

## Client agreement

### 1. Introduction

- 1.1 Under Financial Services Authority Rules, Brooks Macdonald Asset Management Ltd ('the Company') is required to outline the terms under which business is conducted between yourself and the Company and obtain your agreement to these terms.
- 1.2 The Company is authorised and regulated by the Financial Services Authority ('FSA'). Its FSA Register number is 184918. The Financial Services Authority can be contacted at 25 The North Colonnade, Canary Wharf, London E14 5HS, tel. 0845 606 1234.
- 1.3 Your instruction for the Company to proceed will confirm acceptance of these terms of business thus constituting a legally binding agreement and warrants that the investments which you wish the Company to manage are at your disposition or in your control. All clients (including, where there are joint clients, each individual joint client) and trustees are required to confirm their acceptance of our terms of business. If you are in a joint arrangement with one or more persons, your liability under these terms shall be joint and several. Initial and any additional investments shall be covered by this agreement in line with the report which has been prepared for you.
- 1.4 This agreement and the terms and conditions it contains shall apply from 1 Jan 2011 and shall continue until varied or terminated in accordance with this agreement.

### 2. Client Classification

- 2.1 For the purposes of this agreement the Company proposes to classify you as a 'retail customer' under FSA Rules. This means that you have the benefit of all the protections afforded under the legislation governing financial services. Certain large undertakings may be excluded from these protections, where they have two of the following: a balance sheet in excess of €20m, turnover above €40m or own funds of €2m. You may request that the Company classifies you as a professional client in order to receive less information but this may not be in your best interests.

### 3. Our Services

- 3.1 The Company offers an independent asset management service, which provides access to a wide variety of investment vehicles, including but not limited to direct equities, unit trusts, open ended investment companies, investment trusts, gilts, corporate bonds and alternative investments etc. The Company is authorised and regulated by the Financial Services Authority to provide this service. It has access to all major world markets and there are therefore no restrictions as to the geographical spread or type of investment that can be transacted on your behalf. Apart from those investments identified under exceptional investments all holdings within the portfolios the Company manages are readily realisable.

- 3.2 A thorough review of your needs and objectives will be carried out prior to commencing portfolio construction and investments to implement them will be made on your behalf only on your agreement to the strategy. The advice given at the outset will be discussed with you and communicated to you in writing either by post or email.
- 3.3 Under this Client Agreement you are deemed to have understood and accepted the proposals set out in our initial report including the amounts, composition, investment strategy, risk profile and capital/income volatility in the context of your objectives. The agreed portfolio risk strategy will restrict the value, proportion or type of investment to be transacted on your behalf. If additional sums are paid into the portfolio once it has been established these sums will be managed in line with the appropriate strategy at the time unless otherwise agreed.
- 3.4 The Company does not provide advice in relation to income tax, inheritance tax, provision for long-term care requirements or financial planning matters. You should refer these matters to your other advisers.

The company's construction and management of your portfolio may result in capital gains accruing on an arising basis and the Company may give consideration to your personal CGT allowance when purchasing and selling investments on your behalf. However, it may not always be possible to keep capital gains within your personal allowance or to use all your CGT allowance within your portfolio. Accordingly, the Company shall not be held liable for any capital gains tax charge that might arise from its management of your portfolio or otherwise even if the likelihood of such charge arising is brought to its attention.

The Company will not consider using any ISA allowance you may have at any time unless you instruct us to do so and then only subject to the Company's ISA Terms. Where you have instructed us to, the Company will consider whether or not to use your ISA allowance as part of its management of your investments and will only use your ISA allowance where it believes that to do so would be in your best interests.

You must inform the Company if your circumstances change or you decide to use your CGT or ISA allowance elsewhere.

- 3.5 Once you have instructed the Company to proceed with the construction and management of your portfolio then this will be undertaken on a discretionary basis. Discretionary management enables the Company to act on your behalf in making or realising investments within the portfolio without the delay of contacting you to discuss each transaction.

- 3.6 Although there may be special circumstances leading to a shorter time horizon you should normally look to leave the money invested for a minimum of five years. Should circumstances change you will ordinarily be able to access your non-pension investments within 6 weeks, where the fund is in a bond structure it may take longer.
- 3.7 The Company has Qualified Intermediary status and you may be eligible for concessionary tax rate on dividends paid by USA Companies which you may hold from time to time. In order to qualify for this reduction you will need to complete a form W8-BEN (if you are resident in the UK) or W9 (if you are resident in the USA). Other provisions apply if investments are held as part of a company or Trust and these can be confirmed upon request.

