conflicts of interest and has a Conflicts of Interest Policy in place, designed to prevent conflicts of interest from adversely affecting the interests of its customers. A summary version of this Policy is set out within Schedule 1 of these terms of business.
- 1.11. Unless you have sought specific investment advice from TSC's Advice team in accordance with the Advice terms of business set out within Section 5 of these terms of business, all transactions are carried out on your own initiative (i.e. 'execution only'). TSC is, therefore, not responsible for advising you on the suitability of the services or transactions provided or offered by TSC. You will not benefit from the protection of the FCA's rules relating to suitability which would require TSC to ensure that a product or service is suitable for you when taking into account your knowledge and experience in the relevant investment field, your financial situation and your investment objectives.
- 1.12. Where you have received a personalised communication (as defined by FCA) from TSC or wish to deal in a 'complex' investment (e.g. a warrant, covered warrant or 'securitised derivative') on an execution only basis, you may be required to complete an appropriateness test. This requires TSC to ensure that you have sufficient awareness of the risks involved in a product or service when taking into account your knowledge and experience in the relevant investment field before TSC can accept your dealing instruction. TSC reserves the right not to accept an instruction to deal where you fail such a test.
- 1.13. TSC does not provide advice on the legal implications of accepting this Agreement and, unless otherwise specifically indicated to you by the Advice team, does not provide advice on aspects of taxation.

2. Cancellation Rights

- 2.1. You have the right to cancel this Agreement for a period of up to 14 days (or 30 days if this Agreement relates to a pension) from the day on which TSC accepts your application (i.e. the date of the welcome letter or email that will be sent to you).
- 2.2. However, the right to cancel cannot apply to any transactions undertaken during the cancellation period, where the prices of the investments concerned can fluctuate within the financial marketplace and where those fluctuations are not within TSC's control (e.g. TSC is unable to have any control over the movement of share prices).
- 2.3. In order to cancel the Agreement, you must ensure that your written instructions to cancel are sent to TSC (or its nominated agent) before the end of the 14 day (or 30 day, for pensions) cancellation period.
- 2.4. If you do decide to cancel, you must still pay for any services that TSC has actually provided (which may include re-registration and commission charges), based on the published tariff sheet.

3. Customer Information

- 3.1. You will supply TSC with all information reasonably requested as soon as practical. You confirm that all information will be, to the best of your knowledge and belief, correct when supplied and that you will notify TSC of any changes.
- 3.2. TSC will treat all personal information about you and your financial affairs as confidential. TSC may however disclose any such information to its authorised agents and firms for whom TSC provides outsourced share dealing and/or administration services or if required to do so by law or regulation, or requested by a financial regulator, or where you have given your consent to the disclosure. The information may also be shared with other financial organisations to protect TSC and its customers, and other financial organisations and their customers, against financial crime. Further information on safeguarding customer data is contained within TSC's Privacy Policy available from TSC's website, www.share.com.
- 3.3. You agree that TSC may hold information about you and your affairs in order to:
 - verify your identity and financial standing (among other things TSC is likely to consult a credit or mutual reference agency, which may retain a record of our enquiry);
 - provide you with TSC's services (which may also necessitate TSC liaising with third parties, such as companies and their registrars, and disclosing some aspects of your personal information in order to verify, or otherwise discuss, your investments in the proper provision of TSC's services);
 - keep you up-to-date regarding other services which TSC or firms for whom TSC provides outsourced share dealing and/or administration services considers may be of interest to you (if you would prefer not to receive direct marketing information, please advise TSC on 01296 41 41 41).

- 3.4. Due to anti-money laundering regulations (which aim to prevent criminal property being used or disguised as legitimate wealth) you may have to produce satisfactory evidence of your identity, or the identity of any person on whose behalf you are placing the dealing instruction, before TSC can do any business with you, and from time to time thereafter. This identification process is designed to assist in the prevention of crime within the financial services industry and society at large. If you do not provide the information when requested, TSC may be unable to accept any instructions from you or provide you with any other services.
- 3.5. TSC will only accept applications from residents of certain qualifying countries, details of which are available from TSC. Where applications are received from such residents, additional identification requirements may apply.
- 3.6. You confirm that you are not a US person for the purposes of US federal income tax, and that you are not acting for, or on behalf of, a US person. The definition of a US person includes, but is not limited to, US citizens, US residents, US taxpayers or those who hold US dual nationality. In the future, should you become a US person, you agree to inform us immediately and consent to the automatic closure of your Account, or any Account over which you are a trustee or attorney, whether solely or jointly.
- 3.7. TSC is registered to use your personal information under the Data Protection Act 1998 (as may be amended). Under the terms of this Act, you are entitled to a copy of any personal information TSC holds on computer and on certain written records, upon payment of the appropriate fee.

