

Customer Terms of Service

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Part A – Introduction

These Terms of Service contain certain technical terms which are used in relation to trading, investments and the stock markets. You should be confident that you understand what all of these terms mean before you start trading with TD Waterhouse Investor Services (Europe) Limited.

1 Introduction

1.1 Please read these Customer Terms of Service ("**Terms**") carefully. Once **we** have accepted your completed application form, your online application or your telephone application and this has been confirmed by **us**, you have a contract with **us** and so these **Terms** will apply to you. In all cases **we** will confirm our agreement with you in writing. If your application has been made by telephone or online **we** may confirm in writing after you have started trading with **us**.

1.2 These **Terms** shall apply to all execution only stockbroking services (the "**Stockbroking Services**") and banking services (the "**Banking Services**") (together, the "**Services**") which the **Broker** and **TD Waterhouse Bank N.V.** provide to you. The term "execution only" is explained in clause 3.2. The **Terms** shall also apply to any ISA Account that you have with **us** and must be read together with Appendix B. The **Terms** shall also apply to any Regular Investment Account that you have with **us** and must be read together with Appendix C. All orders placed and instructions given by you will be governed by these **Terms**. All other terms and conditions which you may try to introduce are excluded.

1.3 In these **Terms**, reference to:

1.3.1 "**Account**" means any account held by you in connection with the **Services**.

1.3.2 "**Broker**" means TD Waterhouse Investor Services (Europe) Limited who provides the execution only **Stockbroking Services**. The **Broker** is authorised and regulated by the Financial Services Authority ("**FSA**") and is a member of the London Stock Exchange and the PLUS market. The **Broker's** registered office and business address is Exchange Court, Duncombe Street, Leeds LS1 4AX and its company registration number is 2101863.

1.3.3 "**Business Day**" means any day, other than a Saturday or a Sunday or a Bank Holiday, on which banks are open for business in London.

1.3.4 "**Complex Products**" means certain derivative products such as, without limitation, warrants, covered warrants, financial spread bets, contracts for difference and certain shares if they are not listed on a Regulated Market or on a market

which has equivalent standards of regulation as a European Economic Area market.

1.3.5 "**Cash Management Services Account or CMS Account**" means an **Account** which will allow you to operate the management of cash held with **us** both in relation to the **Stockbroking Services** or otherwise.

1.3.6 "**Execution Venue(s)**" means a **Regulated Market**, a **Multilateral Trading Facility**, an authorised firm that executes orders off its own book, a market maker, or other liquidity provider or any entity outside the European Economic Area which performs a similar function to any of these.

1.3.7 "**FSA**" means the Financial Services Authority, the regulator for the UK's financial services industry, which can be contacted at 25 The North Colonnade, Canary Wharf, London E14 5HS or through its website: www.fsa.gov.uk

1.3.8 "**FSA Rules**" means the rules and guidance issued by the Financial Services Authority from time to time.

1.3.9 "**Limit Order**" means an order to buy or sell a financial instrument at its specified price limit or better, and for a specified size.

1.3.10 "**Market Best Order**" means an order to buy or sell shares at the best price available at the time that the order is placed.

1.3.11 "**Multilateral Trading Facility**" means a multilateral system operated by an investment firm or market operator which brings together multiple third party buyers and sellers in financial instruments and which is subject to non-discretionary rules.

1.3.12 "**Nominee**" means the **Broker's** nominee, that is TD Waterhouse Nominees (Europe) Limited (registered number 979423), whose registered office is at Exchange Court, Duncombe Street, Leeds LS1 4AX.

1.3.13 "**Non-Complex Products**" means certain products including, without limitation, shares traded on a **Regulated Market** or an equivalent market outside Europe, bonds and units in regulated collective investment schemes.

1.3.14 "**Password**" means any Password(s) (which includes your login Password), username, dealing Password or any other security code issued to you in connection with the **Services**, as may be amended from time to time.

1.3.15 "**Rate Card**" means the details of any interest, costs, fees or other charges, as varied from time to time, which apply to your **Account** with **us**. **We** will give you these details when you open your **Account** with **us**. You can also find out about them by ringing 0845 607 6001 or by checking them on our website at www.tdwaterhouse.co.uk

- 1.3.16 **“Short Sell Transaction”** means a transaction in which you sell investments which you do not own at the time of the sale.
- 1.3.17 **“Stop Order”** means an order to buy or sell a share once the price of that share reaches a specified price (which is known as the stop price).
- 1.3.18 **“Regulated Market”** means a multilateral system operated by a market operator in the European Economic Area such as the London Stock Exchange that brings together multiple third party buying and selling interests in financial instruments where the instruments traded are admitted to the market according to its rules and systems.
- 1.3.19 **“TD Group”** means any company that is in relation to **us**, our parent undertaking, our subsidiary undertaking or a subsidiary undertaking of such parent undertaking, or any other person controlled by **us** or under the same control either directly or indirectly as **we** are.
- 1.3.20 **“TDW Bank NV”** means TD Waterhouse Bank N.V. which provides the Banking Services. It is authorised and regulated by the De Nederlandsche Bank and the FSA when operating by way of a branch established under the Banking Consolidation Directive 2000/12/EC. It’s business address is also Exchange Court, Duncombe Street, Leeds LS1 4AX. It is incorporated in the Netherlands and registered as a branch in England and Wales at Companies House under Branch Number BR006780.
- 1.3.21 **“Terms”** means these Customer Terms of Service and includes all Appendices.
- 1.3.22 **“We”** or **“us”** means either or both of the **Broker** or **TDW Bank NV** as the context requires. This means that in Part B, **“we”** or **“us”** refers to the Broker. In Part C **“we”** or **“us”** refers to **TDW Bank NV**.

2 Your Client Categorisation

- 2.1 For the purposes of your client categorisation that is required by the **FSA Rules**, **we** will treat you as a retail client in relation to the **Stockbroking Services**. **We** may also categorise as a retail client any client who would otherwise be an eligible counterparty or professional client (as defined in the **FSA Rules**). If you are such a client then you may not have rights under the Financial Ombudsman Service or the Financial Services Compensation Scheme.
- 2.2 If you are acting as agent for someone else, **we** will treat you alone as our customer for the purposes of the **FSA Rules** and you will be liable to **us** in respect of all transactions conducted by you in such capacity.

Part B – The Stockbroking Services

3 The Stockbroking Services

- 3.1 **We** will carry out each transaction for you, as your agent.
- 3.2 **We** will provide an execution only dealing service which means that **we** will not provide investment advice to you.
- 3.3 **We** have set out a general description of the nature and risks associated with the products and investments **we** offer in Appendix A of these **Terms**.
- 3.4 If, on your own initiative, you have asked **us** to provide to you execution only dealing services in **Non-Complex Products**, **we** are not required to assess the suitability of the instrument or the service provided or offered to you. As a result, you will not benefit from the protection of the **FSA Rules** on assessing suitability. Accordingly, when giving orders or instructions to **us**, you must rely upon your own judgement. You should get independent advice from an authorised investment advisor if you are in any doubt.
- 3.5 If **we** are providing execution only services to you in relation to **Complex Products**, **we** are required to assess whether it is appropriate for you to deal in a **Complex Product** by requesting from you certain information, relating to your experience and knowledge of trading such products, that will help **us** assess whether you understand the risks associated with dealing in them.
- 3.6 Typically, **we** will ask you for this information during the account opening procedure but **we** may need to ask you for additional information in the future if you decide to deal in a new product type or sector.
- 3.7 If you do not provide sufficient information to allow **us** to carry out the appropriateness assessment, or do not provide any information at all, **we** are unlikely to be able to assess whether you have the necessary knowledge and experience to understand the risks involved. If you still wish **us** to proceed on your behalf, **we** may do so at our reasonable discretion. If **we** do so, you should note that **we** may not be able to determine whether the dealing in the particular **Complex Product** is appropriate for you or in your best interests.
- 3.8 If, on the basis of the information that you have supplied to **us** in relation to your knowledge and experience, **we** consider dealing in the particular **Complex Product** is not appropriate, **we** will warn you of this. If you still wish **us** to proceed on your behalf, **we** may do so at our reasonable discretion.

If **we** do so, you should note that it may not be appropriate for you and that you may be exposing yourself to risks that fall outside your knowledge and experience and/or which you may not have the knowledge or experience properly to assess and/or control to try to mitigate their consequences for you.

- 3.9 Even where **we** have carried out an appropriateness assessment, you may in any event wish to get independent advice from an authorised investment advisor if you have any doubts about dealing in **Complex Products**.
- 3.10 **We** may amend, suspend and/or terminate any or all of the **Services** and/or change the hours and time of operation of any of our **Services** at any time when **we** have a valid reason and it is reasonable to do so. Where reasonably practicable **we** will give advance notice of this but this may not always be possible and/or practical.
- 3.11 **We** will use reasonable endeavours to ensure that our website is available for trading online but **we** do not promise that access to our website or trading online will always be available.
- 3.12 If you are unable to access our website to trade online, you may telephone **us** on **0845 607 6001** to place an order.
- 3.13 Any of the **Services** may be provided using the services of third parties, including our affiliates, who may act as agent for **us**.

4 Orders

- 4.1 **We** will treat each order you place for the **Stockbroking Services** as an offer to purchase the **Stockbroking Services** subject to these **Terms**. **We** may, in our reasonable discretion, refuse to accept any order or instruction from you or **we** may accept your order subject to certain conditions or **we** may, acting reasonably, refuse to proceed with an order that **we** have accepted. If **we** do this, **we** will try to tell you, subject to applicable laws.
- 4.2 When **we** accept your order, **we** will use all reasonable endeavours to carry it out. However, **we** will not be liable to you for any loss or expense you suffer if **we** are unable to carry out an order for whatever reason (other than as a result of our negligence, fraud or wilful default) or where there is a delay or change in market conditions before the transaction is completed.
- 4.3 Once accepted by **us**, your order cannot be amended or cancelled by you, unless, before the execution of a particular order, you receive confirmation from **us** of any amendment or cancellation of your order.

- 4.4 By placing an order for the purchase of investments, you agree that you will have sufficient funds in your **Account** on the date when you are required to make the payment to settle the trade.
- 4.5 When you place an order for the **Stockbroking Services** by telephone, our representative will repeat your instructions back to you to confirm the terms of your order prior to **us** accepting it. It is your responsibility to check that the terms of your order are correct. The terms of the order accepted by **us** will be those repeated back to you subject to any amendments you may notify to our representative.
- 4.6 When you place an order on our website, no contract has been created until you receive a message confirming the acceptance of your order. If you do not receive this confirmation within a reasonable time of submitting your order you should contact **us** to check if your order has been received.
- 4.7 You acknowledge and accept that:
- 4.7.1 the market price of any order placed by you in response to, and within the timescales given for acceptance of, a fixed quotation may, in certain market conditions, have moved during the time between our sending/giving the fixed quotation to you and the execution of your order. Such movement may be in your favour or against you;
- 4.7.2 if we incur additional reasonable expenses (examples of which include, but are not limited to, premiums and discounts) when carrying out your order and **we** are unable to contact you to tell you about these after reasonable efforts to do so, **we** may proceed to execute your order and incur those expenses which will then be payable by you;
- 4.7.3 there may be a delay in the execution of an order because all orders are executed strictly by reference to time of receipt. In particular, an order received when the relevant exchange is closed will not be executed until after it next re-opens. **We** will present that order for execution when the exchange next re-opens or, if a large number of orders have been received while the market is closed, as soon as reasonably practicable after the exchange next re-opens;
- 4.7.4 **we** may aggregate your orders with those of other customers (including those of connected customers or our associates). Sometimes, such aggregation may mean that you obtain a less favourable price;
- 4.7.5 units in a collective investment scheme are normally traded on a forward price basis. This means a price calculated by reference to the valuation point which occurs after the unit trust manager's agreement to sell or redeem the units in question; and

