

**Arden Partners plc Terms of Business** (effective 01/11/07)

1. Acceptance of these Terms and Conditions shall constitute the formation of a contract between you and Arden Partners and also between you and Pershing Securities Limited. Your acceptance of these Terms and Conditions shall be evidenced on the first and each occasion you instruct Arden Partners plc to effect an investment transaction on your behalf pursuant to these Terms and Conditions.
2. In these Standard Terms and Conditions of Business the following expressions shall have the meanings set opposite them respectively except where the context otherwise requires: -

“Arden Partners”/“we”/“us” our”	Arden Partners plc (a company registered in England, registered number 4427253)
“PSL”	Pershing Securities Limited (a company registered in England, registered number 2474912)
“Terms and Conditions”/ “Contract”	Standard Terms and Conditions of Business.
the “FSA”	The Financial Services Authority
“intermediate customer”	FSA Investor classification under FSMA
“market counterparty”	FSA Investor classification under FSMA
“Professional Client”	FSA Investor classification under MiFID (effective 01/11/07)
“Eligible Counterparty”	FSA Investor classification under MiFID (effective 01/11/07)
“FSA Rules”	FSA rules laid out in the FSA Handbook under FSMA or MiFID
“FSA Rules-FSMA”	FSA rules laid out in the FSA Handbook under FSMA
“FSA Rules-MiFID”	FSA rules laid out in the FSA Handbook under MiFID (effective 01/11/07)
“COBS”	FSA conduct of business rules under MiFID
“investment advice”	Advice on investment as defined by the FSA in COBS
“suitability”	Investor suitability as defined by the FSA
“Instruction”	Any instruction, notice, request, direction, certificate or other document or communication by any means if accepted by an authorised Arden Partners’ employee.
“Pershing agreement”	An agreement dated 6 <sup>th</sup> September 2002 between Arden Partners and PSL whereby PSL will provide settlement for you (and other customers of Arden Partners) in relation to Securities executed on your behalf by Arden Partners pursuant to these Terms and Conditions

3. Arden Partners is authorised and regulated by the FSA to classify you as an intermediate customer or market counterparty under FSMA 2000 and as professional client or eligible counterparty under MiFID. Unless otherwise stated we will classify you as a Professional Client for MiFID business.
4. Arden Partners shall be entitled to act on your instructions to execute transactions on your behalf in any Investment Instrument, as permitted by the FSA and as set out on the FSA website under the Arden entry FSA ID 214032, and be entitled to provide investment advice and dealing services in connection with such Instruments.
5. Whenever Arden Partners accepts an instruction from you to execute any transaction in Securities, Arden Partners shall do so on the basis that:
  - a. all such transactions shall be executed by Arden subject to applicable FSA rules and the rules of any relevant investment exchange;
  - b. information on Arden's best execution policy for such transactions is set out in Appendix B to these terms and you hereby consent to that policy as amended from time to time including the possibility that it will execute some transactions otherwise than on an EEA regulated market or multilateral trading facility;
  - c. under COBS 11.3, Arden may combine orders that are received for your account with orders that are received for the accounts of its other clients or with its own orders.
  - d. following the execution of any transactions by Arden, Arden shall send a contract note to you. The terms of any contract note shall be conclusive as to any matter contained or provided in such note.
6. Arden Partners may, at its discretion, provide to you from time to time on its own initiative information, advice on investments and recommendations on Investment Instruments. However, Arden Partners will not be obliged to provide continuous advice on investments in relation to the management of any Securities purchased by you pursuant to these Terms and Conditions or otherwise in relation to your investments. Under "FSA Rules-MiFID" Arden Partners will only give you "investment advice" if we have assessed your "suitability" and investment aims to establish our assessment of your investment profile on the information that you may provide. If we judge that we have sufficient knowledge of your investment profile and investment aims we may also offer you with personal recommendations.
7. Arden Partners employees are empowered by us to offer you investment information. This investment information will cover Arden Partners research stocks and other related investment information.
8. Arden Partners may, at its discretion, delegate any of its obligations pursuant to these Terms and Conditions to agents or brokers (including associated companies) selected by Arden Partners. Any such delegation will not affect Arden Partners' liability to you.
9. Arden Partners may enter into transactions in Securities with you in which Arden Partners is acting as a principal rather than as agent on your behalf. Arden Partners will nevertheless continue to be subject to FSA Rules requiring us to act, at all times, in your best interests. If Arden Partners acts as principal, it will be stated on the contract note.

10. We may assess your investment activities to facilitate continued provision of personal recommendations by our staff or you may choose to operate with us on an execution only basis. Under COBS 10.4 we are not required to assess appropriateness if you instruct us on an execution only basis.
11. Arden Partners Conflicts of Interest statement is at Appendix A.
12. We will agree charges between us from time to time.

