

## **Terms and Conditions of Business (Retail Client)**

### **1 Terms of Business**

These Terms and Conditions, your Account Form, and our current Schedule of Fees and Commissions shall constitute the formation of a contract between you and Henderson Rowe Limited (“We/us/our”) and between you and TDWCS LLP (“TDWCS”) who will provide clearing, dealing, settlement, safe custody, nominee and associated services, entered into through us as your agent. By signing your Account Form you are agreeing to our Terms and Conditions. These Terms and Conditions commence from the date that we receive your correctly completed account opening documentation. For the purposes of the rules of the Financial Services Authority (FSA), you have been classified as a Retail client. In accordance with FSA rules you have the right to request a different categorization. We may not agree to such a request. Other services are available and are subject to additional terms and conditions. Please make sure you read and understand these Terms and Conditions. If you have any questions, please contact your adviser without delay.

### **2 Regulatory Status**

We and TDWCS are both authorised and regulated by the Financial Services Authority (FSA) in the conduct of investment business. Henderson Rowe Limited is registered in England and Wales, company number 4379340 with registered office at 3<sup>rd</sup> Floor Chancery House, St Nicholas Way, Sutton Surrey SM1 1JH and is entered on the FSA Register (FSA No. 401809). TDWCS LLP is registered in England, registered number OC301316 and has its registered office at Exchange Court, Duncombe Street, Leeds, LS1 4AX. TDWCS is entered on the FSA Register (FSA No. 214206) and is a member of the London Stock Exchange. The contact address of the FSA is 25 The North Colonnade, Canary Wharf, London E14 5HS.

### **3 Parties to the Agreement**

**3.1** Henderson Rowe Limited has entered into agreement on behalf of ourselves and each of our clients with TDWCS in which TDWCS has agreed to provide settlement, custody, nominee and associated services to our clients. The current Terms and Conditions of TDWCS and the principal terms of the agreement with it (the TDWCS Agreement) are summarised below.

Under these Terms & Conditions, you agree that:

- We (the Firm) is authorised to enter into an agreement with TDWCS LLP (the TDWCS Agreement) on your behalf as your agent on the terms summarized below (and such additional terms as it may determine)
- We are authorised to give instructions to TDWCS and to agree any subsequent amendments to the TDWCS Agreement on your behalf
- TDWCS is authorised to transfer cash or investments from your account to meet your settlement or other obligations to TDWCS
- The warranties and indemnities you give in these Terms and Conditions are given to both us and to TDWCS

Under the TDWCS Agreement you will remain a customer of the Firm but will also become a client of TDWCS for settlement and safe custody and nominee purposes only. The Firm retains responsibility for compliance and regulatory requirements regarding its own operations and the supervision of your account. In particular, the Firm remains responsible for approving the opening of accounts, money laundering compliance, accepting and executing securities orders, assessing the suitability of transactions when it has a duty to do so, providing any investment advice to you and for our on-going relationship with you. TDWCS neither provides investment advice nor gives advice or offers any opinion regarding the suitability of any transaction or order. You should direct all enquiries regarding your account to us and not to TDWCS. TDWCS will not accept instructions from you directly. TDWCS reserves the right to refuse to hold any securities on your behalf in its safe custody and nominee service. Joint account holders will be jointly and severally liable to TDWCS and TDWCS may discharge its obligations to make any payment or account to all such holders by making such payment or account to any one or more of them.

### **4 Investment Objectives**

We refer you to the Personal, Corporate or Trust Account Form which you completed and signed as part of our Account

opening process. This document forms part of your contract with us. We will use the information with which you provided us in respect of your investment profile and geographical location to assess your investment objectives.

## **5 Our Services**

### **5.1 Execution Only Service**

Through the Execution Only Service, we will execute transactions in accordance with your instructions. We will not undertake to ensure that any individual transaction is suitable for you at the time of the transaction or at any time subsequent to that transaction. We will not provide you with advice on any individual transaction or on the overall composition of your investments. We will however warn you if we do not think the transaction is appropriate for you. Under the terms of the Execution Only Service, Henderson Rowe is not the Manager of your investments.

### **5.2 Non Managed Advisory Service**

Through the Non Managed Advisory Service, Henderson Rowe will provide you with advice on individual transactions and on the overall composition of your investments. We will undertake to ensure that our advice is suitable for you when that advice is given, but we will not undertake to ensure that any advice we have given remains suitable for you after that time. Under the terms of the Non Managed Advisory Service Henderson Rowe is not the Manager of your investments.

### **5.3 Managed Advisory Service**

Through the Managed Advisory Service, Henderson Rowe will provide you with advice on individual transactions and on the overall composition of your investments. We will undertake to ensure that our advice is suitable for you when the account is opened and to ensure that any subsequent advice remains suitable for you after that time. Under the terms of the Managed Advisory Service Henderson Rowe is the Manager of your investments.

### **5.4 Managed Discretionary Service**

Through the Managed Discretionary Service, Henderson Rowe will manage individual transactions and the overall composition of your investments. We will undertake to ensure that our management is suitable for you when the account is opened and to ensure that any subsequent management remains suitable for you after that time. Under the terms of the Managed Discretionary Service Henderson Rowe is the Manager of your investments. Unless otherwise stated we will have full discretion over such accounts.

### **5.5 Important information about undertakings**

The undertakings given in the Non Managed Advisory and the Managed Advisory and Managed Discretionary Services descriptions above are given on the understanding that you will provide Henderson Rowe with any information that might be reasonably deemed relevant to your investments when the account is opened. You must also notify us forthwith of any subsequent changes to this information. You should note that a failure to disclose any relevant information may adversely affect the quality of advice that we can offer to you. If you give us specific investment instructions that we consider unsuitable we will only accept those instructions on an Execution Only basis and will notify you of this at that time and also warn you that we do not believe the transaction is appropriate for you.

