



Terms & Conditions for Nominee Accounts

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Funds Direct – Nominee Account Terms & Conditions

Nominee Account

Please read these Terms and Conditions carefully. They set out the basis of our services and by registering as a client of Investment Funds Direct Limited (“Fundsdirect”), or any of its subsidiaries or associated companies, they form a legally binding agreement between us. If you have any queries please call us on 0870 073 8393

REGULATOR'S STATEMENT

Those 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.

Notwithstanding the status of Fundsdirect as an independent practitioner, this is a non-advisory agreement and therefore all the transactions which it governs will be executed on the instructions of you, the client, and no advice will be given or judgments made regarding the suitability of the investments for you by Fundsdirect. Certain investments may not be suitable for everyone and if you have any doubt whether they are suitable for you, you should obtain expert advice from your financial or other professional adviser.

DEFINITIONS

- **Account Investor** - shall mean an individual who undertakes any transaction through the Electronic Service
- **Electronic Service** - shall mean any and all of our Internet, computer or telephonic services or systems including, but not limited to, services and information accessible through the Fundsdirect website and any other Internet, computer or telephonic securities, trading services or information system provided by Fundsdirect whether directly or through other service providers.
- **FSA** - shall mean the Financial Services Authority.
- **Introducing Agent** - shall mean any party either within Fundsdirect or any associated or subsidiary company, or independent of Fundsdirect.
- **Nominee** - shall mean Fundsdirect Nominees Limited or any custodian as directed by Fundsdirect.
- **Securities** – shall mean units in unit trusts or shares in OEICs or equities quoted on a recognised investment exchange.
- **Rules** - shall mean the rules of the FSA or any successive body, as applicable, as from time to time amended or replaced. References to any statutory provisions or to any regulations made there under include any modification or re-enactment thereof. Words and phrases defined in the Rules bear the same meaning in the Terms & Conditions unless the context requires otherwise.
- **Terms & Conditions** - shall mean these Terms & Conditions.
- **MiFID** – shall mean the Markets in Financial Instruments Directive

THE FUNSDIRECT SERVICE

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1. Fundsdirect is a subsidiary of Investment Funds Direct Group Limited and is a company registered in England and Wales (registered number 1610781) whose registered office is at 9, Palace Yard Mews, Bath, BA1 2NH.
2. Fundsdirect is regulated by the Financial Services Authority in the conduct of investment business and bound by its Rules.
3. For the purposes of MiFID client classification the Account Investor will be treated as a 'Retail' client
4. These Terms and Conditions apply to the Account Investor's usage of the Electronic Service.
5. Nothing included in the Electronic Service constitutes an offer or solicitation to sell investments by anyone in any jurisdiction in which such offer, solicitation or distribution would be unlawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.
6. Fundsdirect attempts to ensure that the information available on the Electronic Service at any one time is accurate and not misleading. However, the content cannot be guaranteed to be free of error or omission. Whilst every effort is made to maintain these details accurately, providers will change their terms on occasion.
7. Fundsdirect may record or monitor telephone conversations and the Account Investor consents to such recording.
8. This site has been issued and approved for issue as a direct offer advertisement by the Board of Directors of Fundsdirect.
9. No information on this site constitutes investment, legal, tax or any other form of advice.