4. Charges

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

5. Your Money and Investments

- 5.1. Your money will be handled in accordance with the client money rules of the FCA and unless otherwise agreed all money received or paid from or to you must be in British Pounds Sterling..
- 5.2. The cash balance held on your behalf, and as shown in your Account, will be deposited with an authorised banking institution in the name of TSC under customer trust status (i.e. separate from TSC's money), together with cash balances belonging to other customers of TSC. Such deposits may be held within instant access accounts with other authorised banking institutions. TSC may debit or credit your Account for all sums payable by or to you (including dividends you may receive in cash, fees and other amounts payable by you).
- 5.3. All payments to your Account must be drawn on your own United Kingdom ("UK") bank account. You may credit money to your Account by using an acceptable form of debit card, providing the sum to be credited does not exceed such limit as TSC may advise. All payments received, either individually or collectively, in excess of £25,000 may be subject to clearance, at TSC's absolute discretion, prior to the acceptance of dealing instructions thereon.
- 5.4. TSC has the right to return money, whether received by cheque, bank transfer or debit card, to 'source' (i.e. from where it came). All money returned will be done so at your own risk and will be subject to the normal timings of the banking clearance system. Where requested, money will only be transferred overseas to certain qualifying countries, details of which are available from TSC.
- 5.5. Interest will be payable quarterly on credit balances on money in your Account at the rates published from time to time by TSC. Where you make a payment to TSC to be credited to your Account, no interest will start to be calculated on this sum until the payment has cleared.
- 5.6. In the event that TSC does not hear from you for a period of 6 years, has made reasonable attempts to contact you, and such attempts have been unsuccessful, any money held in your Account may be released for the benefit of TSC's chosen charity. Should you subsequently contact TSC and make a valid claim, TSC will reimburse the money to you. However, interest will not be due to you from the date of release of the money to the charity.
- 5.7. TSC has the right to delay the return of any money received from you until 10 business days after the date of clearance for credit control purposes.
- 5.8. All investments held within your Account will be registered either in the name of TSC's 'pooled' nominee company, Share Nominees Limited (the "Nominee"), and/or Cofunds (in the case of certain unit trusts and open-ended investment companies ("OEICs")) and held for you as the beneficial owner, together with investments belonging to other customers of TSC. This means that there are no separate certificates, documents evidencing legal ownership or external electronic records of your individual investment holdings.
- 5.9. The Nominee and Cofunds hold the investments on trust, such that when customers buy or dispose entirely of an investment in accordance with this Agreement, their interest in relation to that investment within the trust is created or extinguished respectively.
- 5.10. On some occasions, because settlement is carried out on a pooled basis, your investments may be used by

TSC to settle another customer's transaction (for instance, where another customer wishes to sell a holding they have only just bought and TSC has not yet received that customer's stock). This will not affect the record TSC maintains which shows how much stock is held on your behalf.

- 5.11. TSC may deliver or accept delivery of certificates and/or investments via CREST on behalf of the Nominee.
- 5.12. TSC accepts responsibility for holdings in the name of the Nominee and for acts and omissions of the Nominee, but not in relation to Cofunds, nor the acts or omissions of Cofunds.
- 5.13. Dividends from investments will usually only be received as cash.
- 5.14. Overseas investments may be held on behalf of TSC by an overseas custodian, its sub-custodian or an investment clearing system. TSC and the Nominee do not accept responsibility for any losses arising from the default of such an appointed custodian or clearing system. It should be noted that there may be different settlement, legal and regulatory requirements in overseas jurisdictions from those applying in the UK and different practices for the separate identification of investments.
- 5.15. Overseas investments held by the Nominee may be in the form of CREST Depositary Interests ("CDIs"). CDIs cannot be registered into certificates. CDIs may be liable for withholding tax from the country of origin of the underlying investment. TSC is not obliged to reclaim any foreign withholding tax deducted. If you are unsure about the tax implications of dealing in overseas investments, you should seek independent tax advice.
- 5.16. On some occasions, money relating to overseas investments not held by the Nominee may be deposited in a client bank account outside the UK. Money held in its country of origin will be held with an approved bank or depositary unless the money relates to the settlement of a transaction or a series of transactions or the distribution of income which is subject to the law or market practice of a jurisdiction outside the UK and because of the applicable law or market practice, it is not possible to hold your money in a client bank account with an approved bank or depositary. In some cases, the bank or depositary with which your money may be held outside the UK may not have accepted that it has no right of set off or counterclaim against your money in respect of any sum owed by TSC on any other account held by TSC at the bank. The legal and regulatory regime applying to such bank or depositary outside the UK will be different from that of the UK and, in the event of a failure of the bank or depositary, your money may be treated in a different manner from that which would apply if the money was held by an approved bank in the UK.
- 5.17. Your money may be passed to another person, such as an exchange, clearing house or an intermediate broker, for the purposes of a transaction on your behalf through or with that person. Where such a person is located outside of the UK, the legal and regulatory regime applying to those persons will be different from that of the UK and in the event of the failure of such a person, your money may be treated in a different manner from that which would apply if the money was held by such a person in the UK.
- 5.18. You shall not charge or pledge the investments held under this Agreement (e.g. use them as security for a loan) or dispose of all or part of them otherwise than in accordance with this Agreement. Your investments and cash held by TSC or under TSC's control shall at all times be subject to a general lien and right of set off against all amounts owing to TSC from time to time. In other words, any sums due to TSC in respect of commissions, costs, fees, expenses or other amounts payable under this Agreement (plus any applicable value added tax) may be deducted or withdrawn (upon at least 3 business days prior notice) from any of your investments or cash held by TSC and TSC may have recourse against and sell, realise or dispose of any such assets and apply the proceeds in or towards the discharge of such sums. Any such sale, realisation or disposal shall be conducted in the manner and at the price TSC believes reasonably necessary in the circumstances (without being responsible for any loss or reduction in price), subject to compliance with the FCA's rules in connection with any such sale, realisation or disposal. The proceeds of any sale or disposal of such assets (net of costs) will be applied in or towards the discharge of your liabilities and TSC will account to you for any balance. In the event that such proceeds of sale are insufficient to cover the whole of your liabilities, you remain liable for the balance. A certificate in writing from TSC that any power of sale or other disposal has arisen and is exercisable shall be conclusive evidence of the fact in favour of a purchaser or transferee of the whole or any part of any such assets.
- 5.19. Subject to paragraph 5.12 above, in the event of there being a shortfall in the total quantity of money or an investment held in a pooled nominee or client money bank account, compared with the quantity or balance which should be held for customers, or in the event of an authorised banking institution, the Nominee, Cofunds, or any other third party custodian, bank or counterparty used by TSC defaulting (e.g. if they become insolvent), customers may have to bear that shortfall on a pro-rata basis.
- 5.20. Unless you are otherwise informed, TSC will provide you a statement either in paper or on our website via account sign-in of your investments at least once in any 12 month period, which will be based on deal date information (i.e. the effect of purchases or sales which are unsettled at the statement date will be reflected).
- 5.21. Unless otherwise indicated, TSC will not accept or make third party payments on your behalf. All receipts and withdrawals of money and investments must be received from, or paid to, an account in your name or, in certain circumstances such as your death or incapacity, your legal representatives.
- 5.22. In the event that an investment ceases to be settled through CREST, TSC will use its reasonable endeavours to continue to offer a dealing, settlement and pricing service in that investment insofar as reasonably practicable in the circumstances. TSC reserves the right to charge any additional costs associated with such