### **5.6 Personal Taxation**

- **Capital Gains Tax**

When managing a portfolio of investments for you on a discretionary or advisory basis, or when providing you with advice, we may generate a liability to Capital Gains Tax (CGT) on your behalf. This will result if the realised gains on the investments in your portfolio exceed the amount of any CGT allowance to which you may be entitled in any one tax year and you are liable to pay such tax. The extent of any such liability will depend on a number of factors, including but not limited to the size of your portfolio, the number and size of individual transactions we carry out for you and the size of your personal CGT allowance. You should remember to take account of any resulting gains when preparing your Inland Revenue self-assessment form. We recommend that you seek advice if you are unsure of the taxation consequences of your chosen service.

- **Income Tax**

Income collected on the investments held on your behalf will be dealt with in accordance with your wishes, as stated on the relevant account form. This income may be received gross or will be considered to have been received net of basic rate income tax. If you are a higher rate taxpayer, there may be an additional liability to tax, which you should bear in mind in preparing your Inland Revenue self-assessment form. We recommend that you seek appropriate advice.

We accept no liability whatsoever, for the tax consequences of advice provided with respect to the Non Managed Advisory

service, the Managed Advisory service or which stem from actions undertaken on discretionary accounts.

## **5.7 Types of Investment**

We may provide advice or arrange transactions in the following types of investment:

- (i) Shares in British or foreign quoted companies;
- (ii) Debenture stock, loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments – including government, public agency, municipal and corporate issues; Collective Investments and similar schemes in the United Kingdom or elsewhere;
- (iii) Warrants to subscribe for, or depository receipts or other types of instruments relating to investments under (i), (ii) and (iii) above\*;
- (iv) Unquoted investments;
- (v) Units in collective investment schemes;
- (vi) Options\*;
- (vii) Contracts for difference\*;
- (viii) Futures; and  
Spread bets.

The risks in relation to trades in derivatives and warrants are set out in our risk warning notice. If you are dealing in such investments please ensure you read this document.

The value of investments may fall as well as rise and the past performance of investments is not necessarily a guide to future performance. We give advice on the basis of our best judgement at the time and cannot be held responsible if any investment fails to achieve our expectations.

## **5.8 Research**

Please note that we may also publish research notes or other publications concerning any investments listed above. Before publishing a research recommendation, we, TDWCS or an associated company may have acted upon it or used the information on which it is based, provided that we could not reasonably expect any such action to have a significant effect on the price.

## **5.9 Portfolio Composition**

If you do not specify in your Account Form any investment, type of investment or market in which you do not wish us to recommend to you or execute or arrange a transaction on your behalf then we may recommend or purchase any investment. You accept that we may make applications on your behalf for new issues, placings and initial public offerings. Where you have subscribed to the Managed Advisory service or the Non Managed Advisory service, we will refer to you prior to undertaking such business. Please provide details of where copy correspondence should be sent. If you are prohibited from dealing in certain securities, or if this should change, please give your adviser written details. From time to time, we have to sell securities without a client's consent – for example, following a demerger of a non qualifying PEP/ISA investment. We can only make sure that you do not inadvertently breach any prohibition if our records are always correct and up to date.

## **5.10 Transactions not on regulated markets**

We may deal for you in circumstances in which the relevant deal is not regulated by the rules of any investment exchange.

## **5.11 Investments subject to Stabilisation**

Stabilisation is a price supporting process that may take place in the context of new issues. The effect of stabilisation can be to make the market price of the new issue temporarily higher than it would otherwise be. The market price of investments of the same class already in issue, and of other investments, whose price affects the price of the new issue, may also be affected. This process is undertaken in order to ensure that the issue of investments is introduced to the market in an orderly fashion, and that the issue price and/or the price of associated investments is not artificially depressed because of the increase in supply caused by the new issue. Stabilisation may only take place for a limited period, and there are limits on the price at which shares, warrants and depository receipts may be stabilised.

## **5.12 Illiquid Investments and Non Readily Realisable Investments**

From time to time, we may recommend an investment we believe is suitable for you although it is illiquid, or not readily realisable. This means the market is or could become illiquid, the investment difficult to resell, and its proper price difficult to assess. We will always use reasonable care to execute such a transaction on terms that are fair and reasonable to you, including price. We are always ready to explain how we arrived at a price, how it relates to the prices in any previous arm's

length transactions where we have acted as agent for buyer or seller, and whether the firm or its associates previously held a position in the investment.

### **5.13 Penny Shares**

From time to time, we may recommend penny shares if we reasonably believe that these may be suitable for you. There is an extra risk of losing money when shares are bought in some smaller companies, including penny shares. There may be a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them. The price may change quickly and it may go down as well as up. Penny Shares are defined by the FSA as a readily realisable security where the bid-offer spread is 10% or more of the offer price, but not:

- (i) A government and public security; or
- (ii) A share in a company quoted on the Financial Times Stock Exchange 100 Index; or
- (iii) A security in a company, which, at the time that the firm deals or recommends to the client to deal in the investment, has a market capitalisation of £100 million or more.

### **5.14 Unit trusts or other regulated /unregulated collective investment schemes**

You accept that you will not have the right under the rules of our regulator, the Financial Services Authority (FSA), to cancel or withdraw from those transactions. Managers of Collective Investment Schemes generally pay Trail Commission to introducers if business such as us. This commonly amounts to 0.5% per annum. Your adviser will be able to advise you whether trail commission is paid on a specific fund and the amount of such commission.

Securities which are geared

Many companies, including investment trusts, may increase funds or raise additional capital by issuing debt or borrowing money using an investment strategy known as “gearing”. This may enhance investment returns for investors but increases risk and may result in:

- Movements in the price of the securities being more volatile than the movements in the price of the underlying investments
- The investment being subject to sudden and large falls in value
- The possibility that you may get back nothing at all if there is a sufficiently large fall in value in the investment

We will endeavour to monitor levels of gearing and will seek to ensure that gearing ratios are appropriate for your risk and investment objectives when providing advice to you.

### **5.15 Restrictions**

If you do not inform us of any investments, type of investment or market on which you do not wish us to recommend to you or execute a transaction on your behalf then we may recommend or purchase any investment, on any market. If you are employed by a regulated business, you must obtain the necessary consents before asking us to execute transactions. If you are prohibited from dealing in certain securities, and if this should change, please give your adviser written details.

