



transact

***Key Features Document &
Terms and Conditions
for the Transact wrap service
(incorporating a General Investment
Account and ISA)***

Introduction To Your Transact Portfolio

As you and your Adviser manage your personal portfolio of investments, this will give rise to a number of investment and cash transactions. The Transact Portfolio is designed to execute these transactions for you in an efficient and cost-effective way. Over time, the number of transactions you undertake will vary in relation to changes in your needs and the various factors that influence the performance of your investments.

Transact is priced accordingly, to make possible the economical management of a complete portfolio over the longer term. Instead of the more commonplace variety of charges made elsewhere, Transact dealing charges are broadly standardised across all asset classes and investment types. Most of the cost of carrying out transactions is reflected in the Transact Annual Commission, so that initial and switch commission do not inhibit prudent and appropriate changes to your Portfolio. This would make a single static investment less cost-effective, but provides value-for-money execution of an actively managed personal investment portfolio.

You should read the Terms & Conditions carefully. They will, combined with your signed application, constitute a legally binding agreement between you and us (Integrated Financial Arrangements plc) in relation to the operation of your Transact Portfolio.

Integrated Financial Arrangements plc is authorised and regulated in the conduct of its investment business by the Financial Services Authority.

The main areas covered by the Transact Terms & Conditions are:

- ◆ How your Transact Portfolio will operate
- ◆ How to make withdrawals
- ◆ What we will charge you
- ◆ Information that you will receive
- ◆ What you should do if you have a complaint
- ◆ Your rights, including your cancellation rights
- ◆ Additional terms for the respective Portfolio Wrappers

What We Will Do

- (a) we will arrange the purchase and other transfer by you of Investments in your Portfolio;
- (b) we will arrange the sale of Investments in your Portfolio;
- (c) we will collect proceeds of the sale of Investments in your Portfolio and other cash paid by you and deposit it into an interest bearing client money account;
- (d) we will collect and credit to your Portfolio any dividends, interest and other income and any rebates of tax or fund management charges;
- (e) we will deduct from your Portfolio and pay to your Adviser on your behalf, those amounts that you agree with him will be paid in return for the intermediary services which he provides to you in relation to transactions as part of the operation of your Portfolio;
- (f) we will arrange the withdrawal of cash out of your Portfolio (including upon closure of your Portfolio);
- (g) we will arrange the transfer out of Investments from your Portfolio (including upon closure of your Portfolio);
- (h) we will arrange safe custody of Investments in your Portfolio;
- (i) we will issue you with a PIN and a Portfolio Number;
- (j) we will maintain records of all transactions carried out on your behalf and provide you with access to the Information contained in these records; and
- (k) we will provide you with valuations of the Investments in your Portfolio.

What We Will NOT Do

We will not make recommendations or give advice about the relative merits or suitability of any investments or Wrappers. If you need such advice, you should speak to your Adviser.

What You Will Do

- (a) You will open your Portfolio with a minimum of £5,000 (either as cash or by transferring assets) or with £1,000 and a direct debit mandate for regular payments of at least £200 per month.
- (b) You will maintain minimum cash balances in your Portfolio as specified in these Terms & Conditions.

Part A of this brochure contains the Key Features of the Transact wrap service (incorporating a General Investment Account and ISA) and Part B contains the Transact Terms and Conditions.

Part A: Key Features

KEY FEATURES

Transact is a wrap service. In conjunction with your Adviser, it provides intermediary services in relation to transactions which you seek to undertake as part of the operation of your Portfolio. When you establish a Transact Portfolio we automatically open a General Investment Account (GIA) for you. These Key Features provide you with the information you need to consider before making the decision to open a Transact Portfolio and must be read in conjunction with the Transact Terms and Conditions. The definitions set out in Section 1 of the Transact Terms and Conditions shall also apply to these Key Features.

