

Portfolio Management Service

Terms and Conditions



FINANCIAL PRACTITIONERS - ASSET MANAGEMENT SPECIALISTS

The following terms of business apply to all Clients who subscribe to the Hargreaves Lansdown Portfolio Management Service. Section A applies to all Clients, regardless of the investment wrapper selected. Section B contains additional terms, which apply to all Clients subscribing to the Hargreaves Lansdown Portfolio Management Service ISA service. Investments in the offshore bond from Canada Life, AXA Isle of Man or any other product wrapper will be subject to Section A

and separate terms & conditions (available on request). Investment in the Portfolio Management Service SIPP is subject to separate terms and conditions.

The following terms of business set out the basis on which Hargreaves Lansdown Asset Management Limited will provide a discretionary investment management service to Clients. Any advice provided on packaged products in relation to this service will be given for the purposes of managing a Portfolio with

discretion. The Client hereby appoints Hargreaves Lansdown Asset Management Limited to act as their Investment Manager on the terms set out below and the Managers hereby accept the appointment on these terms and will not delegate their powers of management to any other financial intermediary. By signing this contract you agree to the discretionary management of all investments in the service by Hargreaves Lansdown Asset Management Limited.

Portfolio Management Service - Terms of Business - Section A

Definitions

- 1.1 'The Manager' - Hargreaves Lansdown Asset Management Limited, Kendal House, 4 Brighton Mews, Clifton, Bristol, BS8 2NX. Telephone: 0117 900 9000. Email address: helpdesk@hargreaveslansdown.co.uk. The Manager is regulated by the Financial Services Authority as an investment intermediary in respect of UK securities, unlisted securities, foreign securities, collective investments, pension funds and as an ISA account plan Manager and is authorised generally to handle Client money and is bound by FSA's rules. HLAM is able to offer life assurance and life policies from the whole of the market.
- 1.2 'HLAM' is entered on the FSA Register and its registration number is 115248. Its registration can be checked on the FSA's website or by contacting the FSA on 0845 606 1234.
- 1.3 'Hargreaves Lansdown Nominees Limited' is a non-trading company set up to hold investments on behalf of Clients of Hargreaves Lansdown PLC group companies but is not itself authorised under the Financial Services and Markets Act to carry out investment business.
- 1.4 'FSA' - Financial Services Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS. Telephone: 0207 066 1000.
- 1.5 'The Portfolio' - any monies subscribed by Clients to the Hargreaves Lansdown Portfolio Management Service which in turn will be invested in underlying investments at the Manager's discretion in accordance with clause 2.2. The Portfolio may include monies invested by the Client in the Hargreaves Lansdown ISA or via Offshore Bonds and other product wrappers provided by third parties as agreed.
- 1.6 'The Client' - The person or persons named on the application form for the Hargreaves Lansdown Portfolio Management Service. As a 'Retail Client' you will receive the very highest levels of investor protection when dealing with Hargreaves Lansdown.
- 1.7 'Contract' - Means these Terms and Conditions and any versions which may supersede them at the time of any subsequent subscription but also encompasses the application form completed by the Client. There is no minimum duration of the contract.
- 1.8 'Associate' - Any holding company of the Manager or a subsidiary of any such holding company (as defined in the Companies Act 1985 as amended from time to time).

Investments into the Portfolio Management Service - Client Money and Dealing

- 2.1 Once we have accepted either your paper application form or dealing instructions via the telephone or agreed to act for you, you will be bound by the Terms.
- 2.2 The Manager agrees to undertake the day-to-day discretionary management of the investments of the Client held in the Portfolio. Such investments will be limited to authorised or FSA - recognised unit trusts and Open Ended Investment Companies (OEICs). Cash balances may also be held from time to time. The Manager is authorised in their absolute unfettered discretion to buy, vary and sell the investments or part or parts thereof from time to time held within the Portfolio without prior reference to the Client. The Manager will manage each Portfolio on a pooled basis with other Client Portfolios taking common discretionary management decisions for all Clients. There are no restrictions on the value of any single underlying investment purchased or the proportion of the Portfolio represented by any underlying investment.
- 2.3 This Contract will only take effect when monies for investment are received from Clients. Clients should be aware that the Manager reserves the right not to invest funds received immediately. Investments may be held by the Manager in cash for any period of time at the Manager's discretion. Upon receipt of the completed application form and the monies for investment the Manager will send the Client an acknowledgement of receipt. After deduction of appropriate charges, monies subscribed to the Portfolio will be invested into the Portfolio. Subsequent to investment each Client will be sent a Statement of Account showing the initial value and composition of the Portfolio together with the number of shares or units held on the Client's behalf in each investment and any cash balance attributable to him/her remaining within the Portfolio.
- 2.4 Subscription monies pending investment will be held in a Client bank account with Lloyds TSB Bank or such other authorised institutions as the Manager may from time to time nominate, in the name of Hargreaves Lansdown Asset Management Client Account. Balances on any such account may include the balances of other Clients and interest on such monies to which the Client is entitled will be credited. Lloyds TSB Bank is not an associate of the Manager and the Manager does not accept liability for default by Lloyds TSB Bank or any other such institution. Client accounts are designated as trust accounts and Client's funds are segregated from the Manager's funds.

