

## ***TERMS & CONDITIONS OF BUSINESS***

This letter sets out the terms under which David Allen Financial Management Ltd (“the Company”), Dalmar House, Barras Lane Estate, Dalston, Carlisle CA5 7NY, provides investment services under the requirements of the Financial Services and Markets Act 2000.

1. The Company advises on and arranges pensions, annuities, life assurance, health insurances, mortgages and related insurances, units in collective investment schemes, unit trusts, investment trusts, stocks and shares, personal equity plans, investment bonds, enterprise zone investments, venture capital trusts, enterprise investment schemes and individual savings accounts (the investments), from a fair analysis of the whole market.
2. The Company will assess your needs and will offer advice and make a recommendation, which will endeavour to meet your stated objectives, taking into account personal information disclosed including your risk profile. Should your circumstances change you should notify us accordingly.
3. The Company are appointed representatives of InvestAcc Ltd., 21 Castle Street, Carlisle CA3 8SY (InvestAcc) which is authorised and regulated by the Financial Services Authority (FSA), membership number 154918 and act in accordance with and are bound by the rules of the FSA. Details of our authorisation may be checked on the FSA Register by visiting the FSA’s website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234.
4. The Company offers independent financial advice, however, the Company will not arrange or carry out for the client any business in which the Company has a material interest, or in which it is aware another of its clients has such an interest, without first disclosing that interest to the client in writing and obtaining his consent.
5. No transactions will be undertaken on behalf of a client until instructions are received from the Client. The Company accepts oral instructions but may require them to be confirmed in writing.
6. When the Company have arranged investments for the client following recommendations made, the Company will not provide any further advice unless the client so requests.
7. The Company will store personal details securely in accordance with the Data Protection legislation. Such data will not be disclosed or passed on to any third party without the client’s express authority. The Company may use such data to periodically contact the client with information about products and services.
8. The Company shall be entitled to delegate any part of its obligations with regard to Stock Exchange transactions to Gerrard Ltd. Stockbrokers, Glasgow or any other Stockbroker (“the Stockbroker”) and will obtain advice in respect of the Clients Investments from the Stockbroker on behalf of the client. In accordance with the agreement InvestAcc has with Gerrard Ltd. and in accordance with the agreement supplied by Gerrard Ltd. to each client, Gerrard Ltd. take responsibility for any advice given by them in every respect. Stock Exchange and other transactions undertaken by the Stockbroker on behalf of the client generate commission payable to the Company. Such commission is stated on each contract note.
9. The Company normally receives commission, discount or other benefits for transactions effected on behalf of clients in respect of the client’s investments and this is retained for the Company’s benefit. The Company retains the right to share this commission with professional connections at its discretion. The amount and terms and timing of payment of commission receivable by the Company in respect of transactions undertaken on behalf of the client, will be notified to the client prior to any investment. Such commissions, etc. usually constitute initial and annual or renewal commissions. In all cases where commission or other benefit is earned by the Company the client consents to such commission or other benefit being retained by the Company without being liable to account to the client for any part thereof.
10. If the Company receives a commission or other benefit from the issuer of a security or from another intermediary, the Company will inform the client of its receipt (but not, unless the client requests it, its amount)
11. An initial meeting to assess your requirements and to explain terms of business will be free of charge. If it is agreed that the Company act on a fee basis, then such charges will be agreed with the client in writing before carrying out such chargeable work and will be payable within 14 days of the issue of an invoice whether or not any investment business is undertaken on behalf of the client.
12. All client moneys are held in a separate designated client account in the name of InvestAcc this is a trust account with National Westminster Bank. All client money is segregated from InvestAcc monies. National Westminster have given us a written acknowledgement that all money in the account is held by us as trustee; the bank is not entitled to combine the account with any other or make any claim of the money in it; interest will be credited to the account; and the title of the account is as we have requested and makes it clear that the account contains no money belonging to us.
13. If the Company receives money from or on behalf of the client, it will be held in the designated client account pending investment or payment to or on the client’s behalf. If the Company receives money payable to you we will forward it to you at the latest address we have for you or as directed by you.
14. The Company pay interest to the client on the cleared balance standing to the credit of the client in accordance with the Financial Services (Client Money) Regulations. Interest will be calculated at National Westminster client investment account rate and will be paid to the client subject to the deduction of tax. No amounts will be paid where gross interest received in respect of the client does not exceed £40 in any calendar year.