The Financial Services Authority is the independent financial services regulator. It requires us to give you this important information to help you to decide whether our Portfolio and any Wrapper within it is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Aims

With advice from your Adviser, a Transact Portfolio, including the Transact GIA, enables you to construct a complete investment portfolio and, in doing so, to have centralised access to a wide range of income and growth assets, tax planning Wrappers and clear, consolidated portfolio information.

The aims of the Transact ISA Wrappers are to help you save while taking advantage of the tax privileges available to Individual Savings Accounts.

Your Investment

- ◆ The minimum amount necessary to open your Transact Portfolio is:
- ◆ £5,000 as a single payment, or
- ◆ £1,000 as a single payment plus a direct debit mandate for at least £200 per month.
- ◆ The minimum amount that may be used to open a Transact ISA is £500 or £100 plus a direct debit mandate for at least £50 per month for a period no less than 8 (eight) months (subject also to the overall minimum investment amount for opening a Transact Portfolio).
- ◆ The maximum subscription in a tax year for your ISAs is £7,200, of which a maximum of £3,600 can be held in a Cash ISA. In subsequent tax years, the maximum subscription may be changed by legislation.
- ◆ The Transact Stocks and Shares ISA may be used to hold investment assets (such as units in unit trust funds or stocks and shares). Investors who are aged 16 or 17 years of age are limited to subscribing to the Transact Cash ISA.
- ◆ The Transact ISAs do not meet the Government's voluntary CAT standards.
- ◆ You may transfer your ISAs from other ISA managers to your Transact ISAs. You may have a different ISA manager for your Stocks and Shares ISA and for your Cash ISA. We can accept all (but not part) of your current year ISA subscription(s) and/or some or all of previous year subscriptions. You can transfer from a Cash ISA to a Stocks and Shares ISA (although it is not possible to transfer from a Stocks and Shares ISA to a Cash ISA). We cannot accept transfers in respect of insurance ISAs.
- ◆ You have access to your money at all times.

Risks

Transact offers you the opportunity to access a wide range of UK and international assets such as unit trusts, OEICs, investment trusts and other equities. Such investments always involve risk and these risks are detailed below.

- ◆ Transact is an execution-only wrap service. As such, we are unable to advise you as to the suitability of a particular Wrapper for your tax planning purposes or as to the suitability of a particular investment for a particular Wrapper or for your investment plan purposes.
- ◆ Transact is produced, structured and developed for use by UK nationals who are UK Tax Resident. We do not market Transact outside of the UK. As such, if you are not a UK national or are not a UK Tax Resident, Transact may not be suitable for use by you.

KEY FEATURES

- ◆ Unlike a bank or building society deposit, the value of your investments can fall as well as rise, so you may not get back the amount you invest. As charges may be varied, such variations may also affect what you may get back.
- ◆ Income can fluctuate, both in monetary value and in percentage terms.
- ◆ The price you pay includes initial and annual costs, which will have an effect on the value of your investments. Initial costs, in particular, will have an immediate effect so you should always regard your investments as for the long term (normally at least five years).
- ◆ Past performance is not a guide to future returns.
- ◆ The value of any tax benefits that are available will depend upon your personal circumstances. Tax legislation can change at any time.
- ◆ In certain limited circumstances the use of nominee structure may affect the tax treatment of some Investments. You should consult a professional tax adviser before opening your Portfolio.
- ◆ If you take advantage of any cancellation rights you may be granted, you may not get your original premium or deposit amount back if the price of assets falls between the date of investment and the date of cancellation.
- ◆ Taking excessive income or withdrawals may erode the capital value of your Portfolio, for example when investment returns are low but your income withdrawals are high.
- ◆ Other than where the Transact Express Trade Service is used, it is our policy to aggregate client instructions to take advantage of cost savings of dealing in larger sums. These instructions will only be executed from 2.00pm onwards on each Business Day (and instructions received after 1.00pm on any day will be executed from 2.00pm onwards on the next Business Day). This means that the price of assets may rise or fall in the period between the receipt of your instruction and the time it is actioned. There may also be situations in which such aggregation does not provide the cost advantage that we have sought to achieve on your behalf.
- ◆ For some investments there may be a delay in processing large disinvestments should these be a high proportion of the overall fund or issued stock and/or there may be higher costs, levies or charges applying to any such disinvestment. Whilst aggregated dealing provides you with a number of benefits, one of the risks of aggregation is that such delays and/or costs, levies or charges may be triggered by the aggregated investments being dealt at that time. Where this occurs, these costs, levies or charges are applied across all clients dealing the investment in question at that time in proportion to their disinvestment. This means that you may suffer such delays and/or costs, levies or charges even where your own disinvestment would not have triggered this/these on its own.
- ◆ If you are transferring existing investments and/or cash to us, any income or growth on your Investment may be reduced if there is a market rise during the period in which your transfer is being administered.

