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Fee-based independent investment advice
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Authorised and regulated by the Financial Services Authority (FSA)
Company registered in England No. 03816082
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Confidentiality Notice

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This communication may contain confidential or privileged information. If you have received this in error, please contact us immediately. You should not disclose the contents to any other person nor make any copies.

If sent by e-mail, this communication may not be secure once it has left Sicav Investment Services Limited (SIS) and therefore SIS cannot accept any liability for viruses.

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Date

TERMS OF BUSINESS LETTER - GENERAL INVESTMENT BUSINESS SERVICES

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Firms who advise on life assurance, pensions, or unit trust products are EITHER independent advisers OR representatives of one company. YOUR ADVISER IS INDEPENDENT and will act on your behalf in advising you on life assurance, pensions or unit trust products. Because your adviser is independent he or she can advise you on the products of different companies.

Our Status under the Financial Services and Markets Act 2000 (FSMA)

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We are subject to the FSA "Conduct of Business" and other rules when we provide services to you under these terms of business.

When dealing with your investments, we will act as your agent at all times and are responsible for the advice that we give to you.

Conflicts of Interest

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We offer independent advice but occasions can arise where we, or one of our customers, will have some form of interest in business that we are transacting for you. If this happens, or we become aware that our interests or those of one of our other customers conflict with your interests, we will inform you in writing and obtain your consent before we carry out your instructions.

Customer Classification – IMPORTANT

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We are of the opinion that your experience and understanding of the investment market are sufficient for us to propose that you be classified you as an "intermediate customer" and we shall treat you as such for all investments and investment business.

You should be aware that ordinarily, you would be classified as a "private customer" and that intermediate customer classification would usually only apply to clients such as local authorities, quoted companies, unquoted companies/partnerships having net assets of more than £5m and large SSAS (with assets greater than £10m).

When we provide services to you as an intermediate customer, we will not have to adhere to (and you will lose the protection afforded by) the following FSA "Conduct of Business" (COB) rules, which apply exclusively to private customers (the narrative given below each rule is a brief summary for illustration only – the full text of the rules can be found in the FSA Handbook at <http://www.fsa.gov.uk/handbook/>):

COB 3 - Financial promotion

The regulations set down in COB 3 govern the issuing and format of financial promotions in general.

COB 3.9 - Direct offer financial promotions

This embraces the risk warnings and other disclosures that we are required to make to private customers if, other than in the course of a personal visit, telephone conversation or other interactive dialogue, we were to send them, for example, an offer to purchase a regulated collective investment scheme.

COB 3.12 - Communication and approval of financial promotions of an overseas or an unauthorised person and COB 3.13 - Additional requirements for financial promotions for an overseas long-term insurer

These rules govern the content of financial promotions from overseas or unauthorised persons, which we approve ourselves and issue to private customers, or our vetting of the content of such promotions, which have been approved by other FSA authorised firms, and are then communicated by us.

COB 5.4 - Customers' understanding of risk

We must take reasonable steps to ensure that private customers understand the nature of the risks involved in the making of various investments.

COB 5.7 - Disclosure of charges, remuneration and commission

The purpose of this rule is to ensure that a private customer is made aware of the costs to him, directly or indirectly, of financial services, so that he is better able to make informed choices.

Notwithstanding your classification as an intermediate customer, commission payments and our remuneration shall continue to be dealt with in accordance with the relevant sections contained within the sections of this letter entitled Our Fees, Commissions and Other Fees and Commissions.

COB 6.1 - Packaged product and ISA disclosure

Private customers must be supplied with information that will highlight particular packaged product features. This information will be in the form of Key Features (for a packaged product) or an information document (for a deposit ISA).

COB 7.9 - Lending to private customers

This rule seeks to ensure that if we lend money or grant credit to a private customer, or arrange for any other person to do so, in the course of, or in connection with, designated investment business, this is only done in appropriate circumstances, having due regard to the interests of such customers, ensuring that we treat them fairly and then only if the customer has given prior consent in full knowledge of any resulting interest and fees.