### **Conflicts of Interest**

13. Arden or its associates may provide services or enter into transactions in relation to which Arden or its associates has, directly or indirectly, a material interest or a relationship of any description with a third party which may involve a conflict of interest or potential conflict of interest with you may, for example:
  - a. be the counterparty to a transaction that is executed by Arden (whether or not involving a mark-up or a mark-down by Arden or its associates);
  - b. be the financial adviser, broker, sponsor or NOMAD to the issuer of the investment to which any instructions relate;
  - c. have a long or a short position in the investments to which any instructions relate; or
  - d. be connected to the issuer of the investment to which any instructions relate.

A summary of Arden's conflicts management policy is set out in Appendix [B]

14. Arden and PSL reserves the right to alter these terms at any time, upon giving prior notice unless it is impracticable in the circumstances to give such notice.

### **15. Relationship with Pershing Securities Limited**

Arden has entered into an agreement with Pershing Securities Limited ("PSL") on behalf of ourselves and each of our clients whereby PSL has agreed to provide clearing and settlement, safe custody and associated services for clients whom we introduce to them.

Infrequently PSL may also provide you with additional services such as execution only dealing services as we may from time to time agree with PSL. Under these circumstances we will, acting on behalf of PSL, provide you with additional obligatory regulatory documentation.

PSL is registered in England, company number 2474912, and has its registered office at Capstan House, One Clove Crescent, East India Dock, London E14 2BH. PSL is authorised and regulated by the Financial Services Authority ("FSA") which is at 25, The North Colonnade, Canary Wharf, London E14 5HS. PSL is a member of the London Stock Exchange.

The current terms and conditions of PSL and the principal terms of the agreement with them as applicable to our clients including you ("the Pershing Agreement") are set out or summarised below.

By acceptance of this agreement, you agree that:

- (i) we are authorised to enter into the Pershing Agreement on your behalf as your agent on the terms summarised below;
- (ii) acceptance of these terms will constitute the formation of a contract between you and ourselves and also between you and PSL and that you will be bound by the terms of the Pershing Agreement and the terms and conditions of PSL (as set out or summarised below) accordingly;
- (iii) we are authorised to give instructions (as provided for in these Terms of Business and the Pershing Agreement) and provide information concerning you to PSL and PSL shall be entitled to rely on any such instructions or information without further enquiry;
- (iv) PSL is authorised to hold cash and investments on your behalf and is authorised to transfer cash or investments from your account to meet your settlement or other obligations to PSL.

Under the Pershing Agreement you will remain a customer of ours but will also become a client of PSL for settlement and safe custody purposes only. We retain responsibility for compliance and regulatory requirements regarding our own operations and the supervision and operation of your account and generally for our on-going relationship with you. In particular, we remain responsible for approving the opening of accounts, money laundering compliance and to the extent required by applicable rules, explaining to you the types of investments covered and the nature and risks of investments and investment transactions and investment strategy, accepting and executing orders in investments, assessing the suitability or appropriateness of transactions and investments or, where permitted, warning you of their possible inappropriateness, providing any investment advice to you or where relevant taking investment management decisions. PSL is not responsible to you for those matters and in particular neither provides investment advice nor gives advice or offers any opinion regarding the suitability or appropriateness (as appropriate) of any transaction or order and relies on information provided to it by us in respect of all such matters.

#### **16. Classification and Capacity**

For the purposes of the FSA rules, PSL shall (unless otherwise separately notified to you by them) adopt the same client classification in relation to you as that determined by us and rely on information provided to them by us as to that classification.

The following provisions shall apply to you if you fall within the categories specified below:

- (i) joint account holders shall be jointly and severally liable to PSL and PSL 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;
- (ii) the trustees of any trust shall be regarded as PSL's client (as opposed to any beneficiary) and shall be jointly and severally liable to PSL; and
- (iii) all the partners of any partnership which is PSL's client shall be jointly and severally liable to PSL.

**Agent as Client**

Where you are acting as agent on behalf of an underlying client (whether disclosed to us or not), you represent, warrant and undertake to us and PSL on a continuing basis that:

- (i) you have full power and authority to instruct us upon these terms;
- (ii) you have no reason to believe that any such underlying client will not be able to meet any settlement or other payment obligation under these terms;
- (iii) at the time you instruct us to undertake a transaction for such underlying client, there are sufficient funds or assets under your authority to permit settlement and you will not subsequently execute transactions which could result in insufficient funds or assets being available;
- (iv) to your knowledge, any transaction undertaken for any such underlying client will be its valid and binding obligation enforceable against it in accordance with its terms, subject to bankruptcy and other applicable laws;
- (v) you have no reason to consider that any such underlying client is or is likely to become insolvent; and
- (vi) you have obtained and recorded evidence of the identity of any such underlying client or any underlying principal of such person in accordance with applicable laws and regulations (including without limitation anti-money laundering regulations); and
- (vii) you will provide to us and PSL such information and written confirmations in relation to any such underlying client as we or PSL reasonably require to comply with all applicable laws and regulations.