#### 4. Communications

- 4.1 Communications may be made to you at your usual or last known residence as notified to us for this purpose and will be deemed to have been made or delivered when despatched (in the case of any communication made by email or facsimile) or (in the case of any communication made by letter) when left at that address or 24 hours after being sent to you at that address by prepaid first class post or, in the case of an address abroad, 4 days after being sent to you at that address by prepaid mail.
- 4.2 Communications may be made to us at our registered address of 111 Park Street, Mayfair, London, W1K 7JL or such other address notified to you for the purpose. Such communications shall be considered to have been duly made only upon actual receipt by us.
- 4.3 In the case of email this will involve the use of the internet which is not a secure or error free method of communication, and information sent in this way can be intercepted or lost. If you do not wish us to communicate with you by email, please do not provide email details on your application form.
- 4.4 Under this Client Agreement you agree that individual sale and purchase instructions will not be confirmed by sending out contract notes for each transaction but transactions will be summarised periodically in reports provided to you under Clause 12.1.
- 4.5 Where we buy certain investments on your behalf, you may, under FSA Rules, receive cancellation rights in relation to those investments. As we are acting with discretion in managing your portfolio we will not inform you of such cancellation rights in relation to individual investments.

#### 5. Authority

- 5.1 As indicated in the report, the recommendations prepared for you are indicative only and are based on the stated attitude to risk. The Company will be phasing your money into the market over time, perhaps 12 months or longer according to market conditions. Purchases and sales will therefore occur in line with prevailing circumstances. Once constructed, your portfolio will be actively monitored with assets being realised or bought as appropriate. The

sector/investment exposure will change in line with any ongoing alterations to the adopted risk profile. Review meetings with you will be arranged, normally annually, to ensure that the portfolio continues to match your requirements. For your convenience, these may be conducted over the telephone. Clients are responsible for informing the Company of changes between reviews that may have an effect on the management of the portfolio. Changes in attitude to risk should be confirmed in writing or by signing a new attitude to risk form.

#### 6. Conflicts of Interest

- 6.1 While the Company's aggregation policy, outlined below, reduces the scope for conflicts of interest there may be occasions when one arises where aggregation alone is not sufficient. Examples would be where the Company or any of its directors, FSA approved persons or clients has a material interest in business you ask us to transact for you or in business we wish to transact on your behalf. In this situation we will write to you with details of that conflict and obtain your consent prior to such transactions.
- 6.2 More detail on our conflicts of interest policy can be obtained on request.

#### 7. The Company's policy on best execution and aggregation

- 7.1 Our policy on best execution is to aim to get the best possible results for our clients. In determining where to execute trades in shares, unit trusts and other holdings both in the UK and overseas the factors we take into account are price, speed, certainty of execution and overall cost. Currently we trade via intermediaries and will use our best endeavours to regularly monitor their ability to provide the level of service our clients expect. Circumstances beyond our control may lead to a disruption in our service to you and we will work with other parties to keep the impact to a minimum. You consent to our policy on best execution.
- 7.2 The intermediaries via whom we trade may be required, in certain exceptional circumstances, to execute their orders outside a regulated market or a multi-lateral trading facility (as defined in the FSA Rules). You consent to such methods being used in those circumstances.
- 7.3 Our policy on timing execution is dependent on the nature of the trade. We will always seek to arrange for the prompt, fair and expeditious execution of client orders. Where multiple trades occur, these may be aggregated which may result in you obtaining on some occasions a more favourable price and on others a less favourable price than if your order had been executed separately. More detail on our aggregation policy can be obtained on request.
- 7.4 The Company does not offer a foreign exchange service. However, from time to time we are requested to make a payment in a currency other than that in which the client's investments are held and it is necessary to carry out a foreign exchange. Foreign exchange rates may affect the potential for profit or loss from transactions on

foreign markets due to fluctuations in currency rates. In that situation, to ensure that the transaction is able to take place quickly the Company has arranged for third parties to carry out foreign exchange transactions on our behalf. The Company reserves the right to pass on any charges made by the third parties for this service.