From time to time we have to sell securities without a client’s consent; for example following a demerger of a non qualifying PEP/ISA investment.

### **5.16 Key Features**

Please note we will not provide you with key features in respect of a regulated collective investment scheme if:

- It is purchased by you on an execution only basis
- It is purchased by us, under one of our Investment Management Services

Furthermore you agree that where we recommend or arrange, the sale of a scheme holding, and we are not exercising our discretion, we will not provide you with key features.

### **5.17 Investing in Overseas Markets**

From time to time we may recommend an investment in a security quoted on an overseas exchange or we may accept an order on an execution only basis. You accept that this may incur an agent's commission and exchange risk.

## **6 Instructions**

We will communicate with you in English and documents you receive from us will all be in English.

### **6.1 Dealing Instructions**

Dealing instructions should be made in writing or by telephone, however should you wish to give dealing instructions to your adviser in any other form, including by facsimile and email, we may accept such instructions, when we believe, in our

absolute discretion that these instructions originated from you. You accept that we shall not be liable to you for any delay in responding to these instructions and you agree to indemnify us for any losses we incur as a result of reliance on such instructions.

## **6.2 Administration**

All instructions regarding the administration of your investments held by TDWCS on your behalf, or concerning your personal details such as change of name, address or any other material changes to your Account should be made in writing to us. We do not accept instructions from third parties unless a valid power of attorney has been established for this purpose. If you wish to transfer monies from one account to another, i.e. husband to wife, we will only accept written instructions, bearing an original signature and each transaction will require a separate written instruction.

## **6.3 Third Party Instructions**

If you wish to authorise anyone else (e.g. a third party) to give instructions on your behalf, the appropriate details must be included in your Account Form. We may accept any dealing instruction we believe, in good faith, to be from any third party authorised by you to act on your behalf, whether in writing, by telephone, email, facsimile or otherwise. We will accept any instruction regarding the administration of your investments, for example, transferring funds to a bank account bearing the same name as your account with us, which we believe, in good faith, to be from any third party authorised by you to act on your behalf. However, we do require that any instruction involving the administration of your investments always be in writing. Should instruction authority be altered, suspended or revoked you should notify us immediately. You accept that if you fail to do so we shall not be liable for any loss that you may incur.

## **6.4 Stop Loss Orders**

We do not accept instructions for stop loss orders.

## **6.5 Joint Accounts and Trusts Account**

This section applies only where the client consists of more than one person e.g. joint accounts and trustees. You shall be jointly and severally liable for the payment of all sums owing to us and TDWCS and for the performance of all obligations undertaken by you or on your behalf pursuant to these Terms and Conditions. We may assume instructions received from authorized signatories, one holder of a joint account or one trustee in a trust account will be given on behalf of and with the knowledge of all holders or trustees of the account. Any action we take regarding such instructions will be binding on all of you. Any reference to 'you' shall be deemed to be any one or all such persons as the context shall require. Unless you notify us to the contrary, all property will be held for joint account holders as joint Tenants. Joint Tenants own, jointly, the whole of the assets without any distinction between them regarding share of ownership. On the death of one of the tenants, the holdings in the account pass to the remaining tenant(s), who become automatically the sole owner(s) of the assets. In the event of the death of any of you, these Terms and Conditions will remain binding on the survivor/s of you and upon the successor/s of the deceased party/ies. You must inform us immediately and may also be required to complete a new Account Form.

## **6.6 Best Execution**

We have in place a Best Execution Policy which sets out the steps we take in order to act in accordance with the best interests of our clients when receiving and transmitting client orders for execution. A summary of our Best Execution Policy can be obtained on request. If you would like us to send you a copy of our Best Execution Policy, please contact us. Our Execution Venues are detailed below:

- TDWCS and other firms we may use will execute through:
- Regulated markets
- Multilateral trading Facilities
- Systematic internalisers
- Market makers for their own account
- Other liquidity providers
- Non-EU entities performing similar functions

We place significant reliance on the London Stock Exchange, the New York Stock Exchange, NASDAQ, Euronext, the Tokyo Stock Exchange.

## **7 Payment for Services**

For details of our charges, please refer to our Schedule of Fees and Commissions, in effect at the time the charges are

incurred. VAT, Stamp Duty and other taxes and levies will be added where applicable. You will automatically be sent a new Schedule of Fees and Commissions should our charges change. Any money owed to ourselves, TDWCS or agents used by us, as stated in the relevant contract advice note, may be deducted from money held in your account by TDWCS, or paid directly by you if you prefer. For this reason, please note that TDWCS reserve the right to retain your funds. The exception is PEP/ISA dealing charges, which must be met from funds available within the account. We or TDWCS may sometimes share dealing charges with our associates. If any dealing charge is shared with a third party who is not an associated company or person, the contract or advice note will make that clear.

### **7.1 Additional information**

- Unauthorised debit balances will incur interest at 5% over Bank of Scotland Base Rate.
- The Custody Rates shown are for securities held in one of the TDWCS's Nominee Companies.
- Local charges on overseas securities will be passed on where appropriate and details are available on request.
- Private investors are covered by the Financial Services Compensation Scheme. A Compliance Charge of £5 is levied on all transactions as a contribution towards regulatory compliance.
- Transfer of funds via CHAPS for same day value is charged at £20
- Movement charges levied by a third party will be passed on.
- You will receive notification and generic advice on all relevant Corporate Actions in respect of stocks held in Nominee. You will be charged our normal commission with a lower minimum of £20. Where no consideration passes, a flat commission of £20 may apply.
- Transfer of PEPs/ISAs from us (plus Stamp Duty if applicable) is charged at £25 per security, with cash viewed as a single security.
- Other securities transferred from us (plus Stamp Duty) are charged at £25 per security.
- All other foreign securities transferred from us are charged at £25 per security.
- We will charge a fee and may receive trail commission from the product provider.