- 2.5 Cash balances held for clients pending investment will earn interest. Current rates are available on request. Interest on such monies will be credited to the investor at rates determined by the Manager. The interest paid to Clients may be less than the interest earned. Interest will be calculated daily and paid monthly. Any interest will be subject to the UK taxation rules that apply in that tax year. It will be paid gross and clients will need to account for any tax liability that arises on receipt.
- 2.6 The Manager will not advise on the suitability of transfer of particular investments into the service unless agreed. Clients are responsible for choosing which investments to liquidate and transfer to this service. Where a discount to the price of any particular investment purchased for the Portfolio cannot be provided a cash back may be paid at the Manager's discretion. This may be retained in the Client's Portfolio or refunded to Clients by cheque at the Manager's discretion. The Manager reserves the right to make any amendments to an application form so as to make it a valid application, but is not bound to do so. The Manager reserves the right, at its discretion, to accept or reject any application and does not need to give reasons.

Monthly regular savings

- 3.1 There is a minimum monthly regular investment amount of £500 per account (Main account and ISA). For the ISA, payments cannot exceed the ISA limit of £7,200 for the year (this equates to 12 payments of £600). This limit is increasing to £10,200 from 6th October 2009 for investors who attain age 50 in the 2009/10 tax year. It will increase to £10,200 for all other investors from 6th April 2010. Applications must be made by the 21st of the month for regular savings to start in the following month. Payments will be requested from your bank account by Direct Debit on the 7th day of each month, or the next working day. Investments within the account will normally be made on the 10th day of each month, or the next working day. We reserve the right to amend the dealing date should circumstances warrant it. Payments will be invested as per the risk profile of your PMS accounts, as agreed with your Financial Practitioner.
We will continue to take payments until advised otherwise by the client in writing; this must be received by us no less than 10 working days before the next payment is due. The client should also notify their bank if payments are to be stopped altogether. If payment is not received, we may make the investment on your behalf (subject to relevant regulations) as if payment had been received, and we will expect you to make payment by other means. The client will be liable to any shortfall between the price paid for the investments and the amounts realised by the sale, where payment has not been received.
- 3.2 If you are investing in a PMS ISA we will open a new ISA for you at the beginning of each tax year. It will not be necessary for a new application form to be completed. If however you do not want the Direct Debit to roll over into the new tax year you must inform HL in writing at least 10 working days prior to the end of the tax year.
- 3.3 The standard initial charge (see section A, 8.1) will be taken from your regular contributions at a maximum of 3%. The exact charge will be based on the total amount of regular and initial premiums. This will be reviewed on an annual basis each June and any change to the tariff will be used from July onwards.

Undertakings and Liabilities

- 4.1 When you ask us to buy or sell investments we will abide by what is known as our 'Order Handling Policy'. This sets out our approach to obtaining the best results for our clients. When we deal for you we consider a range of factors including price, costs, the speed at which we will be able to complete your deal, the likelihood of being able to place the deal and settle it, the size of your deal, the nature of your order and other relevant considerations. Please bear in mind that if you give us specific instructions regarding the way in which you would like us to place your deal, we may not be able to obtain the best results for you.
When you buy and sell unit trusts, OEICs and other open ended investment funds we always deal directly with the fund manager.
You will be able to read a copy of our full 'Order Handling Policy' on our website at www.H-L.co.uk/orders. If you give us a dealing instruction, we shall assume that you are happy with and agree to our 'Order Handling Policy'.
- 4.2 The Manager accepts no responsibility for the Client's Portfolio until cleared funds are received, nor for any loss or delay caused in the payment, or transfer of funds, to the Manager.
- 4.3 The Manager reserves the right to use its discretion to purchase investments provided by an associate company for the Client.
- 4.4 The Manager does not accept liability for default by any third party, other than Hargreaves Lansdown Nominees Limited, who is the nominal holder of the Client's registered investments or who has in his possession or custody on behalf of the Client, cash, documents of title or certificates evidencing title to any of