COB 7.10 - Margin requirements

Where private customers deal in derivative investments they will, or may be, liable to make further payments, known as margin, when the transaction fails to be completed or upon the earlier closing out of a position. This rule regulates, amongst other things, the disclosure by us to private customers of the amount, form and timing of margin payments they may be required to make and the remedies we may be required or entitled to take if margin payments are not met. It also ensures that the contingent liabilities of such clients are properly monitored.

At present, we do not advise upon derivative based investments.

COB 7.11 - Non-exchange traded securities

This rule requires that we deal fairly with private customers when we conduct designated investment business with or for them and sell to that customer any security that is not traded on a recognised or designated investment exchange or any regulated market; and hold ourselves out as a market maker in that security. It also determines various disclosures and other duties that are required from us in such circumstances.

At present, we are not market makers in any investments.

Furthermore, when we provide services to you as an intermediate customer, as set out in the above letter, the following COB rule will be limited or modified in its application as detailed below:

COB 5.1 - Polarisation and status disclosure

This letter confirms that we will always act on an independent basis as your agent in all matters.

The following COB rules, which are capable of modification in their application to intermediate customers, will be modified in their application as detailed below:

COB 7.5 - Best execution

At present, we do not execute transactions ourselves, but will pass on your instructions in a timely manner to the relevant parties, such as our stockbrokers.

COB 9.1 - Custody

At present, we do not provide custody or safeguarding of investments.

COB 9.3 - Client money

At present, we do not handle client money.

It is particularly important for you to be aware that your classification by us as an intermediate customer for all investments and investment business will mean that you will lose all rights of access to the Financial Ombudsman Service.

In practice, as an intermediate customer you should be aware that whenever we communicate with you, we may have regard to your expertise when complying with requirements under the regulatory system that communications with you must be clear, fair and not misleading. This will mean that we will tend to assume your familiarity in general with investments that we recommend and will not provide the usual depth of detail that would ordinarily be provided to private customers.

Your Investment/Financial Objectives and Attitude to Investment Risk

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Following the issue of this letter any subsequent advice or recommendation offered to you will be on the basis that your objectives when investing are:

If you would like to discuss these investment objectives, you should let us know as soon as possible.

With reference to the attached guide, you have described your attitude to investment risk as being and that you would be prepared to consider exposing part of your capital to investments under which the capital value thereof may fall as well as rise. Furthermore, you have specified that you would be prepared to consider committing money to investments under which access to the capital value thereof may be restricted for a period. You have not placed any restriction on particular investments or markets on which the transactions are effected.

Nature of Services

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The firm is authorised and regulated by the FSA to advise on and arrange Life Assurance, Pensions, Collective Investments, Personal Equity Plans, Individual Saving Accounts and Financial Planning.

You have asked us to provide the following services:

IT IS EXTREMELY IMPORTANT that you understand that any advice or recommendation we have given you will not be kept under review unless we have specifically agreed with you in writing to do so. However, we may contact you in the future by means of an unsolicited promotion should we wish to contact you to discuss the relative merits of an investment or service which we feel may be of interest to you.

Scope of Services and Professional Indemnity Insurance (PII)
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We are authorised by the FSA to offer advice in the following areas:

Arranging (bringing about) deals in investments
Making arrangement with a view to transactions in investments
Advising on investments (except on Pension transfers and opt-outs)
Agreeing to carry on a Regulated Activity

It is important to appreciate that the FSA only regulate us in respect of the investment advice we give you. The FSA do not regulate us for advice we give upon any of the following:

Wills
Trusts
Inheritance tax
Income tax
Capital Gains tax
Corporation tax

We maintain PII to the value required by the FSA.

In the course of providing you with investment advice, we will give general advice in relation to Wills, trusts and taxation matters and assist you as necessary with the administration of Trusts, Estates and Small Self-Administered Pension Schemes ("SSAS") which, amongst other things, involves the preparation of Personal, Trust and SSAS tax returns. These activities are covered by our PII policy.

The FSA require that we have a minimum level of solvency and to maintain this (amongst other things); we should not give advice that is outside the scope of our PII policy since, not only will clients be without insurance cover in the event of a claim, but our financial position could be prejudiced thereby.