## **8 Default Provisions and Power of Sale**

We are entitled to an express Power of Sale, Lien or Right of Set Off over your investments, money or other property including a combination/consolidation of all or any of your accounts, in so far as there remains any outstanding amounts due from you to us. We will exercise this right in such manner as we may determine. You charge, by way of first fixed charge, with full title guarantee and grant a pledge over and a general lien and right of set off with respect to, all securities, documents of or representing title to property, and all cash or other assets of any nature held by or subject to the control of TDWCS (or its nominees and custodians) for your account (including, without limitation, the benefit of all contractual rights and obligations and any proceeds of sale) as continuing security for the performance of your obligations hereunder and for the payment of all sums that become due to TDWCS.

You jointly and severally warrant to us and TDWCS that all cash, securities or other assets of any nature transferred to or hold by TDWCS or its nominees and custodians for your account are your sole and beneficial property or are transferred to or held by TDWCS their nominees and custodians with the legal and beneficial owner's unconditional consent and free of such owner's interest and, in any event, will be transferred to or held by TDWCS their nominees and custodians free and clear of any lien, charge or other encumbrance and undertake that you will not charge, assign or otherwise dispose of or create any interest in them.

Therefore, you confirm that in the event of TDWCS not receiving either cash or securities when due, in respect of any transaction which is due to be settled or executed, or in the event of you or us not taking all such steps as may be necessary to secure the due and prompt execution and settlement of any such transaction, we or TDWCS may cancel, close out, terminate or reverse all or any contracts and sell, charge, pledge or otherwise dispose of any investment held for you, at whatever price and in whatever manner we or TDWCS see fit in our or its absolute discretion (without being responsible for any loss or diminution in price or any resultant tax consequences) and may enter into any other transaction or do, or not do, anything (including the application of client money held by you) which would or could have the effect of reducing or eliminating any liability under any transaction, position or commitment undertaken for you. We will also exercise this right in order to meet your liabilities, including our normal dealing charges as set out in our published fees and charges and any other related costs, to either of us. For the avoidance of doubt, any asset held for you can be retained or realised in order to discharge any obligation you have to us or TDWCS, including any investment held in safekeeping by TDWCS, and investments held in the course of settlement. We or TDWCS also reserve the right to close any open sold positions should you fail to deliver the relevant securities, and to debit your account with any loss incurred in the transaction. Should it be necessary to realise any assets as outlined, we or TDWCS will give you as we or it thinks fit such notice prior to taking such action. You shall be responsible for our legal fees or any other associated costs involved in our exercising the above powers.

Neither TDWCS nor we shall be liable to you in respect of any choice made by TDWCS or us in selecting the investments sold in accordance with these default provisions. The proceeds of sale (net of costs) will be applied in or towards the discharge of your liabilities and TDWCS or us will account to you for the balance. In the event that such proceeds are insufficient to cover the whole of your liabilities, you will remain liable for the balance. In addition neither Henderson Rowe Limited nor TDWCS shall be responsible for the tax consequences as a result of taking any of the actions outlined above. Another depositary may also have a security interest or lien over, or right of set-off in relation to your assets or money.

## **9 Settlement**

### **9.1 Settlement of Transactions**

All transactions will be due for settlement in accordance with market requirements (as shown on the relevant contract note or advice). You undertake to ensure that TDWCS receives all cash and securities when due with respect to any transaction which it is to settle on your behalf and that all cash or investments held by, or transferred to TDWCS are and will remain free of any lien, charge or encumbrance. All payments due to TDWCS must be made without set-off, counterclaim or deduction. . All cash and investments held or transferred to TDWCS (or its nominees) will be subject to a first charge by way of security for your obligations to TDWCS. It is your responsibility to ensure that all money due to us and all documents are received by us or TDWCS by the due date to enable settlement of a transaction we execute on your behalf.

### **9.2 Late Settlement**

If you fail to pay an amount due to TDWCS or ourselves, on an ordinary dealing account, interest will be payable by you at a rate of 5% over Bank of Scotland Base Rate as from the due settlement date. This interest rate will be applicable to all debits arising on your account. All securities must be under the control of TDWCS or held by acceptable third party custodians. Late delivery by any such custodian may incur charges.

### **9.3 Non Standard Settlement**

Neither we nor TDWCS shall be liable for any price variance relating to transactions requiring non standard settlement.

### **9.4 Currency Risk**

All currency exchange risk in respect of any transaction conducted in a currency other than your reference currency shall be borne by you.

### **9.5 Rights Issues, Takeovers, etc.**

Where your investments are held by TDWCS in a nominee account, you authorise us and we shall have full discretion to act or refrain from acting on any matters arising in connection with your account. This shall include, but is not limited to, instructing TDWCS to:

- Take up any rights issues;
- Exercise conversion or subscription rights;
- Deal with takeovers or other offers or capital changes;
- Exercise voting rights.

We will endeavour to exercise these rights in your best interests; however, we shall not be liable for any failure to do so.

### **9.6 Aggregation of Orders**

If we or TDWCS reasonably believe we can obtain a more favourable price for your orders, we may combine them with those of associated companies and persons connected with us, and of other clients, instead of executing them separately. However, on some occasions this may result in a less favourable price. We will not aggregate an order with another order unless we have reasonable grounds to believe aggregation will work to your advantage.

### **9.7 Certificated Holdings**

Prior to selling a certificated holding, TDWCS must be in possession of the certificate and signed transfer form. This will ensure that the sale can be settled on time and that proceeds are available at settlement date.

## **10 Client Money**

### **10.1 Trust Status**

TDWCS may hold money on your behalf from time to time which will be classified as client money by the relevant FSA rules. TDWCS will hold your money in a client bank account, segregating your funds from its own. Your money will be

pooled with other client money in an account in the name of [TDWCS A/C Client]. TDWCS may deposit client money in a client bank account at a bank or branch of a bank situated outside the United Kingdom. The legal and regulatory regime applying to such a bank or branch of a bank will be different to that of the United Kingdom and in the event of the insolvency of the overseas bank your money may be treated differently to the way in which it would be treated if it was held in an account in the United Kingdom.

