

## PREMIER SIPP PORTFOLIO MANAGEMENT SERVICE AVAILABLE THROUGH CITY TRUSTEES

### DISCRETIONARY MANAGEMENT AGREEMENT

**We offer the following as a simple guide to the main features of the Agreement.**

The main purpose of the Terms and Conditions and Application Form, which together form the agreement, is to set out clearly the services we will provide and our responsibilities to you.

Whilst you should carefully consider all the documents, the Application Form sets out the investment strategy that we will follow in managing your investments. It is also designed so that your Investment Manager can readily refer to the investment strategy that has been agreed between us.

We remind you that investments may only be made into the permitted SIPP investment categories as defined by City Trustees Limited and as amended from time to time in accordance with HM Revenue & Customs regulations.

You should seek independent legal advice if any aspect of the Agreement is not clear to you.

You are entitled to terminate the agreement at any time. However, we ask you to confirm your power of authority over the funds which you entrust to our management and that you will not deal with those funds independently. We ask you to ensure that we are not involved in making unlawful multiple applications on your behalf for new issues, placing or allotments of shares and to indemnify us against any claims made against us in connection with the proper exercise of our powers and discretion under the Agreement. We have set out in the Agreement how we are going to communicate with each other. We make it clear that as part of our service we reserve the right to call and advise you. You will note that your securities and cash are held by an authorised Custodian and not by Premier.

We have set out full details of the statements and valuations of your Portfolio which you will receive and the agreed strategy set out in the Application Form includes relevant benchmarks against which performance can be measured.

We state that we shall not generally commit you to supplement the assets under our management without your consent, though we may acquire partly paid securities for you and we may allow your account to become temporarily overdrawn to facilitate timing differences on settlement and the payment of fees or charges. We also reserve the right to aggregate transactions for a number of clients.

The Agreement contains warnings for your protection about the risks inherent in investment and it also discloses potential conflicts of interest and ways in which we or our associated companies and others may profit from our relationship with you.

The basis of our fees and charges will be set out in the Application Form. We also disclose certain limitations on our service and liability. We will not be liable for failure to perform through force majeure. We emphasise that you should obtain tax advice from your professional tax adviser. We will, however, in all matters accept responsibility for our own fraud, wilful default or negligence or that of our employees and for breaches of our obligations under FSA rules, but not otherwise.

We draw your attention to both our and the FSA's complaints procedures and the compensation arrangements as available from time to time and we also set out our provisions for an orderly winding up of arrangements if ever the Agreement is terminated. We also set out our respective obligations of confidentiality and the circumstances in which the Agreement may be assigned. Finally, the Agreement deals with certain formal matters. The consequences of opening a joint account are explained and the governing law is specified.

# DISCRETIONARY MANAGEMENT AGREEMENT

## 1 INTRODUCTION

1.1 The following definitions apply:

<b>You, Your</b>	The administrator of the SIPP, City Trustees Limited [and/or the person named in Section 1 of the Application] to whom we provide investment services and, in relation to the Online Valuation Service, the authorised user provided with a User ID by us in order to obtain access to the Online Valuation Service.
<b>We, our, us</b>	the Manager of the Portfolio, Premier Fund Managers Limited.
<b>Agreement</b>	these terms and conditions together with the relevant application form.
<b>Connected Investment Trust</b>	an investment trust managed by us or our Associate.
<b>Custodian</b>	the person charged with providing custody services for the Portfolio.
<b>In-House Funds</b>	Collective Investment Schemes managed by us or our Associate.
<b>Portfolio</b>	the portfolio of assets (including uninvested cash) entrusted from time to time by you to our management.
<b>Service</b>	Our online valuation service website at <a href="http://www.premierfunds.co.uk">www.premierfunds.co.uk</a> .
<b>SIPP</b>	the Self Invested Personal Pension Plan administered by City Trustees Limited.
<b>SIPP Administrator</b>	City Trustees Limited

1.2 We are authorised and regulated by the Financial Services Authority (FSA), under registration number 143097. Our main business activity is acting as investment manager and adviser. Nothing in the Agreement shall exclude any liability of ours to you arising under the Financial Services and Markets Act 2000, any regulations made under it, the Pensions Act 1995, or the Financial Services Authority (FSA) Rules.

1.3 This Agreement shall be governed by English Law and, subject to the arbitration provisions in paragraph 8.13, shall be subject to the jurisdiction of the English Courts.

1.4 The Agreement is provided to you in English and all communication with you will be in English.

1.5 Each of the obligations and rights under any of the paragraphs or sub-paragraphs or other provisions of the Agreement should be regarded as distinct and severable obligations and/or rights.

## 2 SERVICES TO BE PROVIDED

2.1 The effective date of our appointment shall be the date when we receive a signed Application and the documents of title and/or cash constituting the assets of the Portfolio, provided that you give no contrary instruction.

2.2 We shall not be obliged to undertake the management of investments which we believe would be illegal, unreasonable or unduly onerous to us.