Some types of investment, including Complex Products, also have different specified risks. These include:

- ◆ The value of overseas investments will be influenced by the rate of exchange used to convert to Sterling, in addition to any price fluctuations. This means that if Sterling strengthens against the currency in which your investments are made, the value of your holding will reduce and vice versa.
- ◆ In line with our dealing policy, we purchase and sell Investments in Sterling. As a result, when dealing in overseas Investments that are not priced or traded in Sterling, we obtain (and apply to your Portfolio) whatever rate of exchange our bank or broker provides us to convert any purchase or settlement monies into Sterling so you are, therefore, exposed to these conversion rates.
- ◆ Whilst you may hold, at our discretion, most types of investment in your Transact Portfolio, some investments may not be readily tradeable. As such, when transferring these to us, or making a purchase or sale, you need to bear this potential difficulty in mind.
- ◆ Investing in "emerging" or "developing" markets or specialist sectors has the potential for higher returns but is also likely to be more volatile and higher risk. This is largely due to the fact that these markets and sectors are more susceptible to significant cultural, political or economic change. You should also be aware that there may be occasions where trading in such funds may be difficult.

- ◆ Investing solely in a particular sector or otherwise having an investment plan with a narrow focus may be more risky than investing across a broad range.
- ◆ Investments in or linked to real property may be difficult to divest if the underlying property is not readily saleable. The value of the investment will be linked to the value of the underlying property and this may make regular valuation difficult and/or be dependent on the valuation opinion of a third party.
- ◆ Some income funds charge all or part of their expenses to capital rather than income. Whilst this enables them to pay a higher dividend, it does correspondingly reduce their potential for capital growth.
- ◆ New funds have an assumed size. If this size is not then achieved, the proportion of charges and expenses allocated to the investment may be higher, thereby reducing the value of the investment.
- ◆ Smaller company investments may be less liquid than those in larger companies and price fluctuations may therefore be greater; there may also be occasions on which trading in these investments is difficult.
- ◆ Some funds include exposure to derivative instruments (including financial futures, options and swaps) that are typically used to hedge, provide limited downside protection or otherwise manage the fund's risk. Derivatives could also be used by fund managers to increase the fund's risk, and may not produce the desired risk management or hedging result and are subject to counterparty risk. As a result, price fluctuations may be greater for funds that use derivative instruments.
- ◆ We cannot guarantee that ceding managers will transfer your investments or wrappers on an in-specie or re-registration basis.
- ◆ You should ensure that you are aware of any charges made by a ceding manager for any transfers.

There are other risks factors that apply to the following Transact Wrappers:

- (i) the Transact Offshore Bond
- (ii) the Transact Onshore Bond
- (iii) the Transact Personal Pension Plan
- (iv) the Transact Executive Pension Plan
- (v) the Transact Section 32 Buy-Out Bond
- (vi) the Transact Pension Income Withdrawal Facility

and these are detailed in the applicable Key Features Documents, which you should read.

Your Questions Answered

How do I open a Transact Portfolio?