### **10.2 Foreign Currency**

Client money in a foreign currency may be in the country of origin, or the sterling equivalent protected in a United Kingdom bank. Money held in the country of origin will be held by an approved bank or depository, even though in a small number of countries, that bank or depository has failed to acknowledge that client's funds will be afforded trust status, and as such has not accepted that it has no right of set off or counterclaim against money held in that client account, in respect of any sum owed on any other account of TDWCS.

### **10.3 Unapproved Bank**

In certain circumstances, TDWCS may hold your money in a bank outside the United Kingdom, which does not meet the criteria of an approved bank. These circumstances are governed by strict conditions set out by the FSA. Any client money will only be held in such banks because it is not possible to use approved banks due to the applicable law or market practice. In these circumstances, your money will only be held in such banks for as long as it takes to effect the necessary transactions. Such a bank may have failed to acknowledge that clients' funds will be afforded trust status, and as such has not accepted that it has no right of set off or counterclaim against money held in that client account, in respect of any sum owed on any other account of TDWCS. The legal and regulatory regime applying to such a non-approved bank will be different to that of the United Kingdom. In the event of a default or failure of that foreign bank, your money may be treated differently to the way in which it would be treated if it were held at an account in the United Kingdom.

### **10.4 Third Party Money Transfers**

We may undertake a transaction for you that involves your money being passed by us or TDWCS to any third party in connection with that transaction, including (but not exclusively) an exchange, clearing house, intermediate broker, settlement agent or over the counter (OTC) counterparty located either in the United Kingdom, or in a jurisdiction outside the United Kingdom. In the event of your money being passed to a third party, including (but not exclusively) an intermediate broker, settlement agent or OTC counterparty, outside of the United Kingdom, the legal and regulatory regime applying to the intermediate broker, settlement agent, or OTC counterparty may be different to that of the United Kingdom. In the event of a default of that entity, your money may be treated differently to the way it would be treated if it were held in the United Kingdom.

### **10.5 Unclaimed Balances**

In certain circumstances, TDWCS may hold client money for you, which has been allocated to you but has not been claimed by you. TDWCS will cease to treat as client money any unclaimed balances after a period of six years. However, this will only occur if TDWCS has taken reasonable steps to determine that there has been no movement on the balance during this period (notwithstanding any payments or receipts of charges, interest or similar items). We will attempt to contact you at your last known address, and you will be given 28 days from the date of notification of the intention to cease to treat the balance as client money to make a claim. You should note that TDWCS undertakes to make good any valid claim against balances that were released from being treated as client money, upon the provision by you of information to evidence the validity of your claim.

### **10.6 Interest**

Interest will be calculated on a daily basis and will be credited to your account every quarter.

## **11 Custody of Your Investments**

### **11.1 Safekeeping and Registration**

Acceptance of these Terms and Conditions provides authority for TDWCS to hold your investments in safe custody, to transfer securities from your account when you have sold them, to accept offers, or other matters covered by this agreement. United Kingdom registered securities which TDWCS are holding for you, will be held in either their physical possession, or in uncertificated form, and if so, will normally be registered in the name of TDWCS's nominee company in accordance with the rules of FSA.

### **11.2 Overseas Investments**

You consent to the fact that overseas investments may be registered or recorded in the name of an eligible custodian or in

the name of TDWCS in one or more jurisdictions outside of the United Kingdom, where, due to legal requirements or the nature of market practice in the jurisdictions concerned, it is in your best interests, or it is not feasible to do otherwise. As a consequence of this, your investments will not be segregated from investments belonging to TDWCS and therefore, your protection may be less should a default occur on the part of the person in whose name the investments belonging to you are so recorded. Investments belonging to you which are held overseas may be subject to different settlement, legal and regulatory requirements than those that apply in the United Kingdom. TDWCS will not be held liable in the event of a default by a custodian. However, TDWCS does not disclaim responsibility for losses arising directly from its own fraud, wilful default or negligence.

### **11.3 Pooled Accounts**

Investments registered or recorded in the name of a nominee or custodian (as outlined above) will be pooled with those of one or more of our other clients. Accordingly, your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register. In the event of an irreconcilable shortfall following any default of the eligible custodian responsible for pooled investments, you may not receive your full entitlement and may share in that shortfall pro-rata.

### **11.4 Own Name Registration**

You should note that, in extremely restricted circumstances, investments held by TDWCS on your behalf may be registered in your own name, usually where law or market practice dictates, or where it has been specifically agreed between TDWCS and us that the option for such registration will be provided.

### **11.5 Bearer Investments**

Please note that your bearer investments may not be held by TDWCS, but by a third party. Such third party will be an eligible custodian in accordance with the rules of FSA. TDWCS does not accept responsibility, in the absence of its own fraud, negligence or wilful default, for the safe custody obligations of any third party, but prudence will be exercised in the selection of such agents.

### **11.6 Nominee Responsibilities**

TDWCS is responsible for the acts of its nominee to the same extent as for its own acts, including, for the avoidance of doubt, for losses arising from fraud, wilful default or negligence.

### **11.7 Third Party Registrations**

Should you send us written instructions that investments purchased through TDWCS be registered in the name of some other person (which must not be TDWCS or us, or an affiliate of TDWCS or us) whom you specify, the consequences of registration carried out in accordance with your instructions, are entirely your risk. The legitimacy of such registrations also remains your responsibility.

### **11.8 Effects of Pooling**

Because your investments are held on a pooled basis, additional amounts may arise that would not otherwise have occurred had such investments been registered in your own name (for example, following certain corporate actions). Consequently, you are not entitled to these additional amounts. TDWCS allocates such shares to an account, which we administer and may use them to offset against any debits arising on dividends or other corporate events.

A further effect of pooling can be that following an allocation or share issue that favours the small investor, your allocation may be less than it otherwise would have been, had your investments been registered in your own name.

### **11.9 Shareholders Benefits**

Some companies provide benefits to shareholders relating to the nature of their business. These benefits will not necessarily be available to you automatically, as your stock will be registered in the name of a nominee company. Should you wish to receive these additional benefits, you should make the necessary arrangements with your adviser.