Our PII policy may not cover specific taxation and legal advice that is not within the general ambit of the investment advice that we give you. We work closely with other professional firms and therefore, where appropriate, we will refer you to them for such advice. In particular, you agree to us disclosing your financial details to: Almond & Co., Chartered Accountants of Suite 2, Interwood House, Stafford Avenue, Hornchurch, Essex RM11 2ER, Hatten Asplin Glenny, Solicitors of 4 Town Quay Wharf, Abbey Road, Barking, Essex IG11 7BZ, Mullis & Peake, Solicitors of 8-10 Eastern Road, Romford, Essex RM1 3PJ, Mills & Reeve, Solicitors of 78-84 Colmore Row, Birmingham B3 2AB, Solidus Trusts of The Grange, 3 Codicote Road, Welwyn, Herts AL6 9LY or Estate Preservation Services Limited of 17 Park Row, Leeds LS1 5JQ. In the event that we do provide taxation or legal advice that is not covered by our PII policy, our liability for such is limited to 10 times the fee charged for the work.

In the event that we provide you with any legal documents, these are purely as drafts for consideration by you and your legal/taxation advisers and SIS will not be able to accept any responsibility for such paperwork meeting or being suitable for its intended purpose.

You should be aware that our present PII policy precludes us from: "Arranging, effecting or advising on the financing of mortgages by means of endowment policies". Furthermore, whilst we are able to advise you upon the purchase or sale of shares in Split Capital Investment Trust companies, such advice is not covered by our PII policy and our liability for such is limited to 10 times the fee charged for the work.

Confidentiality
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You agree that any advice we give you will not be disclosed by you to any third party without our express permission in writing save for the purpose of complying with any statutory obligation.

In particular, whilst you are of course under no obligation to proceed with any proposals that we may put to you, you accept that having considered these, you will not instruct any other firm to implement them.

Unregulated Collective Investment Schemes

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You are advised that we may on occasion give advice on investments relating to, or executing transactions in units in Unregulated Collective Investment Schemes.

Financial Services Compensation Scheme (FSCS)

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If you make a valid claim against the firm in respect of the investments we arrange for you and we are unable to meet our liabilities in full, you may be entitled to redress from the FSCS. Details of the cover provided by the scheme are given in a leaflet which we will send you at your request. Further information is available from the FSA and the FSCS.

Communicating With You

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We shall act on instructions given by you or any person you have nominated as long as you have written to us about that person. We will normally require you to give written instructions in order for us to carry out transactions on your behalf. However, in cases of emergency we will act upon spoken instruction subject to confirmation in writing. We will advise you in advance if such verbal instructions are to be tape-recorded by us.

We shall keep you (or, if you wish, the person you nominate) informed about transactions arranged for you. We will also send contract notes to you or that person. Any change in these instructions should be in writing.

If you have asked for any advice on investments, we may give that advice to you by telephone or in writing.

Where you have provided us with an email address or mobile telephone number, we will assume that any email or SMS messages correctly sent by us to these will be collected by you unless you advise us to the contrary.

Unsolicited Real Time Financial Promotions

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As an established customer the firm may, on occasion, need to contact you either by telephone or letter as part of our business relationship within any 12-month period.

Our Fees

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Our fees for providing the services covered by this engagement letter are based on the time necessarily occupied on the work in accordance with the following scale:

FSA Registered Investment Adviser:	£105 per hour (Paul Storrie will charge at this rate)
Director:	£70 per hour (Dave Halverson will charge at this rate)
Tax technicians:	£60 per hour
Other administrative staff:	£45 per hour

Please note that these fees are at a discounted rate to reflect your agreement to remunerate us by way of a combination of commission and fee (as detailed in the Key Facts about the cost of our services and as set out below). Our tariff may be varied at any time subject to us giving three months written notice.

Our time ledgers for general, ongoing or recurring work carried out on your behalf, along with a corresponding invoice, will be rendered at each quarter ending 31st March, 30th June, 30th September and 31st December 31st January, 30th April, 31st July and 31st October 28th February, 31st May, 31st August and 30th November, with payment due upon presentation, and will include the cost of any disbursement incurred by SIS on your behalf. We reserve the right to charge interest on unpaid fees and to suspend work until our fees are paid.