ACCOUNT INVESTORS RESPONSIBILITIES

1. The Account Investor agrees to accept full responsibility for all instructions placed and to release Fundsdirect from any liability for executing the instructions the Account Investor places using the Electronic Service. The Account Investor acknowledges that all instructions made by Electronic Service are at the Account Investor's sole risk.
2. The Account Investor authorises Fundsdirect to accept as genuine and duly authorises any dealing instruction placed using the Account Investor's password and account number.
3. The Account Investor warrants that if for any reason part way through placing the Account Investor's instructions for a transaction via the Electronic Service there is any failure of the Electronic Service and/or the Account Investor's connection to the Electronic Service then the Account Investor will not repeat any instructions for that transaction without contacting Fundsdirect first by telephone or email. This is required because the Account Investor's first instructions may have been received and actioned and if the Account Investor repeats the instructions the same transaction may be actioned twice. In this event the Account Investor will be liable for both transactions.
4. The Account Investor may be able to cancel a transaction via the Electronic Service whilst it is still pending. Please note that transactions shown to be pending on the Electronic Service are not real time as there is a slight delay between the transaction being executed and it then being removed from the list of pending transactions. Therefore, even if a transaction is shown as pending and the Account Investor enters instructions to cancel that transaction, if it has already been executed then the Account Investor will not be able to cancel the instruction.
5. The Account Investor agrees that the only confirmation of a transaction will be by way of the publishing on the Account Investor web account of the Contract Note. Paper Contract Notes will only be issued on the specific instruction of the Account Investor and a charge of £5.00 for each will apply after 1st December 2007.
6. The information included in the Fundsdirect website is intended to be restricted to the United Kingdom. Specifically, investments referred to on the website are not available for distribution, or

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investment, by US investors. It is your responsibility to be aware of the laws and regulations of your country of residence.

CLIENT MONEY

1. Fundsdirect may retain all client monies pending investment or re-investment and such monies will be held in a client money bank account with an Institution or bank authorised to hold client money as Fundsdirect may from time to time nominate. Such institution or bank will not be an associate of Fundsdirect and Fundsdirect does not accept liability for their default.
2. Fundsdirect client accounts are designated trust accounts and all client account money is segregated from the funds belonging to Fundsdirect.
3. Fundsdirect will pay interest on the cleared balances in the Account Investor's Nominee account in accordance with the Financial Services (Client Money) Regulations at the prevailing rate as published on the Fundsdirect website as long as the amount of interest credit exceeds £20 in any quarter.
4. Some fund managers will only accept fund purchases to the nearest unit, so there may be a small residual amount of cash which will be retained within the Nominee account.

CHARGES, COMMISSIONS AND EXPENSES

1. Fundsdirect may derive income from commission paid in respect of transactions in unit trusts, OEICs and other regulated collective investment schemes and in investment trust companies' shares held in Nominee accounts. If a commission is earned at the time of a transaction, we shall tell you the amount of commission payable to us on any such investment.
2. Fundsdirect derive income from the receipt of a rebate of up to one half of the Fund Manager's annual management charge. Details of these may be obtained by written request, specifying the respective fund, to Fundsdirect.
3. In certain circumstances charges, commissions and expenses may be varied from those published by agreement with Fundsdirect. Where charges, commissions and expenses differ from those specified in the Electronic Service the amount to be charged will be confirmed in writing to the Account Investor.
4. Fundsdirect retains the right to realise plan assets held to its order to meet any charges, commissions or expenses due.
5. Fundsdirect reserves the right to share charges, commissions and expenses with authorised intermediaries, including connected companies.
6. Paper Contract Notes will incur a charge of £5.00 each after 1st December 2007.

SUBSCRIPTIONS

1. Investors may only subscribe by cheque, Debit Card or by electronic transfer. All cheques, Debit Cards or electronic debits submitted for business must be drawn on the Account Investor's UK personal bank account. Cheques drawn on Building Society accounts must be certified on the reverse that the cheque is drawn on an account in the name of the individual to whom it has been provided.
2. In the event of cheque subscriptions, Account Investors should be aware that no investments will be undertaken until the cheque has been cleared through the Fundsdirect client accounts.
3. As a result of money laundering regulations, additional documentation may be required for identification purposes by third parties and Fundsdirect. If this is required an investment may be delayed.

INVESTMENTS

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1. The selection of investments within the Fundsdirect Nominee account are undertaken only upon the instructions of the Account Investor or the Account Investor's nominated agent on his/her behalf. All instructions will be actioned on a non-advisory basis.
2. Fundsdirect does not make any personal investment recommendations. None of the product literature and/or anything in these Terms and Conditions should be regarded as a solicitation or a recommendation to buy, sell and/or otherwise maintain any particular Investment.
3. Fundsdirect shall be entitled to treat as valid verbal instructions given by the Account Investor or the Account Investor's agent on his/her behalf.
4. The Account Investor warrants that any nominated advisor appointed (where this is not an employee of Fundsdirect or associated company) is duly authorised to provide Fundsdirect with investment instructions upon his/her behalf and that the nominated advisor is where appropriate authorised to provide such instructions under the Financial Services and Markets Act 2000 or any other regulatory legislation.