### **11.10 Corporate Events**

TDWCS will be responsible for claiming and receiving dividends, interest payments and other entitlements accruing. We will be responsible for instructing TDWCS to:

- exercise conversion and subscription rights
- deal with takeovers, new issues or other offers or capital reorganisations
- exercise voting rights
- The consequences of a failure on your part to provide instructions to us by the stated time once notification has been given are entirely your own responsibility

### **11.11 Lending or Pledging Collateral**

We, or TDWCS, may pledge a charge to a third party collateral deposited with us (other than for safe custody), for the third party to use as collateral for its own obligations. Such collateral registered with a third party will not be in your name. Collateral may be returned to you that is equivalent, but not identical, to collateral originally deposited with the Firm.

### **11.12 Custody Statements**

TDWCS will deliver monthly statements to you showing the investments and any cash balances held by TDWCS for your account. Valuations will be prepared on the basis of the middle market prices prevailing at the relevant dates.

## **12 PEPs and ISAs**

### **12.1 Opening an ISA**

To open an ISA account, we must be in receipt of a signed and completed Individual Savings Account (ISA) Form, together with your personal cheque payable to TDWCS for any amount up to the subscription allowance. An applicant may only subscribe to one ISA subscription each tax year. Shares received through a public offer for sale will not be eligible for a transfer in specie into ISAs. Interest paid on the cash in a Stock and Share Component ISA will be credited gross but is subject to a flat rate charge (currently 20%) payable to the Inland Revenue and deducted by our agents. We will not reclaim tax on Foreign Dividends paid in ISAs or PEPs.

### **12.2 Registration**

Your PEP or ISA must be, and must remain in, the beneficial ownership of you, the investor, and must not be used as security for a loan and except for cash deposits/National Savings products in cash components and insurance policies held in insurance components with an insurer who is also the ISA manager, the title to the PEP/ISA investments will be registered in either TDWCS, or TDWCS and you. Shares certificates or other documents evidencing title to ISA investments will be held by TDWCS or as Henderson Rowe Limited may direct.

### **12.3 Transfer of PEPs and ISAs**

If you wish to transfer a PEP or an ISA to another approved manager willing to accept the transfer, we will complete the transfer within 30 days of receiving your written instructions. Please see your adviser's Schedule of Fees and Commissions for charges on transfers to other Plan Managers. We generally make no charge when receiving plans from other managers, but reserve the right to do so. Transfers of stock in certificated format will be liable to an additional charge for stamp duty. Under new legislation we are able to make and accept partial transfers of PEPs and ISAs.

### **12.4 PEP and ISA Management**

We will make claims, conduct appeals and reach agreement on your behalf for tax reliefs. We shall ensure that TDWCS and any other agents or third parties to whom such responsibilities and other functions are delegated are competent to carry them out. We will advise on the amount of cash held within your account pending reinvestment. We will also inform you if a PEP or ISA becomes void through any failure to meet the Inland Revenue's PEP and ISA regulations. If a previously qualifying investment should no longer qualify, we will propose selling the investment and reinvesting in the account, or transferring it out of the account. As warrants arising other than through an investment trust public offer for sale may not be held in a PEP or ISA, they will be sold and the proceeds retained in the PEP or ISA pending reinvestment in an eligible stock.

### **12.5 PEP and ISA Closure**

You may close your PEP or ISA as a whole or take out part at any time (provided any outstanding fees are paid). There is no charge for partial withdrawals of cash. Partial cash withdrawals shall be treated as capital (i.e. not interest) under Inland Revenue regulations. Please refer to our Schedule of Fees and Commissions for charges. When liquidating a PEP or ISA before transferring the cash proceeds, normal commission rates apply.

### **12.6 PEP and ISA Termination**

A PEP or ISA automatically terminates when the plan holder dies. Any tax claimed back from a dividend received after that date must be repaid. The PEP or ISA will be valued for probate as at the date of death, and dealt with as instructed by the executors. We may terminate a plan at our discretion if, in our opinion, new statutes or regulations make its continuation impracticable. We shall not be responsible for any loss that results.

### **12.7 ISA Cancellation**

You have the right to cancel your cash subscription to an ISA contract or a specific ISA component or packaged product

within an ISA component within 30 days of receipt by you of the notice of the right to cancel. Investors who cancel their subscription within the cancellation period are exempt from UK income and capital gains tax on any income or gains arising from the subscription in the period.

Where the subscription is cancelled within the set period, investors will be treated as though they have not subscribed to an ISA.

### **12.8 Inland Revenue Regulation**

The management of your PEP or ISA shall be subject to the rules and regulations of the Inland Revenue. In the event of a dispute regarding the terms of this agreement and Inland Revenue Regulations, the Inland Revenue Regulations shall be overriding.

## **13 Other Matters/Regulatory Matters**

### **13.1 Conflicts of Interest**

We do not hold principal positions or deal on our own account. However, when we give you investment advice, we, an associated company, TDWCS or some other person or company connected with us may have a material interest or arrangement in connection with the transaction or investment concerned which may lead to a conflict of interest. This may include:

- Sponsoring or underwriting a new issue in which you are invest
- Receiving payments or other benefits for giving business to the firm through which your order is transacted, details of such payments are always available on request;
- Matching your transaction with that of another client for whom we are acting.

However, to ensure that no conflict of interest arises we require our employees and/or advisers to disregard any of these factors when advising you and to disclose any relevant material interest of which they are aware (unless the transaction is a reasonable one and in your best interests). We have in place a conflicts of interest policy and will take all reasonable steps to identify conflicts of interest between ourselves and any client or between one client and another. We will maintain and operate effective organizational and administrative arrangements with a view to taking reasonable steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of our clients. Full details of the controls we have in place to manage conflicts are within our Conflicts of Interest Policy. Please let us know if you would like a copy of our policy.