- 4.7.6 if you redeem or switch units in any collective investment scheme within 30 days of the date of purchase, you may be charged a short-term trading fee of up to 2% of the purchase cost of those units. **We** retain the right to reject a purchase of units if, in our reasonable opinion, you are engaging in short-term or excessive trading. If **we** reject your order, **we** will return to you any money **we** have received immediately, without interest.
- 4.8 You are not permitted to enter into a **Short Sell Transaction**.
- 4.9 Investments held for you in custody will be used to settle your sale transactions. Otherwise, in respect of all sale transactions you:
- 4.9.1 promise to **us** that, at the time of placing an order to sell, you own the relevant investments; and
- 4.9.2 will immediately arrange for delivery to **us** of the certificates and transfer forms signed by the shareholder for such investments, at the latest by the contracted settlement date, otherwise payment to you may be delayed.
- 4.10 If you have entered into a **Short Sell Transaction** or do not deliver to **us** the documents of title or transfer in respect of a sale of investments, you authorise **us** to purchase the equivalent investments on your behalf and at your expense.
- 4.11 Demand for the **Stockbroking Services** may fluctuate and whilst **we** will use all reasonable endeavours to meet increased demand for the **Stockbroking Services**, **we** cannot accept responsibility for any actual or potential financial loss (including, for the avoidance of doubt, loss caused by market movements) that may arise if you are unable to contact **us** to place an order by any of our current dealing methods, except where such inability is caused by our negligence, fraud or wilful default.
- 4.12 Trades placed by **us** on your behalf in North American markets are executed via a third party and as such are subject to their service levels. As a result, late reported trades can be booked to your **Account** at any time prior to the start of the next North American trading day. It is possible that an order that has been confirmed as cancelled or expired may be subject to a late reported fill. If you are in any doubt as to the status of a particular trade then please contact **us** by telephone.
- 4.13 **We** may, at our reasonable discretion, arrange for a transaction to be effected with or through a third party. **We** will not be liable to you for any act or omission of any such third party, except where **we** have acted negligently, fraudulently or in wilful default in relation to the appointment of the third party.
- 4.14 **Limit Orders, Stop Orders & Market Best Orders**
- 4.14.1 **We** will try to execute **Limit Orders, Stop Orders** and **Market Best Orders** as soon as practicable but market conditions can affect the time it takes to execute such orders and all orders are executed in due turn. **We** cannot guarantee that a **Limit Order** or a **Stop Order** will be executed even if the limit or stop price is reached. **We** do not accept any liability for any actual or potential loss you may suffer if there is a delay in execution.
- 4.14.2 You may cancel a **Limit Order** or **Stop Order** providing that it has not been executed or is not in the process of being executed. It is your responsibility to check that your instruction to cancel has been accepted.
- 4.14.3 If you place a **Limit Order** or **Stop Order** in respect of a financial instrument in respect of which trading is suspended or has a corporate action before execution or if your **Account** is suspended **we** may, but are not required to, cancel the pending order.
- 4.14.4 Market conditions may result in the execution of a **Stop Order** being at a price above or below the stop price.
- 4.14.5 If you place a **Stop Order** that is higher than the normal market size and the price at which it is to be executed is significantly different from the stop price, **we** will still proceed to execute the order.
- 4.14.6 **We** will publish your **Limit Order** if it relates to shares admitted to trading on a **Regulated Market** and that order cannot be immediately executed under prevailing market conditions, unless you expressly instruct otherwise.
- ## 5 Execution Policy
- 5.1 In accordance with the **FSA Rules**, **we** have implemented an order execution policy which sets out the reasonable steps that **we** will take in order to obtain the best possible result for our customers (the "**Execution Policy**"). Information on our **Execution Policy** is detailed below.
- 5.2 You agree that the terms of the **Execution Policy** will apply where **we** are executing orders on your behalf.
- 5.3 When executing orders on your behalf, **we** will take all reasonable steps to obtain the best possible result for you by considering a number of factors which include price, costs, speed, likelihood of execution and settlement, size, nature and any other consideration which **we** reasonably consider is relevant.
- 5.4 **We** will ordinarily give the price and the costs relating to the execution of your order the highest importance in obtaining the best result for you, although there may be circumstances where **we** reasonably determine that another factor is more important.

- 5.5 A list of the **Execution Venues** that we use can be found on our website at www.tdwaterhouse.co.uk. This list is not exhaustive but it comprises those **Execution Venues** on which we place significant reliance.
- 5.5.1 We reserve the right to use another **Execution Venue** where we consider that it is appropriate in the light of our Execution Policy and we may from time to time add or remove an **Execution Venue** from this list.
- 5.5.2 We will regularly assess the **Execution Venues** available in respect of any products that we trade to identify those that will enable us, on a consistent basis, to obtain the best possible result when executing orders. We will update the list of **Execution Venues** if this is necessary after such review.
- 5.5.3 Other than by updating the website, we will not notify you of any changes to the **Execution Venues** and you should consult this list from time to time. Alternatively, you can ask a Customer Service Representative.
- 5.6 When you provide us with a specific instruction as to the execution of an order that cannot be carried out in accordance with our **Execution Policy**, our **Execution Policy** will not apply and we will execute your order in accordance with your specific instructions.
- 5.7 From time to time, we may execute your order outside a **Regulated Market** or a **Multilateral Trading Facility**. This means that the same investor protection standards may not apply to those transactions.
- 5.8 Before we execute your order outside a **Regulated Market** or a **Multilateral Trading Facility**, we are required to obtain your express consent and so we will always ask you before we execute your orders in this way.
- 5.9 We may send an order that we receive from you to various third parties for execution. A list of these third parties can be found on our website at www.tdwaterhouse.co.uk. In doing so, we must act in your best interests and comply with clauses 5.3 and 5.4 in these Terms.
- 5.10 We will monitor compliance with our **Execution Policy**.
- 5.11 We will review the effectiveness of our **Execution Policy** on at least an annual basis and whenever a material change occurs that affects our ability to obtain the best possible result for our customers, we will amend this as appropriate. We will let you know if we make any material changes to the **Execution Policy** by publishing details on our website.
- 5.12 You may request in writing that we demonstrate to you that your orders have been executed in accordance with our **Execution Policy**. We will use

reasonable endeavours to deal with such a request within twenty (20) **Business Days**. However, if we are unable to satisfy your request within such a timescale, we will write to you confirming our reason for the delay and confirm when you can expect to receive a response.

6 Client Money and Custody

- 6.1 The following provisions of this clause 6 apply to your money held by us where you are not receiving **Banking Services**. It will be deposited by us with a **Bank**, including **TDW Bank NV**, which for client money purposes meets the **FSA's** requirements. As regards that money:
- 6.1.1 it will be held in an account designed to facilitate efficient settlement of transactions and earn interest at the same time. We will deal with your money in accordance with the **FSA's** client money rules and guidance, which require us to hold it in a client bank account, separating your funds from ours. Such money may be held by a **Bank**, with other clients' money, in a pooled client account. This means that, in the event that a default by a **Bank** causes any unreconciled shortfall in the money held in the pooled account, you may share proportionately in that shortfall;
- 6.1.2 interest will be payable on such amounts and at such rates as are set out from time to time on our **Rate Card**. Interest will be calculated on your credit balance on a daily basis but will only be credited quarterly on or around the 25th day of March, June, September and December and will then be treated as client money as described in clause 6.1.1. All such interest will be paid gross and it is your responsibility to account for any tax payable on such interest (unless we are required by law to deduct tax);
- 6.1.3 you agree that we may cease to treat your money as client money and, accordingly, release it from our client bank accounts if there has been no movement on your balance for a period of at least six (6) years (notwithstanding any payments or receipts of charges, interest or similar items) provided we have taken reasonable steps to trace you and to return the balance. We undertake to make good any valid claims against any released balances; and
- 6.1.4 except where you are closing an **Account**, we shall not be required to make payment to you by cheque of any amounts due to you in relation to your investments unless the amount due exceeds £10.00.
- 6.2 As regards your investments:
- 6.2.1 investments either purchased by us on your behalf or transferred to us will be held in the name of our **Nominee** or another custodian on trust for you as beneficial owner, subject to the terms of this clause 6;

- 6.2.2 on request **we** will, where available, issue a certificate in your name in respect of any of your investments held by our **Nominee** or otherwise purchased by **us** on your behalf. The charges set out on our **Rate Card** will apply to the production of certificates for you. The safekeeping and delivery of all investments held by you in certificated form shall be at your risk;
- 6.2.3 any investments held on your behalf may be pooled with those investments of other customers. This means that your entitlement may not be individually identifiable on the relevant company register, by separate certificates or electronic records (other than ours, where they will be identifiable) and, in the event of an unreconciled shortfall caused by the default of a custodian, you may share proportionately in that shortfall;
- 6.2.4 you agree that because of the nature of applicable laws or market practices in certain overseas jurisdictions, **we** may decide that it is in your best interest for your **Nominee** investments to be registered or recorded in our name or in the name of the person who is a custodian for the purposes of the **FSA Rules**, and if it is not feasible for **us** to do this, then:
- (a) the **Nominee** investments may be registered or recorded in the name of the firm or custodian as the case may be;
- (b) the **Nominee** investments may not be segregated and separately identifiable from the designated investments of the person in whose name they are registered; and
- (c) as a consequence, in the event of a failure, the **Nominee** investment may not be as well protected from claims made on behalf of our general creditors;
- 6.2.5 your non-United Kingdom securities may be held overseas by a custodian, bank, intermediate broker, or settlement agent. There may be different settlement, legal and regulatory requirements and different practices for the separate identification of investments from those applying in the UK. In the event of insolvency or any other similar proceedings in relation to that bank or person, your money may be treated differently from the treatment which would apply if the money was held with a bank in an account in the United Kingdom. **We** will not be liable for the insolvency, acts or omissions of any third party referred to in this sub-clause except where **we** have acted negligently, fraudulently or in wilful default in relation to the appointment of the third party. (Note that as dealing in overseas investments may not be available through all communication channels, you should contact our Customer Service Team for further information on product availability);
- 6.2.6 **we** may hold some or all **Nominee** investments with a custodian who is a member of the **TD Group**;
- 6.2.7 **we** will be responsible for claiming and receiving dividends, interest payments and other income payments accruing to your investments held by the **Nominee**. However, in the event of a scrip dividend being offered, **we** will elect to take the cash alternative except where you request otherwise and **we**, in our reasonable discretion, agree to take shares. **We** shall not be required to apply for the scrip alternative until the relevant investments are registered in our **Nominee**; sometimes **we** may be unable to accept the scrip option due to time constraints imposed. Where this is the case, you will receive the default option of cash;
- 6.2.8 **we** are not obliged to but **we** may tell you of, or arrange the exercise of any voting rights attaching to your investments, whether exercisable at an AGM or otherwise. **We** are not obliged to but **we** may notify you of any AGMs or EGMs applicable to your investments;
- 6.2.9 subject to clause 6.2.19, **we** will use reasonable endeavours to tell you about any rights issue, calls, conversion, subscription or redemption rights and takeover or other offers arising from capital re-organisations ("**Corporate Events**") attaching to your investments unless **we** consider it impractical to do so. If you tell us within such period as **we** specify, that you wish to exercise any rights arising out of **Corporate Events** and provided there are sufficient cleared funds in your **Account(s)**, **we** will use reasonable endeavours to give effect to your instructions but only on such terms as you advise and are reasonably acceptable to us. Otherwise, **we** will take such action, or refrain from taking any action, as **we**, in our reasonable discretion, determine;
- 6.2.10 where a **Corporate Event** in respect of an investment held on your **Account** includes an offer for you to purchase additional shares and you do not take up that offer, **we** may instruct the **Nominee** to take up that offer and purchase those shares. The **Nominee** is able to do this as it is the legal owner of the investment. When the **Nominee** then sells those shares, **we** will retain in full any profit that is made and **we** will be liable for any loss;
- 6.2.11 **we** shall not be obliged to but **we** may arrange for you to receive the report, accounts and other information issued by a company, attend shareholders' meetings or unit holders' meetings and vote in person or to direct how our **Nominee** should vote on your behalf unless you give **us** your written instructions. Where you do this, **we** shall use reasonable endeavours, where possible, to make appropriate arrangements on the terms and within the timescales **we** may impose;

- 6.2.12 where a **Corporate Event** results in a fractional entitlement to part of a share, then **we** will sell such fractional shares and credit your **Account** with a cash value which may be subject to a minimum charge for administration. Details of this charge are set out on our **Rate Card**;
- 6.2.13 where **Corporate Events** (such as partial redemptions) affect some but not all **Nominee** investments held in a pooled account, **we** shall allocate the investments which are affected to relevant customers in such a fair and equitable manner as **we** reasonably consider is appropriate;
- 6.2.14 if **we** are notified of a **Corporate Event** require an election to be made on behalf of our entire **Nominee** holding in a company, **we** reserve the right not to offer an option to you, where it is reasonable to do so. **We** will use reasonable endeavours to give you an alternative option but **we** cannot guarantee that this will match the options offered by the company;
- 6.2.15 if **we** are notified of a class action or group litigation that is being proposed or taken concerning investments that our **Nominee** is holding, or has held, on your behalf, **we** are not required to tell you about this or otherwise act on that notification;
- 6.2.16 you acknowledge that any facility to receive shareholder communications and benefits may be made available by **us** to you only after a request from you and with the consent of the relevant company or registrar;
- 6.2.17 **we** may aggregate your order with those of our other customers to participate in certain types of offers. **We** will at all times use reasonable endeavours to fulfil your order, however, you may not receive the allocation of shares you applied for. If that happens, **we** will return any uninvested sums of money to your **Account**;
- 6.2.18 **we** only accept liability for our **Nominee** and for any other member of the **TD Group** acting as a custodian or sub custodian but not for any other custodians or sub custodians, except where **we** have acted negligently, fraudulently or in wilful default in relation to the appointment of the custodian. **We** will remain responsible for our own defaults where any custodians or sub custodians are used;
- 6.2.19 **we** shall be under no duty to tell you of or act upon any **Corporate Event** until the relevant investments are registered in the name of our **Nominee**;
- 6.2.20 in the case of bargains transacted outside the United Kingdom, any stock or money held by us or to our order on your behalf may be passed to an intermediate broker, settlement agent or counterparty located outside the United Kingdom. In these circumstances, the legal and regulatory regime applying to that person may be different from that of the United Kingdom. This means that in the event of the insolvency of that person, your assets may be treated differently from the manner in which they would be treated if they had been passed to an intermediate broker, settlement agent or counterparty within the United Kingdom;
- 6.2.21 where any documents or cleared funds are not held by **us** as part of your **Account**, **we** will not be required to settle any transaction or any account on your behalf until **we** or our settlement agents or, as the case may be, global custodian, have received all necessary documents or cleared funds. Our obligations to deliver to you, or to your **Account**, or to account to you for the proceeds of the disposal of investments are conditional upon the prior receipt by **us** of appropriate documentation and cleared funds; and
- 6.2.22 where **we** have acted as your agent, it is the other party to the transaction and not **us** who is responsible for settling the trade with you and delivery or payment (as the case may be) will be at your risk. Our obligation is only to pass on to you, or to credit to your **Account**, such deliverable documents or sale proceeds (as the case may be) as **we** actually receive.
- 6.2.23 if **we** receive a payment for a tax adjustment of a dividend relating to an investment **we** will credit your **Account** with the payment subject to a minimum charge for administration more details of which are set out on the **Rate Card**.