You agree that PSL will treat you and not such underlying client as its client under the FSA rules. Accordingly you will have no liability to PSL, other than for breach of warranty in respect of the trading, clearing and settlement of any transaction on behalf of any such underlying client.

**17. Client Accounts**

PSL shall open and maintain one or more account(s) on its books in your name in connection with the services to be provided by PSL under these terms. Any cash and investments delivered by you or held for your account shall be recorded in such account(s).

PSL may, in its absolute discretion, cease to provide any services under these terms and close any such account(s) maintained in your name. PSL will advise us of its decision and the reasons for its decision unless PSL is precluded from doing so owing to any legal or regulatory constraints.

## **18. Communication and Instructions**

PSL shall only accept instructions concerning your account(s) from us and not directly from you, unless you are a Professional Client and a separate specific agreement has been entered into relating to the giving of instructions, including such further mandate and/or indemnities as PSL may require. In the absence of actual notice in writing to the contrary received from us in sufficient time to prevent the processing of any instructions, PSL shall be entitled to rely upon and act in accordance with any instruction which PSL believes in good faith to have been given by us or our representatives. PSL reserves the right to take such action as it considers appropriate in the event that it has sought instructions from us and we have failed to respond within a reasonable time. PSL will not be responsible for any delays or inaccuracies in the transmission of any instructions or other information due to any cause outside PSL's reasonable control.

PSL may, in its absolute discretion, refuse to accept any order or other instruction for your account(s). PSL will advise us of its decision and the reason for its decision unless PSL is precluded from doing so owing to any legal or regulatory constraints.

You should direct all enquiries regarding your account to us and not to PSL.

Any communications (whether written, oral, electronic or otherwise) between you, us and/or PSL shall be in English.

## **19. Dealing**

Unless otherwise agreed with PSL, we shall be responsible for the execution of any transactions on your behalf. PSL shall not owe you any duty of best execution under the FSA rules or otherwise with respect to any such transactions executed by us.

## **20. Settlement of Transactions**

All transactions will be due for settlement in accordance with market requirements and the relevant contract note or advice. You undertake to ensure that all investments and other documents of title and/or transfer forms that are required and or/any relevant cash balance are delivered, transferred or paid to PSL (or to PSL's order) in reasonably sufficient time on or before the contractual settlement date to enable PSL to settle the transaction and that all cash and investments held by, or transferred to PSL will be and remain free from any lien, charge or encumbrance. All payments due to PSL will be made without set-off, counterclaim or deduction.

You acknowledge that in settling transactions on your behalf, PSL is acting as agent on your behalf and that PSL will not be responsible for any default or failure on the part of any counterparty to a transaction or of any depository or transfer agent and delivery or payment will be at your entire risk.

You acknowledge that you shall not have any rights in respect of any cash or investments that are due to be received pursuant to a transaction and that PSL shall have no obligation to account to you for any such cash or investments until you have performed your obligations in relation to such transactions and PSL, as your agent, has been able to settle the transaction. PSL shall, without further notice to you, be entitled to sell or otherwise dispose of any such investments and apply any proceeds or any such cash received by PSL under a relevant settlement in discharge or reduction of any of your obligations in relation to such transactions.

Any transactions undertaken on your behalf on non-UK markets shall be subject to the rules of the relevant overseas exchange, clearing system or depository and any terms of the foreign agent or custodian employed by PSL, including but not limited to, any right of reversal of any transaction (including any delivery or redelivery of any investment and any payment) on the part of any such entity or person.

## 21. Client Money

PSL shall hold any money it receives for your account in accordance with the FSA client asset rules (to the extent it is required to do so in accordance with such rules), which, inter alia, require PSL to hold your money in a client bank account segregated from PSL's own funds. PSL will exercise due skill, care and diligence in the selection, appointment and periodic review of any credit institution or bank (other than a central bank) where your money is deposited and for the arrangements for holding your money but PSL shall not be responsible for any acts, omissions or default of any such credit institution or bank.

Your money may be pooled with money belonging to other clients which means that you do not have a claim against a specific sum in a specific account; your claim is against the client money pool in general.

PSL may use a bank which is affiliated to PSL to hold client money on your behalf.

Any uninvested client money, i.e. money not immediately required to settle an investment transaction, will attract interest at a rate no lower than the relevant bank's or depository's minimum deposit rate. Interest, calculated on a daily basis, will be credited to your account every six months. PSL may not distribute interest amounts until they reach a minimum threshold amount agreed with us but such amounts will nevertheless be credited to your account.