Before opening a Transact Portfolio you should consult your financial adviser and read the attached Transact Terms & Conditions. Then simply complete the relevant application forms for opening the Portfolio and each Wrapper required. We will set up your Portfolio as soon as we receive application details. Portfolios for multiple investors require the signatures of all named investors; portfolios designated for children under 18 require the signature of a parent or legal guardian. Transactions within the selected Wrappers will not begin until we have cleared funds and the original signed application forms. All investments other than cash balances will be registered in the name of Transact Nominees Limited.

You may hold a wide range of Investments in your Portfolio, subject to any regulatory or operational restrictions or constraints which may apply.

The Portfolio Application Form and the application form for a Wrapper must be signed by you in the UK. We will ask you to declare the country in which the application form for the Wrapper in question (including, for the avoidance of doubt, the Portfolio Application Form) was signed. If you have not declared this, we will deem this to be the country notified to us by your Adviser.

What is a Transact Wrapper?

A Transact Wrapper is a tax or legal structure in which the investments within your Portfolio may be held.

The Wrappers currently available for new investments are:

- ◆ **Transact General Investment Account** – a legal structure which enables the purchasing and selling of a large number of investments which may not be available for sale or purchase within other Wrappers. This allows you and your Adviser to easily administer your investments.
- ◆ **Transact ISA** – a legal structure in accordance with the Individual Savings Account Regulations 1998 (as amended or superseded) that can accept subscriptions, subject to regulatory limits, and/or the transfer of existing ISAs and can invest these subscriptions and/or transfers into cash and/or stocks and shares to be held on a tax-advantaged basis (subject to permitted investment and transfer restrictions).
- ◆ **Transact Personal Pension Plan** – a registered pension scheme in accordance with Part 4 of the Finance Act 2004 that can receive contributions, including member and third party contributions (subject to regulatory limits) and/or transfers of existing benefits from other registered pension schemes. Investments in which are held in a tax-advantaged environment.
- ◆ **Transact Section 32 Buy-Out Bond** – a registered pension scheme in accordance with Part 4 of the Finance Act 2004 that can accept existing protected/enhanced benefits from other registered pension schemes that are being wound-up.
- ◆ **Transact Onshore Bond** – a UK based, unit-linked non-qualifying whole of life policy to which you pay lump sum premiums that can be held in a range of Investments, subject to permitted investment restrictions.
- ◆ **Transact Offshore Bond** – an Isle of Man based, unit-linked non-qualifying whole of life policy to which you pay lump sum premiums that can be held in a range of Investments, subject to permitted investment restrictions.

Where you have an existing Transact Executive Pension Plan, you can pay additional contributions and/or transfer into it existing benefits from other registered pension schemes at any time (subject to regulatory limits). The Transact Executive Pension Plan is a registered scheme in accordance with Part 4 of the Finance Act 2004.

For the avoidance of doubt, the Transact Pension Income Withdrawal Facility is a feature of your Transact PPP, Transact EPP or Transact Section 32 Buy-Out Bond (as applicable) only.

How do I open a Transact Wrapper within my Portfolio?

Your General Investment Account is opened automatically when we accept your application to open your Portfolio. Where you have elected to open a Transact ISA on your Portfolio application form, then this will also be opened when we accept your application to open your Portfolio.

Before opening a Transact Wrapper you should consult your financial adviser and read the attached Transact Terms & Conditions.

If you have not elected to open a Transact ISA as part of your original Portfolio application, you may open a Transact ISA at any time by applying to us using the relevant application form.

In respect of the other Wrappers, you may open these by applying at any time using the relevant application forms. Please note that these other Wrappers are subject to their specific policy terms and conditions in addition to the attached Transact Terms & Conditions and may also be subject to the laws of other jurisdictions.

All Investments will be registered in the name of Transact Nominees Limited.

In respect of an in specie Investment transfer, we will value these Investments at the point of completion of the transfer in order to confirm to you the initial amount of the premium or deposit in question.