7 Provision of Information

- 7.1 Any news, prices, opinions and other information which **we** may provide to you ("**Information**") is provided solely to enable you to make your own investment decisions and does not constitute a personal investment recommendation or advice.
- 7.2 Neither **we** nor any of our affiliates, agents or licensors make any representation as to the completeness, accuracy or timeliness of such **Information** nor do **we** or they accept any liability for any losses, costs, liabilities or expenses which may arise directly or indirectly from your use of, or reliance on, the **Information** (except where we have acted negligently, fraudulently or in wilful default in relation to the production or distribution of the **Information**). Such **Information** is not an offer or solicitation by us or any of our affiliates to buy, sell or otherwise deal in any particular investment.

- 7.3 All **Information** is and remains our property or the property of our third party licensors.
- 7.4 **We** provide United Kingdom real time pricing information to you under licence from the London Stock Exchange ("LSE"). You may not redistribute that data without the prior written consent of the LSE. All intellectual property rights in such data provided by the LSE shall at all times remain the property of the LSE. The LSE must be identified as the source of the data where reproduced in accordance with the licence conditions which **we** notify to you prior to you accessing such data for the first time.
- 7.5 **We** provide all international real time pricing information under licence from the relevant exchange providing the data. Your use of such information is subject to the terms and conditions of each exchange which **we** will tell you about and which must be accepted by you before you access such data for the first time.

Part C – The Banking Services

8 Banking Services

- 8.1 **We** will provide the **Banking Services** set out below and which you have applied for and **we** have agreed to provide under **TDW Bank NV's** account opening procedures.
- 8.2 The **Banking Services** are only available if you have opened an **Account** for the **Stockbroking Services**. You will be able to access your **Accounts** through the internet, telephone, post, email or any other method indicated to you from time to time. When you access your **Account** you are authorising **us** to carry out all of your instructions. In the case of joint **Accounts** we may act on instructions from any one **Account** holder.

9 Accounts

- 9.1 Cash Management Services Account ("**CMS Account**")
- 9.1.1 **We** may provide you with a **CMS Account** which will allow you to operate the management of cash held with **us**.
- 9.2 Savings Account
- 9.2.1 **We** may provide you with a Savings Account.
- 9.2.2 You will normally be required to provide us with one (1) **Business Day's** notice before any instruction you pass to **us** for cash withdrawal, establishment of a direct debit or standing order is processed.

- 9.3 Transfers
- 9.3.1 Transfers in respect of cleared funds between **TD Waterhouse Accounts** are immediate during business hours if conducted via the telephone or via our website at www.tdwaterhouse.co.uk.
- 9.4 Interest
- 9.4.1 **We** will pay interest on your **Account(s)** in accordance with the applicable rates as set out from time to time on our **Rate Card**. On all **Accounts**, tax will be withheld on interest in accordance with the applicable law and at the applicable rates, except where clause 6.1.2 applies.
- 9.5 Overdrafts
- 9.5.1 **We** do not provide authorised overdrafts on **Banking Services Accounts**.
- 9.5.2 If an unauthorised overdraft arises in relation to an **Account** you accept liability for interest and charges at our current rate from time to time as set out on our **Rate Card**. Any interest or charges for unauthorised overdrafts will be added to the overdrawn balance outstanding.
- 9.5.3 As a matter of law, unauthorised overdrafts are repayable on demand.
- 9.5.4 Where an **Account** is in joint names, all **Account** holders will be held jointly and severally liable for any overdraft together with interest and charges accrued.
- 9.6 Cooling-off periods
- 9.6.1 If within fourteen (14) days of opening any **Account** detailed under clause 9 you decide that you no longer want the **Account**, **we** will refund your money. **We** will ignore any notice periods on the **Account** and you will not have to pay any additional charges. **We** will pay you interest on sums refunded at the rates set out from time to time on our **Rate Card** for the period when cleared funds were in the **Account** until the date of the refund.
- 9.7 Clearing cycles
- 9.7.1 Cheques will be cleared and funds made available for withdrawal or transfer in line with normal banking practice and to banking industry standards.

Part D – Terms

Applicable to both the Stockbroking and the Banking Services

10 Contract Notes and Statements

- 10.1 Where **we** execute the sale or purchase of a product with or for you pursuant to the **Stockbroking Services we** shall, where so required by the **FSA Rules** or as otherwise agreed with you, send to you (or to any agent nominated by you in writing) a contract note containing the essential details of the transaction except where it would duplicate a confirmation containing the essential details of the transaction which will be promptly provided to you by someone else. You will notify **us** as soon as possible of any errors contained in any contract note or similar document or electronic message.
- 10.2 **We** will send to you at least once per year a statement listing the cash and custody investments held in your **Account(s)**. **We** will value the investments in your **Account** using a price feed which **we** reasonably determine from independent service providers or quotations from independent market makers or dealers in the investment concerned. However, if **we** determine that valuation data is not available from such sources or it is inappropriate to use such sources, **we** may value investments at such value as **we** reasonably consider fairly reflects the current value of such investment. Statements are based on trade date information for cash balances and assets held in safe custody. You will notify **us** as soon as possible of any errors contained in any statement.
- 10.3 The **Bank** will provide you with statements for each **Account** held by you under the **Banking Services** at least once per year unless **we** have otherwise agreed to provide you with statements on a more frequent basis. You will notify **TDW Bank NV** as soon as possible of any errors contained in any statement.

11 Withdrawals

- 11.1 **We** will use reasonable endeavours to facilitate withdrawals in the manner described in clause 11.2, but do not promise that the timescales will always be met.
- 11.2 Withdrawals can usually be made from your **Account** by phone, the **TD Waterhouse** website at www.tdwaterhouse.co.uk, or by letter using either:
(a) a BACS transfer which will transfer the funds within four (4) working days; or

- (b) a same working day CHAPS transfer providing the request is made before 12 midday and is subject to a charge as displayed on the **Rate Card**; or
(c) a cheque payment that will be posted the same working day providing the request is received before 12 midday.

- 11.3 For payments made to your **Account** by debit card, withdrawals can only be made to the **Account** number on that debit card, unless a withdrawal to another account is authorised by **us**.
- 11.4 **We** may refuse to allow a withdrawal on any **Account** that you have with **us** if it would leave insufficient funds in an **Account** to pay for a purchase for which settlement is due to be made.

12 Cheques

We are unable to accept foreign currency cheques or cheques drawn on accounts held with banks that are not authorised in the United Kingdom. Please ensure that any cheque paid into your **Account** is for a pounds sterling amount and is drawn on an account held with a United Kingdom authorised bank. Please refer to clause 14.2 regarding the acceptability of certain non sterling electronic payments.

13 Account Numbers and Security

- 13.1 When you open an **Account** with **us**, you will be issued with an Account number and a **Password** which provides access to your **Account(s)**. You will be required to provide **us** with a piece or pieces of identifying information when setting up your **Account** with **us**, which **we** will use to identify you as our customer when you contact **us** by telephone.
- 13.2 You agree that in relation to each **Account**:
- 13.2.1 you (or if applicable the other joint holder(s)) are the sole and exclusive owner of the **Account** and **Password**;
- 13.2.2 you will be responsible for the confidentiality and use of the **Account** and your **Password**; and
- 13.2.3 **we** may rely on all orders and other communications given or entered by you or anyone else using your **Account** number and **Passwords**, and you will be bound by any agreement entered into or expense incurred in reliance on such orders and communications.

14 Charges and Taxes

- 14.1 General
- 14.1.1 You agree that you will pay the charges for the **Stockbroking Services** and the **Banking Services** that are set out from time to time on our **Rate Card**. You must also pay any applicable VAT, stamp duty, stamp duty reserve tax, other taxes, levies or other costs. Any such amounts due may be deducted from any funds

- held in or payments made to your **Account(s)** with **us**. **We** will tell you if **we** make this kind of deduction.
- 14.1.2 You will at all times be fully responsible for payment of all other taxes due, for making all claims, for filing any tax returns and for providing any relevant tax authorities with information in relation to the **Services we** carry out for you or any money and investments in your **Account(s)**.
- 14.1.3 **We** will use reasonable endeavours to forward to you any tax documents which **we** may receive relating to you or any money or investments in your **Account(s)**. If you have a **Nominee Account we** will send you an annual Consolidated Tax Certificate ("**CTC**") after the end of the fiscal year (there is no charge for this service). If you require a **CTC** for the calendar year or any other period then **we** will charge you in accordance with our **Rate Card**. If you require a duplicate or replacement **CTC we** will charge you in accordance with our **Rate Card**.
- 14.1.4 **We** may impose certain additional charges as set out from time to time on our **Rate Card** which you shall be liable for if you do not comply with your obligations under these **Terms**. Such additional charges may include, without limitation, any reasonable legal costs **we** may incur as a result of your failure to comply with the **Terms**.
- 14.2 Transactions denominated in foreign currencies
- 14.2.1 For transactions denominated in any of the foreign currencies in which **we** allow our customers to trade, you may transact and settle in those currencies or settle in pounds sterling. You may also hold funds in certain foreign currencies, although **we** do not permit funds to be held in all currencies in which **we** allow trading. For details of the currencies in which **we** allow trading and the details of the currencies in which you may hold funds, please refer to our website www.tdwaterhouse.co.uk or ask a Customer Service Representative.
- 14.2.2 Any payment received by **us** for the credit of your **Account** in a currency in which you may hold funds, will be held on your **Account** in that currency and will only be converted to pounds sterling if you so request. For transactions and payments denominated in all other currencies and for **Accounts** permitted only to hold pounds sterling **we** will automatically convert the total consideration into pounds sterling, or any other currency that **we** accept on request, at the time of the transaction.
- 14.2.3 You may request that **we** carry out only a currency exchange transaction on your **Account**.
- 14.2.4 From time to time, **we** may add other currencies to the list of currencies in which you can hold funds and settle.
- 14.2.5 The exchange rate for all types of currency conversion will be based on the bid or offer exchange rates to which **we** apply a spread as detailed within our **Rate Card** which will be applied at the time of the transaction.
- 14.2.6 **We** and any other parties involved in providing the currency exchange transaction to you may earn revenue, in addition to the commission applicable to such a trade. This revenue is based on the difference between the applicable bid and offer rates for the currency and the rate at which the rate is offset either internally, with a related third party, or in the market. The charge to you and the revenue earned by **us** and parties related to **us** may be higher when a transaction requires more than one currency conversion or when the currency is not commonly traded.
- 14.2.7 You are responsible for requesting any currency exchange transaction that is required for any order that you place. Conversion of currency, will take place at the trade date unless otherwise agreed. Further details are available on request. Exchange rates fluctuate and may change between the time that the indicative exchange rate is quoted and the time the contract note is issued. Where applicable the contract note will show the exchange rate used.
- 14.2.8 **We** may pass on third party charges incurred for custodial fees or processing fees related to any American Depository Receipt ("**ADR**") held. These fees are payable to the agent which holds the **ADR**. **We** are unable to tell you of the **ADR** fee in advance as **we** are only advised by the agent at the time of payment, but **we** will tell you the amount of the fee when **we** know what this is.

15 Conflicts of Interest

- 15.1 Managing conflicts of interest
- 15.1.1 Please be aware that when **we** execute a transaction on your behalf, **we**, a **TD Group** company or an associate may have an interest, relationship or arrangement that is material to all or any part of the **Information** or **Services** being provided to you.
- 15.1.2 **We** take the identification and management of conflicts of interest seriously. **We** have implemented a conflicts of interest policy that identifies those circumstances that constitute, or may give rise to conflicts of interest which pose a material risk of damage to one or more of our customers. This policy also addresses the effective organisational and administrative arrangements that **we** maintain and operate to manage these conflicts such as departmental procedures and management arrangements, periodic testing of such measures and staff training. If, at any time, you would like to receive further details in relation to our conflicts of interest policy, please contact **us** in writing.