2.3 We will manage the Portfolio for you on a discretionary basis (ie without prior reference to you) and buy, sell, retain, exchange or otherwise deal in investments (including cash) with a view to fulfilling the investment objectives and strategy set out in the Application but always subject to our obligations under the FSA Rules.

2.4 In compliance with FSA Rules, we hereby notify you that you will be treated as a private customer.

2.5 We may not lend to or deposit by way of collateral with a third party the documents of title by or on behalf of Premier and money cannot be borrowed on your behalf against the security of documents of title.

2.6 We may retain a lien or security interest over any assets of the Portfolio to the extent that any costs, losses or claims detailed in the Agreement, for which you are obliged to indemnify us, remain unpaid.

2.7 We may delegate any of our functions under the Agreement to an Associate and may provide information about you and the Portfolio to any such Associate but our liability to you for all matters so delegated shall not be affected thereby. However, we may not, without your written consent, delegate our discretionary investment management powers.

2.8 We may, where reasonable, employ agents (including Associates) to perform any administrative, dealing or ancillary services required to enable us to perform our services under the Agreement. We will act in good faith and with reasonable skill and care in the selection, use and monitoring of agents.

**2.9** We may realise any part of the Portfolio in the following circumstances:

- (a)** At your request.
- (b)** To cover fees due to us.
- (c)** To settle any outstanding obligations arising from the Agreement.

**2.10** We may exercise voting rights attached to the investments of the Portfolio at our discretion including the voting rights attaching to the Portfolio's holdings of In-House Funds and Connected Investment Trusts unless the exercise of such votes involves a conflict of interest for us.

**2.11** At your request, or when we otherwise consider advisable, we may advise you in connection with your investment objectives, the general conduct of the Portfolio and such other matters as we may deem appropriate.

**2.12** We will not provide you with any advice regarding your personal financial circumstances or the suitability or otherwise of any other investments. You, your authorised financial adviser and/or professional tax adviser are responsible for ensuring that your personal financial affairs are managed appropriately and to the best advantage for tax purposes.

### **3 DEALING AND DERIVATIVES**

**3.1** In effecting transactions for the Portfolio, we will at all times comply with the obligations regarding Best Execution and suitability under the FSA Rules and may deal on such markets or exchanges and with such counterparties as we think fit. All transactions will be effected in accordance with the rules and regulations of the relevant market or exchange.

**3.2** We will not effect transactions in Derivatives, including Futures, Contracts for Differences, Contingent Liability Investments and Options.

**3.3** Subject to the FSA Rules, we may aggregate transactions for the Portfolio with those of other clients, Associates and our Associates' employees, and will allocate such transactions on a fair and reasonable basis and in accordance with FSA Rules. You recognise that aggregation may delay the execution of a transaction, and that it may operate to your advantage or disadvantage on some occasions. We may act as agent for you in relation to transactions which we are also acting as agent for other clients and Associates.

**3.4** We may match buyers and sellers of investments, and act as agent for both. We will not execute such deals on terms less favourable for you than could be obtained at the time in the open market. Similarly, we may execute transactions in securities in which we or any of our Associates have an interest as specified in Section 8.1.

**3.5** We may effect and arrange for the settlement of transactions for the Portfolio with counterparties, on such basis as may be usual for the market, or size of transactions concerned, notwithstanding that the compensation arrangements available in the event of the default of such counterparty may be less favourable than those obtained in other markets, or for other sizes of transaction, or that there may be no

such arrangements, and we are expressly authorised for the purposes of such transactions to give such warranties or undertakings on your behalf and to surrender such liens or other rights as may be requisite or usual practice.

**3.6** We will act in good faith and with reasonable skill and care in our choice and use of counterparties. Upon your request, we shall use our reasonable endeavours to pursue, on your behalf, all appropriate legal remedies against any such counterparty who has failed to deliver any necessary documents or amount due within a reasonable period. The costs and expenses properly incurred by us and/or the Custodian in connection with such pursuit will be payable by you and you hereby authorise us to debit such costs and expenses from your account.

**3.7** We may postpone execution of your order if it is in your best interest. In the case of an aggregate transaction, we will take reasonable steps to ensure that the deal will not operate to your disadvantage.

**3.8** We may enter into formal dealing arrangements with counterparties in which case details of these arrangements, including goods and services received in relation to trade execution and the provision of research will be provided to you on an annual basis. However, we have not currently entered into any such dealing arrangements.

**3.9** Subject to any restrictions shown in Section 2 of the Application Form, we may effect any underwriting arrangement on behalf of the Portfolio.

**3.10** Investments may only be made into those SIPP investment categories as defined by City Trustees Limited and as amended from time to time in accordance with HM Revenue & Customs regulations.

### **4 FEES AND CHARGES**

**4.1** We are entitled to be remunerated by you for our services and reimbursed for our reasonable costs and expenses under the Agreement as shown in Section 4 of the Application. These costs and expenses will include commissions, transfer and registration fees, taxes, stamp duties and other fiscal liabilities.