dealing and/or settlement to you.

6. Dealing

- 6.1. TSC may carry out transactions in such investments as are shown on the published tariff sheet, unless you are a permanent resident of a country outside the UK, in which case restrictions may apply. TSC will not deal in investments which have been suspended from dealing. TSC may also decide not to accept your dealing instructions or other instructions relating to your Account in certain circumstances (for example, where TSC is concerned about the lawfulness of the transaction or instruction). TSC may refuse to accept any dealing instructions from individuals who are resident or domiciled in any overseas country, if acceptance of a dealing instruction would require TSC to comply with any governmental or regulatory procedures or other formalities of such country.
- 6.2. All instructions to TSC to deal in investments must be on either a 'limit price' basis (where you set the maximum or minimum price at which you are prepared to deal) or 'best price' basis (where TSC will take all reasonable steps to obtain the best possible result for you). For both types of order, TSC will seek to obtain the best possible result, subject to any limit price specified in the case of a limit price order, in accordance with its Order Execution Policy, which is detailed within Schedule 2 of these terms of business. By placing an order to deal, you acknowledge that you have read and agree to be bound by the Order Execution Policy.
- 6.3. Where you instruct TSC on a best price basis and the number of shares or units to be dealt is larger than the investment's normal market dealing size, the price obtained may differ from the price indicated to you at the time your instruction to deal was placed.
- 6.4. TSC may aggregate (i.e. combine) your orders with those of other customers, which may operate on some occasions to your disadvantage. Further information is contained within TSC's Order Allocation Policy, which is detailed within Schedule 3 of these terms of business.
- 6.5. Where you submit a dealing instruction to TSC orders are dealt as soon as reasonably practicable in the circumstances. For many investments (predominantly equities), if submitting a best price order via TSC's Internet dealing facilities, if the market is open and a price is available, a price quotation will be displayed on your Internet screen, and will be valid for a period of 10 seconds, during which time you must confirm your dealing instruction in order to obtain that price (subject always to that price quotation not being withdrawn by the relevant Retail Service Provider). If you fail to do so, you can obtain a revised price quotation later. Please note that although the price quotation is held for 10 seconds, the prevailing price within the marketplace could have risen or fallen during this 10 second period. If you specify a limit price on your dealing instruction, and that limit price can be achieved within the market, your dealing instruction will be dealt immediately without the display of any price quotation.
- 6.6. Where you have submitted a dealing instruction via TSC's Internet dealing facility for outside the usual business hours of the LSE or relevant market, the dealing instruction will be executed as soon as reasonably practicable after 8.00am on the next day that the LSE or relevant market re-opens. You acknowledge that TSC may not necessarily obtain the official opening market price and that price movements may be more volatile when the market first opens. The difference between the buying and selling prices on some securities may also be greater at, or around, this time. It may be advisable for you to enter a limit price, as opposed to a best price, dealing instruction, outside the normal hours of the LSE or relevant market, or when submitting dealing instructions.
- 6.7. If a dealing instruction cannot be executed automatically for whatever reason, it will, if possible, be manually executed as soon as reasonably practicable.
- 6.8. Limit prices may be placed on dealing instructions for up to 365 calendar days. Limit prices may be cancelled and re-submitted at your discretion, provided the dealing instruction has not been executed. Where any limit order cannot be immediately executed, you agree that TSC may publish details of your unexecuted limit orders. Please note that TSC does not accept limit orders in non-UK traded securities.
- 6.9. Dealing instructions may not be altered once they have been accepted and executed by TSC. Where the dealing instruction submitted was incorrect, you agree to be responsible for any costs or losses incurred by TSC, which a reasonable person would consider to be the probable result of correcting the previous transaction, should TSC decide to accept an instruction to effect such a correction.
- 6.10. TSC cannot guarantee that limit price dealing instructions will be executed even if the limit price is reached. This could be due to prevailing market conditions (such as a 'fast market', where the market is so volatile that prices quoted in the stock market are only indicative rather than guaranteed), other customers having placed similar dealing instructions but then having an earlier time priority than your dealing instruction and their dealing instruction being executed in priority to your dealing instruction, or other factors beyond TSC's control.
- 6.11. All dealing instructions are only dealt automatically if they can be completely satisfied; if not, they will be passed to the Dealing team for manual action. Dealing instructions will not be partially filled.
- 6.12. Dealing instructions to purchase investments will only be executed if there is sufficient money in your Account to meet the potential cost of execution (including all applicable charges) or, where you are due to receive proceeds from a sale, sufficient sale proceeds to cover the intended purchase. Subject to this, TSC has the discretion to reduce the size of a purchase dealing instruction in the event of adverse price fluctuations, if