For separately identifiable projects, we will usually provide an estimate of our fees in advance where possible and will agree with you any necessary revisions to our initial estimate during the course of such work.

Some work may be subject to fixed fees. Such fees and the terms thereof will be specified in advance. In particular, in respect of Venture Capital Trust (VCT) and Enterprise Investment Scheme (EIS) investments, our fee will equal the commission we receive from the VCT/EIS promoters.

Commissions

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We are permitted to receive commissions in respect of certain transactions we arrange for you. However, in consideration of your agreement to pay fees as outlined above, we will forego all Initial Commissions (see below) in order to enhance the terms of the investment in question. Where such commission cannot be foregone, we shall advise you in writing of the amount(s), the terms of payment and will offset such sums against any fees due. If thereafter a balance arises, this will be returned to you. Until such time as any commissions we receive are reconciled by us against any fees due, you consent to such commission being retained by us and in the interim, we shall not be liable to account to you for such money. We will usually provide reconciliations within 60 days of our receipt of commission payments.

Please note that where commissions are offset against fees or returned to you, should any part of such be reclaimed by the product provider(s) in the future for any reason, we will ask you to repay an equivalent amount to us within fourteen days of our written notice.

Initial Commission is defined as that commission which is paid by, amongst others, life assurance companies, unit trust managers and managers of collective investment schemes and would normally accrue to an introducer at the time that a lump sum investment is made, or during the 'initial commission period' where a regular contribution is paid (the initial commission period has a varying definition dependant upon product and product provider). Any other commission ("Trail/Renewal" commission) paid by the above institutions will be disclosed to you, but will be retained by us in full and will not be reconciled against our fees except as follows.

Where the sum of Trail/Renewal commission paid by the above institutions in respect of a single investment by you exceeds £1,000 per annum, we will reconcile two/fifths of the surplus against any fees due. Where this applies, until such time as any commissions we receive are reconciled by us against any fees due, you consent to such commission being retained by us and in the interim, we shall not be liable to account to you for such money.

In consideration of the fact that we will charge hourly fees at a discounted rate to reflect our retention of the above Trail/Renewal commissions, in the event that such commissions are subsequently diverted away from us by your appointment of another agent to receive them, we reserve the right to charge you a fee commensurate with the resultant loss of income to us.

Where we receive any form of benefit, fee or commission from any source other than described above, such as another intermediary or deposit taker, we shall not disclose these earnings to you unless you ask us to and such will again be retained by us in full and will not be reconciled against fees. You consent to our retention of such sums or benefits without liability to account to you for this money. In particular, this paragraph will apply to any incentive payments that we are offered to conduct business electronically which do not otherwise affect the terms of an investment we arrange for you.

Client Money

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The firm does not handle clients' money. We never accept a cheque made out to us (unless it is a cheque in settlement of charges or disbursements for which we have sent you an invoice) or handle cash.

Accounting to Customers

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Other than in exceptional circumstances, we will always confirm to you in writing the basis or our reason for recommending the transaction executed on your behalf.

We will also make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. We will forward to you all documents showing ownership of your investments as soon as practicable after we receive them. Where we believe that new title documents contain errors, we may have to retain these until we are satisfied that they are correct in all respects or return them to the issuer for amendment. Where a number of documents relating to a series of transactions is involved, we will normally hold each document until the series is complete and then forward them to you. Any certificates, title documents or investments so sent will be at your risk.

Right to withdraw

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You will be advised at the point of sale where a right to withdraw applies and the relevant circumstances.

Disclosure of Client's Personal Data

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Where investment business services are provided to the firm by third parties then circumstances may arise which warrant the disclosure of more than just your basic contact details. On these occasions such as processing business, and obtaining compliance and regulatory advice, you agree that personal information held by the firm may be disclosed on a confidential basis, and in accordance with the Data Protection Act 1998, to such third parties. You agree that this information may be transferred electronically, e.g. e-mail. You also agree that any such third party or ourselves may contact you in future by any means of communication that we consider appropriate at the time.