**4.2** Fees and charges relating to safe custody services are included within our fee referred to in 4.1 above.

**4.3** You accept that we may from time to time, receive commission payments arising from investment in collective investment schemes. Such payments are likely to be small in nature, and as a result it will be uneconomic for us to allocate these out to individual clients. You agree that we are entitled to retain these payments in addition to the remuneration stated in Section 4 of the Application.

**4.4** For the purposes of calculating fees, uninvested cash will be included in the valuation of the Portfolio.

**4.5** No fee will be charged when investment is made in any open-ended In-House Funds, although our Associates will receive a fee for managing and operating the In-House Fund. The current fees received by our Associates are shown on our website, [www.premierfunds.co.uk](http://www.premierfunds.co.uk), or by telephoning us for details.

**4.6** There are no additional costs which will be incurred as a result of you entering into the Agreement by

means of a distance contract.

## 5 REPORTING AND ADMINISTRATION

- 5.1** A valuation showing the Initial Composition and Initial Value will be supplied as soon as reasonably practical and will constitute part of the Agreement. All valuations will be calculated on the following basis:
- (a)** Investments quoted on a Recognised or Designated Investment Exchange or over-the-counter market and Collective Investment Schemes will be taken at the closing middle market price or, if bid and offer prices are not obtainable, then at the closing price at, or last traded price before, the close of business on the relevant valuation date; and
  - (b)** Other assets and not readily realisable investments shall be valued at such fair market price as may be determined on each occasion by us.
- 5.2** Contract notes for individual transactions will be despatched to the SIPP administrator by post in respect of each investment transaction carried out no later than the business day following the day of the transaction. Where we have not been supplied with all relevant transaction particulars, we will despatch contract notes as soon as practicable after the information is to hand.
- 5.3** We will provide periodic statements setting out the value and composition of the Portfolio and the investments held on your behalf in safe custody as at 5 April and 5 October. These will be despatched to you and any other person specified within Sections 3 and 5 of the Application within 25 business days of the above dates. Performance will be measured by comparing the performance of the Portfolio against relevant benchmark indices as we may identify from time to time.
- 5.4** Each year, we will provide you with a schedule showing dividends received and tax paid.
- 5.5** The despatch of any documents (including any documents despatched by electronic mail) shall be at your risk.
- 5.6** We will assist you in fulfilling any obligations to disclose shareholdings under Part VI of the Companies Act 1985 (or similar overseas legislation), as stated in Section 2 of the Application.
- 5.7** Instructions from you relating to any aspect of the service provided by us (including in relation to safe custody services) will be acknowledged by us by acting upon them unless you are advised to the contrary and we will act upon and rely on any instruction or communication given by you or any person authorised by you to do so.
- 5.8** Instructions to us may be given in writing or by facsimile transmission (which must then be confirmed in writing by sending the original transmission document) to our administrative office.
- 5.9** All written communications from us to you will be sent to the last address notified to us. We will deem the date of receipt to be 2 days after dispatch.
- 5.10** There is no minimum duration of the Agreement. You are entitled to terminate the Agreement at any time

by written notice to us and are entitled to determine when this may take effect. Should you not specify the date that notice is to take effect from, it will become effective on the date we receive your notification. We may also terminate the Agreement upon one month's written notice to you. We may terminate the Agreement without notice if required to do so by any competent authority or if you commit fraud, are in liquidation, winding up or become insolvent, or any other similar circumstances.

- 5.11** Termination will be without prejudice to the completion of any transactions already initiated.
- 5.12** You will pay us fees due pro rata to the date of termination and/or all reasonable additional expenses incurred by us in terminating the Agreement.
- 5.13** On termination we will arrange to account to you for all securities and cash held for the Portfolio's account. We shall be entitled to retain any securities and cash to settle transactions already initiated or to pay any of your outstanding liabilities.
- 5.14** Where you have entered into the Agreement by Distance Contract, you have the right to cancel the Agreement within 14 days of the effective date as specified in paragraph 2.1 ("the cancellation period"). You may exercise the right to cancel by informing us in writing to our administrative office. You should note that if you decide to cancel the Agreement and the value of the Portfolio has fallen at the time we receive the cancellation instructions, you may not receive a full refund. This is because an amount equal to any fall in the value of the investments will be deducted from the sum you originally invested.

## 6 RISK WARNINGS AND NOTIFICATIONS

- 6.1** The FSA requires the following statements and warnings to be given to Private Clients.
- (a)** We may effect transactions in investments which are not readily realisable ie they are not traded on a Recognised Investment Exchange or because transactions in them are too infrequent or irregular for a reliable quoted price to be available. There can be no certainty that they will be able to be sold and it may be difficult to determine their current value.
  - (b)** We may effect transactions in penny shares. There is an extra risk of losing money as there can be a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than was paid for them. The price may change quickly and may go down as well as up.
  - (c)** We may effect transactions in investments, the prices of which are being stabilised. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The FSA allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can