- 7.5 You may require us to use a counterparty other than those we select, however in this situation we cannot be held responsible if the outcome is less beneficial to you than had our preferred counterparty been used.
- 7.6 Where a transaction or corporate action results in fractional holdings, the holding will, where possible, be aggregated with other fractional holdings and sold and clients will be allocated their proceeds through a volume-weighted average. If this is not possible (for example, because there is insufficient volume of shares when aggregated to warrant a sale) then any fractional holding below £5 will be removed from your account and you will not receive any payment for it.

## 8. Exceptional investments

- 8.1 The Company is permitted to advise on and arrange exceptional investments including but not limited to funds of hedge funds, protected cell structures, property schemes, etc. The investments in the portfolio we create for you will not include options or margined transactions nor will we underwrite the issue or offer for sale of securities. In addition we will not borrow or over-spend in order to invest on your behalf.
- 8.2 This warning notice draws your attention to the risks associated with investments in unregulated collective investments. Full details of the risks are contained in the product literature, which can be provided at your request. As with any investment past performance is not necessarily a guide to future performance, there can be no assurance that the investment's objectives will be met, the value of investments and the income from them can go down as well as up, investors may not get back the amount originally invested and in some situations there may be delays in realising the investment.
- 8.3 In particular with unregulated investments you should be aware that:
- currency fluctuations may affect the performance of the investment;
  - while a due diligence procedure is in place these funds may invest outside the jurisdiction of UK regulators and therefore most of the rules, regulations and arrangements made under the Financial Services and Markets Act 2000 for the protection of investors do not apply;
  - the use of leverage and short selling by the hedge fund managers increases the potential returns but also the risks of this type of investment;
  - in any event we would seek to restrict the overall amount allocated to unregulated investments as a proportion of overall portfolio values.
- 8.4 As stated in clause 3.1 we have the ability to purchase investment trusts and other UK/offshore closed ended investment companies on behalf of our clients. We are required by our regulator, the Financial Services Authority, to bring to your attention the risks which can be associated with investing in investment trust companies. Investment trust companies use, or have the ability to use, gearing as an investment strategy or the issuer invests or proposes to invest in other companies that use or propose to use gearing as an investment strategy. Gearing is a strategy used to enhance the return for, or the value of, a security without increasing the amount invested by the holders of the security, involving one or more of the following:
- Borrowing money;
  - Investing in one or more instruments, such as (but not limited to) warrants or derivatives, for which a relatively small movement in the value or price of the underlying rights or assets to which the instrument relates, whether favourable or adverse, results in a larger movement in the value or price of the instrument; and
  - Structuring the rights of holders of a security so that a relatively small movement in the price or value of the underlying rights or assets, whether favourable or adverse, results in a larger movement in the price or value of the security.
- 8.5 The risks of investing in significantly geared investment trust companies may result in movements in the price of the securities being more volatile than the movements in the price of underlying investments; the investment being subject to sudden and large falls in value; and the customer getting back nothing at all if there is a sufficiently large fall in value in the investment.
- 8.6 You should be aware that foreign securities may be held outside the UK and thus subject to different settlement, legal and regulatory requirements compared to UK securities. Some custodians outside the UK may take a lien over securities which they are holding on your behalf.

## 9. General Investment Risks

- 9.1 The value of investments and the income from them can fluctuate and it is possible that investors may not get back the amount invested. Past performance is not a guide to future performance and may not be repeated.
- 9.2 The information in this document does not constitute advice or a recommendation for any product and you should not make any investment decisions on the basis of it.
- 9.3 Please be aware that some services may be provided by selected companies which are not part of the Brooks Macdonald Group.

## 10. Remuneration

- 10.1** Our standard charges are set out in our published charges sheet, a copy of which is provided with this Client Agreement. If you have not received the copy sent to you, it is your responsibility to request a further copy. We may change our charges from time to time and subject to Clause 23, we will inform you of any changes to our charges.
- 10.2** Initial fees may be charged each time funds are received into the portfolio, regardless of how long the portfolio has been held. Annual management charges are charged quarterly in arrears on the understanding that future initial commissions and/or discounts are re-invested to enhance the portfolio. Where applicable, our report will state the actual amount of fee agreed which will be deducted from the cash element of your portfolio unless otherwise agreed. In the event there is insufficient cash to pay the fees, it may be necessary to sell investments within your portfolio to meet this charge, although available cash held in your portfolio will always be used in the first instance. We reserve the right to retain any commissions generated.
- 10.3** In addition to the initial fee and annual management charges, please refer to our charges sheet for any nominee, dealing and custody charges that may apply. These charges cover inter alia the cost of transferring stock into the nominee, the exercise of voting rights, dividend and corporate action procession and custody charges of any nominee. Where investments are held in an ISA, the Company acting as an authorised ISA manager shall apply ISA charges to cover the cost of operating the wrapper, HMRC reporting and appropriate tax reclaims.
- 10.4** The Company's policy is not to enter into soft commission arrangements as we prefer the clarity of our fee-based approach. However, from time to time we may be provided with technological and research support to assist us in managing client portfolios efficiently. This is used for the benefit of all clients and does not present a conflict of interest.
- 10.5** Other services as noted in the separately published charges sheet will be charged on a fee basis dependent on the level of work to be carried out. Any other fees will be agreed in advance before any chargeable work is carried out.