CUSTODY OF SECURITIES

1. Title to all investments and securities held for an Account Investor shall be held in a Nominee appointed by Fundsdirect or to its order. Currently this is Fundsdirect Nominees Ltd of 9, Palace Yard Mews, Bath, BA1 2NH.
2. Whilst all investments and securities in the Nominee Account shall be held in the name of Fundsdirect Nominees Ltd or to its order, the Account Investor will remain the beneficial owner of all such investments and securities at all times.
3. An Account Investor's investment within a security may be pooled with those of other Account Investors and may not be identifiable by separate certificates or equivalent electronic record.
4. The documents evidencing title to such investments whether in physical form or equivalent electronic record shall be held by Fundsdirect Nominees Ltd or such Nominee as it may direct.
5. Fundsdirect may not lend the documents of title to any third party or borrow money against the security of such documents of title.

TRANSFERS TO THE NOMINEE ACCOUNT

1. Fundsdirect will accept the transfer of acceptable securities in to the Account Investor's nominee account.
2. Fundsdirect reserves the right to refuse to accept any security which is not a UK authorised Unit Trust or OEIC, an equity not listed or traded on a recognised exchange and unquoted shares in private companies.
3. Fundsdirect reserve the right to charge the Account Investor a fee to recover any re-registration or other costs incurred in the process of transferring and reregistering a security in to the Account Investor's nominee account.

TRANSFERS FROM THE NOMINEE ACCOUNT

1. Title to any securities held within the Nominee may be transferred to the Account Investor or to such other persons as the Account Investor directs on receipt of a written transfer request.
2. The Account Investor warrants that in the event of transferring securities from the Nominee account, no dealing transactions will be entered into in respect of those securities until the Account Investor has received confirmation from Fundsdirect that the transfer has been completed.
3. Fundsdirect will levy an administration fee of £10 in respect of each security transferred out.
4. If all securities are transferred from the Account Investor's Nominee account, it will be closed.

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COMPANY MEETINGS, COMMUNICATIONS AND CORPORATE ACTIONS

1. The Account Investor authorises Fundsdirect to exercise any conversion, subscription, voting rights or other corporate action requiring action on the Account Investor's behalf.
2. Fundsdirect will not normally contact you to notify you of corporate actions or to obtain your instructions for corporate elections in respect of your holding. However, we will act upon an instruction from you if we receive such an instruction in reasonably sufficient time prior to the election deadline to notify the registrars of the company.
3. In the event of a corporate action and unless we have received an instruction from you for a specified action, Fundsdirect will provide such instructions as they at their absolute discretion deem appropriate, and will usually act in accordance with the default terms of the registrars of the company,.
4. If an instruction from you requires additional payment then this must be provided to Fundsdirect and received in the form of cleared cash prior to the election deadline, otherwise the default Fundsdirect election will be exercised.
5. Where the only election possible requires further subscription (e.g. a final, part or full payment), then Fundsdirect will, unless payment is received by the Account investor, attempt to sell sufficient of the nil-paid or part-paid stock to take up the remainder of the holding. If this is not possible then the offer will not be taken up and the holding may lapse.
6. In the event that the resulting stock received by way of a corporate action is unacceptable for us to hold in our nominee account (e.g. it is a foreign stock, an unquoted stock or an unauthorised unit trust or OEIC) we reserve the right to return the stock to you either in dematerialised or certificated form.
7. Fundsdirect will not normally forward any company reports and accounts for investments held in the nominee account. However, the Account Investor may elect to receive copies of accounts and reports or other such communications in respect of securities held within the account subject to payment of a fee of £25 per communication.
8. Fundsdirect is generally unable to pass on to the Account Investor any shareholder perks which may attach to investments held by the Account Investor.
9. Certain corporate actions (i.e. consolidations) result in fractional allocations of shares and/or cash distributions. Any part share entitlement will be sold and the proceeds retained by Fundsdirect. Any fractional cash allocation will be retained by Fundsdirect unless the amount payable in respect of an Account Holder's investment exceeds £5.