- the Client's investments.
- 4.5 The Client warrants that as long as they remain a Client with an investment in the Portfolio, they will remain the beneficial owner of the investments and cash held in the Portfolio and will not during the continuance of the Portfolio purport to sell, mortgage or otherwise deal in or part with beneficial ownership of the investments or cash held in the Portfolio.
- 4.6 The Manager will not claim any lien over the Client's investments or deposit, pledge or charge the Client's investments for any loan. Detailed records of all Client assets will be maintained at all times.
- 4.7 The Manager reserves the right to charge interest on any outstanding sums due for payment which are not paid in full by the settlement date. Interest will be charged at a 20% flat rate and may be calculated and charged on a daily basis. Any interest charged may be deducted from Client monies held at the Manager's discretion.
- 4.8 If the Client fails to pay the Manager monies owing and the Manager has purchased relevant investments for the Client then the Manager may treat the transaction as repudiated by the Client and the Client accordingly forfeits all rights in respect of such investments. The Manager may sell such investments to discharge such monies and the following will apply.
 - (i) If the sale of such investments realise a net value higher than the amount of monies due to the Manager relating to the purchase of those investments, the Manager shall be entitled to retain for the Manager's benefit this additional value. The Manager shall not be required to apply it against any other monies or liability that the Client may have to the Manager; or
 - (ii) If the sale of such investments realise a lower value than the amount of monies due to the Manager relating to the purchase of those investments then the new difference in value shall become a debt due from the Client to the Manager and payable immediately. In addition the Manager's charges and the costs of making such sale shall apply.
- 4.9 In the event that the Manager needs to undertake legal action against the Client in the recovery of a debt then the Client agrees that they will be liable for any and all legal expenses incurred by the Manager in the recovery of that debt.
- 4.10 If due to an administration error the Manager pays the Client more than the correct amount of settlement monies and/or funds the amount of overpayment shall be a debt due from the Client to the Manager and must be repaid to the Manager immediately.
- 4.11 You agree to us sharing any information that we hold about you with a fraud reference agency should it be required.

Dividends and Income

- 5.1 Income received on behalf of the Client in respect of the Client's investments and rights conferred in respect of investments retained by the Manager on behalf of the Client shall be accounted for to the Client after accounting for the Manager's charges. The Manager, on the Client's behalf, will exercise voting or other rights exercisable by the Client in respect of a particular investment.
- 5.2 Income cannot be paid out directly from any element of a Client's Portfolio held in a pension or bond wrapper. In all other cases, where Clients have elected to receive income on their application form, all dividend and cash distributions will be accrued in the Client's Portfolio and paid out according to the frequency selected on the application form. All such income will be paid into the Client's nominated bank account, in the case of Trustees into the Trustees account. Where Clients elect to receive income monthly, any income accrued will be paid within the first 10 working days of each month. Where income is required quarterly, any income accrued will be paid within the first 10 working days of January, April, July and October. Where income is required bi-annually, any income accrued will be paid within the first 10 working days of January and July. Where income is required annually, any income will be paid within the first 10 working days of January. Where Clients do not elect for income to be paid out, it will accrue as cash pending reinvestment. We may reinvest the income at our discretion on a quarterly basis in January, April, July and October.

Certificates, Documentation and Custody

- 6.1 All investments will be held in the name of Hargreaves Lansdown Nominees and certificates will be held by it or to its order. Certificates will not be lent to a third party nor will money be borrowed on the Client's behalf against the security of those certificates. Certificates will be retained in the Manager's safe facilities and appropriate entries will be made in the registers maintained under the rules.
- 6.2 Each Client agrees that their investments will be registered in the same name as those of other Clients and that, in consequence, from time to time as part of normal settlement procedures where investments are pooled, Client's investments may be used with those of other Clients to settle various transactions. Clients should be aware that their investments will

not necessarily be immediately identifiable by way of separate certificates, and that, if they were to become insolvent, Clients might encounter delays in recovering their assets, and possibly an increased risk of loss if there should be a shortfall. The reasons for this is that in the event of insolvency undoing all the transactions will take longer to sort out and therefore the chances of outstanding reconciliation issues increases.