there are insufficient funds in your Account when submitting a dealing instruction. Dealing instructions to sell investments will only be executed if there are sufficient investments recorded within your Account that can be transferred to the purchaser, which shall not be adversely affected by paragraph 5.10 above.

- 6.13. In the event of a change in the share capital of an investment, or other corporate action, which could significantly impact on any current limit price dealing instruction, TSC will endeavour to delete such pending dealing instruction. However, TSC is under no obligation to do so, and it remains your responsibility to ensure limit price dealing instructions remain valid and to make any adjustments you consider necessary or desirable to reflect any changes to prevailing market conditions.
- 6.14. You recognise and accept that certain features (where available) and risks apply to the use of different types of limit price dealing instructions:
- stop-loss dealing instructions should initiate when the price falls to or below the specified level;
 - tracking stop-loss dealing instructions should initiate when the price falls by the specified amount from the monitored peak price;
 - ale price limit dealing instructions should initiate when the price rises to or above the specified price level;
 - purchase price limit dealing instructions should initiate when the price falls to or below the specified price level;
 - certain factors may cause the bid-offer spread of an investment to increase, even momentarily, to a wide level, thereby causing a stop-loss dealing instruction to be initiated;
 - market volatility may result in limit price dealing instructions being initiated, but with the resulting order being executed at a price which is above or below the price you set.

Wide bid-offer spreads may nevertheless be the most favourable prices quoted for the investment at that time.

- 6.15. Limit price dealing instructions and automated price alerts (only available to Internet users) that reach the end of their expiry date are deleted after close of business on the expiry date: it is your responsibility to renew them if you require this.
- 6.16. Limit price dealing instructions and price alerts are monitored each working day from 8.00am until 4.30pm.
- 6.17. TSC may retain any commissions received from a third party arising from transactions carried out for you and the amount of such commission and the identity of the third party will be available upon request. In addition, TSC may pay a share of the fees or commissions charged to you with third parties and the amount paid to the third party and its identity will be available upon request. Such instances can include where a third party has introduced you to TSC.
- 6.18. You accept that the prices and values of stock market investments, and products related to them, together with the income that they produce, can go down as well as up and you may get back less than your initial investment. In addition, the levels and bases of taxation may also change, both generally and in relation to specific products and investments. Consequently, TSC cannot accept responsibility for any movements in the value of your investments or for monitoring whether they continue to be suitable for you, even where TSC initially provided you with investment advice. Past performance is no indication of future performance. Where you are dealing in more complex investments, there may be a greater risk that you could lose your initial investment.
- 6.19. You will be sent a contract note, either in paper or electronic format, following a transaction, except where otherwise permitted by the FCA's rules. Any query in relation to the contract note should be raised by you within 5 business days of receipt so that any matters arising can be promptly resolved, otherwise TSC will assume that you have accepted the contents of the contract note. Prior to receiving the contract note, for information about the status of your order, you can contact a member of TSC's Dealing team or view the status online at www.share.com.
- 6.20. Where you instruct TSC to deal or otherwise act in relation to your money or investments by mobile phone, internet or other automated access route, provision of your customer reference number, password and part of your own chosen memorable word shall be sufficient authority for TSC to act upon such instructions. The password and memorable word must remain your personal secret. You must change the password and memorable word if you believe anybody else knows them and notify TSC immediately if you discover that they have been lost or compromised. TSC will not be liable for any unauthorised use of a password or memorable word resulting from negligence on your part or loss arising therefrom. TSC may withdraw the password or memorable word where the wrong number is entered more than once or in other circumstances.
- 6.21. If you intend to purchase a unit trust or OEIC, you will need to confirm that you have read the relevant simplified prospectus or key investor information document. You will be provided access to these important documents during the dealing process or you may request a copy from TSC's Dealing team. When dealing in unit trusts or OEICs administered by Sharefunds Limited, TSC's sister company, dealing instructions must normally be received and validated by midday for dealing that day. All other unit trust and OEIC dealing instructions must be received and validated by 10.00am if they are to be dealt that day.
- 6.22. If you intend to purchase an exchange traded fund ("ETF"), you should read the additional risk warnings, including details of the limited protection available from the UK regulatory system, which are available on

TSC's website. You will also need to confirm that you have read the relevant simplified prospectus or key investor information document. You will be provided with access to these important documents during the dealing process or you may request a copy from TSC's Dealing Team.