## 11. Termination

- 11.1** This agreement may be terminated immediately upon either party giving written notice to the other. Transactions already initiated will proceed. In the event that you exercise the option to terminate this agreement, the Company shall be entitled to receive from you all costs, charges and expenses accrued or incurred under this agreement up to the date of termination. On termination, the Company will act on your instructions and arrange for your investment portfolio to be encashed or transferred to another discretionary fund manager.
- 11.2** Any annual management fees that are due following receipt of a termination request will be deducted from the portfolio prior to payment or transfer.

- 11.3** Upon notification of the death of a client, the portfolio will cease to be actively managed pending receipt of any further instructions from the executors appointed on the probate. Unless we are notified in writing to the contrary, we assume that the intention of joint clients is that upon the death of one or more of them the assets pass to the remaining joint client(s) under the principle of survivorship.

## 12. Reporting and Administration

- 12.1** We provide periodic valuations calculated on a mid-value basis showing acquisitions, disposals and interest accrued. We will provide quarterly valuations unless you or your advisers request otherwise. If your adviser requests that valuations be sent six-monthly, you retain the right to request them quarterly. Where relevant to the account type, at the end of the tax year a further statement will be produced listing all dividends received, a capital gains report and a statement of interest. Unaudited valuations will be posted on the Company website on a password protected basis if required.
- 12.2** Where appropriate, we may grant third parties access to your portfolio valuations through a secure website. Such third parties may include your financial adviser, pension trustees, scheme administrators and other third parties involved in advising you. Where the valuations contain a measure of performance we will include the most relevant benchmark from those published by the Association of Private Client Investment Managers and Stock Brokers.
- 12.3** Where documents of title to investments held by you or on your behalf are retained by us they will be kept in our safekeeping and appropriate entries will be made in our document register.

A statement detailing the documents held on your behalf will be issued to you on an annual basis. By accepting this agreement you authorise the Company to hold policy documents or share certificates on your behalf.

- 12.4** Documents held by us may not be lent or forwarded to a third party unless we are in receipt of written authority from you and money may not be borrowed on your behalf against the security of these documents. We therefore do not accept liability for default by any third party you have nominated to hold your investments or documents.
- 12.5** For takeovers, other offers or capital reorganisations and exercising voting, conversion and subscription rights these will be dealt with by the Company at its discretion. Additionally placing an investment into nominee means that you will forgo your right to any company privileges ("shareholder perks") to which you may have been entitled as the registered owner of that investment. Where clients' balances have been pooled entitlements to shares and any other benefits arising from corporate events will be distributed in accordance with entitlement.

