

ADVISORY AND EXECUTION ONLY TERMS AND CONDITIONS INCORPORATING NOMINEE SERVICES

CLIENT NAME(S)

1. AUTHORISATION

Farley & Thompson (hereafter referred to as 'we') are authorised and regulated by the Financial Conduct Authority (the FCA). Information on the FCA, and the FCA register of firms and individuals, can be accessed via the website www.fca.org.uk. We are authorised to manage, advise and arrange dealing in investments, handle client money, hold client investments and to carry out business regulated by the FCA. As an independent provider of advisory and discretionary services we select and manage investments from across a wide range of opportunities but as we do not advise on all retail products, under the Financial Conduct Authority rules, we are defined as offering a "restricted" service.

2. OUR SERVICES

As a firm we offer 'restricted' advice which means that we provide discretionary, advisory and execution only services together with valuation and safe custody facilities in the following investment classes only:

- Shares, investment trusts, warrants, Government stock (Gilts) and similar investments that are traded on a Recognised Investment Exchange;
- Allotment letters and other investments relating to the above; and
- Collective investment schemes such as unit trusts and OEICS.

We do not offer advice on mortgages and equity release, protection insurance, life assurance, pensions and pension transfers, annuities or financial planning.

We do not offer tax advice.

We will provide advisory and execution only services to you. We will give you investment advice where appropriate as and when you ask for it and we may contact you to discuss our recommendations. We will not deal on your behalf without contacting you beforehand. The decision to buy, sell or hold any investment will be your responsibility.

If we hold your shares electronically this will be in a 'nominee' account where no paper share certificates are issued, valuations and statements of any account that you hold with us will be prepared on a six monthly basis. We charge you an annual fee for this service, details of which can be found in our schedule of fees and commissions and on our website. You are also able to register to use our online valuation service to view your portfolio.

In provision of execution only services for 'non-complex' products, we are not required to assess the suitability of the instrument or service provided or offered and you will therefore not benefit from the rules assessing suitability.

We may agree to undertake transactions in investments that are not exchange traded or which are not readily realisable investments. We may also give you advice on or deal in investments which you already hold which fall outside the above categories.

You may communicate with us, and we will communicate with you in English. We may telephone you without being invited to do so as long as the call relates to investment business carried out by us on your behalf. You may contact us by telephone, email or in writing but we will only accept dealing instructions by telephone or in writing. Other services that we may provide and for which an additional written agreement is required include:

- Discretionary Management Services
- Individual Savings Accounts (ISAs) or their successors
- Junior ISAs (JISAs) or their successors

3. CATEGORISATION

We will categorise you as a 'retail client' as defined by the FCA. Although categorised as such, you may not necessarily be an eligible complainant under statutory dispute resolution procedures. You have the right to request a different classification.

4. CLIENT IDENTIFICATION

Under current legislation and FCA rules, we are obliged to satisfy ourselves that a client or prospective client is who he or she claims to be. The purpose of these procedures is to ensure that a firm does not carry out or agree to carry out financial services or give advice to a client or potential client unless the firm has proof of that person's identity and residential address. If the client is acting on behalf of another person, or the investments are held on behalf of someone else, we are obliged to confirm the identity of all parties involved. In addition to private individuals, these rules apply to companies and their directors, trusts and their trustees and charities.

We are therefore obliged to ask all potential new clients and in some circumstances existing clients, for proofs of identity and residential address as described in the Joint Money Laundering Steering Group's Guidance Notes and subsequent legislation.

Client identity requirements are detailed on the 'Personal Registration and Factfind' form. We may also ask you to provide a power of attorney or letter of authorisation confirming that you are able to deal or give instructions on another person's behalf.

We may use electronic data to verify your ID and address details at credit reference and fraud prevention agencies. This type of search will not affect your credit rating.

5. INVESTMENT COMPANY RISK WARNING

We may from time to time recommend to you securities issued by investment companies (investment trusts). These companies may borrow additional funds (gearing) to make additional investments in order to boost returns. When the trust is performing well shareholders may enjoy an enhanced or 'geared profit'. However if the trust performs poorly then the loss may be similarly exaggerated. Like any investment, you may get back nothing at all if there is a sufficiently large fall in value.