- 15.1.3 If, in respect of a specific conflict of interest which arises, **we** consider that the arrangements are not sufficient to enable **us** to ensure, with reasonable confidence, that the risk of damage to the interests of you and any of our other customers will be prevented, **we** will refuse to act or **we** will tell you of the nature and type of conflict of interest before **we** undertake any business on your behalf. This means that you will be able to decide whether you agree to **us** acting for you in these circumstances. If you object to our acting for you, you should notify the Compliance Officer of the **Broker** in writing.
- 15.1.4 Examples of conflicts of interest which may arise when providing services to you include, for example and without limitation:
- (a) acting as agent for an associate or another customer or investor and also acting as agent for you in the same transaction, and receiving and retaining commission or other charges from both parties, and the price of the transaction being different from the bid or, as the case may be, offer price;
 - (b) buying investments where **we** are, or an associate is, involved in a new issue, offer for sale, rights issue, take over or similar transaction concerning the investment;
 - (c) executing a transaction for or with you in circumstances where **we** have knowledge of other actual or potential transactions in the relevant investment;
 - (d) holding a position in, or trading, dealing or market making in, investments purchased or sold by you;
 - (e) sponsoring, underwriting, sub underwriting, placing, purchasing, arranging, acting as stabilising manager for, or otherwise participating in, the issue of investments purchased or sold by you;
 - (f) acting as advisor or banker to, or having any other business relationship with, or interest in, the issuer (or any of its associates or advisors) or any investments purchased or sold by you or advising or acting as banker to any person in connection with a merger, acquisition or takeover by or for any such issuer (or associate); or
 - (g) being the issuer of any investments purchased or sold by you or being (or being advisor or banker to, or having any other business relationship with) the trustee, custodian, operator or manager of, or investment advisor to, any form of collective investment scheme in which interests are purchased or sold by you.
- 15.2 The relationship between you and **us** is as described in these **Terms**. Neither that relationship, nor the **Services**, nor any other matter will give rise to any fiduciary, equitable or contractual duties on our part, or that of any affiliate, which would prevent or hinder **us** or them from doing business with or for you, other customers or other persons, or for our or their own account.
- 15.3 Treatment of fees, commissions or other non monetary benefits.
- 15.3.1 **We** are entitled to pay or accept a fee, commission or other non monetary benefit paid by, or provided to you or on your behalf.
- 15.3.2 **We** are also entitled to retain any payment, remuneration or fees which enable us to provide or which are necessary for the provision of the **Stockbroking** or **Banking Services**, such as, without limitation, settlement and exchange fees, regulatory levies and legal fees.
- 15.3.3 **We** may receive periodic payments of up to 1.5% of the value of funds purchased, and still held at the relevant date, from unit trust and other collective investment scheme managers. This is standard industry practice and does not influence the choice of funds made available to you. Any amounts received are kept by us and applied against general business expenses.
- 15.3.4 In the event that your order is publicly displayed on an exchange order book in accordance with clause 4.14.6, it may be subject to multiple fills. Each fill will be treated as a separate transaction and commission will be charged on each transaction or fill, in accordance with our **Rate Card**.
- 15.3.5 If you would like further information in relation to the receipt and provision of fees, commissions or other non-monetary benefits, **we** can provide this to you on written request.
- ## 16 Liability
- 16.1 Neither **we**, our employees, agents, sub contractors or any member of the **TD Group** shall be liable for any losses, costs, damages, liabilities or expenses suffered or suffered by you under these **Terms** (including without limitation any loss that may arise directly or indirectly from your inability to access the **Services** for any reason or for any delay in, or the failure of, the transmission or receipt of any instructions or notifications sent to **us** through any electronic medium) except where caused directly by the negligence, wilful default, fraud or breach of the **Terms** by **us** or our employees, agents, sub contractors or any **TD Group** company. This clause is entered into by **us** as trustee for our employees, agents, sub contractors and **TD Group** companies.

- 16.2 Nothing in these **Terms** shall limit or exclude our liability for personal injury or death caused by our negligence.
- 16.3 **We** shall not be liable to you for any indirect losses which you suffer, except in the case of our wilful default or fraud. "Indirect loss" would include, for example, loss of profit, loss of opportunity, loss of business and any other indirect losses.
- 16.4 You will be responsible for any reasonable losses, costs, liabilities or expenses which **we** incur in connection with the **Services** or these **Terms** unless caused by our breach of the **Terms**, negligence, wilful default or fraud.

17 Your Obligations

- 17.1 You agree and confirm to **us** each time you use the **Services**, that:
- 17.1.1 you have all necessary power, authority and approvals to enter into and perform your obligations (and/or the obligations of the person(s) on whose behalf you are acting) under these **Terms**;
- 17.1.2 your entering into and performance of these **Terms** and each contract does not violate, contravene, conflict with or constitute a default under any law, regulation, rule, judgement, contract or other instrument binding on you or any of your assets (and/or of the person(s) on whose behalf you are acting) or (if you are a company) any provision of your Memorandum and Articles of Association (or equivalent constitutional documents); and
- 17.1.3 in accepting these **Terms**, **we** have not made, and you are not relying upon, any statements, representations, promises or undertakings that are not contained in these **Terms**.
- 17.2 You accept full responsibility for monitoring your **Account(s)**. You agree to notify **us** immediately if you become aware of:
- 17.2.1 the loss, theft or unauthorised use of your username or **Password** or Account number;
- 17.2.2 the failure by you to receive a message or partial message from us indicating that an order was received, rejected and/or executed; or
- 17.2.3 any inaccurate information in your **Account(s)** balances, statements, contract notes, records or assets or money held or transaction history.
- 17.3 You confirm that you are not a resident of the USA or Canada.
- 17.4 You must make sure that your **Password** remains confidential at all times and you must take all responsible steps to:
- 17.4.1 stop any other person using your **Password**;

- 17.4.2 not disclose your full **Password** to any other person including any of our employees (whether over the telephone or otherwise);
- 17.4.3 not use your **Account** number in full or in part as your **Password**; and
- 17.4.4 not be overheard when contacting **us** by telephone.
- 17.5 You will inform **us** if there is any change to any of your personal details such as your address or telephone number.

18 Circumstances beyond our reasonable control

- 18.1 **We** shall not be liable to you in any manner or be deemed to be in breach of any contract for the **Services** because of any delay in performing or any failure to perform any of our obligations due to any circumstances beyond our reasonable control.
- 18.2 For the purposes of this clause 18, "circumstances beyond our reasonable control" means any cause preventing **us** or you from performing any or all of our or your obligations which arises from any cause beyond our or your reasonable control including without limitation:
- 18.2.1 government actions, war or threat of war, acts of terrorism, national emergency, riot, civil disturbance, sabotage or requisition;
- 18.2.2 act of God, fire, explosion, flood, epidemic or accident;
- 18.2.3 labour disputes not including disputes involving our workforce; or
- 18.2.4 inability to obtain or delay in obtaining supplies of adequate or suitable material, fuel, parts, machinery or labour.

19 Variation of Terms

- 19.1 **We** can change, amend, supplement or delete any part of these **Terms** and, in particular but without limitation, **we** can:
- 19.1.1 change the rates or amounts of interest that **we** charge you or pay you; and/or
- 19.1.2 change the amounts that **we** charge you; and/or
- 19.1.3 introduce new or different interest rates or make new or different charges to those set out from time to time on our **Rate Card** for any valid reason including one or more of the following reasons:
- (a) in the case of interest:
- (i) to take account of the introduction of new rates of interest or changes to interest rates which other organisations pay to customers;
- (ii) where necessary to attract and/or retain investors in accounts of the same type as your **Account**;

(iii) to reflect actual or expected changes in the Bank of England repo rate, commonly referred to as the Bank of England base rate (or the rate of any central bank or monetary authority which supersedes the Bank of England), or in other money market interest rates;

(iv) to preserve the margins between interest paid by **us**, or by the providers of funds to us, and interest charged by us;

(b) in the case of charges:

(i) to enable us to harmonise, in the case of **Banking Services**, our banking charging arrangements or, in the case of **Stockbroking Services**, our stockbroking charging arrangements;

(ii) to reflect changes in the costs or administrative overheads **we** incur or reasonably expect to incur, and/or to take into account inflation;

(iii) to reflect changes in the financial strength of the **Broker** or of **TDW Bank NV**;

(c) in the case of interest, charges and general terms:

(i) to reflect a change in general banking and/or stockbroking practice;

(ii) ensure that our banking and/or stockbroking business is run prudently;

(iii) to maintain the competitiveness of our banking and/or stockbroking business taking into account actual or expected changes;

(iv) to reflect changes to the way that **we** deal for you and look after your investments;

(v) to reflect changes in the general market practice of brokers and their nominees, and others providing stockbroking or share dealing services;

(vi) to reflect changes in market conditions;

(vii) to reflect changes, or anticipated changes, to the law, or interpretation of the law, codes of practice or the way that **we** are regulated;

(viii) to reflect a decision or recommendation made by, or a requirement of, a court, ombudsman, regulator or similar body or an undertaking given to the Director General of Fair Trading or any other regulator;

(ix) to reflect changes in technology, or to provide for the introduction of new or improved systems, methods of operation, services or facilities;

(x) to correct mistakes;

(xi) to make these **Terms** easier for you to understand or fairer to you;

(xii) to reflect general banking practice; and

(xiii) for any other valid reason (whether or not specified in this clause 19.1).

19.2 Except as provided in clause 19.2.1 **we** will give you notice of any change made under clause 19.1 and will give that notice by any one or more of the following methods:

(a) writing to you;

(b) emailing you;

(c) posting a message on our website;

(d) posting a message within the secure area of your online **Account**; or

(e) placing an advertisement in a national newspaper.

19.2.1 In respect of products which have an interest rate linked directly to the Bank of England base rate, **we** will not notify you if the only change is to the Bank of England base rate.

19.2.2 In the case of a change to an interest rate this notice will be given to you within thirty (30) days of the change.

19.2.3 In the case of a change to a charge under clause 19.1.3(b) or any change under clause 19.1.3(c) **we** will give you at least ten (10) **Business Days'** prior notice provided that changes made to reflect a change of law or regulation may, if necessary, take effect immediately.

19.3 Upon receipt of any such notice under clause 19.2, you will be free to close your **Account** immediately without loss of credit interest but you must repay any overdraft, interest or charges or other indebtedness outstanding on your **Account**.

20 Your Personal Data

20.1 How your information is used

20.1.1 **We** may obtain information (including personal data) from you during the course of our relationship with you. This section describes some of the key issues in relation to how we process this personal data which **we** think you should be aware of. Please note that this description is not comprehensive and our privacy policy explains further how **we** use your personal data and protect your privacy. This policy is available on our website www.tdwaterhouse.co.uk (Privacy Policy) and should be read alongside this clause 20 as it sets out types of personal data which **we** collect about you and additional ways in which **we** safeguard and use this personal data.

20.1.2 **We, TD Waterhouse Investor Services (Europe) Limited** and other relevant **TD Group** companies are registered as data controllers under the Data Protection Act 1998 and **we** will process your personal data only in accordance with these Terms and our Privacy Policy. **TD Waterhouse Investor Services (Europe) Limited** is registered under the Data Protection Act 1998 and has registration number Z6610641.

20.2 Marketing and market research

20.2.1 Except where you have indicated in the **Account** opening process that you do not agree to receiving marketing information, or you have written to us asking **us** to stop sending you marketing information:

(a) **we** may use your personal data including your contact details, your application details (but not banking details) and details of the services **we** provide you with and how you use them, to decide what products and services may be of interest to you;

(b) **we** may contact you by telephone (including automated calls), post, email and other electronic messages such as short text, video and picture messaging, and fax, with information, news, events and seminars on our investment, banking and financial services and those of **TD Group** and other selected partners; and

(c) **we** may pass your personal data to selected third parties for them to contact you for marketing purposes (for similar purposes as those set out in 20.2.1(a) and 20.2.1(b) above).

20.2.2 In order to monitor and analyse our business **we**, or a third party acting for us, may use information in your customer and **Account** records to assess customer satisfaction and for market research. If you do not wish to be contacted to participate in customer satisfaction or marketing surveys, or in relation to marketing, at any time, you can ask **us** and our third parties to stop contacting you by writing to Customer Service Team, Exchange Court, Duncombe Street, Leeds LS1 4AX. This request will not affect the running of your existing **Account** or the services you request from **us**, in respect of which **we** will still process your personal data.

20.3 Export of data

20.3.1 **We** may share your personal data with any of our agents, including data processors, or any other **TD Group** companies in the United States of America or Canada or other jurisdictions in or outside the European Economic Area who may only use it for the same purposes as **us**. **We** will take adequate measures to protect the security of your personal data and details of the companies and countries involved in processing your personal data will be provided on request.

20.4 Credit reference, fraud prevention agencies and regulators

20.4.1 **We** may make searches about you at credit reference agencies who will supply **us** with credit information, as well as information from the Electoral Register. The agencies will record details of the search whether or not your application with **us** proceeds. **We** may use automated credit

scoring methods to assess this application and to verify your identity. **We** may make periodic searches of our records and those of **TD Group** companies, credit reference and fraud prevention agencies, to manage your **Account** with **us** and to make credit related decisions about you.