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

7. Asset Match

- 7.1. Once TSC has executed your dealing instruction, sale proceeds (if a sale) or investments (if a purchase) will only become available to you once those sale proceeds or investments have been received in full by TSC.
- 7.2. Where the anticipated sale proceeds or investments are not received in full, you will, along with all other applicable customers of TSC:
- if purchasing investments: be entitled, in the chronological order in which instructions were received by TSC, to the relevant investments actually delivered to TSC and, in the event of any delivery shortfall, to the repayment of a cash sum from TSC's client settlement bank account equal to the whole or relevant part of the sum debited from your Account in respect of the relevant investments;
 - if selling investments: be entitled, in the chronological order in which instructions were received by TSC, to cash actually received by TSC and in the event of any payment shortfall, to the return of the relevant investments held by the Nominee or Cofunds, as appropriate, equal to the whole or relevant part of the number of shares, bonds, warrants or units originally sold.

8. Settlement

- 8.1. In the case of changes in the share capital of your investments, receipt of a notice of conversion or proposal to wind-up, amalgamate or take-over a company or other corporate action where the investments are held for you by TSC:
- 8.2. a bonus or capitalisation issue will be automatically credited to your Account and details will be sent out to you after the event;
- 8.3. otherwise (where appropriate and subject to paragraph 8.2 below) you will be sent a summary of the proposal prior to the event and the required action to be taken (if any);
- 8.4. if, on a rights issue, open offer or exercise of warrants, no instruction is received from you, the Nominee will allow the rights, entitlements or warrants (as applicable) to lapse. Lapsed proceeds received by the Nominee in excess of £1 will be returned to you. Sums less than this may be retained for the benefit of TSC;
- 8.5. all offers will be accepted upon them being declared as going 'compulsory' whether or not any instructions have been received from you;
- 8.6. your entitlement to shares will be to the nearest whole share, rounded down, and the aggregate of fractional entitlements may be held by the Nominee for the benefit of TSC. Cash received by the Nominee representing fractional entitlements in excess of £1 will be returned to you. Sums less than this may be retained for the benefit of TSC;
- 8.7. any charges imposed by the company or its registrar will be applied to your Account in accordance with paragraph 4.1 above.
- 8.8. Whilst TSC undertakes to notify you of all corporate actions relating to your investments, there may be instances where TSC is not advised of a corporate action by the company or its registrar, either at all or in sufficient time, and consequently cannot notify you of the terms of the corporate action. In such event, TSC will accept the default option of the corporate action on your behalf and cannot be held responsible for any loss that you may incur or any other outcome imposed by the company or its registrar.
- 8.9. Sometimes the terms of a corporate action will require an election to be made on behalf of the Nominee's entire holding in a company on an 'all or nothing' basis. In these circumstances, TSC may be unable to obtain appropriate instructions from all customers holding that investment within the Nominee. In such event, TSC reserves the right not to offer this entitlement to you, but will use its reasonable efforts to offer you an alternative entitlement, which may not match the entitlement offered by the company.
- 8.10. If partly paid shares held for you are the subject of a claim for any due balance and no valid instruction is received from you, TSC may sell sufficient of your investments to meet the claim.
- 8.11. Where instructions are sought from you, TSC and the Nominee will (other than as referred to elsewhere within this Agreement or in accordance with any other notified procedure) only act if instructions are received from you (or are reasonably believed to have been received from you or from your authorised agent). Where TSC has not received your instructions by the date specified by TSC within the summary of the corporate action, TSC will accept the default option of the corporate action on your behalf and cannot be held responsible for any loss that you may incur. For administration reasons, the date specified by TSC for the provision of your instructions may be earlier than the date specified by the company or its registrar. For the avoidance of doubt, even where you have sufficient funds within your Account, TSC will not exercise any rights, entitlements

or warrants (as applicable) on your behalf without your specific instructions.