- 6.3 At all times the Client or a nominated agent of the Client may request inspection of copy contract notes, vouchers and copies of entries in books or electronic recording media related to the Client's transactions. The Manager will maintain such records in relation to each transaction for seven years from the date of transaction.
- 6.4 All cheques, certificates and documents of title shall be sent at the Investor's risk. The Manager shall have no liability to the Client for any delay or failure of delivery (for whatever reason) of any communication sent to the Client.
- 6.5 The Manager shall have no liability in respect of any of the Client's documents, investments or monies before they have been received by the Manager and/or after they have been dispatched by the Manager to the Client. The Manager shall, at the Client's request and cost send documents to the Client by registered post. In the absence of such a request, the Client shall be liable for all charges relating to the recovery or replacement of any lost documents. Communications sent to the Manager will be deemed received only if actually received by the Manager.
- 6.6 The Manager will not forward to the Client annual and interim reports for funds held in the Client's Portfolio.

Valuations and Statements

- 7.1 It is our usual practice to send you statements on a six-monthly basis. However should you require statements more frequently than this, you are able to request to receive them on a quarterly basis, or daily updated versions are available online.
- 7.2 The Manager will provide the Client with a half-yearly valuation showing the current value of the Portfolio as at 30th April and 31st October each year. A Statement of Account recording investment transactions with an annual schedule showing income received will be sent as at 5th April each year. No further measure of performance will be provided.
- 7.3 You can view the value of your Portfolio online at any time. The basis of the valuation will be on the value of the underlying investments held in your Portfolio, updated daily.
- 7.4 For accounts held in joint names, all correspondence including statements and valuations will be sent to the first-named applicant.

Charges

8.1 Initial Charges

3% on first £150,000
2% on next £250,000
1% above £400,000

Examples of the initial charges payable are as follows:

Investment	Initial Charge
£100,000	3.00%
£250,000	2.60%
£500,000	2.10%
£750,000	1.73%
£1,000,000	1.55%

The standard initial charge agreed will apply across all investments received, even when the final sum transferred is different from that originally stated.

Annual Charges

0.365% taken as a percentage of the portfolio value.
VAT is also chargeable where appropriate.

- 8.2 The initial Portfolio charge of the total monies subscribed will be deducted at the outset from any monies invested into the Portfolio. An annual Portfolio management fee (+VAT where appropriate) will be payable quarterly in arrears calculated on the value of the Portfolio, deducted from any cash balance held by the Client in their Portfolio on 31st March, 30th June, 30th September and 31st December each year or the next business day. In the event of cash not being available, the amount due may be realised from any investments held in the Portfolio. Any further investments made into the Portfolio will attract the same charges. The Manager may sell any assets in the Portfolio without providing prior notice if a debt remains outstanding to the Manager. All charges specified may be subject to the addition of VAT.

Underlying investments held in the Portfolio will attract their own additional charges as will any product wrappers used, details of which are available on request. These charges can include, but may not be limited to an Initial Charge, an Annual Management Charge plus other expenses such as fees to third parties, for example Auditors. The Manager reserves the right to receive commission in respect of any investments purchased for the Client's Portfolio. Details will be provided to the Client at the Client's request. Transactions may be carried out by Hargreaves Lansdown Stockbrokers Ltd.

We may also receive reasonable gifts and hospitality from providers, these are closely managed to ensure clients' interests are not affected.

Where we have agreed with you to charge a fee in relation to services, you will be notified in writing before chargeable work is carried out, with an explanation of the basis for fee calculation. Should you require further details in respect of our remuneration, commissions, payments and fee details in respect of your transactions and investments then these are available to you should you so request.

The management fees on portfolios designed for growth will be taken initially from any cash held in your income account. If this

is insufficient, it will be taken from cash held in the capital account. The management fee on the portfolios designed for income will be taken from cash held on the capital account.

- 8.3 The Client shall indemnify the Manager against any stamp duty, taxes, fees and costs payable from time to time by the Manager in respect of any sales, redemptions or purchases of the investments or any part thereof together with Value Added Tax where appropriate.
- 8.4 Further fees are chargeable on either a fixed fee or time cost basis for non 'standard' services.