You agree that PSL will cease to treat as client money any unclaimed balances after a period of six years and PSL has otherwise taken reasonable steps to trace you and return any balance to you. PSL will nevertheless make good any subsequent valid claim against such balances.

We or PSL may undertake a transaction for you that involves your money or investments being passed by us or PSL to any third party in connection with that transaction or to meet obligations to provide margin or collateral, including (but not exclusively) an exchange, clearing house, intermediate broker, settlement agent or OTC counterparty located either in the UK, or in a jurisdiction outside the United Kingdom, which may also be outside the EEA. In such circumstances your money or investments may be at risk in the event of the insolvency of such third party.

Where your money is held in a credit institution or bank outside the UK or EEA or your money or investments are passed to such a third party, the legal and regulatory regime applying to such person may be different to that of the United Kingdom or the EEA and your rights in relation to it may therefore differ, particularly in the event of a default of such person.

## 22. Custody

Investments which are held by PSL for your account will be registered either:

- (i) in your name where this has been requested by and agreed with you;
- (ii) in the name of a nominee company controlled by PSL, a member of its group or by a recognised or designated investment exchange; or

- (iii) in the name of a third party (or its nominee) selected by PSL in accordance with the FSA rules (an “Eligible Custodian”).

If any investments are registered in your name, you will bear the risks and obligations in relation to such registration. PSL shall, where it has agreed to do so, administer any such investments in accordance with the provisions of these terms. Any bearer investments shall not be held by PSL, but may be held by an Eligible Custodian.

Overseas investments may be registered or recorded either in the name of PSL (and by agreeing in writing to these terms you consent to such registration) or in the name of an Eligible Custodian but only where PSL has taken reasonable steps to determine that it is in your best interests to do so or it is not feasible to do otherwise because of the nature of the applicable law and market practice. As a consequence of this, your investments may not be segregated from investments belonging to PSL or the relevant Eligible Custodian 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 because your investments will not necessarily be separately identifiable and may be subject to third party claims (including claims by general creditors) made against PSL or the relevant Eligible Custodian.

Investments belonging to you which are held overseas may in any event be subject to different settlement, legal and regulatory requirements than those that apply in the United Kingdom or the EEA and your rights in relation to them may therefore differ.

You acknowledge that any investments held with an Eligible Custodian or depositary may be subject under the applicable laws to a right of security, lien, set-off, retention or sale or other encumbrance in favour of such custodian or depositary.

Investments registered or recorded in the name of PSL or an Eligible Custodian or a relevant nominee company may be held in an omnibus account and/or will otherwise be pooled with those of one or more of our or PSL’s 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 loss by or default of the custodian responsible for such pooled investments, you may not receive your full entitlement and may share in that shortfall pro-rata. 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.

PSL uses a wide range of Eligible Custodians globally to hold your investments which may include an associate of PSL.

PSL will exercise due skill, care and diligence in the selection, appointment and periodic review of any Eligible Custodian and the arrangements for holding and safekeeping of your investments but PSL shall not be responsible for any acts, omissions or default of any such Eligible Custodian save where such a default is caused by negligence, fraud or wilful default on the part of PSL or its nominee company. Although PSL will seek to ensure that adequate arrangements are made to safeguard your ownership rights, especially in the event of its own insolvency, your investments may be at risk if an Eligible Custodian becomes insolvent.

All instructions regarding the administration of investments held by PSL on your behalf should be made in writing, to us, for onward transmission to PSL. We do not accept from, or send instructions to third parties, unless a valid power of attorney has been established for this purpose.

PSL will inform us of any rights issues, take-over offers, capital reorganisations, conversion or subscription rights that affect any investments that are held for your account by PSL or any Eligible Custodian as soon as reasonably practicable after receiving notice of those events.

PSL will be responsible for claiming and receiving dividends, interest payments and other entitlements accruing but is not responsible for taking any decisions in relation to any rights. We will be responsible for instructing PSL to:

- (i) exercise conversion and subscription rights
- (ii) deal with takeovers or other offers or capital reorganisations
- (iii) exercise voting rights (where PSL exercises such 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.

Dividends, interest and other rights and payments may be received by PSL or any Eligible Custodian net of local withholding or similar taxes or deductions and PSL or any Eligible Custodian may, if required to do so to comply with legal or regulatory requirements, itself withhold or deduct tax or other amounts from dividend or interest payments received. You shall reimburse to PSL any costs incurred by PSL or any Eligible Custodian in complying with its obligations to apply withholdings or deductions. For the avoidance of doubt, responsibility for reclaiming amounts withheld or deducted shall remain with you and not PSL or any Eligible Custodian.

If PSL receives any investments for the account of more than one client, PSL may in accordance with FSA rules allocate such investments between clients on whatever basis it considers fair and reasonable in accordance with its allocation policy in force from time to time.