DIVIDENDS AND OTHER DISTRIBUTIONS

1. The Account investor authorises Fundsdirect to collect on his/her behalf all dividend or other corporate distributions in respect of securities held within the Nominee Account.
2. All receipts will be pooled with those of other Account Investors although held in an account identified by internal records as that of the Account Investor.
3. Account Investors may elect to receive a distribution of income on a quarterly basis.
4. Income distributions will comprise all receipts of dividends, interest, tax credits or other such receipts as received by Fundsdirect in respect of the Account Investor's account over the preceding three calendar months.
5. Distributions will be undertaken for the quarters ended 31st March, 30th June, 30th September and 31st December.
6. Distributions will be made by Bank Automated Clearing (BACS) and will be remitted by Fundsdirect to the bank detailed upon the application within 10 working days following the end of each quarter.

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7. Fundsdirect applies a quarterly charge for income distributions which is published on the Fundsdirect website. Currently this is £10 per quarter.
8. Interest will be paid to the Account Investor gross before deduction of income tax. The Account Investor will be responsible for including such amounts in his/her annual tax return and making the appropriate tax payment.
9. Due to the complexity of the tax regimes in other countries, Fundsdirect will not, as a general rule, reclaim tax credits on dividends or other income on foreign securities.

STATEMENTS AND VALUATIONS

1. Fundsdirect will provide the Account Investor with a statement and valuation at least six monthly confirming the number of securities held on behalf of the Account Investor in the Nominee account.
2. The Account Investor is required to check any statement and in the event of any queries or concerns to contact Fundsdirect immediately.
3. Fundsdirect reserves the right to correct any erroneous records relating to the Nominee service without prior reference to the Account Investor.
4. Fundsdirect will provide confirmation of transactions undertaken on the instruction of the Account Investor or his/her agent as soon as reasonably possible following the transaction by publishing the Contract Note on the Account Investor's web account.
5. All statements may be provided in either written or electronic format.

IN THE EVENT OF DEATH

1. In the event of a death of an Account Investor the deceased personal representatives should inform Fundsdirect as soon as reasonably possible. This notice should include any instructions for the sale of investments in the Nominee account pending probate.
2. Note that Fundsdirect will not automatically sell the investments held within the deceased nominee account unless so advised by the deceased personal representatives. This will mean that the investments will continue to be exposed to movements in the market and may fall in value as well as rise.
3. A Grant of Probate or Letters of Administration, or such other formalities, should be sent to Fundsdirect by the deceased Account Investor's personal representatives with instructions for the closure or transfer of the account.
4. Fundsdirect reserve the right to collect any outstanding account charges due after the date of death and until the closure of the account.

ELECTRONIC SERVICE

1. The account investor agrees to accept full responsibility for all instructions placed and to release Fundsdirect from any liability for executing the instructions the Account Investor places using the Electronic Services. The Account Investor acknowledges that all instructions made by Electronic Services are at the Account Investor's sole risk.
2. The Account Investor acknowledges that orders placed using Electronic Services may be sent directly to an exchange without being viewed by any individual member of Fundsdirect staff.
3. If the Account Investor ignores and/or bypass warning notices which may appear on the Electronic Services then Fundsdirect shall have no liability to the Account Investor in relation to failure to follow any such warning.
4. The Account Investor warrants that if for any reason part way through placing the Account Investor's instructions for a transaction via Our Web Site there is any failure of the Web Site and/or the Account Investor's connection to the Web Site then the account investor will not repeat any

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instructions for that transaction without contacting Fundsdirect first by telephone or email. This is because the Account Investor's first instructions may have been received and actioned and if the Account Investor repeats the instructions the same transaction may be actioned twice. In this event the Account Investor will be liable for both transactions.