Cash payments must be made in Sterling (GBP) by cheque, banker's draft, direct debit or direct credit (BACS or CHAPS transfer). If the cheque is not drawn on your personal account you may be asked to verify the source of the funds.

Cheques and banker's draft should be made payable to:

Integrated Financial Arrangements plc

For electronic payments, our account details are:

Account Name: Integrated Financial Arrangements plc Transact Client Account

Sort code: 60-00-01

Account Number: 36298921

Bank: National Westminster Bank plc

Address: City of London Office, PO Box 12258, 1 Princes Street, London EC2R 8PA

Can I invest in an ISA?

If you are a UK resident for tax purposes and are over 16 years of age, you can subscribe to a Cash ISA.

Any person, between the ages of 18 and 85 who is resident and ordinarily resident in the in the United Kingdom for tax purposes, or a Crown employee serving overseas or a Crown employee's spouse/civil partner is eligible to invest in a Transact Cash ISA and/or a Transact Stocks and Shares ISA, provided they have not already invested in another ISA of the same kind in the same tax year. Individuals and their partners can each invest in their own ISA up to their individual maximum allowable investment limits but cannot apply jointly. Any unused subscription allowance cannot be carried over to the following tax year.

You will not be able to subscribe to another Cash ISA if you subscribe to a Transact Cash ISA in the same tax year. You will not be able to subscribe to another Stocks and Shares ISA if you subscribe to a Transact Stocks and Shares ISA in the same tax year.

What type of ISA does Transact offer?

The Transact ISA includes a Cash ISA and a Stocks and Shares ISA. You may not subscribe to another Cash ISA, or to any Stocks and Shares ISA, in the same tax year that you subscribe to the Transact ISA. You may not transfer current year Cash ISA subscriptions to Transact.

What are "CAT" marked ISAs?

The Government has set certain voluntary guidelines for ISAs to meet in order to qualify for the CAT mark, covering Charges, Access and Terms of the ISA. The Charges vary according to the investment type; Access and Terms refer to investors being able to get their money back without penalty or other restrictions, and being able to invest relatively low minimum investment amounts. We have chosen not to offer a CAT marked ISAs.

How do I invest in a Transact ISA?

Before opening a Transact ISA you should consult your financial adviser and read the Transact Terms & Conditions. Then simply complete the application form. We will open your Transact ISA as soon as we accept your application. All investments will be registered in the name of Transact Nominees Limited. Your Transact ISA is governed by the Transact Terms & Conditions.

How do I manage my Transact Portfolio?

We do not give investment advice and you should consult your financial adviser about all matters of financial planning and the resultant investment decisions.

Once a Wrapper within your Portfolio is open, you or your Adviser may give us instructions to buy or sell assets by telephone or via the PIN protected pages on our website (www.Transact-Online.co.uk) as well as by post or fax. We will commence all buy or sell orders within the time limits specified in the Transact Terms & Conditions. Any cash balances will be held in interest bearing client money accounts on which the interest rates will vary.

We aggregate all valid instructions of the same investment, provided to us from you or your Adviser, and execute them as a single transaction in the name of Transact Nominees Limited with an execution venue chosen by us. All instructions are executed and aggregated in accordance with our order execution policy as set out in Clause 3.4 of the Transact Terms & Conditions.

How do I follow the progress of my investments?

We will send you a letter of confirmation when each Wrapper within your Portfolio is opened. Each time there is an investment purchase or sale or a deposit into a Wrapper within your Portfolio (except when done automatically on a regular basis), you and your Adviser will receive written confirmation.

Transaction details, asset prices and valuations will be available on your secure pages on our website. Twice each year we will also send you and your Adviser full portfolio valuation statements. Of course, fund and share prices and yields are available from some daily newspapers, such as the Financial Times.

We do not forward copies of reports and accounts, scheme particulars, or meeting and voting information issued by the providers of investments unless we have agreed otherwise with you (this being a service for which there will be a charge).