20.4.2 Where you borrow or may borrow from **us**, **we** may give details of your **Account** and how you manage it to credit reference agencies. If you borrow and do not repay in full and on time, **we** may tell credit reference agencies who will record the outstanding debt.

20.4.3 To prevent or detect fraud, or to assist in verifying your identity, **we** may make searches at fraud prevention agencies. **We** may also pass information to financial and other organisations involved in fraud prevention to protect ourselves and our customers from theft and fraud. If false or inaccurate information is provided and fraud is identified or reasonably suspected, details will be passed to fraud prevention agencies who will record this. Law enforcement agencies may access and use this information. **We**, other **TD Group** companies, and other organisations may also access and use this information to prevent fraud and money laundering, for example, when: checking details on applications for credit and credit related services or other facilities; managing credit and credit related accounts or facilities; and recovering debt.

20.4.4 **We** may use your personal data to comply and cooperate with regulators and the courts and to comply with our legal obligations.

20.4.5 You have a right of access to your personal records held by credit reference and fraud agencies. Please contact the Data Protection Officer, Exchange Court, Duncombe Street, Leeds LS1 4AX if you want to receive details of the relevant credit reference or fraud prevention agencies.

20.5 Access to data

20.5.1 You have the right, on payment of a £10 fee, to receive a copy of the information **we** hold about you, to the extent that it constitutes your personal information. If you would like to do this please write to the Data Protection Officer, TD Waterhouse, Exchange Court, Duncombe Street, Leeds LS1 4AX.

20.5.2 If you would like to change or modify information previously provided to **us**, to remove information from our database or elect not to receive certain communications from **us** please write to the Customer Service Manager, TD Waterhouse Investor Services (Europe) Limited, Exchange Court, Duncombe Street, Leeds LS1 4AX.

21 Termination

- 21.1 **We** or you may terminate these **Terms** and our obligation to provide the **Services** by giving notice to the other, which will take effect immediately or after such period as may be specified in the notice.
- 21.2 Termination of the **Stockbroking Services** will not affect any outstanding transactions or any rights or obligations which may already have arisen between you and **us**. Transactions in progress at the date of termination will be completed by us as soon as practicable subject to these **Terms**. The termination of these **Terms** will not affect the coming into force or the continuance in force of any provision in these **Terms** which is expressly, or by implication, intended to come into, or continue in force, on or after such termination.
- 21.3 Notwithstanding the provisions of clause 21.5 and 21.6 of these **Terms**, if termination occurs, **we** will, as soon as reasonably practicable, subject to these **Terms**, arrange the delivery to you, or to your order, of any money or investments in your **Account(s)** subject to any applicable charges as set out on our **Rate Card**. A final statement will be issued to you where appropriate.
- 21.4 Notwithstanding the provisions of clause 21.1 of these **Terms**, **we** will give you at least thirty (30) days' prior written notice of the closure of any **Account** opened by **us** for you under the **Terms** of the **Banking Services** providing there are no exceptional circumstances such as suspected fraud in relation to any **Account**. Interest will not accrue on any **Account** once it has been closed.
- 21.5 If your **Account** is terminated **we** may make a minimum charge for administration. Please see our **Rate Card** for full details.
- 21.6 After termination of your **Account**, if any money or investments are received into your closed **Account**, **we** may make a minimum charge for administration. Please see our **Rate Card** for full details.

22 Power to Sell or Close Out

- 22.1 At any time that **we** consider reasonably necessary or desirable including without limitation, if you fail to make any payment or to deliver any investments or transfer documents due to **us** at the due time for payment or delivery then **we** reserve the right, without prior notice to you, to:
- 22.1.1 treat any outstanding transaction as having been cancelled and terminated;
- 22.1.2 use all money held or debts due to you from any party including ourselves in relation to the **Stockbroking Services** under these **Terms**, or any investment, asset or transaction hereunder;

- 22.1.3 arrange the sale of investments to provide funds to cover any outstanding amount; and/or
- 22.1.4 close out, replace or reverse any such transaction or take, or refrain from taking, such other action at such times and in such manner as **we** reasonably consider necessary or appropriate to cover, reduce or eliminate loss or liability under or in respect of any contract, positions or commitments.
- 22.2 Specifically, **we** may so act if, by reason of payment method or any information that we obtain from any source, **we** have reason to believe that you are a US person.

23 Our Security Interests

- 23.1 All of your investments and money in your **Account(s)** are subject to a general charge (which is a type of security interest) in our favour to cover outstanding amounts due from you to **us** for provision of the **Services**.
- 23.2 If you default in paying any amount due, interest will be payable by you on demand at the rate set out from time to time on our **Rate Card** together with all associated reasonable administrative and recovery costs including legal costs.
- 23.3 If **we** have to pay or repay any money from any **Account** you may hold with us or our affiliates in the **TD Group** or deliver or redeliver any investment it will be conditional upon there being no outstanding liabilities (whether actual or contingent) due from you.
- 23.4 **We** shall also have the legal right to withhold the cash and investments which **we** or our **Nominees** may hold, as security for you meeting all of your outstanding liabilities to us from time to time, and **we** have the right to use the cash or convert the investments into cash on such terms (including as to price) as **we** consider appropriate and to apply and set-off the proceeds of such use or conversion as set out below.
- 23.5 **We** may, without notice to you combine, consolidate or merge all or any of your **Accounts**, balances and other amounts with, or liabilities to **us** and may set-off any sum standing to the credit of any such **Accounts**, balances or other amounts in or towards the satisfaction of any sum or liability you owe to us. To effect set-off **we** may transfer monies and/or assets between any of your **Accounts**.
- 23.6 **We** may, without notice to you, convert any relevant foreign currencies in any of your **Accounts** in order to exercise our rights under clauses 23.4 or 23.5.

- 23.7 As continuing security for your discharge of all liabilities, you agree to charge with full title guarantee (or, if you are a trustee, with limited title guarantee) free of any adverse interest whatsoever to and for the benefit of **us**:
- 23.7.1 by way of first fixed legal charge, each **Account** with **us** and all assets and cash from time to time credited to that **Account** and, by way of separate first fixed legal charge, the benefit of any **Account** and any rights against any banker, custodian or other person on whose books that **Account** exists, to which any such assets and cash are from time to time credited;
- 23.7.2 by way of first fixed legal charge, all assets in respect of which title has been transferred by way of security to **us** or to our order;
- 23.7.3 charge all other assets which (or the certificates or documents of title to which) have been deposited in any **Account** or are otherwise held by **us**; and
- 23.7.4 by way of first fixed legal charge, all sums of money held by **us** for you, the benefit of all **Accounts** in which any such money may from time to time be held and all your right, title and interest under any trust (whether arising by agreement or otherwise) relating to such money or to such **Accounts**. The benefit of such charge is held by **us** for our benefit and as trustee for the benefit of all of our affiliates, agents and licensors from time to time.
- 23.8 the security created under these **Terms** will remain in full force and effect by way of continuing security and will not be affected in any way by any settlement of account or other matter or thing and will be in addition to any other security, guarantee or indemnity now or at anytime held by **us** or any other person in respect of your liabilities;
- 23.9 you grant to **us** a power of attorney to execute and sign all such transfers, assignments, further assurances or other documents and do all such other acts and things as may reasonably be required to vest or to take advantage of the above security interests or any of it in **us** or to our order or to a purchaser or transferee or to perfect or preserve our rights and interests in respect of the security or for the exercise by **us** of all or any of the powers, authorities and discretions conferred on **us** by these **Terms**;
- 23.10 unless the context requires otherwise, references in this clause to "**us**" include references to any person holding any of the security or in whose name any of it may be registered;
- 23.11 sections 93 (restriction of right of consolidation) and 103 (restriction of right of sale) of the Law of Property Act 1925 will not apply to these **Terms**;
- 23.12 cash **we** hold for you will be used to settle your purchase transactions. Otherwise, you must provide **us** with sufficient funds at the latest by the contracted settlement date;
- 23.13 if you do not make any payment or deliver any assets due to **us**, **we** may enforce the security, without prior notice or demand to you;
- 23.14 in enforcing the security, **we** may sell, pledge, deposit or otherwise deal with all or any of the security, free of any interest of yours and as **we** in our reasonable discretion think fit (without being responsible to you for any loss or diminution in price);
- 23.15 the net proceeds of any such dealings will be applied towards the discharge of your liabilities. You will be entitled to any balance remaining after discharge of all liabilities. In the event of a shortfall, you remain liable for any such shortfall and will immediately pay to **us** the balance remaining due; and
- 23.16 nothing in this clause 23 shall create a security over the investments and cash in an **Account** which is an ISA except to the extent permitted by **The Regulations** (as defined in the ISA Supplemental Terms of Service).

24 Assignment

- 24.1 **We** may at any time transfer or assign absolutely our rights, benefits and/or obligations under these **Terms** by delivering to you a notification. Any such transfer or assignment shall be subject to the assignee undertaking in writing to be bound by and perform our obligations under these Customer Terms of Service.
- 24.2 Our rights and obligations under these **Terms** are personal to you. This means that you cannot assign them.

25 Communications

- 25.1 All communications from **us** to you will be in English and either in writing, which shall include by any means of electronic transfer delivery such as electronic mail, or over the telephone and will take effect once dispatched to you (except where the time periods in clause 19 apply).
- 25.2 You accept that **we** and/or any associate and/or our or their representatives or employees may communicate with you over the telephone, by email or by a message on our website, even where you have not requested **us** to communicate with you. **We** will only do this in compliance with the FSA Rules and applicable laws.
- 25.3 **We** shall not be liable for any delay in you receiving any communication once dispatched by **us**, except where the delay is caused by our wilful default, fraud or negligence.

- 25.4 All communications from you to **us** (including in respect of your investments) of whatsoever nature should be English and will take effect upon receipt by **us**.
- 25.5 Communications from you to **us** can be made in writing to the Customer Service Manager at Exchange Court, Duncombe Street, Leeds LS1 4AX, by telephone on 0845 607 6001 or through the Contact Us section of the website at www.tdwaterhouse.co.uk or by email to customer_services@tdwh.co.uk.

26 Death of an Investor

- 26.1 In the event of the death of a sole **Account** holder, that **Account** holder's legal personal representatives must provide **us** with formal notice in the form of the original death certificate of the **Account** holder or a copy certified by a Solicitor or another regulated professional person. **We** will then hold the existing investments in the **Account** but will not carry out any transactions. From the date of your death, tax relief will not apply to your ISA.
- 26.2 Once **we** have received the grant of representation for your estate, **we** will then carry out the written instructions from all your legal personal representatives. If **we** have not received any instructions after six (6) months **we** may re-register your holdings into the name(s) of your legal personal representative(s). **We** will send the certificates to the registered correspondence address for the estate. The securities cannot be sold until the re registration process has been completed.
- 26.3 If your estate is too small to warrant a grant of representation, an indemnity form must be completed by the beneficiary(ies).
- 26.4 **We** shall not be responsible for any losses that result from **us** being unable to operate your **Account** following your death. **We** will not provide investment advice to the executor of your will or administrator of your estate.
- 26.5 If you have a joint **Account** and one of you dies, **we** will transfer the investments and the responsibility for any obligations connected with the **Account** into the survivor's sole name. The **Terms** will remain in force between **us** and the survivor. Unless you have notified **us** otherwise, **we** will be entitled to treat that person as the only person with any interest in the **Account**.
- 26.6 Any applicable charges as detailed within our **Rate Card** will still be charged until the **Account** is closed.

27 Joint Accounts and Trustees

- 27.1 Where **Accounts** are in the name of more than one person each of you will be jointly and separately liable to **us** under the Terms. This means that each of you is separately responsible for keeping to its terms. If any of you do not keep to them, **we** can take action against any of you, singularly or together. On the death (if an individual) or dissolution (if applicable) of any one of you, **we** may treat the survivor(s) as the only person(s) entitled to your money and investments.
- 27.2 **We** will normally act on instructions from any of you. If you give **us** conflicting instructions, **we** will not have to act on them. Where instructions can be given to **us** by any of you, you will be bound by the instruction given by another joint **Account** holder.
- 27.3 If **we** become aware of divorce proceedings between joint account holders or there is a disagreement between any of you as to the running of the **Account**, **we** may, but are not obliged to, freeze your **Account** or resort to joint authorisation for each instruction on your **Account**.
- 27.4 If either of you give notice to end the **Terms**, **we** will close your **Account** in accordance with the instructions received. If **we** give notice to end the **Terms**, **we** will transfer your investments into your joint names, unless otherwise instructed.
- 27.5 Where the **Account(s)** is in the name of one or more trustees, you will notify **us** of any changes in trustee of the relevant trust; confirm that each of you has all necessary powers to enter into and perform these **Terms**; and confirm that you are aware of the true identity of the settlors and beneficiaries of the trust and that there are no anonymous settlors or beneficiaries.

28 General

- 28.1 You should assume that all telephone calls, website use and electronic mail between you and **us** will be recorded. These recordings will be our sole property and may be used for training purposes or as evidence in the event of a dispute. **We** will retain telephone call recordings for the time specified by the **FSA**.
- 28.2 In the UK, your investments, excluding cash deposits, are covered by the protected investment business scheme and your cash deposits held by the **Broker** are covered by the protected deposit scheme. Both of these schemes were established under the Financial Services and Markets Act 2000 and are operated by the Financial Services Compensation Scheme ("**FSCS**"). Compensation is available only to eligible investors in respect of protected claims.