### **13.2 Unsolicited Calls and Call Recording**

We will abide by FSA rules regarding communications with you. If you decide to make a particular investment as a result of a telephone call to you, you will have agreed to forego your statutory rights to cancel it. We will always accept your request not to continue a particular discussion. We may contact you on any telephone number provided by you to us, including unlisted numbers. We will not visit you without your prior approval. All telephone calls may be recorded and such recording remains our sole property. You accept that we may rely on these recordings in the event of a dispute.

### **13.3 Contract Notes**

TDWCS will send you a contract note no later than one business day after they have executed a transaction on your behalf. You must notify us within five business days, from the date of contract, of any query in respect of contract notes. If we do not hear from you then we shall assume that you are in agreement with the contents of the contract note. If you receive a contract note for a trade conducted without your authority, or following your instructions to enter into a transaction, you fail to receive a contract note within three business days, you should notify your adviser immediately. Where applicable, you should notify us of the date and hour of the alleged instructions. Where, following your instructions to enter into a transaction you fail to receive a contract note within three business days, you should notify us no later than the end of the fifth business day of this fact. If you fail to notify us as described, we will not be liable for any loss that may be suffered by you as a result. You will receive a custody statement from TDWCS on a monthly, quarterly or half-yearly basis and this will detail all investments held on your behalf in safekeeping. This statement will also provide details of any cash balance held for you as client money by TDWCS. In addition, Managed accounts will receive twice-yearly valuations. The value of any stock held as collateral, as identified on the annual statement/valuation is calculated using the mid-market closing price at the close of business on the date of the valuation. Holdings are reported on a trade date basis.

### **13.4 Periodic Statements, Valuations**

We refer you to details of the initial valuation of your portfolio as at the date of this agreement. These details appear on the Asset Allocation form, attached, which forms part of your contract with us.

We will provide you with a monthly periodic statement detailing the value and composition of the portfolio at the start of the period to which it relates, as well as the value at the end of the period it covers. This will detail the number, description and value of each designated investment held; the amount of cash held; and the total value of the portfolio. The valuation statement will include a statement explaining the basis on which the value of each designated investment has been calculated and, if applicable, a statement that the basis for valuing a particular designated investment has changed since the previous periodic statement. If any designated investments are shown in a currency other than the usual one used for valuation of the portfolio, the relevant currency exchange rates must be shown.

Where we are managing your portfolio on a discretionary basis, we will, in addition to the above, provide the following information:

- Details of any assets loaned or charged;
- Transactions and changes in composition of the portfolio;
- A statement of the aggregate charges of the firm and its associates if not previously advised in writing; and
- A statement of the amount of any remuneration received by the firm or its associates or both from a third party in respect of the transactions entered into, or any other services provided, for the portfolio.

### **13.5 Complaints Procedure**

If you are dissatisfied with the services TDWCS or we have provided under this agreement, you should address your complaint, in the first instance to your adviser. If after 24 hours your complaint remains unresolved, please write to the Compliance Officer. We will endeavour to resolve your complaint as quickly as possible. We will liaise with TDWCS on your behalf where necessary.

Our acknowledgement will include a full copy of our complaints handling procedure and, if appropriate, TDWCS's customer complaints handling procedure. Upon resolution of your complaint, we will send you a final response letter, which sets out the nature of that resolution and any applicable remedy. If for any reason, you are dissatisfied with our final response and you are classified as an eligible complainant under FSA rules you will be entitled to refer your complaint to the Financial Ombudsman Service. A leaflet detailing the procedure is provided with our final response.

### **13.6 Financial Services Compensation Scheme**

We are a participant in the Financial Services Compensation Scheme (FSCS) established under the Financial Services and Markets Act 2000, which, subject to certain exceptions, provides limited compensation in respect of eligible liabilities if we are declared in default. This scheme currently covers 100% of the first £30,000 of a valid claim plus 90% of the next £20,000, up to a maximum payment of £48,000. The right to claim under this scheme will only arise if you qualify as an eligible investor for the purposes of this scheme. Further information can be obtained from the FSCS website: [www.fscs.org.uk](http://www.fscs.org.uk). Please let us know if you require any further information concerning the conditions governing compensation and the formalities which must be completed to obtain compensation.

### **13.7 Polarisation Status**

We will act as an independent intermediary when advising retail clients on packaged products.

### **13.8 Marketing**

You agree that we may send you marketing information from time to time. If you do not wish to receive marketing information, or if your details change, please notify us in writing.

### **13.9 Credit Checking**

In connection with this arrangement, we will carry out a credit check with a licensed credit reference agency, which will retain a record of that search. In the event of your default, relevant details may be recorded with that agency. This information may be used by third parties in assessing applications for credit by you and members of your household, and for occasional debt tracing and fraud prevention purposes.

### **13.10 Money Laundering Regulations**

The Money Laundering Regulations require all financial institutions to verify the identity of their clients. We will use an electronic third party service to verify your identity and address. Additionally we may require you to provide to us with certain information as shown on your passport, driving licence or other acceptable form of identification and utility bills. We shall notify you at the time the account is opened of the information required. This will usually be sufficient to satisfy our obligations under the regulations. However, in exceptional circumstances further information may be required. Additional requirements apply to Corporate and Trust clients. Details of these requirements can be obtained from your adviser. From time to time it may be necessary for us to request further identification information in order to fulfil our obligations under

the Money Laundering Regulations.

### **13.11 Confidentiality**

We have responsibilities under Money Laundering Regulations to verify your identity. We may need to make certain enquires and obtain certain information from you for that purpose. You confirm that all information you supply will be accurate and accept that we may need to pass this information to a third party to comply with our reporting requirements.