15. All investments will be registered in the name of the client unless the client has instructed the Company in writing giving alternative instructions.
16. When investment contracts are arranged you will receive a letter direct from the product provider(s) allowing you a prescribed number of days, from the date of receipt to change your mind. These are your statutory cancellation rights. The cancellation notice received should be sent back directly to the provider only if you wish to cancel. If you decide to cancel any lump sum investment contracts, although the recommended provider will not levy any charges, the fund recommended may have fallen in the meantime. If this is the case any refund payable by the provider will reflect this fact.
17. We will send you (or a person nominated by you in writing) annually a statement of the documents showing ownership of your investments and any other property belong to you and held by us or to our order.
18. We will only deposit documents showing ownership of your investments with a third party for the purpose of providing collateral for a loan or borrow money on your behalf against the security of the investments if you have given your prior written consent to do so.
19. The client or his appointed agent may inspect contract notes, vouchers and entries in the Company books (whether kept manually or electronically), which relate solely to the clients investments. The Company treats all client records as confidential. The Company therefore, reserves the right not to give the client copies of records, if to do so would be to allow access to files or information about other clients contained in such records. The Company maintains such records for six years from the date of all transactions.
20. The Company will forward to the client all documents showing ownership of the investments as soon as practicable after receipt. Where a number of documents relating to a series of transactions are involved, the Company will normally hold each document until the series is complete and then forward them to the client. The Company may retain any documents or other property belonging to the client as instructed by the client, such documents will be held for safe keeping in our safe deposit facility at 21 Castle Street, Carlisle CA3 8SY. In such circumstances we will send to the client a statement of documents and other property held annually.
21. The Company maintains professional indemnity insurance for the protection of clients.
22. Should the Client have a complaint regarding the Company services, the Company is obliged under FSA regulations to deal with this complaint promptly and fairly. If the Client does not receive satisfaction, a complaint may be made direct to Financial Ombudsman Service. If you should have any complaint about the advice you receive you may notify us verbally or writing to The Compliance Officer, InvestAcc Ltd, 21 Castle Street, Carlisle, Cumbria CA3 8SY Tel:01228 538988. A copy of the firms' complaints procedure will be forwarded automatically with the initial acknowledgement letter to any complaint made. If the client does not receive satisfaction, a complaint may be made direct to the Financial Ombudsman Bureau.
23. Should the client receive negligent advice from the Company in respect of any investments we have arranged for the client and the Company are unable to meet our liabilities in full, depending on the type of business and the circumstances of the claim, the client may be entitled to redress from the Financial Services Compensation Scheme (FSCS). Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. Details of cover provided by the FSCS are given in a leaflet which InvestAcc will send to you on request. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.
24. This agreement may be terminated at any time without penalty and without prejudice to completion of transactions already initiated on behalf of the client, by either party giving immediate notice in writing to that effect to the other.
25. There are risks attached to any investment and our recommendations do not give an express or implied warranty or guarantee relating to the financial return of the particular investment. The value of shares and units and the income from them can go down as well as up and consequently it is possible you may not get back all the funds invested. Past performance is not necessarily a guide to future performance. Whilst equity investments carry potential for greater returns over the longer term, the volatility on these returns can also be greater. Where funds are invested abroad, the value of your investment may rise and fall purely on account of movement in exchange rates.
26. All recommendations made are based upon information disclosed; where you have not disclosed all information with regard to your financial circumstances we cannot accept responsibility for any adverse consequences of non-disclosure.
27. Advice concerning the tax treatment of products and their benefits are based on our understanding of current law and Inland Revenue practice. Levels and bases of, and reliefs from, taxation are subject to change
28. This agreement will be governed by and construed in accordance with English Law.

Yours sincerely,

**DAVID ALLEN FINANCIAL MANAGEMENT LTD**

Terms of business agreed by ..... Date .....

January 2005