Can I purchase or sell investments at a set price?

Yes. When instructed by you for either a purchase or a sale for shares on the London Stock Exchange you may set a limit price. This will be passed to a licensed stockbroker and will be held until the market has closed. If the price has not been achieved you will need to place the order again specifying the limit price you wish. If you have any questions regarding this please contact us for further information.

Can I give urgent purchase or sell instructions?

Yes, you can use our Express Trade service for either a purchase or a sale of shares on the London Stock Exchange. Here, for an additional charge of £10 per transaction, per Wrapper, we will execute as soon as practicable an Instruction given to us by telephone during the period from 0900 hours to 1530 hours on any Business Day. We would usually expect this to be executed within one hour, but this will depend upon the type of transaction(s) in question.

What about income payments?

If you buy Investments that make dividend or interest payments, these payments will be collected by us and deposited into the relevant Wrapper within your Portfolio.

How do I make withdrawals?

You can instruct us to make single or regular withdrawals (subject to a minimum of £100 per payment and any applicable regulatory restriction) from the Wrappers within your Portfolio. We will normally pay withdrawals within two working days of our receipt of your instructions. Should there be insufficient cash available to meet a withdrawal request, we may sell assets to obtain cash for the withdrawal in accordance with the Transact Terms & Conditions.

Where are withdrawals made to?

For security reasons, we only make withdrawal payments to your Nominated Account, or from another Wrapper into your Transact GIA. We do not pay withdrawals to third parties other than to your estate in the event of your death.

Why is there a minimum cash balance?

The minimum cash balance in each Wrapper is necessary to allow us to collect commissions and charges, as well as to fund any regular withdrawals you request.

Can I encash my Transact ISA?

You can encash your Transact ISA in full or in part at any time.

Can I transfer my Transact ISA to another plan manager?

By giving notice to us, you can transfer your Transact ISA to another plan manager without jeopardising the preferential tax status of the investment. Transfers can be dealt with on a cash or in-specie basis but will ultimately be determined by the plan manager's terms and conditions.

What happens to my Transact ISA if I die?

On death, your Transact ISA investments no longer qualify for the preferential tax treatment afforded to ISA investments. Authority over the investments in your Transact ISA will pass to your personal representatives, and thereafter we will only accept their instructions on the account.

What is my tax position?

Your Transact General Investment Account does not confer any tax advantages. Gross interest received on cash held within the Transact GIA is taxed at 20% unless you are a non tax payer and have sent us the appropriate HMRC form to confirm this.

There is no income or capital gains tax on investments held in Transact ISAs . We cannot reclaim tax relating to a credit attaching to dividends received from UK investments, foreign income dividend or any equalisation distributed as income. We will reclaim tax deducted from interest payments received by us in respect of any eligible Investments held in your Transact ISA.

Capital growth and income from your Transact ISA is currently free from capital gains tax and income tax. No tax is due on income payments or partial encashments and it is not necessary to include any information about your Transact ISA on your tax return.

Information provided on taxation is based on our understanding of current UK legislation and practice, which may change in the future. The value of tax reliefs will depend on individual circumstances. For tax advice potential investors should consult a professional adviser.

Other Wrappers such as the Transact PPP, Transact EPP, Transact Section 32 Buy Out Bond, Transact Pension Income Withdrawal Facility, Transact Onshore Bond and Transact Offshore Bond are available for you to benefit from their inherent tax advantages. Please see the relevant Key Features Documents for further information.

The tax benefits of any investment depend upon your personal circumstances and changing tax laws, so you should always refer to a professional adviser for up-to-date tax advice.

What are the charges?

We will levy our own commissions ("Transact Commissions") on your Portfolio according to the following tariff. The current rates applicable to the commission types mentioned below are set out in the Transact Commissions Table in the Transact Commissions, Charges and Discounts Schedule to this document, but may be varied with changes to our charging structure and are in addition to any other charges explained in Clause 6 of the Transact Terms & Conditions.