- 8.12. As your investments are pooled with other customers', there may be occasions when your entitlement to such corporate actions referred to in paragraph 8.1 above may have been different had you held the shares in your own name. In such a situation TSC shall take such steps as it considers to be fair in the circumstances, which may include dividing the whole entitlement received from the corporate action between you and other customers or treating any fractional entitlements in the same way as the company concerned, acting through its registrars.
- 8.13. If TSC receives notice of a class action or group litigation order that is being proposed or taken concerning your investments, TSC will not be obliged to inform you or act upon that notification.
- 8.14. An investment will be removed from your Account either upon confirmation from HMRC that the investment is of 'negligible value' for the purposes of a claim for Capital Gains Tax purposes under section 24(2) Taxation of Chargeable Gains Act 1992 or if it is declared as dissolved at Companies House.
- 8.15. You may apply to TSC for a 'proxy' directing how voting rights are to be exercised by the Nominee in respect of each of your investments.
- 8.16. If you wish to receive communications direct from listed companies in which you are a shareholder (such as an annual report and accounts and any other information issued to shareholders), you may opt-in for these Shareholder Rights (as defined in Part 9, Companies Act 2006) either via TSC's website or by telephoning TSC's Shareholder Rights team on 08456 185 180. While it is compulsory for listed companies to provide this information to those that opt-in, unlisted companies (such as those on AIM) are not obliged to respond to such opt-in instructions. You may also apply for a proxy certificate to attend meetings of shareholders in companies in which you have invested. TSC may inform the relevant company in which you hold such an investment, or its agent, of your name, address and any other necessary details.
- 8.17. Shareholder benefits will only be available to you if the relevant company has agreed with TSC to provide them.

9. Investment Communications

- 9.1. You agree to be responsible for any costs or losses incurred by TSC and/or the Nominee, which a reasonable person would consider to have been incurred by them and be reimbursable to them:
 - as a result of your specific request, fault, omission or dishonesty; and
 - arising from the proper performance of their functions or exercise of their rights under or otherwise in connection with this Agreement, except where such costs or losses are due to their fraud, wilful default or negligence. TSC and/or the Nominee shall not be responsible for any costs or losses incurred by you, except where this is due to TSC's and/or the Nominee's fraud, wilful default or negligence. Neither this paragraph nor anything else within this Agreement will restrict or exclude any duty or liability owed to you under the rules of the FCA, the Financial Services and Markets Act 2000 ("FSMA"), Financial Services Act 2012 or under common law. Whilst TSC undertakes to notify you of all corporate actions relating to your investments, there may be instances where TSC is not advised of a corporate action by the company or its registrar, either at all or in sufficient time, and consequently cannot notify you of the terms of the corporate action. In such event, TSC will accept the default option of the corporate action on your behalf and cannot be held responsible for any loss that you may incur or any other outcome imposed by the company or its registrar.
- 9.2. If TSC fails, interrupts or delays performing its obligations under this Agreement because of a breakdown, failure or malfunction of any telecommunications or computer services or systems (internally or externally) or any other event not reasonably within its control, then TSC will not be liable to you. TSC will not be responsible for any loss or damage caused by such an event or suffered by you as a result of such events. This includes, but is not restricted to, any delay, breakdown or failure of any transmission or telecommunication or computer systems or facilities, strikes or other industrial action or dispute, or the failure of any relevant exchange, clearing house, broker, independent software vendor, settlement agent or bank to perform its obligations or to operate efficiently and correctly or any other event which is reasonably outside TSC's control.
- 9.3. TSC may, at any time where it reasonably considers it necessary or desirable to do so, suspend all or any of its services including, without limitation, to carry out repairs, or to upgrade hardware or software or to correct any hardware or software error and it shall not be liable for losses arising from the suspension.
- 9.4. Whilst TSC will use its reasonable endeavours to ensure that its Internet websites are available at all times, it will not be liable for any loss or damages resulting from the websites being inaccessible. Access to the websites may be suspended temporarily or permanently and without notice.
- 9.5. Where TSC provides certain calculator tools on its websites, TSC does not accept responsibility for the validity or results produced by these tools. It is your responsibility to verify the accuracy of their output.
- 9.6. TSC is not responsible for the security or transmission of electronic instructions either from TSC or from you.
- 9.7. Where information, or links to other information, on TSC's websites consists of pricing or performance data, or other information which has been obtained from third parties, TSC will not normally have carried out any independent verification of such data and does not accept liability for any reliance placed upon such data, where that data is proven to be inaccurate or incomplete. Furthermore, you undertake not to distribute, sell

or license any content contained on TSC's websites. You agree that TSC or its authorised agents may at all reasonable times and on reasonable notice have access to and inspect your computer systems, accounts, records and other documents (in both hard copy and machine readable form) in relation to any suspected re-distribution, re-sale or sub-licensing of the content.

- 9.8. The information contained within TSC's websites originated by TSC is believed to be correct, but cannot be guaranteed.

10. Termination

- 10.1. You may terminate this Agreement immediately by contacting TSC; TSC reserves the right to request this in writing. TSC may terminate this agreement with reasonable advance notice to you, or immediately on written notice where there are serious grounds for doing so.
- 10.2. In the event of your death, upon receipt of a sealed copy of the UK grant of representation of your estate, TSC will instruct the Nominee to deliver your investments to your personal representatives. Anti-money laundering regulations may apply.
- 10.3. If you have a joint Account, in the event of your death, the Account will continue in the name(s) of the surviving Account holder(s). TSC will require proof of death (e.g. an original or office copy of a death certificate) prior to the Account converting to the surviving Account holder's/holders' name(s).
- 10.4. Where the value of your Account falls below £100 and no investments are held, TSC reserves the right, following reasonable notice, to close your Account, charge accordingly and forward any balance remaining to you.