5. The Account Investor may be able to cancel a transaction via the Fundsdirect website whilst it is still pending. Please note that transactions shown to be pending on the Fundsdirect Web Site are not real time as there is a slight delay between the transaction being executed and it then being removed from the list of pending transactions. Therefore, even if a transaction of the Account Investor's is shown as pending and the Account Investor enters instructions to cancel that Transaction, if it has already been executed then the Account Investor will not be able to cancel the instruction.
6. In offering investment services electronically, Fundsdirect are making available to the Account Investor interactive computer services and/or telephonic services or systems which allow the Account Investor to enter orders to buy and sell certain Investments within the Account Investor's account with Fundsdirect, give instructions and/or to obtain quotations and other information via computer and/or telephonic transmission for use on compatible personal, home, or small business computers, including Internet appliances with modems, terminals and/or network computers that can connect to a telecommunications network.
7. Fundsdirect may amend, suspend and/or terminate any or all of our Electronic Services at any time. Where reasonably practicable Fundsdirect will give advance notice of this but this may not always be possible and/or practical for business reasons. We may alter or change any code and/or number allocated to the account investor's account from time to time.
8. Fundsdirect may also restrict and/or change the hours and time of operation of any of the Electronic Services at any time. Where reasonably practicable Fundsdirect will give advance notice of this but this may not always be possible and/or practical for business reasons.
9. Access to the Fundsdirect website and the use of the electronic dealing facilities may be prevented by certain factors outside the reasonable control of Fundsdirect including, without limitation, the in-operation, inefficiency or unsuitability of your equipment and the unavailability, in-operation or interruption of Internet or other telecommunication services. Fundsdirect does not accept any liability for any loss or damage arising out of or in connection with such service disruption.
10. The Fundsdirect website contains hypertext links to other websites not maintained by Fundsdirect. These websites are not endorsed or recommended by Fundsdirect and nor are Fundsdirect responsible for any information contained on such websites and shall not accept an liability for loss or damage arising from the use of these websites or the reliance on information contained on them. Any links to third party websites are provided solely as a convenience to our users' ad at their own risk.
11. The Account Investor agrees not to copy, reproduce or redistribute, in whole or in part, any information or data contained on the Fundsdirect website except for the purposes of accessing and using the Electronic Service for their own personal use. Information on the Fundsdirect website is subject to copyright with all rights reserved.
12. The Account Investor agrees not to use the Fundsdirect website for any illegal or improper purpose including, without limitation, the transmission of defamatory or obscene material. The Account Investor fully indemnifies Fundsdirect in respect of any breach of this prohibition.

STATEMENT OF LIABILITY

1. The Account Investor acknowledges that orders placed using Electronic Service may be sent directly to an exchange without being viewed by any individual member of Fundsdirect staff.
2. Fundsdirect may amend, suspend and/or terminate any or all of our Electronic Service at any time. Where reasonably practicable Fundsdirect will give advance notice of this but this may not always be possible and/or practical for business reasons. We may alter or change any code and/or number allocated to the Account Investor's account from time to time.