6. YOUR INVESTMENT OBJECTIVES AND RELATED RESTRICTIONS

If requested we will give you advice that is suitable for your personal circumstances as we understand them based on the information that you have provided us within the 'Personal Registration and Factfind' form. You are encouraged to provide us with any updates to your personal circumstances or investment objectives that may have a bearing on the advice that we give you. We are obliged to make and retain a record of the information that we have taken into account when making investment recommendations to you.

7. DEALING

All instructions to deal will be carried out as soon as is reasonably practicable during normal dealing hours for the relevant exchange and at the best price available at the time of dealing. We will not accept dealing instructions by fax or email. We may telephone you to confirm instructions received by post. We may give you details of a transaction by telephone but this will be for your convenience only. The official record of a transaction is given in the form of a 'trade confirmation' which will be sent by post promptly and not later than the business day following the day the transaction was executed. We may combine your order with those of other clients (aggregation). At times this may work to your advantage and at others to your disadvantage. We reserve the right not to take dealing instructions from you. In certain circumstances we may not follow your instructions once given although we will try and warn you of this.

8. CHARGES

Our fees and dealing commissions will be in accordance with our published terms as found on our 'schedule of fees and commissions', on our website, or upon request. We reserve the right to amend or vary our dealing commissions and sundry charges at any time. Changes to our fees will be given in writing with not less than three months' notice. The dealing commission you have paid will be stated on your trade confirmation in accordance with our rates at the time that the charge was occurred. Stamp Duty, Stamp Duty Reserve Tax (SDRT), PTM levy and VAT will be charged as appropriate at the prevailing rate and will also appear on your dealing confirmation.

We are members of the London Stock Exchange but not of any other exchange so we may be obliged to deal through an agent in certain circumstances. In this case the dealing price shown on your confirmation may include agency charges and/or exchange rates and our commission will be based on that price.

The firm may receive 'trail' commissions on legacy unit trust or OEIC holdings. We do not pay or receive any other inducements or payments outside our published fees and commissions.

9. SETTLEMENT

All transactions will be due for settlement as shown on the relevant trade confirmation. You undertake to pay us any funds due by settlement date. We will pay funds due to you on settlement date based on good delivery of stock. **In the case of certificated sales, we must be in possession of the relevant share certificate as well as a signed CREST transfer deed before we can make such sales on your behalf.** While we are required to obtain best execution for you, dealing for a settlement period for longer than the market standard of two working days (T+2) may result in a less advantageous price being obtained.

We reserve the right to charge interest in respect of amounts due to us which have not been paid by settlement date.

10. BEST EXECUTION

The firm is obliged to take all reasonable steps to obtain the best possible result for clients when executing, transmitting or placing client orders and must take into account price, cost (to client), speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the execution of the order. In selecting one main execution venue (the London Stock Exchange), the firm is confident that it is able to satisfy its obligation to obtain the best possible result for our clients on a consistent basis in the vast majority (estimated at 98%) of all transactions. For most of our clients, best execution will primarily be a case of achieving the best price as most of the orders we undertake are standard in terms of instrument, settlement period, size and nature of order.

For UK equities, warrants, preference shares, investment trusts, UK government bonds, UK corporate bonds, exchange traded funds and other securities listed on the London Stock Exchange (Official List and AIM), we will assess the merits of dealing by direct contact with a Market Maker or via a suitable electronic trading system. Unit Trusts and OEICS will either be dealt directly by telephone with the fund management group or electronically via our agent Cofunds. Overseas securities are dealt on a best efforts basis and may involve an overseas agent or market counterparty transacting on our behalf on a non-UK exchange. For most London Stock Exchange listed investments held in electronic format, settlement takes place two days after the trade date (T+2). For unit trusts and OEICS held in electronic format, settlement usually takes place three days after the trade date (T+3). Certificated shareholdings as well as overseas and unlisted securities may attract a premium to the quoted price, non-standard settlement terms or additional costs, details of which are available on request.