## 13 Client Assets

- 13.1** In the course of transacting business, we are permitted to handle money on clients' behalf. Any monies received from you or due to you as dividends, interest etc from investment houses (including ISA managers) will be placed in our 'Clients Account' held with appropriately authorised institutions, and kept totally separate from the Company's accounts. Money held in the 'Clients Account' will be pooled with money belonging to other clients. This means that your money will be held as part of a common pool of money rather than in a designated account in your name. You also hereby give the Company authority to make cash withdrawals from ISAs where required, for example, to pay fees or income. We will comply at all times with the 'Client Money Rules'. All funds that are not required to be immediately invested will be held in a pooled client account.
- 13.2** Where interest is received from your investments or cash balances, it will be paid on the balance standing to your credit in our client account. Any interest exceeding £10 will be credited to your account twice a year. Rates of interest can be confirmed on request. The frequency of interest payments and the rate of interest payable may be amended from time to time.
- 13.3** On acceptance of this Agreement, your consent is given to the provisions relating to the payment of interest accrued on monies not immediately invested. Income received on your behalf in respect of your investments and investments retained by us on your behalf, will be accounted for on the periodic statement as detailed in clause 12.1 above.
- 13.4** From time to time the Company may in its absolute discretion move cash and assets between your accounts as it thinks fit to your benefit in the interests of tax efficiency of your accounts only and or to take advantage of investment opportunities and you agree to this being done until, either or both of us confirms in writing that this arrangement is to cease. You further agree to indemnify the Company and any of its subsidiaries against any costs, claims or liability arising from them carrying out such an arrangement, unless caused by the Company's negligence.
- 13.5** Where declarations have been signed by more than two trustees, we will be entitled to act on any instructions given to us by any two of them. If you are in a joint arrangement with one or more persons, we will be entitled to act on any instructions given to us by any one of them. We further confirm that any cash can be taken from any of your accounts with the Company and paid to a bank account either in your joint names or to one of you individually.
- 13.6** We confirm that we will not commit you to any extent beyond the amount of monies placed under our control unless a description of the extent of such a commitment is made to you in writing and your approval is granted.
- 13.7** The Company acts as your agent in advising you and arranging investments. All investments will be registered in the name of a nominee company. Assets may be held by us at one of our offices or else in a specially designated safe custody account with a recognised branch of a bank or with another custodian in accordance with the rules of the FSA, such bank and branch or custodian to be nominated by us. These may include clearance systems and overseas third parties.
- 13.8** Where assets are held in a pooled nominee account this means that individual client entitlements may not be identifiable by separate certificates or other physical documents of title. In the event of an irreconcilable shortfall after the default of a custodian, clients may share in the shortfall pro rata. The cost of running this service is included as part of the transaction charge referred to in the published charges sheet. On termination of the agreement, if stock is to be transferred to an alternative nominee, the Company does reserve the right to apply a charge per stock for each transfer. Whilst care is taken in selecting custodians or agents, in the event of a default by a custodian, the Company will use its best endeavours to recoup any losses but it is not liable for such losses.
- 13.9** Whilst the Company makes every effort to select banks it deems to be secure, there is a risk that a bank where client monies are deposited may fail to meet its obligations and you may lose all or part of your monies deposited with them. Unless it can be proven that the Company was negligent in that process, then it will not be liable for any losses or shortfall that may occur through the bank's failure to meet its obligations. Further details of the Company's process for selecting banks is available upon request.

## 14. Third Party Responsibilities

- 14.1** The Company does not provide advice on any aspect of pensions, pension transfers, income drawdown or income in retirement. Where we are instructed by clients who have received external specialist advice we take no responsibility for that advice. We also take no responsibility for prior decisions to encash existing holdings for transfer into our fund management service. For SIPPs the appointed trustees take responsibility for any reviews.
- 14.2** Where there is a requirement for annual planning reviews, especially once a pension goes into drawdown or managed annuity, these reviews need to be carried out by your independent financial adviser or another specialist financial adviser. This agreement empowers the Company to request the trustees to authorise the deduction of fees for any such third party advice from the pension fund. The Company is unable to provide such reviews and can accept no liability if these reviews are not carried out.

## 15. General

- 15.1** As a corporate policy, the Company will maintain all records relating to any transaction for a period of seven years. If you wish to have access to your records, this can easily be arranged. We will also supply to you on demand any copies of contract notes, vouchers and book/computer entries relating to your transactions. For all copying a time charge will be levied.
- 15.2** We reserve the right to decline to execute for you, for any reason whatsoever, any investment transaction.
- 15.3** The value of your investments and the income arising thereon may decrease as well as increase. We shall not be held liable for any loss incurred by you arising from changes in market conditions, unless the loss is caused by the Company's negligence.

## 16. Money Laundering

- 16.1** In light of changing legislation to combat money laundering, the Company reserves the right to verify your identity electronically at the outset of your relationship with the Company and on an ongoing basis. This will result in a 'non-negative' record or 'footprint' being created on your electronic file with credit agencies which will be visible to you on accessing your records but will not serve as a detriment to you when applying for credit.
- 16.2** Where a trust account has been set up and there are beneficiaries in receipt of income or capital, the Company reserves the right to obtain verification as to the identities of the beneficiaries before any payments are made.
- 16.3** It is not Company policy to make unrestricted third party payments, however, some exceptions to this policy are available upon request. The Company will seek the reasons behind the payment and the capacity and identity of the third party and reserves the right to refuse to carry out the payment. Third party payment arrangements will not be accepted on SIPP accounts.