- 28.3 Payments under the protected investment business scheme are limited to a maximum of £48,000 made up of 100% of the first £30,000 and 90% of the next £20,000 for claims which are not in relation to a protected deposit or a protected contract of insurance, whereas, payments under the protected deposit scheme are limited to a maximum of 100% of £50,000.
- 28.4 Deposits held at **TDW Bank NV** are protected by the Dutch Guarantee Scheme (the “**Dutch Scheme**”). The maximum amount to which the **Dutch Scheme** provides cover is set at 100,000 Euro per person per institution.
- 28.5 **We** can provide to you, on request, information concerning the conditions relating to the schemes set out in clause 28.2 to 28.4 and the process by which you could obtain compensation. Information is also available at the FSCS official website at **www.fscs.org.uk**.
- 28.6 All transactions are subject to the rules and customs of the relevant exchange, market and/or clearing house and to any other applicable rules, regulations and/or laws so that:
- 28.6.1 if there is any conflict between them and these **Terms**, the former will take precedence;
- 28.6.2 **we** may take or omit to take any action **we** think appropriate to ensure compliance with them; and
- 28.6.3 any such action **we** take will be binding on you.
- 28.7 Our relationship with you is subject to these **Terms**, so that if there is any conflict between these **Terms** and other terms, conditions, information or agreement produced by **us** from time to time in respect of the **Services** these **Terms** will take precedence.
- 28.8 If any provision of these **Terms** is held to be invalid or ineffective, it will not affect the enforceability or validity of any other provisions.
- 28.9 **We** reserve the right, at all times acting reasonably, to refuse a deposit, to refuse to open an **Account** or to close an **Account** without giving reasons for any such decision. **We** reserve the right to require references from you. In any event, in order to protect you and the banking system, **we** may suspend or withdraw the provision of all or part of the **Banking Services** to you, if an **Account** is being operated in breach of these **Terms**; if **we** reasonably believe an **Account** may be used negligently, illegally or fraudulently; if **we** believe the security of our systems used to provide the **Services** has been compromised; or if you are no longer our customer.
- 28.10 **We** reserve the right to recall or reverse any payment or transfer which has been made that is not within the contemplation of these **Terms** or if **we** reasonably believe the payment or transfer has been made fraudulently or illegally.

29 Complaints

29.1 If you have a complaint about **us** you should raise it in the first instance with our Customer Service Team.

29.2 **We** have a written complaints procedure that complies with the requirements of the **FSA Rules** for the handling of customer complaints, a copy of which is available on request. If you have a complaint you should write to the Customer Resolution Team, Exchange Court, Duncombe Street, Leeds LS1 4AX.

29.3 In the event of a dispute remaining unresolved after exhausting these procedures, or if **we** do not provide you with our final response within eight (8) weeks of receiving your complaint, you may refer your complaint to the Financial Ombudsman Service.

30 Tax

30.1 Where **we** mention tax provisions or a particular tax treatment in either of the **Terms** or the ISA Supplemental Terms of Service, you should be aware that the tax treatment depends on your individual circumstances and may be subject to change in the future.

30.2 **We** do not offer tax advice. If you require assistance with your tax affairs with regard to our products, you may wish to take independent tax advice from an appropriate financial adviser or your local tax office.

31 Governing Law

These **Terms** are governed by English law and are subject to the non exclusive jurisdiction of the English courts.

Appendix A – Description of Investments and Risk Warnings

This appendix provides you with a general description of the nature and risks of the investments, which you may trade with **us**. It does not disclose all of the risks and other significant aspects of the investments which **we** offer. If you are not sure about any aspect of the risks and features of these products, you should obtain professional advice.

You should be aware that the performance of all of the investment products set out below is not guaranteed and the prices may go down as well as up.

General warning

You should not view the past performance of investments as a guide to their future performance.

1 Non-Complex Products

1.1 Shares

Nature

- Shares, known as equities, represent a portion of a company's share capital. The extent of your ownership in a company depends on the number of shares you own in relation to the total number of shares in issue.
- Some shares are bought and sold on stock exchanges and their values can go down as well as up in line with market conditions. These shares are termed "quoted".

Risks

- In respect of unlisted shares or shares in small companies, there is an extra risk of losing money when such shares are bought or sold. There can be a big difference between the buying and selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them.
- Shares in companies incorporated in emerging markets may be harder to buy and sell than those shares in companies in more developed markets and such companies may also not be regulated as strictly.

Specialist sector investments

- Investing in shares that are concentrated in a specialist sector is considered to be a higher risk strategy, due to the concentrated exposure to the market sector in question.

- Whilst such investments may offer greater returns over the long term, this can be coupled with the risk of higher volatility.

1.2 Savings

Nature

- Savings products usually involve you placing your money into an account where it earns interest.
- You can get your money out immediately with **TD Waterhouse's** savings product.
- Your money grows from interest being added on a quarterly basis, and it is calculated daily.

Risks

- Savings Accounts are generally considered low risk and the prospect of you losing your money is usually unlikely (unless there is a bank collapse).
- Inflation may have a negative impact on your savings if the rate of interest you receive on your savings is less than the prevailing rate of inflation as your money will buy less each year.

1.3 Fixed interest bonds and gilts

Nature

- Investing in a corporate bond means that you are effectively loaning money to the company which has issued the corporate bond.
- This means that the more financially secure the company issuing the bond is, the more likely it is that it will be able to pay back the loan. The interest payment may be related to the perceived financial security of the company issuing the bond.

Risks

- Sub investment grade or 'junk' bonds are issued by companies which are less financially secure and so there is a greater risk that it will default but you may receive a higher interest payment. The effect of a default will impact upon the return of your investment.
- UK Government bonds (which in the UK are also known as gilts) are regarded as the least risky type of bond investments since they are backed by the UK government.
- Bonds issued by supranational institutions, such as the European Investment Bank or the World Bank, are also generally regarded as being a safe investment.

1.4 Collective investment products

Nature

- Collective investment products include investment trusts, unit trusts, open ended investment companies (OEICs), exchange traded funds (ETFs) and real estate investment trusts

(REITs). These are all investment vehicles that invest their assets in the securities of other issuers, or in cash, in accordance with their own internal rules.

- Whereas investment trusts and REITs are listed companies with their shares traded on the London Stock Exchange, unit trusts and OEICs are not traded on a stock exchange, but are traded through the manager of the product.
- Investment trusts and REITs may trade at a discount or premium to the cumulative value of their underlying investments, depending on the demand for their shares. Unit trusts and OEICs are usually priced daily using a set formula based on their net assets minus charges.

Some collective investment products may specialise in certain countries or sectors and you should read the terms of any key features document carefully before deciding on an investment.

Risks

- As with individual equities, the value of your investment can go down as well as up and you might not get back the original amount you invested.
- Any income you receive from your investment in a collective investment scheme may vary with the dividends or interest paid by the underlying investments and so could fall as well as rise.
- Collective investment products that focus on a country, sector or market index may display greater volatility than the wider market and so should be considered as higher risk than more widely invested collective investment products.

2 Complex Products

- Warrants and derivative products such as futures, options and contracts for difference are complicated instruments and you should make sure that you understand their nature and the level of risk they involve before you deal in these products. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position. Although warrants and/or derivative instruments can be used for the management of investment risk, some of these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points:

2.1 Warrants

Nature

- A warrant is a time limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities.

- Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a 'covered warrant').

Risks

- It is important to note that a relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. As a result, the prices of warrants can be volatile.
- The right to subscribe conferred by a warrant is generally limited by time, which means that if the investor fails to exercise this right within the predetermined time-scale then the investment becomes worthless. It is therefore important to understand that if you are considering purchasing a warrant you should be prepared to lose all of the money you have invested plus any commission or other transaction charges.

2.2 Off-exchange warrant transactions

Nature

- Off-exchange warrants are investments in which the relevant deal is not regulated by the rules of any stock exchange.

Risks

- It may be impossible to: liquidate an existing position, assess the value of the position arising from an off-exchange transaction or assess the exposure to risk.
- Bid and offer prices need not be quoted and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price and in some cases it may be difficult to sell at any price.
- **We** will tell you if you are entering into an off-exchange transaction.

2.3 Securitised derivatives

Nature

- Certain types of securitised derivatives, including covered warrants, may give you a time limited right to buy or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment.
- Other types of securitised derivatives may give you rights under a contract for difference which allow for speculation on the changes in the value of a particular kind of property (of any description) or changes in the value of an index, such as the FTSE 100 index.

- In both cases, the investment or property may be referred to as the “**Underlying Instrument**”.

Risks

- Securitised derivatives often involve a high degree of gearing or leverage, so that a relatively small movement in the price of the **underlying investment** results in a much larger movement, unfavourable or favourable, in the price of the securitised derivative which means that the price of these instruments can be volatile.
- Securitised derivatives have a limited life, and may (unless there is some form of guaranteed return to the amount you are investing in the product) expire worthless if the **underlying instrument** does not perform as expected.
- As a result of this risk, you should only buy these products if you are prepared to lose all of the money you have invested plus any commission or other transaction charges.
- You should consider carefully whether or not this product is suitable for you in light of your circumstances and financial position and if you are in any doubt you should seek professional advice.

2.4 Contracts for difference (CFDs)

Nature

- Futures and options contracts can also be referred to as contracts for difference. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash.
- To trade contracts for difference through **TD Waterhouse**, you need to open an **Account** with **TD Waterhouse CFDs**.

Risks

- Investing in a contract for difference carries a high degree of risk because the gearing or leverage often obtainable means that a small deposit or down payment can lead to large losses as well as gains.
- This also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment and this can work against you as well as for you.

2.5 Financial spread bets

Nature

- A financial spread bet is an agreement to exchange the difference between the open and closing value of the bet.
- When you place a financial spread bet, you are speculating on the direction of the future price movements in an **underlying instrument** or index.

- You specify an amount you want to bet on each point movement of the **underlying instrument** or index.
- To make a financial spread bet through **TD Waterhouse**, you need to open an **Account** with **TD Waterhouse Financial Spread Betting**.

Risks

- As the price movement of the **underlying instrument** or index determines the financial outcome, profits and losses can quickly exceed the initial deposit and you may have to provide further funds at short notice.
- Financial spread betting carries a high risk as it is possible to quickly lose more money than your initial deposit.

3 General Risks of Trading

3.1 Foreign markets

- Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater.
- The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

3.2 Commissions

- Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable by checking our **Rate Card**.
- If you do not understand any charges (because, for example, they are not expressed in money terms but as a percentage of contract value), you should ask **us** for a written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.

3.3 Market conditions

- Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.
- Placing a **stop loss order** or **Limit Order** will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

3.4 Clearing house protections

- On many exchanges, the performance of a transaction by **us** (or third party with whom **we** are dealing on your behalf) is ‘guaranteed’ by the exchange or clearing house.

- However, this guarantee is unlikely in most circumstances to cover you, the customer, and may not protect you if **we** or another party were to default on obligations owed to you.

3.5 Insolvency

- Our insolvency or default, or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent.
- In certain circumstances, you may not get back the actual assets that you lodged as collateral and you may have to accept any available payments in cash.
- On request, **we** will provide you with an explanation of the extent to which **we** will accept liability for any insolvency of, or default by, other firms involved with your transactions.

Appendix B – ISA Supplemental Terms of Service

1 Definitions

- 1.1 In these ISA Supplemental Terms of Service the following words shall have the following meaning:
- 1.1.1 **"Agreement"** our Customer Terms of Service together with these ISA Supplemental Terms of Service, your completed application form and where appropriate, the transfer form to transfer administration of an existing ISA to **us**;
- 1.1.2 **"Investments"** any stocks, shares, cash, benefits or other rights held within a Plan;
- 1.1.3 **"ISA"** an Individual Savings Account conforming to The Regulations;
- 1.1.4 **"Plan Manager"** a person, firm or company approved by the HM Revenue and Customs to manage ISAs;
- 1.1.5 **"Plan"** a TD Waterhouse Trading ISA;
- 1.1.6 **"The Regulations"**; the Individual Savings Account Regulations 1998 made by HM Treasury under Chapter 3 Part 6 of the Income Tax (Trading and Other Income) Act 2005 and Section 151 of the Taxation of Chargeable Gains Act 1992 (as may from time to time be amended or replaced);
- 1.1.7 **"TD Waterhouse Trading ISA"** an execution only ISA administered by **us**;
- 1.1.8 **"TD Waterhouse Statement"** a statement of all transactions, cash movements and a valuation of the assets, including any cash balance, held in a Plan issued to you by **us** pursuant to clause 10 of our Customer Terms of Service.
- 1.2 Any terms defined in our Customer Terms of Service shall have the same meaning in these ISA Supplemental Terms of Service. In the event of any conflict between our Customer Terms of Service and these ISA Supplemental Terms of Service, arising in relation to a **Plan**, then the ISA Supplemental Terms of Service shall have priority.