Authority and Responsibility

- 9.1 The Manager agrees to undertake the day-to-day discretionary management of the investments of the Client held in the Portfolio Management Service in accordance with clause 2.2. The Manager will exercise due care and diligence in the management of the investments held in the Portfolio, but shall not be liable to the Client for any depreciation in the value of the investments or any part or parts thereof or for any loss to the Client arising directly out of the management of the Portfolio.
- 9.2 Any gains made on the disposal of any holding in the Portfolio may be subject to Capital Gains Tax in the hands of the Client. A disposal will occur when either the Client instructs the Manager to withdraw from their Portfolio or the Manager disposes of a holding at the Manager's discretion. Any income paid may be subject to income tax after receipt by the Client.
- 9.3 The Manager will provide the Client with a statement of disposals and a statement for income tax purposes after the end of each tax year. It is the responsibility of the Client to report this information to Her Majesty's Revenue and Customs and to pay any tax liability that arises.

Withdrawals and Terminations

- 10.1 The Client may at any time give notice in writing for either partial or full withdrawal from the Portfolio. In the case of partial withdrawals, the Manager reserves the right to insist that a minimum balance should be retained in the Portfolio by each Client at any time. Those investments which comprise the Client's holdings in the Portfolio will be sold at the next available opportunity after written notice has been received by the Manager and all proceeds, after any dealing expenses that arise, will be forwarded to the Client after they have been received by the Manager. Clients should be aware that certain underlying investments held in the Client's Portfolio may require notice and or may only have irregular dealing days. All monies shall be forwarded to Clients by way of cheque. In the event of closure of the Portfolio the Manager reserves the right to retain any balance of less than £1 for the Manager's benefit.
- 10.2 The Client or the Manager may terminate this contract without penalty and without prejudice to transactions already initiated at any time by written notice. Upon termination the Manager will not exercise any further transactions outside of this contract for the Client except at the Client's specific request and subject to the Managers standard terms and conditions of business or other management agreement as appropriate. In the event of termination of this contract, the Client shall pay all outstanding costs of any transactions effected prior to termination.
- 10.3 Instructions for regular capital withdrawals must be received by application form. There is a minimum withdrawal of £500 per period, per account (Main and ISA account). Holdings will be encashed and the proceeds sent by BACS within the first 10 working days of the month, on a monthly, quarterly, biannual, or annual basis. Where withdrawals are requested quarterly, they will be paid within the first 10 working days of January, April, July and October. Where requested bi-annually, withdrawals will be paid within the first 10 working days of January and July. Where requested annually, withdrawals will be paid within the first 10 working days of January. This agreement will continue indefinitely until the client informs HL in writing. Withdrawals will only continue while there are sufficient funds in the account.
- 10.4 If transferring to another Nominee company this can be effected as either an 'in specie' stock transfer, or the entire account sold and the cash transferred. It is not possible to split the fund between stock and cash when transferring out.

Amendments

- 11.1 We reserve the right to amend these terms and will give you notice in good time before making material changes.
- * Incidental changes will be notified via an update to the Terms & Conditions on the Hargreaves Lansdown website and in printed form via the Investment Times at the time the changes are made.
 - * Material changes will be notified to you at least 30 days in advance of the change taking place.

General

- 12.1 'Cancellation Rights' - If you have received advice on a non face-to-face basis you have the right to cancel the Portfolio Management Service but not the underlying investments within the Portfolio within 14 days of the date on which the contract is concluded.

You can give notice that you wish to cancel by writing to us at the address given. If you exercise your right to cancel the underlying investments will be transferred out of HL. Nominees' name into either your own name or another nominee. There may be a charge for effecting these transfers of £20 (+VAT) per holding.

If you have received advice on a face-to-face basis you will not be entitled to cancellation rights in respect of these terms and conditions of business or for any investments purchased for the Portfolio.

- 12.2 'Instructions' - The Manager may at their sole discretion wherever reasonable accept or refuse written instructions

purporting to be given by the Client. The Manager will acknowledge in writing the receipt of any such instructions. We will only accept written dealing instructions from you via the post or where available online dealing. We do not accept dealing instructions via email or fax. We also accept dealing instructions via the telephone.