As your investments are held on a pooled basis, from time to time various amounts may arise in relation to your investments (for example, following certain corporate actions) that would not otherwise have arisen if the investments had been registered in your own name. You may not be entitled to any such additional amounts.

On an annual basis, PSL will provide you with a statement detailing any cash balances and all investments held on your behalf by PSL. The value of any investments held, as identified on the annual statement is calculated using the mid-market closing price at the close of business on the date of the valuation, except for futures and options which are calculated at bid and offer prices. Holdings are reported on a trade date basis.

PSL reserves the right to refuse to hold any investments on your behalf but PSL will advise of its decision to do so and the reasons for such decision unless precluded from doing so owing to any legal or regulatory constraints.

PSL may enter into arrangements for securities lending or financing transactions in relation to investments it holds for you or otherwise use such investments for its own account if you have entered into a separate specific agreement with PSL in relation to such use.

### 23. Security and Default

You hereby grant to PSL a first fixed charge (with full title guarantee) and a general lien and right of set-off with respect to all cash, investments or other assets of any description paid or delivered (or which are due to be paid or delivered) to PSL for your account in settlement of any transaction. You warrant that all such cash, investments or other assets are beneficially owned by you or are paid or delivered to PSL with the beneficial owner's consent and free and clear of any charge, lien or encumbrance and that you will not charge, assign or otherwise dispose of or create any interest in such cash, investments or other assets other than in accordance with these terms without PSL's prior consent.

You agree, at PSL's request, to take such action as PSL may require to perfect or enforce any security interest referred to above and you hereby irrevocably appoint PSL as your attorney to take any such action on your behalf. You acknowledge and agree that if you fail to comply with any of your obligations under these terms, the security interests referred to above shall be enforceable and the powers conferred by Section 101 of the Law of Property Act 1925 (as varied and extended by these terms) shall be exercisable. Section 103 of the Law of Property Act 1925 shall not apply to these terms.

In the event that PSL does not receive cash or investments when due (as shown in the relevant contract note or advice) or in the event of you not taking all such steps as may be necessary to secure the due and prompt settlement of any such transaction (or if PSL reasonably consider that you have not or are unlikely to perform your obligations under these terms), PSL may, inter alia, without further notice to you, enforce its security and/or cancel, close out, terminate or reverse all or any contracts or transactions and sell, charge, pledge or otherwise dispose of any investment or other assets held by PSL at such time for the purposes of settlement at whatever price and in whatever manner PSL, acting in good faith, sees fit in its absolute discretion (without being responsible for any loss or diminution in price) and may enter into any other transaction or do or not do anything which would or could have the effect of reducing or eliminating liability under any transaction, position or commitment undertaken for you.

For the avoidance of doubt, any asset held for you can be realised in order to discharge any obligation you have to PSL, including any investments held in safekeeping by PSL and any investments held in the course of settlement.

PSL shall not be liable to you in respect of any choice made by PSL in selecting the investments sold. The proceeds of sale (net of costs) will be applied in or towards the discharge of your liabilities and PSL will account to you for any balance. In the event that such proceeds are insufficient to cover the whole of your liabilities, you will remain liable to PSL for the balance.

You hereby authorise PSL to set-off, transfer or apply (without prior notice) any indebtedness, liabilities or obligations of PSL to you in or towards the satisfaction of any indebtedness, liabilities or obligations or any sum that is due from you to PSL in any respect whatsoever (whether or not expressed in the same currency and including, without limitation, any payment of fees or charges due to us or PSL and payments pursuant to any indemnity).

In exercising any right or remedy pursuant to these terms, PSL is authorised to effect such currency conversions and enter into such foreign exchange transactions with, or on behalf of you, at such rates and in such manner as PSL may, in its absolute discretion, determine. You acknowledge and accept that in exercising any right or remedy pursuant to these terms PSL will be acting on its own behalf rather than executing your orders.

#### **24. Liability and Indemnity**

Neither PSL, nor any of its directors, employees or agents, shall be liable for any loss or damage sustained by you as a direct or indirect result of the provision by PSL of its services, save that nothing in these terms shall exclude or restrict any liability of PSL resulting from the negligence, fraud or wilful default of PSL or any contravention by PSL of the FSA Rules. PSL shall not, in any event, be liable for any indirect or consequential loss (including any loss of profit), or for any losses that arise from any damage to your business or reputation.

You undertake to indemnify PSL and each of its directors, employees and agents ("Indemnified Persons") on an after-tax basis, against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than our corporation tax) which are caused by:

- (i) the provision by PSL of its services to you;
- (ii) any material breach by you of any of these terms;
- (iii) any default or failure by you in performing your obligations to make delivery or payment when due; or
- (iv) any defect in title or any fraud or forgery in relation to any investments delivered to PSL by or on your behalf or in relation to any instrument of transfer in relation to such investments (including any electronic instruction) purporting to transfer such investments.