## 17. Confidentiality

- 17.1** In order to maintain high levels of service the Company maintains a client database, information from which will not be provided to third parties, except where we are legally required to do so. Our purpose in maintaining this database is to ensure that our clients are kept up to date with significant changes that could have an impact on their existing or future financial plans. Confidential information may be transferred electronically.

## 18. Complaints and Compensation

- 18.1** If you should have any complaint about the advice or services you receive please contact the Compliance Officer, 111 Park Street, Mayfair, London, W1K 7JL, telephone number 020-7499 6424. A written copy of our complaint handling procedures is available on request. If, after we have had a reasonable opportunity to deal with any complaint, you remain dissatisfied with our handling of it or its outcome, you may subsequently complain direct to the Financial Ombudsman Service, whose contact details will be provided to you by the Compliance Officer.

- 18.2** We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation if we are unable to meet our financial obligations. Most clients including most individuals and small businesses are covered by the scheme.

Cover is triggered if the Company is unable to pay claims made against it for losses arising from unsuitable investment advice, negligence or misrepresentation. Cover is provided to a maximum of 100% of the first £50,000 of such losses.

Claims arising, in the event of a failure of a bank, in relation to client money are covered separately by FSCS depositor protection up to a maximum of £85,000 per client per bank.

For joint portfolios each client is treated as having a claim in respect of their share so, for a joint portfolio held by two eligible claimants, the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the combined amount in all the eligible client's portfolios with this Company, including their share of any joint portfolio, and not to each separate portfolio.

For further information about the scheme (including the amounts covered and eligibility to claim) please refer to the FSCS website [www.FSCS.org.uk](http://www.FSCS.org.uk) or call 0800 678 1100.

- 18.3** We currently maintain professional indemnity insurance for all our clients, which complies with FSA rules.

## 19. Language

- 19.1** All communications between the parties will be in English.

## 20. Law and Jurisdiction

- 20.1** This agreement shall be governed by and construed in accordance with English law.
- 20.2** We both irrevocably agree for our mutual benefit that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding which may arise out of or in connection with this agreement and, for such purposes, we both irrevocably submit to the jurisdiction of such courts.
- 20.3** You waive any objection which you might now or hereafter have to the English courts being nominated as the forum to hear and determine any suit, action or proceeding which may arise out of or in connection with this agreement and agree not to claim that such courts are not a convenient or appropriate forum.

## 21. Interpretation

- 21.1** In this agreement:
- a. unless the context otherwise requires, words importing the singular shall be deemed to include the plural and vice versa;
  - b. headings are for ease of reference only; and

- c. references to statutes, statutory instruments, rules or regulations shall be to such statutes, statutory instruments, rules or regulations as amended or replaced from time to time.

## 22. Data Protection

- 22.1** The Company is registered under the Data Protection Act 1998. In addition to the information gathered from you in relation to any applications for products, we also need to maintain other records, mainly in regard to the firm.
- 22.2** We maintain all the information on computer and/or paper files. Your acceptance of this agreement means you agree to us holding your information (including sensitive personal data as defined by the Data Protection Act 1998) and processing it in the manner set out in and for the purposes of this agreement.
- 22.3** Information will only be disclosed to third parties where it is necessary to do so in whatever format is considered appropriate by the firm, limited to:
- a. Outside brokers, consultants, service providers and agents, only as may prove necessary in developing, providing or maintaining the services of the firm.
  - b. The Regulators (mainly the Financial Services Authority who have legal authority to check all of our records), or governmental agencies with the legal rights to demand disclosure.
  - c. We do not disclose information to third parties other than those stated, not lending, selling or in any other way sharing our client information.
  - d. We would like to use the information that we hold about you to contact you from time to time by post, fax, email or telephone to bring to your attention additional products or services, which may be of benefit to you.
  - e. The firm agree that any consent given by you under this agreement may be withdrawn by you at any time by contacting us in writing at our registered address.
- 22.4** Telephone calls may be recorded for monitoring and/or training purposes.
- 22.5** For your security we will ask you to supply a password which we may use to verify your identity whenever you contact us. We may be unable to provide any account information to anyone who is unable, when asked, to provide a valid password. You must inform us immediately if you wish to change your password or if you believe that your password has been compromised.