- 12.3 'Death' - Unless held by joint applicants, where upon the death of either of you, the Manager shall be entitled to treat the survivor as the only person interested in any investments or monies which are subject to these arrangements, on notification of death investments will be retained pending further instructions. The Investor agrees that these Terms and Conditions shall bind their representatives.
- 12.4 'Complaints' - We have a written policy for our internal handling of complaints and how we ensure we deal with each complaint promptly and fairly, you can obtain a summary should you so request. Should you have cause to complain for any reason a copy of our policy for handling of complaints will be automatically sent to you. Please address your complaint to the Compliance Officer at the Manager's address. Clients should be aware that if they are unhappy with any response to a complaint received from the Manager, they may complain directly to the Financial Ombudsman Service.
- 12.5 'Financial Services Compensation Scheme' - If you are an eligible claimant under the rules of the Financial Services Authority, your account will be protected by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. Compensation is provided for the first £30,000 of any claim in full and 90% of the next £20,000 so the maximum compensation from this scheme would be £48,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme. The Financial Services Compensation Scheme also provides awards if any third party institution we may use is declared in default or insolvent.
- 12.6 We are determined to treat our Clients fairly at all times. In case conflicts arise between the interests of Hargreaves Lansdown, our employees and our clients and also between clients, we have a specific policy in place to ensure that we identify and handle conflicts fairly and treat our clients with honesty and integrity at all times. You can read a copy of our full Conflicts management Policy on our website at: www.H-L.co.uk/conflicts
- 12.7 Making a disposal from the main Portfolio to fund investment into an ISA will be treated as a disposal for capital gains tax purposes which will be detailed in your April valuation and statement.

Data Protection

- 13.1 The Manager ensures that all data will be held in compliance with current and future legislation. The Client has the right to a copy of all information held on them by the Manager, and to correct any inaccuracies. The Manager will keep Clients informed of financial products and services, unless the Manager is informed in writing to the contrary. The Manager will maintain records of data held on Clients for a period of 7 years from the date of their last transaction. For Clients' security, and training purposes, telephone calls may be recorded. They may be used as evidence in the event of any dispute with the Manager. If you have provided the company with your email address you can request not to receive marketing emails by writing to the company or emailing the company via its website.
- 13.2 The Manager reserves the right to approach a third party in order to verify the identity of a Client, or any other person providing funds on behalf of an investment made in the Client name. Where further information is required, to verify identity, the Manager reserves the right to delay applications or withhold settlement until sufficient identification has been provided.

Assignment and Delegation

- 14.1 The Manager may appoint any person (whether an Associate or not) to advise on or perform any of its functions or responsibilities under these Terms and Conditions and may provide information about the Client and the Client's Portfolio to any such person. The Manager will satisfy itself that any person to whom it delegates any of its functions or responsibilities is competent to carry out those functions and responsibilities.

Law

- 15.1 These Terms and Conditions will be governed by and construed in accordance with English law.
- 15.2 We shall communicate with you in English. All documents will be provided to you in English and it is expected that you will communicate with us in English.

Portfolio suitability

- 16.1 The Portfolio Management Service invests into a range of funds with varying levels of risk. Higher risk and lower risk funds may be purchased for the Client's Portfolio which balance out to meet the Client's overall risk objective for the Portfolio as a whole. The Portfolio Management Service may not be suitable for everyone. If Clients have any doubt whether the Portfolio is or remains suitable for them, they should contact the Manager for advice.

As a general guide, below is a description of the benchmarks against which each Portfolio matrix can be compared:

Matrix 1 - The benchmark of this portfolio is the IMA Cautious Managed Sector Average. The objective of this portfolio is to provide long-term capital growth.

Matrix 2 - The benchmark of this portfolio is the combination of 50% of the IMA Cautious Managed Sector Average and 50% of the IMA Balanced Managed Sector Average. The objective of this portfolio is to provide long-term capital growth.

Matrix 3 - The benchmark of this portfolio is the IMA Balanced Managed Sector Average. The objective of this portfolio is to provide long-term capital growth.

Matrix 4 - The benchmark of this portfolio is the IMA Active Managed Sector Average. The objective of this portfolio is to provide long-term capital growth.

Matrix 5 - The benchmark of this portfolio is the IMA Cautious Managed Sector Average. The objective of this portfolio is to provide income and long-term capital growth.

Matrix 6 - The benchmark of this portfolio is the IMA Balanced Managed Sector Average. The objective of this portfolio is to provide income and long-term capital growth.

The Manager will only provide advice to Clients and assess the suitability of the Portfolio for Clients when Clients make a specific written request for advice or an assessment of suitability. Clients should inform the Manager of their current investment objectives and financial and personal circumstances before requesting investment advice or an assessment of suitability.