- sometimes drop for a time before buyers are found. Stabilisation is carried out by a 'stabilising manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation. The stabilisation rules limit the period when a stabilising manager may stabilise a new issue, fix the price at which he may stabilise (in the case of shares and warrants but not bonds) and require him to disclose that he may be stabilising but not that he is actually doing so. The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors or of the price at which they are prepared to buy the securities.
- (d) We may effect transactions in warrants. 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. Warrants often involve a high degree of gearing. 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. The prices of warrants can therefore be volatile. In the event that the right to subscribe is not taken up within the predetermined time limit, the investment will become worthless, resulting in a total loss of the money invested.
- (e) We may undertake transactions in securities, or an investment trust savings scheme, where either (i) securities are listed investment entities or investment trusts where the issuer uses or proposes to use gearing as an investment strategy or (ii) the securities invest or propose to invest in listed investment entities or investment trusts where the issuer uses or proposes to use gearing as an investment strategy, you are warned that the strategy which the issuer uses or proposes to use may result in:
- i. movements in the price of the securities being more volatile than the movements in the price of the underlying investments;
  - ii. the investment being subject to sudden and large falls in value; and
  - iii. you getting back nothing at all if there is a sufficiently large fall in value in the investment.
- (f) Movements in exchange rates may have a favourable or unfavourable effect on the gain or loss which would otherwise be experienced on the investment.
- (g) Investments in emerging markets may suffer from liquidity problems (such as difficulties with dealing, settlement and custody practices) and can be very volatile. This means that it can sometimes be difficult for us to sell certain shares and therefore these types of investments carry more risk. There is also a greater potential for social and political instability in these countries.
- (h) Investments in small companies may carry higher risk as they are less liquid than larger companies, which means that fluctuations in price may be greater than for larger companies.
- (i) Investments in a high income denominated Collective Investment Scheme are, due to the nature of the investments held within these type of funds, subject to the possibility that the capital value of the investment may fall. Also, from time to time, these types of funds may hold sub investment grade bonds. Such bonds have a lower credit rating than others and carry a higher degree of risk.
- (j) In order to achieve a higher rate of income, some funds will invest in a broad range of fixed interest securities, involving a higher risk of default and consequential risk to capital. Unit value is sensitive to interest rate trends and the capital value of units is likely to fall if interest rates rise in the medium and long term and vice versa. The level of income is not guaranteed. These funds may include overseas investments, which are not denominated in Sterling, so exchange rate changes may cause the value of these investments and the level of income received to go up or down.
- (k) We may invest in units in unregulated collective schemes. These types of investments are not regulated and therefore they are not available to the general public.
- (l) There is a risk to capital, including the potential erosion of capital, resulting from withdrawals in excess of investment returns.
- (m) There is a risk that inflation will devalue the investment return from your Portfolio.
- (n) We may effect transactions in structured capital-at-risk products. You are warned that:
- i. the return of the initial capital invested on your behalf is not guaranteed and therefore you may get back less than was originally invested;
  - ii. the amount of initial capital repaid may be geared so that falls in the index or other factor to which the investment is linked may result in a greater reduction in the amount paid out;
  - iii. any maximum benefit advertised is only available after a set period of time. Redeeming a product early may result in redemption penalties and you receiving back less than was originally invested;
  - iv. the initial capital may be placed into high risk investments, such as non- or sub-investment grade bonds which have a lower credit rating than others and carry a higher degree of risk;

- v. the initial capital may be placed into non-readily realisable investments;
- vi. the rate of growth or income advertised may depend on specified conditions being met, including, but not limited to, the performance of an index, indexes or other factor;
- vii. The FSA's cancellation and withdrawal rights do not apply in the case of investments made into structured capital-at-risk products through a discretionary managed portfolio;
- viii. In the event that the institution arranging the underlying investments is unable to meet its financial obligations, the investment may be subject to a large fall in value, and you may lose part or all of the amount originally invested.

You and your professional adviser should satisfy yourselves that structured capital-at-risk products are suitable for you, in light of your circumstances and financial position. You should be prepared to lose some or all of the capital invested in such products. Where you are in any doubt as to the suitability of structured capital-at-risk products, you are strongly recommended to consult a professional adviser.

- 6.2** We may effect transactions in Collective Investment Schemes including funds managed by our Associates. In these circumstances, we will always act independently. The FSA's cancellation and withdrawal rights do not apply in the case of a discretionary managed portfolio.
- 6.3** We may make an introduction or arrangements or give advice on investments with a view to overseas brokers or other third parties conducting Designated Investment Business with you from an office outside the United Kingdom. Where this is the case, you should note that in some or all respects, the regulatory system applying, including any compensation arrangements, will be different from that of the United Kingdom.
- 6.4** Where appropriate, we shall have regard to the requirements specified in the Pension Fund Disclosure Code.
- 6.5** We confirm that we will comply with the FSA Rules in relation to conflicts of interest and confirm by way of paragraph 8.1 that it has notified you of conflicts of interest to which we are or may be subject in relation to the Portfolio in accordance with the FSA Rules.

## 7 CUSTODY AND CLIENT MONEY ARRANGEMENTS

- 7.1** Unless otherwise agreed between us, all investments in the Portfolio will be held in the safe custody of an authorised custodian in a designated account and will be pooled with those of one or more of our other clients. Accordingly, your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic records. In the event of an unreconcilable shortfall following the default of the custodian, you may share in the shortfall in proportion to its original share of the assets in the pool. A further effect of pooling can be that following an allocation or share issue that favours the small investor, your allocation may be

less than it otherwise would have been had the investment been held in your own name.