11. Complaints and Compensation

- 11.1. If you have a complaint, please contact the department at TSC you have an issue with. You can contact us by any means including letter, telephone or email. If TSC cannot resolve the complaint to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service, the independent complaints handling body for the financial services industry. A copy of TSC's complaints handling procedure is available upon request.
- 11.2. TSC participates in the Financial Services Compensation Scheme, established under the FSMA, which provides compensation to eligible investors in the event of the firm being unable to meet its customer liabilities. Payments under the protected investment business scheme are limited to a maximum of the first £50,000 of the claim. Further information is available from TSC's Compliance team.

12. General

- 12.1. All written or electronic communications TSC sends you will be to the latest address notified by you to TSC and shall be assumed received by you on the second day after posting or on the day after despatch in the case of electronic communication. Communications sent by you shall be deemed received only if actually received by TSC.
- 12.2. Telephone calls may be recorded for the purpose of training, monitoring quality and regulatory compliance.
- 12.3. Should you cease to live in a qualifying country (details of which are available from TSC), your Account will be terminated and all investments held can either be transferred to you, or sold; any money or sale proceeds will be returned to you.
- 12.4. You agree that TSC may from time to time telephone or otherwise contact you to discuss potential or existing investments or investment services, subject to compliance with the rules of the FCA, and you are willing to accept such calls, unless you advise otherwise.
- 12.5. TSC and the Nominee may employ agents on such terms as they think fit. TSC will satisfy itself that any person to whom it delegates any of its functions or responsibilities under the terms agreed with you is competent to carry out those functions and responsibilities. TSC will take reasonable care in the selection and supervision of such agents.
- 12.6. Should any clause within this Agreement or part thereof become or be declared illegal, invalid or unenforceable for any reason, the remainder of the clause and Agreement shall be unaffected and shall remain in full force and effect.
- 12.7. The Contracts (Rights of Third Parties) Act 1999 will not apply to this Agreement, which means that only you and TSC have the right to enforce any of the terms and conditions mentioned.

Section 2: Additional terms of business for Enterprise Investment Scheme Accounts

The terms of business in this section are only relevant to you if you are opening an Enterprise Investment Scheme ("EIS"), Seed Enterprise Investment Scheme ("SEIS") or a Business Property Relief ("BPR") Account, in which case, the terms of business in paragraphs 1 to 13 shall also apply, where relevant. Should any terms within paragraphs 1 to 13 conflict with these Additional Terms of Business, the Additional Terms of Business will prevail.

13. EIS Accounts

13.1. You acknowledge that TSC:

- is the administrator and custodian of your Account;
- is not the fund manager of the Account and is not responsible for the suitability or appropriateness of the Account, either at the point of sale or thereafter;
- may only act upon the instructions of the fund manager in relation to your Account;
- is not responsible for the contents of any documentation relating to the Account, other than these terms of business or other documentation required to be sent to you by TSC in discharge of TSC's regulatory obligations. In particular, TSC is not responsible for the contents of the Account information memorandum, brochure or prospectus, and has not issued or approved the contents of these documents in accordance with Section 21 FSMA.

Section 3: Schedule 1: Conflicts of Interest Policy - Summary Version

TSC aims to identify and prevent conflicts of interest which may arise between itself and its customers, and between one customer and another, in order to avoid any adverse effect on its customers. This Policy sets out procedures, practices and controls in place to achieve this. The avoidance of potential conflicts of interest is a key consideration, so operational structures and procedures, password-controlled systems, data hierarchy, and the clear segregation of roles and responsibilities are all designed to work to prevent any conflicts arising in the first place. This Policy applies to all officers (whether Executive or Non-Executive), employees and any persons directly or indirectly linked to the Share plc group of companies ("the Group") and refers to all interactions with all customers of the Group.

Scope

Types of conflict which may carry a material risk of damage to the interests of a customer include, but are not limited to, the following. Where the Group or any person directly or indirectly linked to the Group:

- Is likely to make a financial gain or avoid a financial loss at the expense of the customer;
- Has an interest in the outcome of a service provided to, or of a transaction carried out on behalf of, the customer which is distinct from that customer's interest in that outcome;
- Has a financial or other incentive to favour the interest of another customer or group of customers over the interests of the customer;
- Carries on the same business as the customer;
- Receives, or will receive, from a person other than the customer an inducement in relation to the service provided to the customer in the form of monies, goods or services, other than the standard commission or fee for that service;
- Designs, markets or recommends a product or service without properly considering all the Group's other products and services and the interest of their customers.
- Guarding against conflicts of interest
- A number of different safeguard systems and processes are in place in order that the potential for conflicts of interest is minimised:
- Personal account dealing requirements upon all officers, employees and certain associates of TSC in relation to their own investments;
- An Investment Research Policy covering the production and dissemination of investment research by TSC;
- A Register of Information logging receipt and use of any 'inside information' by TSC;
- Chinese Walls restricting the flow of price sensitive information within TSC;
- A Gifts and Inducements Log registering the solicitation, offer or receipt of certain benefits;
- External business interests conflicting with TSC's interests are prohibited for TSC's officers and employees, unless Board approval is provided;
- Job roles and system access is subject to appropriate segregation of duties considerations, detailed within a separate Policy;
- Remuneration packages within TSC are structured to minimise any link with levels of business generated with retail customers;
- Corporate governance requirements are followed as appropriate to a Group of the size and nature of Share plc;
- Legal and regulatory record keeping requirements are followed, including the maintenance of a Privacy Policy for Internet users;
- A Public Interest Disclosure Policy ("whistleblowing") is in place for TSC employees;
- Where a conflict of interest arises, TSC will, if known, disclose it to a customer prior to undertaking investment business for that customer.