## 23. Variation

- 23.1** The Company may vary these terms and conditions as set out in this document from time to time and will notify you of any changes with a reasonable period of notice of at least 28 days before they are applied. We will notify you by sending you a ("Notice of Variations") or by sending you a revised version of this agreement (a "Revised Agreement"). Any Notice of Variation or

Revised Agreement will state the date from which it will apply and by continuing to use our services beyond that date you confirm acceptance of the new terms and conditions contained within the Notice of Variations or Revised Agreement. The Company will only make changes for good reason including but not limited to:

- Reflecting legitimate increases or reductions in the cost of providing a service to you
- Providing for the introduction of new systems, services, changes in technology and products
- Reflecting a change in applicable law or regulation

## ISA Terms

The following Terms apply only if you have applied for a Brooks Macdonald ISA. They apply in addition to the remainder of the Client Agreement which also applies to your Brooks Macdonald ISA:

Brooks Macdonald is approved by HMRC as an ISA Manager. We will manage any ISA in accordance with the appropriate regulations. We may delegate any of our functions or responsibilities under these terms to other parties but will only do so after satisfying ourselves of their competence.

## Subscriptions

Brooks Macdonald only offers the Stocks and Shares ISA. To open an ISA we must be in receipt of a signed and completed Application form, together with your personal cheque made payable to 'Brooks Macdonald'. You must not exceed the subscription limits set by HMRC from time to time.

Your ISA must remain in the beneficial ownership of you, the investor and must not be used as security for a loan. The title to the investments within your ISA will be held in the name of a nominee in accordance with Clause 13 of the main Client Agreement.

## Investments within your ISA

HMRC Regulations specify what type of investments may be held within an ISA. If a previously qualifying investment should no longer qualify, Brooks Macdonald will propose selling the investment and reinvesting in the account, or transferring it out of the account. Any warrants arising other than through an investment trust public offer for sale may not be held in an ISA, they will be sold and the proceeds retained pending reinvestment in an eligible stock.

Please note where interest is earned on un-invested cash in your ISA this will be subject to a flat rate charge (currently 20%) which is paid to HMRC.

Brooks Macdonald does not currently charge for withdrawals from your ISA. However, the Company reserves the right to do so in the future.

## Company Reports

We will arrange, if you so elect, for you to receive a copy of the annual report and accounts issued by every company or other concern in respect of shares, securities or units which are held directly in your ISA. We reserve the right to make a charge for issuing such documents to you. We have an obligation to arrange, if you so elect, for you to be able:

- to attend shareholders, securities holders or unit holders' meetings
- to vote; and
- to receive in addition, to the annual report and accounts any other information issued to shareholders, securities holders or unit holders.

Any election made by you under this clause must be made in writing.

## Taxation and HMRC

We will make claims, conduct appeals and reach agreement on your behalf for tax reliefs. Please note we will not reclaim any overseas tax deducted on non-United Kingdom qualifying investments that may be held in your ISA from time to time. We will advise on the amount of cash held within your account pending reinvestment. We will also inform you if your ISA becomes void through any failure to meet HMRC ISA Regulations (Please note we reserve the right to make a charge for the work involved in voiding an ISA).

The management of your ISA shall be subject to the rules and regulations of HMRC. In the event that any of these terms and conditions are inconsistent with HMRC regulations, the latter shall prevail. If necessary, the terms of this agreement may be amended without notice to comply with HMRC Regulations.

These Terms are based on our current understanding of HMRC Regulations and legislation, which is subject to change.

## Transfer

On your instructions, an ISA or part of such an arrangement, may be transferred to another plan manager and also on your instructions all or part of the investments held in the ISA and proceeds arising from those investments shall be transferred or paid to you, subject to any charges levied in accordance with the main Client Agreement or these Terms.

If you wish to transfer your ISA to another approved manager willing to accept the transfer, we will usually complete the transfer within 30 days of receiving your written instructions.

We generally make no extra charge when receiving plans from other managers, but reserve the right to do so.

## ISA Termination

Your ISA will automatically terminate if you die. Any tax claimed back from a dividend received after that date must be repaid. Your ISA will be valued for probate as at the date of death, and dealt with as instructed by the executors.

## Cancellation

Your ISA is a non-packaged product. Consequently you have no right to cancel or withdraw from the Brooks Macdonald ISA once you have submitted your application to us.

## Charges

Our charges for operating your portfolio and for acting as ISA Manager are set out in the separately published charges sheet as referred to in Clause 10 of the Client Agreement.