PSL shall not be entitled to be indemnified against the consequences to PSL of its own negligence or wilful default or any contravention by PSL of any provision of FSA rules

PSL shall have no liability for any circumstance or failure to provide any of the services if such circumstance or failure results wholly or partly from any event or state of affairs beyond PSL's reasonable control (including, without limitation, any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action, the suspension or limitation of trading by any exchange or clearing house or any fire, flood or other natural disaster) and, in such circumstances, any of PSL's obligations shall be suspended pending resolution of the event or state of affairs in question.

The provisions of this clause 10 shall continue to apply notwithstanding the fact that we or PSL cease to provide services and shall be in addition to any other right of indemnity or claim of any Indemnified Person whether pursuant to these terms or otherwise and shall not be affected by any forbearance, whether as to payment, time, performance or otherwise.

## 25. Charges

Any fees or charges payable by you in relation to the services provided by PSL and taxes payable via PSL will be set out in our charging schedule as notified to you from time to time. PSL is entitled to pay such charges out of assets and money held for you or by set off under Clause 9 or to require you to pay them direct to it or via us. You may be liable for other taxes or charges not payable via PSL.

## 26. Conflicts of Interest

PSL or its associates may provide services or enter into transactions in relation to which PSL or its associates has, directly or indirectly, a material interest or a relationship of any description with a third party which may involve a conflict of interest or potential conflict of interest with you. PSL or any of its associates may, for example:

- (i) be the counterparty to a transaction that is executed by PSL (whether or not involving a mark-up or a mark-down by PSL or its associates);
- (ii) be the financial adviser to the issuer of the investment to which any instructions relate;
- (iii) have a (long or a short) position in the investments to which any instructions relate; or
- (iv) be connected to the issuer of the investment to which any instructions relate.

PSL may receive remuneration from fund managers in connection with PSL providing services to them through the PSL Nexus Funds platform. These payments are calculated by reference to the value of assets that PSL holds in custody for its clients.

PSL may place money held for your account with a bank (in accordance with the FSA rules) and earn and retain interest payments from such bank.

A summary of PSL's conflicts policy is set out in Appendix C

You acknowledge that neither PSL nor any of its associates is required to disclose or account to you for any profit made as a result of acting in any manner described above.

## 27. Data Protection and Confidentiality of Information

PSL may use, store or otherwise process personal information provided by you or us in connection with the provision of the services for the purposes of providing the services, administering your account or for purposes ancillary thereto, including, without limitation, for the purposes of credit enquiries or assessments. In the UK, PSL operates, and has made all appropriate notifications in accordance with, applicable data protection legislation.

The information we and PSL hold about you is confidential and will not be used for any purpose other than in connection with the provision of the services. Information of a confidential nature will be treated as such provided that such information is not already in the public domain. PSL will only disclose your information to third parties in the following circumstances:

- (i) where required by law or if requested by any regulatory authority or exchange having control or jurisdiction over us or PSL (or any respective associate);
- (ii) to investigate or prevent fraud or other illegal activity;
- (iii) in connection with the provision of services to you by us or PSL;

- (iv) for purposes ancillary to the provision of the services or the administration of your account, including, without limitation, for the purposes of credit enquiries or assessments;
- (v) if it is in the public interest to disclose such information;
- (vi) at your request or with your consent. This is of course subject to the proviso that PSL may disclose your information to certain permitted third parties, such as members of its own group and its professional advisers who are bound by confidentiality codes.

We and PSL do not sell, rent or trade your personal information to third parties for marketing purposes without your express consent.

Please be advised that, by signing or otherwise consenting to this agreement, you agree that PSL may send your information internationally including to countries outside the EEA, including the United States of America. Some of these jurisdictions offer differing levels of protection of personal information, not all of which may be as high as the UK. However, PSL will always take steps to ensure that your information is used by third parties in accordance with its policy from time to time.

In accordance with data protection laws you are entitled to a copy of the information PSL hold about you. In the first instance, you should direct any such request to us and we will pass your request on to PSL. PSL is entitled by law to charge a fee of £10 to meet its costs in providing you with details of the information PSL holds about you. You should let us know if you think any information PSL holds about you is inaccurate and we will ask PSL to correct it.

## **28. Complaints**

All complaints should be directed in the first instance to The Compliance Officer, Arden Partners plc, 17 Highfield Road, Edgbaston, Birmingham B15 3DU.

## **29. Amendment**

PSL reserves the right to alter these terms at any time, upon giving prior notice to us unless it is impracticable in the circumstances to give such notice.

## **30. General**

PSL's obligations to you shall be limited to those set out in these terms and PSL shall, in particular, not owe any wider duties of a fiduciary nature to you.