A full version of the Conflicts of Interest Policy is available on request from TSC's Compliance team.

Schedule 2: Part One: The Quality of Execution

When executing orders on behalf of customers in relation to financial instruments, TSC will take all reasonable steps to achieve what is called "best execution" of customer orders. This means that TSC will have in place a policy and procedures which are designed to obtain the best possible execution result, subject to and taking into account, the nature of customer orders, the priorities the customer places upon TSC in filling those orders and the market in question, and which provides, in TSC's view, the best balance across a range of sometimes conflicting factors. TSC will take into consideration a range of different factors which include not just price, but which may also include such other factors as the cost of the transaction, the need for timely execution, the liquidity of the market (which may make it difficult to execute an order), the size of the order and the nature of the financial transaction. TSC's commitment to provide its customers with "best execution" does not mean that TSC owes customers any fiduciary responsibilities over and above the specific regulatory obligations placed upon TSC or as may be otherwise contracted. While TSC will take all reasonable steps based on those resources available to it to satisfy itself that it will have processes in place that can reasonably be expected to lead to the delivery of best execution of customer orders, TSC cannot guarantee that it will always be able to provide best execution of every order executed on each customer's behalf.

Part Two: Order Execution Policy

1. Customer orders must be received on either a 'best price' or 'limit price' basis and are subject to the requirements of this execution policy.
2. It is important to note that where a customer order is received with specific instructions relating to how the order should be executed, the order will be executed in line with those instructions; any such specific instructions from a customer may prevent TSC from taking the steps that it has designed and implemented in its execution policy to obtain the best possible result for the execution of customer orders covered by those instructions.
3. Customer orders received for transferable securities, i.e. shares, exchange traded funds/ commodities, warrants, covered warrants and investment trusts will be executed on one of the following markets:
 - a) London Stock Exchange ("LSE"); the LSE is a regulated market and one of the larger better known European markets for dealing in both UK and international shares;
 - b) Alternative Investment Market ("AIM"); a market for smaller-capitalisation growth companies. AIM is a not a regulated market, but is an exchange-regulated market owned by the LSE;
 - c) and such other markets as TSC considers appropriate in the circumstances.
4. The choice of market depends on which market or MTF a particular security is traded on, for example, where a security is only traded via the LSE, the customer order can only be executed via the LSE; however, where the same customer order can be executed on either of two separate markets, the market that will result in the best possible result for that customer order will be chosen.
5. Customer orders are usually executed via specialist market makers known as Retail Service Providers ("RSPs"). TSC deals with a number of RSPs, all of whom are members of the LSE and are authorised and regulated by the FCA. The RSPs quote a price and size in securities in which they are registered and make this information available via various information vendors.
6. TSC's process for achieving the best possible result for a customer order is initiated by the receipt of the order from the customer. The order is then passed, via an information vendor, to an automated polling system, which connects directly to the RSPs registered with that information vendor and in the security concerned. The automated polling system will then identify the RSP offering the best price for the customer order; this information is then sent back to TSC for acceptance. The range of RSPs available to TSC will be dependent on which RSPs are accessible through the information vendor used; TSC will be linked to one or more information vendors which provide access to a wide range of RSPs.
7. On some occasions, where the RSP is unwilling or unable to execute the customer order electronically, the order will have to be executed manually with the RSP over the telephone.
8. There may be occasions where, as a result of either specific customer instructions, the nature of the security being traded, or the services being provided, that customer orders will not be executed on either a regulated market or MTF. Where such instances arise, TSC will obtain the customer's prior express consent before proceeding to execute such orders. The customer's prior express consent may either be in the form of a general agreement or in respect of individual transactions.

9. Any customer orders received for collective investment schemes (e.g. unit trusts and/or OEICs) are executed either directly via the relevant fund manager, or via Cofunds.
10. Where a customer order is received for a bond or gilt-edged security, it will be either:
 - electronically executed via Bondscape, an automated service designed primarily for brokers and other professional investment advisers trading small sizes of fixed interest securities. Two-way prices are provided by participating market makers. The service automatically selects the best price for execution from the competing market makers; or
 - executed with an RSP.
11. Generally, there are a number of different execution factors which can affect the outcome of customer orders e.g. price, cost, speed, the likelihood of execution and settlement, the size and nature of the order. However, as TSC does not differentiate charging structures or settlement processes between execution venues, the most significant factor is considered to be the price at which the order can be executed. By achieving the best price possible given the execution venues available, TSC delivers the best possible result for customer orders received.

Part Three: Client Acknowledgement

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

Schedule 3: Order Allocation Policy

Where TSC considers it necessary and in the best interests of the customer, a customer order may be aggregated (i.e. combined) with orders received from other customers.

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

Customer orders will only be carried out where the total, aggregated order can be dealt; in other words, customer orders will not be partially filled.

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



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