We are authorised to deal with takeovers, other offers or capital reorganisations and exercise voting, conversion and subscription rights attaching to the assets of the Portfolio from time to time.

- 7.2** Uninvested money (ie money not immediately required to settle an investment), will be held in a separate interest bearing bank account and interest earned will be credited to the Portfolio. Cash held will be pooled with cash held for one or more of our other clients. In the event of any default, you do not have a claim against a specific sum in a specific account; your claim is against the client money pool in general. The client money bank account is designated a trust account with the balance being segregated from our own funds.

## 8 GENERAL

- 8.1** We and any Associate shall have discretion to effect, without prior reference to you, transactions in which we or an Associate has a direct or indirect interest or relationship which may involve a potential conflict with our duty to you. We or our Associate will not be liable to account to you for any profit, commission or remuneration made or received from such transactions nor rebate all or part of our fee.
- 8.2** We will ensure that transactions are effected on terms which are not materially less favourable to you than if the potential conflict had not existed.
- 8.3** In accordance with FSA Rules, we notify you that such potential conflicting interests or duties may arise because:
  - (a) we or an Associate undertake Regulated Activities for other clients with interests in such Regulated Activities;
  - (b) any of our directors or employees or those of an Associate is a director of, holds or deals in securities of, or is otherwise interested in any company whose securities are held or dealt in on your behalf of ;
  - (c) a transaction is effected in securities in respect of which we or an Associate may benefit from a commission, fee, mark-up or mark-down payable otherwise than by you, and/or we or an Associate may also be remunerated by the counterparty to any such transaction;
  - (d) we deal on your behalf or with, or in securities of, an Associate;
  - (e) we may act as agent for you in relation to transactions in which we are also acting as agent for the account of other clients and/or Associates;
  - (f) we may, acting as principal, sell to or purchase currency from you and may, in exceptional circumstances, deal in securities as principal with you;
  - (g) a transaction is effected in shares of In-House Funds or Connected Investment Trusts or any company of which we or an Associate are the manager, operator, banker, adviser, custodian or trustee;

- (h) we may effect transactions involving placings and/or new issues where an Associate may be acting as principal or receiving agent's commission. In either case, the terms will be no less favourable than if effected directly with the market. Associates may retain any agent's commission or discount or other benefit (including Director's fees) that accrues to them.
- (i) a transaction is effected in securities in respect of which a director or employee of ours or an Associate is contemporaneously trading or has traded on its own account or has either a long or short position;
- (j) a transaction is effected in securities of a company for which we or an Associate have underwritten, or managed or arranged an issue or offer for sale, within the previous 12 months.
- (k) we or an Associate may receive remuneration or other benefits by reason of acting in corporate finance or similar transactions involving a company whose securities are held by you; or
- (l) a recommendation to buy or sell securities in which other clients have given instructions to buy or sell.
- 8.4** We will normally act as your agent of and you will be bound by its actions under the Agreement. Nevertheless, none of the services to be provided hereunder nor any other matter shall give rise to any fiduciary or equitable duties which would prevent or hinder us or any Associate in transactions with or for you, including programme trades, acting as both market-maker and broker, principal or agent, dealing with other Associates and other clients, and generally effecting transactions as provided above, to which you consent accordingly.
- 8.5** Your obligations under the Agreement shall be joint and several. Your liability under this Agreement shall be limited, in the absence of fraud, to the assets of the SIPP portfolio.
- 8.6** On the death of the SIPP beneficiary, the Agreement shall terminate.
- 8.7** We accept responsibility for loss to you to the extent that such loss is due to the negligence, wilful default or fraud of ourselves or that of any delegates appointed pursuant to paragraph 2.8 above or that of our or their employees. We will not otherwise be liable for any loss to you.
- 8.8** No warranty is given by us as to the performance or profitability of any investments, cash or other property forming all or part of the Portfolio or that the investment objectives will be achieved.
- 8.9** We will not be responsible for any loss of opportunity whereby the value of the Portfolio could have been increased or for any decline in the value of the Portfolio arising from errors of fact or judgement or for any action taken (or omitted to be taken), except to the extent that the loss or decline is due to our fraud, wilful deceit or negligence or we are in breach of our obligations under FSA Rules.
- 8.10** You undertake not to deal, except through us, with any of the assets of the Portfolio and not to authorise anyone else to deal in any of them.
- 8.11** The Custodian is responsible for the safekeeping of any investments forming part of the portfolio (including, where relevant, dealing with any cash), the settlement of transactions effected by us, the collection of income, the presentation for redemption or payment of any securities which are redeemed or called, and the effecting of other administrative actions in relation to the Portfolio. You hereby authorise us to instruct the Custodian in relation to the Portfolio for the purposes of effecting matters pursuant to this Agreement and you warrant that you have authorised the Custodian to accept such instructions. For the avoidance of doubt, we accept no liability for any actions, omissions or defaults by the Custodian.
- 8.12** No party shall be liable for any failure or delay in performing any of its obligations under or pursuant to this Agreement if such failure or delay is due to any cause whatsoever outside its reasonable control and it shall be entitled to a reasonable extension of time to perform its obligations.
- 8.13** We have established procedures in accordance with FSA Rules for the effective consideration of complaints. All formal complaints should, in the first instance, be made in writing to our Compliance Officer, who is responsible for complaints procedures, at Eastgate Court, High Street, Guildford, Surrey GU1 3DE. In addition, or if you are not satisfied with our response, you have the right to complain directly to the Financial Ombudsman Service at South Quay Plaza 183 Marsh Wall, London E14 9SR, telephone 0845 080 1800. Please note that making a complaint will not prejudice your right to take legal proceedings.
- 8.14** We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000 of loss, so the maximum compensation is £48,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.
- 8.15** Neither we nor any Associate are obliged to disclose to you or, in making any decision or taking any step in connection with the management of the Portfolio, to take into consideration any information either:
- (a) the disclosure of which by us to you would or might be a breach of duty or confidence to any other person; or
  - (b) which comes to our or an Associate's notice, but does not come to the actual notice of the individual making the decision or taking the step in question.
- 8.16** The parties to the Agreement will at all times respect and protect the confidentiality of information acquired in consequence of it, except pursuant to any right or obligation in accordance with the provisions of the Agreement by virtue of which they may be entitled or bound to disclose information or