No third party shall be entitled to enforce these terms in any circumstances.

Any failure by PSL (whether continued or not) to insist upon strict compliance with any of these terms shall not constitute nor be deemed to constitute a waiver by PSL of any of its rights or remedies. The rights and remedies conferred upon PSL shall be cumulative and the exercise or waiver of any part thereof shall not preclude or inhibit the exercise by PSL of any other additional rights and remedies.

These terms shall be governed by English law and you hereby irrevocably submit for the benefit of PSL to the non-exclusive jurisdiction of the courts of England.

## APPENDIX A

Arden Partners plc Conflicts of Interest statement

1. Arden Partners is a research driven institutional stock broker specialising in small to mid “cap” public quoted firms on the London Stock Exchange.
2. In accordance with regulatory requirements, we have taken reasonable steps to identify conflicts of interest that exist, or may exist, between Arden and its clients or between one client and another.
3. We have also reviewed the organisational and administrative arrangements in place to manage such conflicts and are of the view that, save for the matters outlined below, they are sufficient to ensure with reasonable confidence, that risk of damage to clients’ interests will be prevented.
4. Arden Partners offers agency broking services together with the provision of corporate finance advice to small and mid cap companies. Arden Partners has permission under the FSA rules to transact broking business on a principal basis for its own benefit.
5. Arden Partners aims is to provide value to clients by producing high quality research which has been prepared in an environment which promotes good ideas, is commercially focused and is prepared on a timely basis which allows clients time to think.
6. Arden Partners recognises that clients will expect all research output to be impartial. To that extent, and in the context of the FSA rules relating to Conduct of Business, we have carried out a review of the types of research that we provide, the relationships which may exist (both internal and external), and timing of publication. This review has been carried out by Arden Partner’s Audit and Risk Committee (“ARC”) which has ongoing responsibility for compliance within the firm. The ARC has concluded that not all types of research output including recommendations present the same potential for conflicts of interest.
7. Arden Partners have therefore implemented systems, controls and procedures. Collectively these aspects comprise part of our “senior management arrangements systems and controls (SYSC)” and enable the firm to identify and effectively manage potential conflicts of interest throughout the firm. Our SYSC environment includes policies relating to the operation of (amongst others): Chinese Walls, Personal Account Dealing rules and, Remuneration of Analysts.
8. This policy document is prepared for compliance purposes only and is not intended to create third party rights nor to form the basis, either implied or otherwise, of any contractual agreement between Arden and their direct or indirect clients.
9. Should any person require a copy of our detailed procedures please contact our Compliance Officer, Stephen Cooper, by e-mail at [stephen.cooper@arden-partners.com](mailto:stephen.cooper@arden-partners.com).

## APPENDIX B

Arden Partners plc Best Execution Policy

1. Arden Partners is a research driven institutional stock broker specialising in small to mid “cap” public quoted firms on the London Stock Exchange.
2. From 1 November 2007, and in accordance with regulatory requirements set out by the Financial Services Authority (“FSA”), we are required to provide clients with information about the steps we take to obtain the best possible result where we are executing their order. These are set out below.
3. Arden Partners offers its clients best execution on investment in the stocks (instruments) on which it makes research coverage and other instruments from time to time. Arden Partners offers best execution to its clients subject to the following conditions:
  - a. Liquidity is deep enough in an instrument at any one time to accommodate the entire order.
  - b. Partial fills will be treated as subject to best execution in their entirety, not their component parts.
  - c. The client order is within normal market size (NMS)
  - d. The client order is below the size shown on the screen as provided by the execution venue.
  - e. Whichever is the lesser of c and d above.
4. Best Execution will be judged at the second that the order is executed. If the fill is partial, the total order will be instigated by the initial partial fill and concluded on the execution of the completing fill for Best Execution assessment purposes.

## Execution Factors

5. In considering how we might achieve the best possible result for a client order, we will take a number of factors into account, including price, cost, speed, likelihood of execution and settlement, size, nature of the order or any other considerations relevant to the execution of that order.
6. In determining the relative importance of these factors, we will use our own commercial experience and judgement together with the size and nature of the order, the characteristics of the financial instruments to which the order relates, as well as the possible execution venues to which that order can be directed.
7. In general, we will regard price as the most important of these factors for obtaining the best possible result. However, we recognise that there may from time to time be circumstances for some clients, particular instruments or markets where other factors may be deemed to have a higher priority.