2 Our ISA Service

- 2.1 You appoint **us** to act as **Plan Manager** in respect of the **Plan** selected by you in the application form or detailed in a transfer form.
- 2.2 These ISA Supplemental Terms of Service together with our Customer Terms of Service will apply to the administration of your Plan by **us** and all execution only **Stockbroking Services we** provide to you in respect of your Investments.

2.3 You agree that you have read our Customer Terms of Service.

2.4 **We** will manage your **Plan** in accordance with **The Regulations**.

3 Applications

3.1 Your **Plan** will begin when **we** accept your first subscription.

3.2 Subscriptions must come from your own resources.

3.3 **We** will only accept a transfer in of an existing ISA from another **Plan Manager** if it conforms to **The Regulations**. **We** shall not be obliged to accept the transfer of a Plan to **us**.

3.4 If **we** accept the transfer of an ISA to **us**, **we** will contact your existing **Plan Manager** to arrange the transfer of the ISA. **We** will contact you to confirm that **we** are prepared to accept the transfer, and once **we** have received notification of the Investments, the ISA will become a **Plan**. If you already have a **Plan**, then the ISA that you are transferring to **us** will be incorporated into this existing **Plan**. You are not permitted to trade the Investments until **we** receive them.

3.5 The transfer process will generally take no more than thirty (30) days, but in certain circumstances it may take longer.

3.6 You must supply all the details that we require to comply with **The Regulations**. To open a **Plan**, you must supply **us** with your National Insurance Number. Your **Plan** will not be opened until **we** receive your National Insurance Number. If you have not been provided with a National Insurance Number, you must notify **us**.

4 Subscriptions

Subscriptions to your **Plan** should not exceed the limits set by HM Revenue and Customs in any tax year. These limits are set out in the application form and supplementary documents that will be supplied to you when applying for the **Plan**.

5 Investments

5.1 Investments must be made in accordance with **The Regulations**. **We** reserve the right to exclude any Investments at our discretion. **We** will only accept Investments fully listed on a recognised stock exchange on which **we** conduct business and which in our reasonable opinion meet the qualifying criteria set out in **The Regulations** (a "**Qualifying Investment**"). If you purchase an Investment which is not a **Qualifying Investment**, you do so at your own risk.

5.2 To be treated as a **Qualifying Investment**, an **Investment** must be officially listed on a recognised stock exchange and fall under one of the eight (8) heads quoted under **The Regulations**. These heads are qualifying shares, qualifying securities, unit trusts, gilts, open ended investment companies (OEICs), investment trusts, UCITS (undertaking for collective investment in transferable securities) and recognised share save schemes.

5.3 Shares listed on the Alternative Investment Market (AIM), the PLUS market, unquoted companies, nil paid rights (purchased in the market), warrants to subscribe for ordinary shares and futures and/or options are not generally **Qualifying Investments** which can be included in a **Plan**. Further details on the qualifying criteria for each Investment will be supplied upon request.

5.4 Please note that cash is not a **Qualifying Investment**, and may only be held for the purpose of investing in **Qualifying Investments**. A **Plan** must not be used for the express purpose of sheltering interest from tax.

5.5 If an **Investment** in your **Plan** ceases to be a **Qualifying Investment** **we** will write to let you know, giving you the option to either:

(a) sell the **Investment** and retain the proceeds within your **Plan**, which will be done at no charge to you; or

(b) withdraw the **Investment** from the **Plan**. The withdrawal charge set out from time to time in our **Rate Card** will apply to this withdrawal.

If **we** do not receive instructions from you by the date specified in the letter, **we** will sell the holding on your behalf.

5.6 You can apply for public offers of shares in qualifying companies, including investment trusts, using cash held within a **Plan**. If you are using sale proceeds, the funds from the transaction must be available before the deadline to take up the offer.

5.7 Payment of any calls or instalments due must be made from cash held or generated within a **Plan**.

5.8 **The Regulations** do not allow a **Plan** to hold warrants or certain other rights, which may apply to an Investment. If warrants or other rights apply, **we** will tell you so that you can either sell them so that the proceeds, less any associated charges as set out in the **Rate Card** from time to time, (see clause 8.1.1 below) will be credited to your **Plan**, or re-register them into your beneficial name.

5.9 If you wish to use funds in a **Plan** to take up a **Corporate Event**, you must ensure that all transactions have been fully settled and notify **us** of your instructions before the deadline date.

5.10 Share certificates or other documents evidencing title to **Investments** will be held in the name of our **Nominee** or as **we** may direct.

6 Tax Relief

We will make the necessary claims for tax relief in respect of **Investments** where UK tax has been deducted in accordance with **The Regulations** but not in respect of any **Investments** listed on an overseas investment exchange. You authorise **us** to provide HM Revenue and Customs with relevant information about your **Plan**.

7 Shareholders' rights attaching to Investments

We will arrange, if you request, for you to receive a copy of the annual report and accounts and any other information issued to shareholders, securities holders or unit holders by every company or other concern in respect of shares, securities or units which are held directly in your ISA. Further, **we** will arrange, if you request, for you to attend shareholders', securities holders' or unit holders' meetings to vote.

8 Fees and Other Charges

8.1 **We** are entitled to charge the following fees and charges plus VAT where applicable:

8.1.1 An annual administration charge at the rates applicable from time to time in our **Rate Card** (notified separately). This charge will be levied in full in arrears on or around the first **Business Day** in June, calculated on the **Plan** value on the last **Business Day** in May and NOT on a pro rata basis, and will be notified to you on your **TD Waterhouse Statement**. **The Regulations** permit these charges to be met from outside a **Plan**. If you opt for this service, you will be invoiced for the charge, which must be paid in full within one (1) calendar month of the date of invoice. You may pay these charges by sterling cheque, drawn on a UK bank account and made payable to "TD Waterhouse", by debit card or from another **TD Waterhouse Account**.

8.1.2 If there is insufficient cash in a **Plan** to meet administration fees in full, **we** will require you either to pay the full amount or the difference. If the administration fee is outstanding after thirty (30) calendar days from when we notified you, **we** reserve the right to debit the fee from any other **Plan** or any other **Account** that you hold with us, or to sell **Investments** from the **Plan** that the fee relates to. Any sale will incur the normal commission charge.

8.1.3 Commission on all transactions effected on your behalf under this **Agreement**, together with stamp duty, stamp duty reserve tax, PTM levy and associated charges (if appropriate), will be charged at the rates currently applicable. These charges must be met from within your **Plan**. **We** reserve the right to pass on to you any further charges and fees reasonably incurred by us on your behalf under the **Agreement**.

8.1.4 **We** may convert into cash any **Investments** and may apply any cash balance, after deduction of charges and commission under clauses 8.1.1 and 8.1.3 respectively, to recover fees, charges, taxes and other amounts due to or by us under the **Agreement**. **We** will, at our discretion, retain within a **Plan** sufficient funds to cover any future administration charges but not so as to cause a **Plan** to cease to comply with **The Regulations**.

9 Income

9.1 Dividends, tax reclaims and other income on **Investments** that **we** collect on your behalf will be credited to your **Account** as soon as practicable.

9.2 **We** will not be liable for any loss of interest due to any delay outside of our control in crediting any income received to your cash balance under clause 9.1.

9.3 Interest will be calculated at the rate set out from time to time on our **Rate Card** on the cleared cash balance, and credited to your **Plan** on the 25th day of May and November in any year. Interest will be credited to your ISA gross and then **we** will deduct the HM Revenue and Customs flat rate charge of 20%.

9.4 **We** do not offer an automatic income payment method on a regular basis but any cash withdrawal is free of charges if you telephone or write to **us**.

9.5 **We** do not offer an automatic income reinvestment policy. All dividends, tax reclaims and interest will accumulate and be retained within the **Plan** and detailed on your **TD Waterhouse Statement**. The timing of the reinvestment is at your discretion. Normal commission rates, as set out in our **Rate Card** will apply.

9.6 HM Revenue and Customs will not allow cash to remain un-invested in a **Plan** indefinitely. **We** will write to you on a periodic basis, if your **Plan** has acquired substantial cash balances, reminding you of **The Regulations** and the options available to you.

10 Information

- 10.1 You will supply **us** with all information that **we** reasonably request for the purposes of managing and administering a **Plan** and complying with our obligations under the **Agreement** and **The Regulations**.
- 10.2 You will immediately inform **us** in writing if you cease to be resident and ordinarily resident in the United Kingdom for tax purposes or if, not so resident, you cease to perform duties as a Crown Employee or are no longer married to or in a civil partnership with a person who performs such duties.
- 10.3 You will provide HM Revenue and Customs with any information they may require in connection with a **Plan**.

11 Termination, Withdrawals and Transfers

- 11.1 **We** may terminate a **Plan** with immediate effect by providing you with written notice of termination if, in our reasonable opinion, it is impossible to administer a **Plan** in compliance with **The Regulations**.
- 11.2 The **Plan** will terminate automatically with immediate effect if it becomes void under **The Regulations**. **We** will notify you if the **Plan** becomes void and tell you what action **we** have taken.
- 11.3 **We** may also terminate a **Plan** at any time by giving one (1) month's written notice to you, unless a **Plan** has become void.
- 11.4 You may at any time give **us** written instructions:
- (a) to sell any of the **Investments** and pay you all, or some, of the net sale proceeds, after deduction of commission under clause 8.1.3 and closure charges as set out in our **Rate Card**, together with the whole or part of any cash balance held in a **Plan**; or
 - (b) to terminate a **Plan**, (or any part thereof) or to transfer to another approved **Plan Manager** who agrees to accept the transfer (after deduction of commission under clause 8.1.3 and closure charges as set out in our **Rate Card**) within the time limits stipulated by you in your written instructions subject to a reasonable business period (not exceeding thirty (30) days) for **us** to carry out your instructions.
- 11.5 **We** will treat telephone instructions to withdraw cash from a **Plan** in the same way that **we** treat written instructions.
- 11.6 If you reduce the level of cash and/or **Investments** in a **Plan** to such an extent that **we**, in our reasonable discretion, believe you are maintaining the **Plan** solely to avoid our closure charges then **we** may terminate the **Plan** with immediate effect and charge you our normal closure fees as set out on our **Rate Card**.

- 11.7 When a **Plan** terminates or is transferred to another **Plan Manager** under clauses 11.1 to 11.4 **we** will either re-register the **Investments** into your own name, the new **Plan Manager's** name or, as soon as reasonably practicable at our reasonable discretion, sell the **Investments** and pay the net proceeds of the sale, after deducting our fees and charges under clause 8.1, and any cash balance to you or, if so directed, to another approved **Plan Manager** who agrees to accept the transfer.
- 11.8 The termination of a **Plan**, or its transfer to a new **Plan Manager**, will not affect the completion of transactions that have already been initiated.
- 11.9 **We** will monitor a closed **Plan** for any income that is received after closure and pay this to you or your new **Plan Manager** (as appropriate).
- 11.10 **We** will withdraw **Investments** from a **Plan** on your written request and register the **Investment** into your name, subject to the payment of the withdrawal fee as set out in our **Rate Card**.
- 11.11 **We** will arrange, if you ask us in writing, for all or part of your **Investments** or the proceeds arising from those **Investments** to be transferred or paid to you within a period not exceeding thirty (30) days, from the time stipulated by you.
- 11.12 **We** will arrange, if you ask us in writing, for all or part of your **Investments** or the proceeds arising from those **Investments** to be transferred or paid to another ISA manager within a period not exceeding thirty (30) days from the time stipulated by you.

12 Death of Investor

- 12.1 A **Plan** will terminate automatically on your death. The exemptions from tax cease from the date of death.
- 12.2 Administration fees will continue to be due until such time that all administration on the **Plan** is complete.
- 12.3 Notwithstanding clause 12.1 above and subject to clause 12.4 below, our authority and that of our **Nominee** will not be affected by your death and accordingly the **Agreement** shall be binding on your personal representatives.
- 12.4 On production of such documentary evidence as **we** may specify, **we** will deal with the **Plan** as instructed by your executors/personal representatives. In the case of a request to liquidate the **Plan**, **we** will sell the **Investments** from the **Plan** and pay the net sale proceeds and any cash balance, after deducting our charges and any tax required to be deducted by law, to, or to the order of, your executors/personal representatives. In the case of a request to withdraw the **Investments** **we** will re-register these into the name of the beneficiary that your executors/personal representatives specify.

13 General

- 13.1 If you are in any doubt as to the suitability of a **Plan** for your personal circumstances, you should seek advice from an independent financial advisor.
- 13.2 The levels and bases of any reliefs from taxation may change. Tax reliefs referred to are those currently available and their value depends on the circumstances of the individual investor.
- 13.3 **We** will notify you if **we** become aware that, by reason of any failure to satisfy the provisions of **The Regulations**, your **Plan** has or will become void.
- 13.4 The **Agreement** will come into force when **we** have accepted your duly completed application or transfer form. If you are an existing customer then these ISA Supplemental Terms of Service shall take effect ten (10) days after despatch by **us** to you.
- 13.5 **We** will administer your **Plan** on a self-select, execution only basis. Your attention is specifically drawn to clause 3 of these Customer Terms of Service. Investment selection is your responsibility but **Investments** must be **Qualifying Investments** for the purposes of **The Regulations**. You will at all times be the beneficial owner of any **Investments** and cash in your ISA. You must not use the **Investments** and cash in your ISA as security for a loan except to the extent permitted by **The Regulations**.
- 13.6 **We** will satisfy ourselves that any person to whom **we** delegate any of our functions or responsibilities under the terms agreed with you, the investor, is competent to carry out those functions and responsibilities.