Your Direct Debit Guarantee - This guarantee should be retained by the payer



- This guarantee is offered by all Banks and Building Societies that take part in the Direct Debit Scheme. The efficiency and security of the scheme is monitored and protected by your own Bank or Building society.
- If the amounts to be paid or the payment dates change Hargreaves Lansdown will notify you 10 working days in advance of your account being debited or as otherwise agreed.
- If an error is made by Hargreaves Lansdown or your Bank or Building Society, you are guaranteed a full and immediate refund from your branch of the amount paid.
- You can cancel a Direct Debit at any time by writing to your Bank or Building Society. Please also send a copy of this letter to us.

Portfolio Management Service - ISA Terms & Conditions - Section B

These terms apply to Clients investing in the Hargreaves Lansdown ISA wrapper as part of the Portfolio Management Service in addition to the terms set out in Section A.

Definitions

The definitions set out in Section A apply throughout the remainder of these terms and conditions. The following additional definitions also apply.

- 1.1 'Account' - A Hargreaves Lansdown Portfolio Management Service Individual Savings Account (ISA) taken out by a Client on these terms and conditions, which will be invested in a Portfolio as specified in Section A of this contract.
- 1.2 'Hargreaves Lansdown ISA' - These will hold any investments that are ISA-eligible as defined by the Regulations, but will be limited to those investments specified in Clause 2.2 of Section A of these terms of business. The Manager will undertake the discretionary investment management of all underlying assets in the Hargreaves Lansdown ISA as part of the Client's Portfolio as specified in clause 2.2 of Section A.
- 1.3 'ISA' - An Individual Savings Account. For the purposes of these terms and conditions ISA will always mean a stocks and share component.
- 1.4 'Client' - The Client is the individual named on the application form as the applicant who has taken out, or who has applied to take out, an Account. The Client must be aged 18 or over and should not have subscribed to any other ISA of the same type in the same tax year. Those who subscribe to an Account under these Terms and Conditions, must be either resident or ordinarily resident in the United Kingdom or, although non resident in the United Kingdom, performing duties as a crown employee (or spouse or registered civil partner thereof) which are treated as being performed in the United Kingdom.
- 1.5 'Regulations' - Means the Individual Savings Account as amended from time to time.
- 1.6 'Tax Year' - Means the tax year beginning 6th April and ending on 5th April in the following year.

Applications

- 2.1 In order to open an Account the Client must submit to the Manager a properly completed and signed application form together with a cheque for the subscription for an amount not to exceed the subscription limit for the tax year in respect of which application is made.
- 2.2 Clients may apply to transfer an existing ISA to the Manager. Transfers in will only be accepted as cash transfers.

2.3 Annual automatic ISA investment is available. Please see details in the ISA declaration.

Cancellation Rights

- 3.1 If you have received advice on a non face-to-face basis you have the right to cancel the Hargreaves Lansdown ISA wrapper within 14 days of the date on which the contract is concluded. You can give notice that you wish to cancel by writing to us at the address given. If you exercise your right to cancel the underlying investments will be transferred out of HL Nominees' name into either your own name or another nominee. There may be a charge for effecting these transfers of £20 (+VAT) per holding. If you have received advice on a face-to-face basis you will not be entitled to cancellation rights or a right to withdraw in respect of these terms and conditions.

Investments into the Account (Client Money)

- 4.1 Interest on the share component of an ISA is subject to an HMRC flat rate charge of 20%.

Undertakings/Liability

- 5.1 Monies held in a Hargreaves Lansdown ISA will be invested in compliance with the requirements of Her Majesty's Revenue and Customs.

Authority and Responsibility

- 6.1 The Manager is authorised to provide Her Majesty's Revenue and Customs with all particulars of the Account and investments held in the Portfolio which they may reasonably request and to exercise the duties and powers conferred on an Account Manager under the Regulations; these include applying to them to reclaim tax credits on dividends and make all other (if any) claims for the repayment of, or credit against, tax in respect of the Account or income thereof.
- 6.2 The Manager is entitled to apply any cash and realise investments forming part of the Account for payment of charges, reimbursement of expenses and payment of any tax in respect of your Account that it is bound to pay under the relevant regulations.
- 6.3 The Manager is responsible for providing account management services, which include record keeping, reporting, dealing, compliance with the Regulations and rules of the HMRC, as well as making claims against tax paid.