11. CONFLICTS OF INTEREST

In accordance with FCA rules, we are obliged to establish, implement and maintain a conflicts of interest policy. This policy details the potential material conflicts that have been identified and the procedures and measures adopted to manage them. The firm has policies for identification of conflicts, recording of conflicts and managing of conflicts. The potential material conflicts identified and managed are as follows:

Possible conflict	Procedures and measures
Personal account (PA) dealing - Staff may undertake PA dealing which could result in 'front-running' or another means by which the firm's employees benefit at the expense of clients.	A full Personal Account Dealing policy is in place and employment terms and conditions require adherence to this. The firm's partners monitor adherence to this policy and client orders and other interests receive priority at all times.
Principal business – The firm dealing for its own account may conflict with client dealings.	Farley & Thompson has made a commitment not to deal for the firm's own account except in exceptional circumstances (such as correcting an error).

12. NOMINEE CLIENTS - PROTECTION OF CLIENT MONEY/ASSETS

We are obliged to treat money held by us on your behalf in accordance with the FCA client money rules, and we will therefore hold any cash belonging to you separate to the firm's money in a designated client trust account with an FCA approved bank. We will pay interest on any credit balances held with us at a rate of 1% below Lloyds Bank base rate. Interest is calculated daily and credited every six months in arrears. We will not credit interest payments of less than £1.00. We will hold any income received from your investments on your account. You may elect to receive this income by completing the relevant box on the registration form. Payment is remitted by electronic bank transfer and an income statement will be sent to you by post. We may reclaim from your account any payment which we have made to you but to which you are not entitled.

We will register your investments in the name of our nominee company Sidehurst Limited which is wholly owned by Farley & Thompson, but you remain the beneficial owner. You warrant that the investments that you wish to be held in our nominee company are at your disposal and/or in your control. Your investments will be held in an account with similar investments belonging to other clients, this may be either in a designated account or a pooled name or a combination of both depending upon settlement systems and market practice. We may hold assets either directly or indirectly with an eligible custodian. We will keep detailed records which show how much of each holding you own but your individual entitlement will not be identifiable by separate certificates or other physical or electronic records. The nominee company may be required to give the issuer, registrar or corporate trustee of your investments your name, address and size of holding.

We shall not at any time lend to a third party the documents of title held by us or on our behalf and we shall not at any time borrow money on your behalf against the security of any of those documents of title. All documents of title will be held in accordance with the FCA rules and market practice. Sidehurst Limited is not itself authorised to carry on regulated business under the Financial Services and Markets Act; it is our connected nominee and we accept liability and are responsible for all acts and omissions of Sidehurst Limited.

Not all companies that offer shareholder benefits to certificated shareholders offer the same benefits to shareholders whose shares are held by a nominee. We will deal with these benefits on an ad hoc basis and cannot guarantee that we will inform you of any benefits due or that may be lost as a result of transferring shares into our nominee. If a company has a bonus or similar issue, we will automatically credit your portfolio with the new investments. If a company has a rights issue, a conversion, is subject to a takeover or other offer, we will follow the course of action we deem to be in your best interests at the time. We will credit your portfolio with dividends and the cash proceeds of any corporate actions as soon as they have been received by us.

We will provide a valuation of all the holdings at the tax year end as well as transaction, cash and corporate actions statements. In addition, you will receive a consolidated tax certificate showing all dividends and interest received. We will charge fees for administering the nominee service in addition to our published dealing fees, details of which can be found in our schedule of fees and commissions and on our website. You are responsible for ensuring that there is sufficient money in your portfolio to cover payments when they become due.

13. POWER OF SALE OVER YOUR INVESTMENTS

We reserve the right to sell or realise any investments or monies which we are holding or are due to receive on your behalf in order to meet any liabilities to us which you may have incurred and which have not been discharged by the due date. We also reserve the right to close out contracts or positions which we may hold for you in instances where you have not fulfilled your obligation by the due date. Any such right is exercisable without further notice to you and in such manner and subject to conditions as we consider appropriate.

14. YOUR DUTIES

You warrant that you are the beneficial owner of or that you have authority to instruct us on any investments on which we are advising you or otherwise dealing for you. We will not be responsible for any claims or demands made by someone who has an interest in these investments.

You agree to send us any dividends or other benefits which you receive but to which you are not entitled and we may claim these from you. We will then allocate them to the person who is entitled to them.

You agree to write and inform us if your address, personal or financial circumstances change.

15. EXCLUSION OF LIABILITY

We do not provide tax advice. We will have no liability in relation to any adverse tax consequences which may arise from the variation in value of your investments or for any depreciation in the value of your investments or any actions taken or recommended by us.