under compulsion of law or pursuant to the requirements of regulatory authorities.

- 8.17** In accordance with legal and regulatory requirements, we will retain your records for a minimum period of six years following the termination of the Agreement. You will not be at liberty to request the destruction or deletion of any record pertaining to you unless we are required to do so by law or other regulatory requirement.
- 8.18** We may make unsolicited telephone calls to you between the hours of 9.00 am and 5.00 pm for, in our opinion, the proper management of the Portfolio.
- 8.19** Telephone conversations with you may be recorded by us for our mutual protection and for training purposes.

## **9 ADDITIONAL TERMS AND CONDITIONS FOR ONLINE VALUATIONS**

- 9.1** The Service provides valuations of your investments which are normally updated once each business day. We may modify the Service by displaying a message on the Service's website and terminate it on giving at least 10 business days notice to you.
- 9.2** We grant you a personal and non-transferable right to access and use the Service in accordance with the instructions set out on the Service's website and subject to these Terms and Conditions. You acknowledge that other parties nominated by you, such as a professional adviser, may also be authorised to use the system. We may decline to authorise a user without giving a reason and similarly may withdraw authorisation without giving a reason. This may be because we suspect that your password or User ID has been misused by you or another person. You are responsible for protecting the security of your password and User ID and for all activities conducted using your password or User ID whether authorised by you or not.
- 9.3** We shall use best efforts to keep your information private and confidential and to provide you with continuous access to the Service. Both parties acknowledge that security risks exist since neither party has direct control over the internet, nor can not be held liable if information sent over the Internet to you is altered, or amended in any way.
- 9.4** The Service is protected by copyright and other intellectual property rights and may only be downloaded and viewed by you or printed out in hard-copy form for your personal use only. The Service is not to be made available on a network or otherwise reproduced, transmitted or incorporated into any work in whole or in part without our prior written permission. All other rights are reserved by us.
- 9.5** Whilst we will use all reasonable skill and care in producing the Service and ensuring that the Service is available at all times, you acknowledge that access to it might not be uninterrupted or error free and could be subject to delays, including, for example, as a result of the Service being provided through the public Internet.
- 9.6** We shall use best endeavours to ensure that data provided over the Internet is accurate and timely,

however, you acknowledge that various limitations may exist. In particular, we rely on third parties (in a number of ways which may change over time) for pricing information, investment data, other source data, and other services. We shall not be liable to you for any loss you may incur as a result of information provided by ourselves, sub-contractors or third parties. You acknowledge that the pricing information on some stocks is revised less frequently than on others so that real world changes may not be reflected in the data provided.

- 9.7** We make no other representations or warranties express or implied, regarding the Service, including, but not limited to its quality or fitness for a particular purpose, and all representations, conditions, warranties, terms and conditions whether express or implied by statute, common law or otherwise are excluded.
- 9.8** We shall not be liable to you for any indirect, special, incidental, punitive or consequential losses or damages (including third party claims, loss of profits, revenue or goodwill) suffered by you or any third party howsoever caused (including any such loss or damage suffered by you as a result of an action brought by a third party) arising in relation to the Service.
- 9.9** Any exclusions or limitation of liability within these Terms are made to the fullest extent permitted by law and are subject to FSA Rules.
- 9.10** We may terminate your access to the Service immediately without notice if you are in breach of any of these Terms and Conditions or if the Agreement is terminated in accordance with paragraph 5.10 above, you terminate the Agreement relating to these Terms and Conditions, or we give notice to you in writing of the termination of the Service, which we shall be entitled to do for any reason whatsoever.
- 9.11** Our Delay or failure in enforcing the Service's Terms and Conditions will not constitute a waiver by us of rights or remedies.
- 9.12** If you are proposing to use the Service from a location outside the United Kingdom, you are responsible for ensuring that you may lawfully use the Service under the laws applicable in that other location.