### **13.12 Data Protection Act 1998**

We and TDWCS are registered under the Data Protection Act 1998 and for the purposes of the Act, and any subsequent legislation that may replace it; we may both use, store or otherwise process personal data relating to you, using computer systems or otherwise in connection with the provision of our services, for the purpose of providing services and for purposes ancillary thereto. We and the group of companies to which we belong will not disclose this information outside ourselves, except to the extent that we are required or permitted to do so by law, for fraud prevention purposes, to licensed credit reference agencies to help us and others make credit decisions, at your request or with your consent, under a strict code of secrecy to sub-contractors or persons acting as our agent, and to any persons who assumes our rights under your agreement with us where the law or a regulatory rule permits, if already in the public domain or it is in the public interest. In accordance with the Data Protection Act 1998, you are entitled, on payment of a fee, to a copy of the information we and TDWCS hold about you. In the first instance, you should direct any such request to us. You should let us know if you think any information we hold about you is inaccurate, so that we may correct it. Please be advised that, by signing our Account Form, you are consenting to the transmittal of your data outside of the EU/EEA. Please note that the Data Protection Act does not apply to corporate entities. In accordance with the Record Retention Statement below, you will not be at liberty to request the destruction or deletion of any record pertaining to yourself unless TDWCS or we are required to do so by force of law or other regulatory requirement.

### **13.13 Record Retention**

In accordance with legal and regulatory requirements, we and TDWCS will retain your records for a period of six years following the termination of any relationship between us. This period may be extended by force of law, regulatory requirement or agreement amongst us.

## **14 The Governing Law and Variations**

### **14.1 Liability and Indemnity**

In accepting these Terms and Conditions you agree to indemnify us and TDWCS against any liability (including legal costs) incurred arising from the provision of its services in relation to your account, for any breach by you of the provision of this agreement or any failure to make delivery or payment when due. This indemnity will remain in force notwithstanding that you transfer your account elsewhere. Neither we nor TDWCS shall be liable if we fail, interrupt or delay in performing our obligations under this agreement or for any losses you incur which are caused by the acts or omissions of any person beyond the control of either of us including, but not limited to, an act of God, fire, industrial disputes, the act or regulations of any Governmental or other body, civil commotion, breakdown, failure or malfunction of any telecommunications or computer systems or equipment or the suspension of trading by an exchange or clearing house. Furthermore, we shall not be liable for any losses you incur if we fail, interrupt or delay in performing our obligations under this agreement in order to avoid damage to either, us or, TDWCS employees, property or reputation. We would wish to point out to you that email messages may not be secure and may be intercepted by third parties. We therefore advise you not to use email to send confidential information or communications, which require our immediate attention. Neither we nor TDWCS shall be liable for any error of judgement or financial loss including but not limited to any indirect or consequential loss (including loss of profit), market or trading losses suffered by you unless this results from the negligence, fraud or wilful default of us or TDWCS or from breach by either party of applicable laws and regulations. TDWCS is responsible for the acts of their nominee to the same extent as for their own acts, including, for the avoidance of doubt, for losses arising from fraud, wilful default or negligence.

### **14.2 Assignment**

This agreement is personal to you and your personal representatives and your rights and you or they may not transfer obligations entered into. We may assign this agreement to any person connected with us or to any successor company on giving written notice to you to that effect.

### **14.3 Illegality**

If any provision or term of this agreement or any part thereof shall become or be declared illegal, invalid, or unenforceable for any reason whatsoever, such term, provision or part shall be divisible from this agreement and shall be deemed to be

deleted from this agreement.

#### **14.4 Variation**

You accept that we or TDWCS may change or add to any of the Terms and Conditions. In the event of any variation or amendment of the agreement, we and TDWCS will send you a written notice of the change or addition which shall include the date from which the change or addition shall be effective. Please note that we shall not give you less than 10 working days notice of any amendments, unless it is impractical to do so. You are deemed to have consented to any alteration that may be effected to these Terms of Business if we do not receive notification to the contrary from you in writing within the 10 working days interim period between notification of the change and the change coming into effect.

#### **14.5 Notice**

Any notice given under the Agreement must be in writing. Any notice provided by us to you will be delivered by registered post to the address which we have on our records for you. It is your responsibility to notify us of any change to your address. Any notices which you send to us must be sent to us at 25 Grosvenor Street, London W1K 4QN. Unless it is returned to the sender undelivered, a notice sent by the registered post is treated as having been served on the third working day after posting whether it is received or not.

#### **14.6 Death**

In the event that you should die whilst a client of Henderson Rowe Limited your account will be suspended and we may close any open position, which carries a future contingent liability. The account will continue to incur custody charges until it is closed. No instructions over any account will be accepted until the title of your personal representatives to the account has been established at which point your personal representatives may instruct us to sell, transfer or otherwise dispose of your assets.

#### **14.7 Account Closure**

Both you and we have the right to close your account with us. Such closure will be without prejudice to the completion of transactions already initiated. If you wish to close your account you should notify us, in writing, of your intention to do so, which will be effective immediately upon receipt by us. Should we wish to terminate this agreement we will give you 28 days notice of our intention to do so. Any charges accrued to us will become due and payable at the expiry of this notice period.

#### **14.8 Cancellation**

You may cancel an agreement for any of our services within 14 days of commencement irrespective of any rights under the Distance Marketing Directive. Such notice of termination must be in writing and we will return to you your money or assets held by us. You should be aware that any reasonable out of pocket expenses, e.g. relating to the transfer of securities, will not be refunded. Also, if any investment transactions have been carried out, you will be liable for any price movement unless it involves a product which carries a right of cancellation which may apply.

#### **14.9 Termination**

Both you and we have the right to terminate this agreement. Such termination will be without prejudice to the completion of transactions already initiated. If you wish to terminate this agreement you should notify us, in writing, of your intention to do so, which will be effective immediately upon receipt by us. Should we wish to terminate this agreement we will give you 28 days notice of our intention to do so. Any charges accrued to us will become due and payable at the expiry of this notice period.

#### **14.10 Cooling-off Period**

If within 14 days of commencing an investment agreement you decide that you no longer want such a service, we will return your money and stock. You will not incur any additional charges and we will pay you interest on sums refunded at the rates set out in clause 9.6. for the period when cleared funds were in the account until the date of the refund.

#### **14.11 Third Party Rights**

A person who is not a party to these Terms and Conditions of Business has no right to enforce them under the Contracts (Rights of Third Parties) Act 1999.

#### **14.12 Jurisdiction**

These arrangements are governed by and shall be construed in accordance with English law and you hereby submit to the non exclusive jurisdiction of the English courts.