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3. Fundsdirect may also restrict and/or change the hours and time of operation of any of the Electronic Service at any time. Where reasonably practicable Fundsdirect will give advance notice of this but this may not always be possible and/or practical for business reasons.
4. In no event will Fundsdirect be liable to the Account Investor or anyone else for any consequential, incidental, special or indirect damages (including but not limited to lost profits, trading losses and damages) that result from inconvenience, delay or loss of the use of the Electronic Service, even if Fundsdirect has been advised of the possibility of such damages or losses. Fundsdirect shall not be liable for any loss resulting from a cause over which it does not have direct control. Fundsdirect is not responsible for any damage to the Account Investors computer, software, modem, telephone or other property resulting from the Account Investor's use of the Electronic Service.
5. Fundsdirect will not be liable for errors of judgment made in good faith nor for the acts, omissions or defaults of agents or custodians or their employees, nor for strikes, interruption of power supplies, machinery failure or causes beyond Fundsdirect control.
6. Fundsdirect will be liable only for errors, acts or omissions arising from Fundsdirect negligence, wilful default or fraud but nothing in this agreement attempts to exclude any liability that Fundsdirect may have under the Financial Services and Markets Act 2000.
7. Through the Fundsdirect site you may access certain links to other web sites. Fundsdirect has not examined these sites and does not assume any responsibility for their contents or the services and products which they may offer.
8. Fundsdirect maintains professional indemnity and fidelity insurance in respect of its activities and its clients' assets.
9. Fundsdirect will exercise all reasonable professional care in client dealings and its selection of brokers, bankers and other third parties who Fundsdirect may from time to time instruct or employ. Accordingly, to the extent that Fundsdirect does exercise all reasonable professional care, no liability shall attach to Fundsdirect however arising in respect of any loss or diminution in the value of your investments.
10. Fundsdirect reserves the right to act in a transaction as agents for more than one client collectively. Although we will usually accept electronic and oral messages we require our clients to give us instructions in writing to avoid possible disputes. In the absence of a written instruction Fundsdirect do not accept any liability in respect of unexecuted transactions howsoever arising.
11. Fundsdirect will attempt to expedite orders as quickly as possible subject to communications and investment managers' requirements and on certain occasions may be frustrated in doing so or require further information from you which may delay dealing. In such circumstances no act or omission of Fundsdirect will create a liability to you unless arising from a breach of the United Kingdom Financial Services and Markets Act or the rules of the Financial Services Authority.

RISK WARNINGS

1. Investment markets are subject to price fluctuations, so that no particular result can be guaranteed. Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up. You may not get back the amount invested.
2. High yield funds may be considered high risk. Investment in emerging markets may involve risks associated with low levels of liquidity in such markets. Investment in technology funds may be subject to sharp changes in value. Rates of exchange may fluctuate giving rise to changes in the value of investments independent of changes in their underlying worth. The degree of fluctuation of funds values varies significantly and higher volatility funds may change value suddenly.
3. The levels of and basis of relief from taxation are subject to change. Individual's circumstances may change and investments made in the past may become unsuitable in that context.
4. You are recommended to invest only having first considered all relevant information regarding the investments you wish to consider as made available by its ultimate provider. If you are unsure of the meaning or significance of any information provided please consult your financial or other professional adviser.

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DATA PROTECTION ACT

1. Fundsdirect is registered with the Data Protection Registrar.
2. Information supplied to Fundsdirect may be used by other subsidiaries of Investment Funds Direct Group Limited for marketing purposes unless the client requests otherwise. No personal information supplied to Fundsdirect through this site will be provided to third parties unless required by law or for the purposes of completing a transaction.
3. Under the Data Protection Act you are entitled to a copy of Your Personal Information held by us, all requests for Data Information must be made in writing to Investment Funds Direct Ltd, 9 Palace Yard Mews Bath, BA1 2NH. Fundsdirect charge a £10 fee for the administration of such requests.
4. The Account Investor has the right to inspect copies of contract notes, vouchers and entries in our books or computerised records relating to your transactions. Fundsdirect will keep records of all business transactions for at least six years.

NOTICES

1. All notices and all other communications by the Account Investor to Fundsdirect must be in writing, and delivered or sent by post to Fundsdirect, 9 Palace Yard Mews Bath, BA1 2NH, or such address as Fundsdirect may specify. Instructions need not be acknowledged.
2. All statements, notices (which must be in writing) and other documents to be sent by Fundsdirect to the Account Investor shall be sent to the Account Investor's address stated on the application or such address as the Account Investor may subsequently specify by notice in writing to Fundsdirect.
3. All documents showing ownership of your investments will be posted as soon as practicable after we receive them. Where a number of documents relating to a series of transactions are involved we will normally hold each document until the series is complete then forward them to you.

GOVERNING LAW

1. These Terms & Conditions will be governed by English law and the parties hereby submit to the non-exclusive jurisdiction of the English courts.
2. Nothing in this agreement will restrict the duties of Fundsdirect under the rules of the Financial Services and Markets Act 2000 or subsequent legislation.