#### Execution Venue

8. In establishing our Execution Policy, The London Stock Exchange (LSE) will be our principle venue but in the future there may be a variety of different execution venues that we intend to use to obtain the best possible result on a consistent basis when executing orders on behalf of clients particularly under MiFID in the future. It is therefore possible that client orders may be executed on a venue which is not a Regulated Market or a Multilateral Trading Facility ("MTF"). Some financial instruments may only be traded on one venue.
9. Whilst the LSE is currently our principle venue we will regularly assess the execution venues available so that we can add venues which enable us to obtain the best possible result. You should, from time to time, refer to our website for our principal execution venues, as changes will not be separately notified.
10. We may transmit client orders to another broker or dealer (including a retail service provider ("RSP")) for execution. In such cases we may
  - a. determine the ultimate execution venue ourselves by accessing specific execution venues through such third parties; or
  - b. instruct this other broker or dealer accordingly (having already satisfied ourselves that they have arrangements in place to enable us to comply with our execution obligations to you).
11. Where we direct an order to an RSP, then the RSP and not Arden may be executing the order.

#### Limit Orders

12. If an order has been placed with us with a limit on the price for execution, we may not be able to execute it immediately. Consequently, in accordance with regulatory requirements and unless otherwise specifically instructed, we will publicly disclose details of any unexecuted part of such "limit" order in a liquid stock as defined by the FSA. Monitoring and Review.
13. We will monitor regularly our order execution arrangements. Such review will enable us to identify and implement changes to our Best Execution Policy and execution arrangements as necessary. You should note that it may not always be possible to make an effective comparison of execution performance because liquidity and the required size for institutional investors is not always available in many of the stocks we deal in.
14. Clients will be advised of any material changes to our policy as necessary.

**APPENDIX C**  
**Conflicts Policy**

**Pershing Securities Limited**  
**Conflicts of Interest Disclosure (SYSC 10.1.8)**

In accordance with regulatory requirements, we have taken reasonable steps to identify conflicts of interest that exist, or may exist, between Pershing Securities Limited and its clients or between one client and another.

We have also reviewed the organisational and administrative arrangements in place to manage such conflicts and are of the view that, save for the matters outlined below, they are sufficient to ensure with reasonable confidence, that risk of damage to clients' interests will be prevented.

From our Conflicts of Interest Policy, we have identified the following areas where we are not certain that we can manage the conflict (or potential conflicts) fully and thus we hereby advise our clients of this fact: The general nature and/or source of these conflicts are:

- Pershing Europe<sup>1</sup> provides integrated execution, clearing, settlement and custody services to a number of financial services organisations and therefore has potentially competing client interests.
- Pershing Europe entities hold positions and/or provide transactional related services for more than one client and such clients may have competing objectives in relation to a position or transaction.
- Pershing Europe entities may enter into a transaction in relation to which a Pershing Europe entity has indirectly or directly, a material interest or relationship.
- Pershing Europe entities may combine orders received from one client with those received for the accounts of other clients (and exceptionally may combine with its own orders). Such aggregation may operate on some occasions to a client's advantage and on some occasions to their disadvantage. Where orders have been aggregated, they will be allocated out to clients on a pro-rata basis.
- Pershing Securities Limited may pass orders to an affiliated company for execution. This will, however, be done in accordance with its Execution Policy.
- Where Pershing Europe entities exercise a right to vote in relation to a corporate action, it will do so in accordance with clients' instructions and these may reflect competing interests.
- Pershing Europe entities may place money held on behalf of clients and/or their underlying clients with a bank (in accordance with the relevant regulatory requirements) and earn and retain interest payments from such bank.
- Pershing Europe entities may have other business relationships with a company in relation to whose securities you are entering into a transaction e.g. as a client, supplier, custodian or banker.

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<sup>1</sup> - including Pershing Limited (UK) and its two subsidiaries Pershing Securities Limited (UK) and Pershing Securities International Limited (Ireland).

- As a result of Pershing Europe's relationships with its customers and with customers across the Bank of New York Mellon Corporation ("BNYM") Group, there may be circumstances in which we are unable to execute transactions with or for clients, in relation to particular counterparties or in particular investments and we shall not be obliged to disclose the reason why or provide any further information thereto.
- It is possible that an affiliate and member of BNYM Group may have a material interest or a conflict of interest in the service or transactions we carry out with or for you. While there may be some cross-board memberships, the day-to-day management of Pershing Europe act independently.
- In carrying out Pershing Europe's business, employees may learn confidential or proprietary information about its clients, their underlying clients, prospective clients and underlying clients or other third parties. Employees are required to maintain the confidentiality of all such information entrusted to them, except where disclosure is otherwise authorised or legally mandated. Further, employees are not permitted to use such information for their personal gain.
- Pershing Europe employees are not permitted to trade in the shares of its clients unless the client's shares are widely traded on a regulated market and where the service provided by Pershing Europe represents a very small fraction of the client's total business.
- Pershing Europe employees are required to disclose and in most cases must obtain approval for any outside business interest or employment.

This conflicts disclosure is not intended to, and does not, create rights or duties that would not exist if the disclosure had not been made available, nor does it form part of any contract between Pershing Europe entities and any Client.