## **10 MISCELLANEOUS**

- 10.1** This Agreement may be amended by us without your express consent providing that, where practicable, we give you at least one month's notice of any amendment in writing, and with the exceptions that
- (a)** we may amend the Agreement without notice to you to make it consistent with any legal or regulatory requirements; and
  - (b)** either party may amend its correspondence address.
- 10.2** We shall not make any material amendments to the Agreement (for example, increasing its fees or amending the investment objectives) without your written consent.
- 10.3** The Agreement is not capable of being assigned or transferred by you save with our prior written

consent. We shall be entitled to assign all rights and benefits under this Agreement to an Associate provided such Associate accepts the duties and obligations owed to you under this Agreement. In circumstances where we are proposing to either cease our discretionary management services or cease our management of accounts such as your account, we may assign all rights and benefits under this Agreement to a third party provided that:

- (a) you are given at least one month's written notice prior to the date of the proposed assignment;
- (b) we believe that such assignment is in your best interests;
- (c) the relevant third party is appropriately authorised by either the FSA or any other relevant regulator; and
- (d) the relevant third party has agreed in writing to accept responsibility for our duties and obligations under the terms of this Agreement.

**10.4** Save as provided in paragraph 8.5 above, a person who is not a party to the Agreement shall have no right under the Act to enforce any of its terms.

**10.5** This Agreement sets out the entire agreement and understanding between the parties.

**10.6** No person who is not a party to the agreement may enforce any term of the agreement. The parties agree that the Contracts (Rights of Third Parties) Act 1999 shall not apply to the agreement or to any agreement or document entered into pursuant to this agreement.

## **11 English Law**

This agreement is governed by English law as at the time of this agreement and is subject to the Rules and Regulations and other applicable laws. In the event of conflict between this agreement and any such laws, Rules and Regulations, the latter shall prevail.

**December 2006**



## PREMIER SIPP PORTFOLIO MANAGEMENT SERVICE AVAILABLE THROUGH CITY TRUSTEES - APPLICATION FORM

I wish Premier Fund Managers Limited (“Premier”) to manage a portfolio of SIPP investments for me in accordance within the Terms of your Discretionary Investment Management Agreement (“the Terms”), a copy of which I have received and which I agree to. I understand that signing this application form will constitute an Agreement between us incorporating the Terms. Please supply me with a copy of this application. In the case of any conflict between this application and the Terms, I understand that this application will prevail.

### Section 1 PERSONAL DETAILS

Name of SIPP Portfolio: CITY PRIVATE PENSION [ ]

SIPP Administrator (First Trustee): City Trustees Limited

Address:

Telephone number: 0870 33 00 911

#### Member (Second Trustee)

Title (Client): \_\_\_\_\_ Date of Birth: 

d	d	m	m	y	y	y	y
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Surname (family name): \_\_\_\_\_

First name(s) in full: \_\_\_\_\_

Permanent residential address: \_\_\_\_\_

\_\_\_\_\_  
Postcode: \_\_\_\_\_

#### Contact Details

Daytime tel: \_\_\_\_\_ Evening tel: \_\_\_\_\_

Mobile: \_\_\_\_\_ Fax: \_\_\_\_\_

Email address: \_\_\_\_\_

#### Personal Identifiers

Mother's Maiden Name: \_\_\_\_\_ Place and Country of Birth: \_\_\_\_\_

## Section 2 INVESTMENT OBJECTIVES AND RESTRICTIONS

Please invest £  into the Investment Strategy indicated below (please tick one box):

- Premier Conservative Portfolio
- Premier Balanced Portfolio
- Premier Growth Portfolio

Are you a director or connected person of any quoted company?  Yes  No

There may be legal restrictions on dealing in the shares of these companies. Please give details of the company(ies) below.

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If yes, please indicate if there are any companies for which you are obliged to disclose shareholdings under Part VI of the Companies Act 1985 (or similar overseas legislation). Please indicate the company(ies) and the percentage shareholding in excess of which must be disclosed.

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## Section 3 FINANCIAL ADVISER DETAILS

Company name and address: \_\_\_\_\_

\_\_\_\_\_ Postcode: \_\_\_\_\_

Telephone number: \_\_\_\_\_ FSA number: \_\_\_\_\_

## Section 4 FEES AND CHARGES

1. Initial Fee: \_\_\_\_\_ % or £ \_\_\_\_\_

2. a) Premier annual management fee: 0.75%

- b) Financial Adviser annual management fee:  0%
- 0.25%
- 0.50%

Total annual management fee = a + b

Transaction Charges: 0.5%, subject to a minimum of £20 per transaction.

All fees are subject to VAT.

Fees will be deducted directly from your SIPP portfolio.

## Section 5 REPORTING REQUIREMENTS AND ONLINE VALUATION SERVICE

Address for correspondence if different from the address shown in Section 1.