In particular, you should be aware that our client files are inspected regularly by our compliance consultants, SimplyBiz Support Limited of Galpharm Stadium, Stadium Way, Huddersfield HD1 6PG in order to ensure our compliance with FSMA and in their capacity as auditors for our Professional Indemnity insurers, Interpolis Insurance Ireland Ltd. Furthermore, on request, our files need to be made available to the FSA for inspection.

You further authorise the transfer to SIS of the servicing rights held by Almond & Co. (and/or Clarkson Hyde Financial Services/Clarkson Hyde Financial Services Limited) in respect of all holdings/policies/accounts held by you with any product providers and in particular agree that personal information held by these providers may be disclosed to SIS on a confidential basis and in accordance with the Data Protection Act 1998. You consent to these providers accepting investment instructions from SIS on your behalf and that all future correspondence should be sent to them with the exception of contract notes/deal advices where the original should be sent to you with a copy to SIS.

Record Keeping

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We keep records of all our business transactions for at least six years.

Commencement

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These terms will come into force from the date of your signature or in any event will apply at the expiry of 30 days from the date of this letter. They will remain effective until varied, superseded or our appointment is terminated as set out below.

Variation

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This engagement letter may be varied or superseded at any time by agreement in writing between us, but any such variation shall not affect any rights or obligations of either of us already accrued. You or we may initiate such variations.

We will contact you approximately three years from the date of this letter to review the terms of this engagement letter and suggest a replacement where necessary.

Termination of this agreement

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Either of us may terminate our appointment to act for you by written notice at any time without penalty.

Termination will not in any event affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payment, save that you will pay (i) our fees pro rata to the date of termination; (ii) any additional expenses necessarily incurred by us in terminating this Terms of Business letter; (iii) any losses necessarily realised in settling or concluding outstanding obligations.

Making a Complaint

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If you should have any complaint about the advice you receive or a product that you have bought please write to the Compliance Officer at Sicav Investment Services Limited, P O Box 9692, Brentwood CM14 9DE. Dependent upon the precise nature of this, if we do not provide you with a satisfactory response, you may take up the matter with the FSA.

Details of our Complaints Procedure are stated in our booklet entitled "Treating Customers Fairly".

Money Laundering

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Where we are required to verify your identity in accordance with the Criminal Justice Act 1993 and Money Laundering Regulations, no investment will be made until such verification has been obtained.

Governing Law

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English law will govern the provision of the services covered by this letter, and the English courts will have exclusive jurisdiction over any disputes.

Client Declaration

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I/We the below mentioned client have read and understand the above Terms of Business and sign my/our acceptance below.

Signed Date

Signed Date

Specimen

GUIDE TO INVESTMENT RISK

The risk factor allotted to each type of investment below takes account of:

- The likely volatility in capital value.
- The likelihood that any income deriving therefrom will fluctuate or be interrupted.
- Flexibility.
- Access.

The following table should be seen as being of an extremely general nature and should not be used as a basis to invest.

If any further clarification whatsoever is required regarding this guide, please do not hesitate to contact us.

	Risk Factor	Investment
CAUTIOUS	1	Bank/Building Society Current/Instant Access Accounts <£20,000 deposited, National Savings Accounts.
	2	Bank/Major Building Society notice Accounts, Deposit/cash Funds.
	3	Guaranteed Bonds, National Savings Certificates. Short-dated (<5 years) Index-linked and conventional Gilts.
BALANCED	4	With Profit Funds, Medium dated (5-15 years) Index-linked and conventional Gilts.
	5	Managed Funds containing at least three asset classes, Longer dated Index-linked and conventional Gilts, Investment grade Corporate Bond Funds, PIBS, Preference shares issued by major UK companies.
	6	General Unit Trusts/OEICS. Commercial or residential property funds. Non-investment grade Corporate Bond Funds.
ADVENTUROUS	7	Specialist Unit Trusts/OEICS, Direct Equities (Major UK Stocks).
	8	Direct Equities (Minor Stocks), Enterprise Zone Property Trusts.
	9	Commodity Futures, Warrants, Options, Private Companies, EIS investments.
	10	Roulette, Racetrack etc.