Withdrawals, Terminations and Transfers

- 7.1 The appointment of the Manager may be terminated by the Client, or by the Manager without penalty and without prejudice to transactions already initiated at any time by written notice. On the written instructions of the Client and within the time stipulated by the Client (which may not be

less than 30 days), all or part of a Plan/Account, or all or part of the investments held in the Account/Plan and proceeds arising from those investments, shall be transferred or paid to another manager or to the Client. Whilst normally we will carry out the transfer within 30 days, occasionally it may take longer to complete due to factors beyond our control. Transfers will take place in the form of cash.

- 7.2 The Manager shall notify the Client, if by reason of any failure to satisfy the provisions of the relevant Regulations, their Hargreaves Lansdown ISA has or will become void for tax purposes.
- 7.3 The Manager may permit partial transfers of ISAs subject to compliance with HMRC rules, at their discretion.

Administration issues

- 8.1 In order to comply with the Regulations, ISAs may be administered, held and charged separately from each other. Alternatively, the Manager may use its discretion to consolidate transferred ISA plans.

Amendments

- 9.1 These Terms and Conditions may be varied by the Manager giving written notice to Clients so long as any variation does not render the Account in breach of the relevant Regulations.
- 9.2 These Terms and Conditions may be varied if the Regulations or the rules of FSA are amended.

Liability

- 10.1 The Manager accepts no responsibility for each Client's Account until cleared funds are received, or for any loss or delay caused in the payment, or transfer of funds, to the Manager. In the case of an account transfer, the Client must ensure that the existing account Manager complies with the transfer instructions given by the Manager.

General Points

- 11.1 Information and Voting - (i) The Manager will arrange, if the Client elects, for the Client to receive a copy of the annual report and accounts issued by every company or other concern in respect of holdings which are in the Account. The Manager may charge a nominal fee for this service and full details can be obtained from the Manager. (ii) The Manager is under an obligation (subject to any provision made by or under any other enactment) if the Client so elects to arrange for the Client to be able to attend investor's meetings, to vote, and to receive, in addition to the documents referred to above, any other information issued to investors. A nominal charge may be levied for this service.
- 11.2 Additional fees are chargeable on either a fixed fee or time cost basis for non 'standard' services.

Important Investment Notes

Investments and the income from them can go down in value as well as up, and as such you may not get back the full amount invested. The past is not a guide to future performance. Unlike bank or building society deposits, neither income nor capital are guaranteed. If you withdraw from these investments in the early years you may not get back the full amount invested as these investments are long-term investments. Hargreaves Lansdown cannot be held responsible for any fall in value of the portfolio purchased by the Manager on behalf of the Client.

This service invests into a range of funds with varying levels of risk. Higher risk and lower risk funds may be purchased for your Portfolio which balance out to meet your overall risk objective for the Portfolio as a whole. Some funds invest into property and the value of that property can be a matter of judgement by a valuer. There may also be liquidity problems that can delay the return of sale proceeds to

investors during any period when the property or other investments are not readily saleable. Some funds invest in non-investment grade bonds which bring an increased risk of default on repayment which translates into a risk that the capital value of the fund will be affected. The value of funds which hold overseas investments will be affected by changes in exchange rates. Some funds may invest in countries, sectors or companies which can carry higher risk or which may be less liquid.

Any tax reliefs referred to are those currently applying. Their value depends on the individual circumstances of the investor. Levels and bases of and reliefs from taxation are subject to change.

Before transferring an ISA or other investment you should carefully consider whether you believe it will be beneficial over the period of the investment to do so together with any

exit charges and any charges on your new ISA. Your existing holdings will be liquidated to transfer into this service. You should be aware of the possibility of a shortfall if you cancel your investment and the potential for loss of income or growth following the cancellation of your investments or a rise in the markets, whilst the transfer is pending.

The Portfolio Management Service may not be suitable for everyone. If Clients have any doubt whether the Portfolio is or remains suitable for them, they should contact the Manager for advice. Hargreaves Lansdown will only provide advice to Clients and assess the suitability of the Portfolio for Clients when Clients make a specific written request for advice or an assessment of suitability. Clients should inform the Manager of their current investment objectives and financial and personal circumstances before requesting investment advice or an assessment of suitability.



Financial Practitioners - Asset Management Specialists

Kendal House | 4 Brighton Mews | Clifton | Bristol | BS8 2NX.
Authorised and regulated by the Financial Services Authority