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Postcode: \_\_\_\_\_

Please provide the name(s), address(es) and specimen signatures of any person(s) that may give us instructions on your behalf or should receive copies of communications from us.

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Postcode: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Postcode: \_\_\_\_\_

Signature: \_\_\_\_\_

Our Online Valuation Service allows you to access information about your Portfolio and carry out valuations. Once we have received your Application, we will post your User ID to you, normally within three working days. This User ID and the password indicated below will provide you with access to online valuations. Please ensure you have completed your e-mail address in Section 1.

Do you require access to the Online Valuation Service?

Yes

No

If "yes", please complete your password:

(minimum 6 characters, maximum 10 characters)

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If you would like a copy of your valuations/dividend schedule to be sent to the adviser named in Section 3 please tick here

In the future, we intend to have the facility to send valuations and other statements electronically by e-mail. If you would prefer to receive these documents by e-mail, please tick the box below and ensure that your e-mail address is clearly shown in Section 1. Documents will be sent electronically to the member. Please ensure that you have read and agree to Section 9 of the Terms, particularly in relation to the security of the internet.

I/We wish to receive valuations, contract notes and other statements electronically when the facility to do so is available.

## Section 6 **DECLARATION**

I accept and agree to the Terms of the Agreement. I confirm that I have full and unrestricted power to employ and hereby appoint Premier on the terms of the Agreement.

I authorise the SIPP Administrator to provide Premier with a copy of my SIPP application.

I have read and understood the risk warnings and notifications contained in Section 6 of the Terms and understand the nature of the underlying investments in which my Portfolio will be invested in accordance with the Investment Strategy indicated in Section 2 of this Application.

I confirm that the investments and/or cash comprising the Portfolio are owned beneficially by me/us and are free from all liens and I undertake that none will arise from my acts or omissions.

I agree that my liability under the Agreement shall be limited, in the absence of fraud, to the assets of the SIPP portfolio.

I confirm that the information provided is complete and correct and I agree to provide any further information properly required by any competent authority or by Premier and to notify Premier promptly if there is any material change in the information provided.

Where I am entering into the Agreement by Distance Contract, I request Premier to commence performance of its obligations under the Agreement on the effective date of the Agreement as specified in paragraph 2.1 of the Terms and I acknowledge that this date may be before the end of the cancellation period referred to in paragraph 5.14 of the Terms.

Where I have applied for the Online Valuation Service, I confirm that I have read and agree to the Service's Terms and Conditions as stated in Section 9 of the Discretionary Management Agreement.

I acknowledge that The Lighthouse Group plc will receive a share of the annual management fee as stated in Section 4.1 of the Discretionary Management Agreement. Where a financial adviser acts on my behalf, I understand that my financial adviser will receive an initial fee and a share of the annual management fee charged by Premier as stated in Section 4. I understand that the initial fee will be deducted from the value of my portfolio.

### **I agree to the following in relation to the Data Protection Act 1998:**

- The information you provide in the Agreement (or subsequently) will be held and processed by Premier as data controller for the purposes of the Data Protection Act 1998.
- Premier may hold and process information to other companies in the Premier Asset Management Marketing Group and to third party agents of such companies or of Premier for any of the above purposes. If you do not want your personal data to be used for marketing purposes, please tick this box.
- Where a financial adviser acts on your behalf, Premier will disclose information concerning your investments to that financial adviser.
- Save as noted above, Premier will not provide to any third party any information relating to you, unless you have given your consent or Premier is required to do so by law.
- Premier will only disclose information relating to the Portfolio over the telephone subject to the successful disclosure of the security identifiers provided on the Application.
- You are entitled to request details of any information Premier may hold about you upon payment of a fee and to require Premier to correct any inaccuracies in your personal data.

Signed (Member): \_\_\_\_\_ Date: \_\_\_\_\_

### **SIPP Administrator (City Trustees Limited)**

We confirm that we agree and accept the Terms of the Agreement and enclose a copy of the Member's SIPP application for anti-money laundering purposes and information.

Signed (SIPP Administrator): \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_



### **Administration Queries:**

If you have any queries, you can contact us at our Administration Office or our Head Office as shown below:

### **Administration Office:**

#### **Premier Fund Managers Limited**

1 Midshires Business Park,  
Smeaton Close,  
Aylesbury,  
Bucks,  
HP19 8HL

Telephone: 0845 130 11 22

### **Head Office:**

#### **Premier Fund Managers Limited**

Eastgate Court,  
High Street,  
Guildford,  
Surrey  
GU1 3DE.

Telephone: 01483 30 60 90

Fax: 01483 30 08 45

[www.premierfunds.co.uk](http://www.premierfunds.co.uk)

**Large print documents are available on request from the above Guildford address.**

Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group and are authorised and regulated by the Financial Services Authority. Premier Portfolio Managers Limited is a PEP and ISA manager and markets a number of funds. Premier Fund Managers Limited provides investment management services to Premier Portfolio Managers Limited and for other clients and investment funds. Premier Portfolio Managers Limited is also a member of the Investment Management Association.