Appendix C – Regular Investment Account Supplemental Terms of Service

1. Introduction

These Regular Investment Account Supplemental Terms of Service apply to the use of the Regular Investment Account and are in addition to the Customer Terms of Service. The definitions contained in the Customer Terms of Service and the definitions in clause 2 below apply to these Regular Investment Account Supplemental Terms of Service. If there is any conflict between these terms and the Customer Terms of Service, these Regular Investment Account Supplemental Terms of Service shall apply.

2. Definitions

- 2.1 In these **Terms**, reference to:
- 2.1.1 "**Available Cash**" means the cleared funds held in your Regular Investment Account that may include your **Subscription Surplus**, dividends, interest and any other funds credited to your **Regular Investment Account**;
- 2.1.2 "**Charges**" means the charges, fees and expenses as described in the **Rate Card** which are payable by you in respect of your **Regular Investment Account** and the carrying out of your **Investment Instructions** by **us**. **Charges** will be deducted from your **Investment Subscription** when a **Purchase** is made;
- 2.1.3 "**Company Trade Date**" means the days on which **we** in our reasonable discretion will purchase **Investments** for customers that have **Regular Investment Accounts** and will normally be the two (2) **Business Days** in each calendar month as indicated on our website www.tdwaterhouse.co.uk;
- 2.1.4 "**Investments**" means the shares, collective investments or other products traded in the UK that **we** will designate from time to time as being available to you to **Purchase** as part of the **Regular Investment Service** as indicated on our website www.tdwaterhouse.co.uk;
- 2.1.5 "**Investment Instruction**" means your instruction to **us** to make a **Purchase** on each **Purchase Date** to a value of not more than your **Investment Subscription**;
- 2.1.6 "**Investment Subscription**" means that portion of your **Total Monthly Subscription** that you allocate for each **Investment Instruction**;

- 2.1.7 **"Payment Date"** means the date on which your **Total Monthly Subscription** is credited to your **Regular Investment Account**;
- 2.1.8 **"Purchase"** means the purchase of an **Investment**;
- 2.1.9 **"Purchase Date"** means the **Company Trade Date** on which we will carry out your **Investment Instruction**;
- 2.1.10 **"Purchase Consideration"** means your **Investment Subscription** less the **Charges**;
- 2.1.11 **"Regular Investment Account"** means the **Account** into which you pay your **Total Monthly Subscription**;
- 2.1.12 **"Regular Investment Service"** means the service we provide to you of maintaining the **Regular Investment Account** and purchasing **Investments** pursuant to your **Investment Instructions** and is one of the **Services** which is covered by clause 1.2 of the **Customer Terms of Service**;
- 2.1.13 **"Subscription Surplus"** means the amount of your **Total Monthly Subscription** which is not used for **Purchases** on a **Purchase Date**;
- 2.1.14 **"Total Investment Instruction"** means all of the **Investment Instructions** that you give to us to be funded by your **Total Monthly Subscription**; and
- 2.1.15 **"Total Monthly Subscription"** means the total amount you pay into your **Regular Investment Account** each month for the purpose of purchasing **Investments**.

3. Account opening

- 3.1 We will use our reasonable endeavours to open your **Regular Investment Account** in a timely manner, but we do not guarantee that we will do so in a particular timescale or before any particular **Purchase Date**.
- 3.2 We reserve the right to close your **Regular Investment Account** if you do not accept these **Regular Investment Account Supplemental Terms of Service** within twenty-eight (28) days of opening your **Regular Investment Account**.
- 3.3 You will be deemed to have accepted these **Regular Investment Account Terms of Service** when you pay your first **Total Monthly Subscription** into your **Regular Investment Account**.
- 3.4 We reserve the right, acting reasonably, to reject your application to open a **Regular Investment Account** without specifying a reason to you.
- 3.5 Your **Regular Investment Account** may be in your sole name or may have one other person as a joint **Account** holder.

4. Purchase of Investments

- 4.1 This **Regular Investment Service** is designed to enable you to purchase, once per month, units of **Investments** to a total value of no more than your **Investment Subscription** in respect of each **Investment Instruction** you make.
- 4.2 Each **Investment Subscription** must not be less than £25 (or such other minimum amount as we may notify you from time to time). The minimum **Investment Subscription** may be higher for particular **Investments** such as unit trusts. We will notify you of any changes to the minimum **Investment Subscription** for particular **Investments** by placing details of the changes on our website www.tdwaterhouse.co.uk
- 4.3 As we can only purchase whole units of equities for you, if the single unit price of any equity that you select is a substantial percentage of your **Investment Subscription**, this may mean that the amount we are able to use for a **Purchase** may be less than your **Investment Subscription**. This may result in a proportion of your **Investment Subscription** remaining unused after a **Purchase** as **Available Cash** in your **Regular Investment Account**.
- 4.4 You must specify the **Investments** to be purchased with each **Investment Subscription**. You may specify up to ten (10) different **Investments** to be purchased with your **Total Monthly Subscription**, but each **Investment Subscription** shall be for the purchase of no more than one **Investment**.
- 4.5 You should ensure that the amount of **Available Cash** that may be used for **Purchases** each month is not less than your **Total Monthly Subscription**.
- 4.6 We will carry out your **Investment Instruction** on each **Purchase Date** by carrying out a **Purchase** for an amount not more than the **Purchase Consideration**, provided that there is sufficient **Available Cash** in your **Regular Investment Account**.
- 4.7 Your **Subscription Surplus** will remain as cash in your **Regular Investment Account** and will form part of your **Available Cash**. Unless you give us specific instructions to do so, we will not use your **Subscription Surplus** to purchase **Investments**. You may instruct us to purchase particular **Investments** on a specific **Purchase Date** in addition to your **Total Investment Instructions** using your **Subscription Surplus**.
- 4.8 You are responsible for ensuring that sufficient **Available Cash** of a value no less than your **Total Monthly Subscription** is in your **Regular Investment Account** on each **Purchase Date**. We accept no responsibility or liability where an

Investment Instruction cannot be carried out due to lack of **Available Cash**.

- 4.9 **We** will carry out your **Investment Instructions** on a **Purchase Date** in the order that they are listed on your **Regular Investment Account** up to the value of the **Available Cash** in your **Regular Investment Account**. **We** will not be able to carry out your **Total Investment Instruction** if the **Available Cash** in your **Regular Investment Account** is less than your **Total Monthly Subscription** on a **Purchase Date**. **We** accept no liability or responsibility for any loss that is alleged to be caused by an **Investment Instruction** not being carried out in these circumstances.
- 4.10 You may make payments to your **Regular Investment Account** by direct debit, debit card or by cheque or any other means that **we** may from time to time allow.
- 4.11 You must select the **Payment Date** from the options available when opening your **Regular Investment Account**. If the **Payment Date** that you select falls on a day that is not a **Business Day** it will be deemed to be the next **Business Day** following the date that you selected.
- 4.12 On the **Purchase Date** your orders for **Purchases** will be aggregated with orders from such other of our customers as **we** shall in our reasonable discretion determine. If the total aggregated order for a particular **Investment** cannot be executed in full on a **Company Trade Date** **we** will use our reasonable endeavours to execute the order on the next **Business Day**. **We** will not execute such aggregated orders in part. Occasionally, the aggregation of orders may result in you obtaining a less favourable price.
- 4.13 **We** will only make a **Purchase of Investments** priced in pounds sterling.
- 4.14 **We** will inform you of your **Purchase Date** when you open the **Regular Investment Account**. **We** will decide the **Purchase Date** in our reasonable discretion but it will normally be the first **Company Trade Date** falling at least two (2) **Business Days** after your **Payment Date**. **We** do not guarantee to make a **Purchase** on any particular date or time.
- 4.15 If you wish to vary or cancel an **Investment Instruction** you must notify **us** at least two (2) days prior to a **Purchase Date**. Where **we** do not receive this notification from you at least two (2) days prior to a **Purchase Date** **we** will use our reasonable endeavours to vary or cancel your **Investment Instruction** as notified to **us**. However, **we** accept no liability in respect of or in connection with a **Purchase** made after receipt of your notification of variation or cancellation but before we have put it into effect.

4.16 **We** reserve the right to withdraw or add to the available **Investments** at any time. **We** will use our reasonable endeavours to ensure that the available **Investments** are set out on our website www.tdwaterhouse.co.uk. **We** are not required to publish the list of available **Investments** other than on our website.

4.17 **We** reserve the right, acting reasonably, to decline to carry out an **Investment Instruction** without having to specify a reason to you.

4.18 **We** do not accept **Limit Orders** or **Stop Orders** for **Purchases** in respect of the **Regular Investment Service**.

5. Sale of Investments

The **Regular Investment Service** is a service in relation to the purchase of **Investments**. You are responsible for deciding if and when you should sell any **Investments** held in your **Regular Investment Account**. You may place an order with **us** for the sale of any **Investments** held in your **Regular Investment Account** and the Customer Terms of Service and the **Charges** set out in the **Rate Card** will then apply to that order.

6. Charges

6.1 **Charges** will be payable in respect of each **Purchase** as specified in the **Rate Card**. These will be deducted from your **Investment Subscription** and the balance will be used to make a **Purchase** pursuant to your **Investment Instruction**.

6.2 Except for transactions greater than £10,000, **we** will not make any charge in respect of the PTM levy for **Purchases** made pursuant to an **Investment Subscription**. **We** will make a charge for the PTM levy in respect of any other **Purchase of Investments** for your **Regular Investment Account** or any sale of any **Investments**, such sales being made under the terms of the Customer Terms of Service and at the cost as set out in the **Rate Card**.

6.3 You will not be charged the **Account Management Fee** described in the **Rate Card** for your **Regular Investment Account**.

7. Execution only service

The **Regular Investment Service** is an execution only service and **we** will not provide investment advice to you. The availability of a particular **Investment** is not a recommendation from **us** to purchase any such **Investment**. You are responsible for the selection of the **Investments** that you purchase. **We** are not required to assess the suitability of any **Investment** for you.

8. Administration of your Regular Investment Account

- 8.1 You agree that your **Regular Investment Account** will be administered by **us** on a paperless basis. You promise that you have and you agree to maintain facilities to send and receive emails. We reserve the right to send contract notes, statements, transfers, corporate action documentation and other communications to you by email only to the current email address detailed on your **Regular Investment Account** records. We may choose not to send such documents to you by post.
- 8.2 A **Regular Investment Account** may not be opened or used in respect of a Self Invested Pension Plan.
- 8.3 Investments in your **Regular Investment Account** will be held in a pooled **Nominee Account** but you will, at all times, be the beneficial owner of your **Investments**.
- 8.4 **We** may vary the minimum **Investment Subscription** by giving notice to you as set out in clause 19.2 of the Customer Terms of Service.
- 8.5 **We** may introduce a maximum **Total Monthly Subscription** by giving notice to you as set out in clause 19.2 of the Customer Terms of Service.
- 8.6 Pounds sterling is the only currency that **we** authorise for the **Regular Investment Account**. Trading in investments outside the UK and foreign exchange transactions are not available on the **Regular Investment Account**.

9. ISA

- 9.1 If your **Regular Investment Account** is an ISA:
- 9.1.1 you will be deemed to open a new ISA in respect of your **Regular Investment Account** when the first **Total Monthly Subscription** is paid into your **Regular Investment Account** on or after April 6th each year;
- 9.1.2 **we** will use reasonable endeavours to ensure that the total amount paid into your **Regular Investment Account** in any tax year does not exceed the annual ISA allowance but you will be responsible for ensuring that you do not make any **Investment Subscription** or any other payment into your **Regular Investment Account** that would exceed your annual ISA allowance; and
- 9.1.3 you agree that you have not subscribed and you will not subscribe to another ISA in the same year you subscribe to the ISA connected to your **Regular Investment Account**.

10. Variation

- 10.1 Subject to Clause 4.15 of these Regular Investment Account Supplemental Terms of Service, you may notify **us** of a change to your **Investment Instructions** and **we** will use our reasonable endeavours to carry this out. This will not affect **Investments** that you have already purchased which will remain on your **Regular Investment Account** until you instruct **us** to sell such **Investments** or until your **Regular Investment Account** is closed pursuant to clause 11 of these Regular Investment Account Supplemental Terms of Service.
- 10.2 **We** may vary these Regular Investment Account Supplemental Terms of Service for the reasons and in the manner set out in Clause 19 of the Customer Terms of Service.

11. Cancellation/Termination

- 11.1 **We** may cease to provide the **Regular Investment Service** to you by giving notice to you that will take effect immediately or after such period as may be specified in the notice.
- 11.2 **We** or you may close your **Regular Investment Account** by giving notice to the other that will take effect immediately or after such period as may be specified in the notice.



Mixed Sources

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recycled wood or fibre
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