Transact Initial Commission: Whenever we use New Cash to buy an Investment for you, we will deduct from your Portfolio an amount equal to the percentage specified against Initial Commission in the Transact Commissions Table multiplied by the cost of the Investment in question.

Transact Switch Commission: Whenever we use Switch Cash to buy an Investment for you, we will deduct from your Portfolio an amount equal to the percentage specified against Switch Commission in the Transact Commissions Table from time to time multiplied by the cost of the Investment in question.

Transact Annual Commission: At the end of each Quarter up to the 30th September 2008, (and thereafter from and including the 1st October 2008, each Month), we will deduct from your Portfolio amounts equal to:

- ◆ the percentage specified against Transact Annual Commission: New Cash in the Transact Commissions Table from time to time multiplied by the average value of New Cash balances over the Quarter (or from the 1st October 2008, the Month) in question; and
- ◆ the percentage specified against Transact Annual Commission: Investments and Switch Cash in the Transact Commissions Table from time to time multiplied by the average value of Investments over the Quarter (or from the 1st October 2008, the Month) in question and the average value of Switch Cash balances over the Quarter (or from the 1st October 2008, the Month) in question.

Adviser Payments: In addition to the Transact Commissions described above we will also deduct from your Portfolio, and pay to your Adviser on your behalf, those amounts that you agree with them will be paid in return for the intermediary services which are provided to you in relation to transactions as part of the operation of your Portfolio. These amounts will be collected and paid only as specified and authorised by you.

Are there any other charges?

If there are other charges associated with collective investments (i.e. unit trusts and OEICs) that are levied by fund managers, then these will be charged to your Portfolio. However, you will receive the benefit of any rebates of these charges that we are able to negotiate on your behalf. When purchasing and selling equities on your behalf through licensed stockbrokers, we also endeavour to achieve reduced dealing charges, and Transact clients benefit from any rebates we are able to negotiate. In addition, equity dealing charges may be effectively reduced where purchases or sales are aggregated for more than one client.

We will charge to your Portfolio any stamp duty, government, bank or other charges, audit fees, taxes or imposts that arise out of the operation of your Portfolio (and which are not specifically excluded by the Transact Terms & Conditions).

There are some additional charges which are specific to certain Transact Wrappers and these are detailed in the appropriate Key Features Documents and the Transact Terms & Conditions.

What are the automatic discounts?

We will reduce Transact Annual Commission based upon the value of your Portfolio (portfolios may be linked, at our discretion, for discount calculation purposes). There are two scales of discount, "Premium" and "Platinum".

Premium Discounts – These are shown in the table in the Transact Commissions, Charges and Discounts Schedule and will apply to Portfolios in which the average Portfolio Value has been at the stated level for either the whole of the preceding Quarter or at all times since the Portfolio was opened, whichever period is the shorter.

Platinum Discounts – These are shown in the table in the Transact Commissions, Charges and Discounts Schedule and will apply instead of Premium Discounts to Portfolios in which the average Portfolio Value has been at the stated level for either the whole of the two preceding Quarters or at all times since the Portfolio was opened, whichever period is the shorter.

Initial commission rebate – This is shown in the Transact Commissions, Charges and Discounts Schedule and applies as a rebate of your Transact Initial Commission.

How Charges and Expenses will affect your investment

Charges and expenses will affect the value of your investment. Because Transact gives you access to a wide range of unit trusts, OEICs, investment trusts, shares and other asset types, and because initial and ongoing commissions and other investment costs will vary, we can only give examples below of what this effect might be. Different results are shown in the different Wrapper Key Features Documents as these all involve different tax treatments.

Both of the following examples are based upon a number of assumptions, some of which are constant and some of which vary. The constant assumptions are:

- ◆ The investment is into a unit trust
- ◆ The investment is for £5,000 as a lump sum or £200 per month
- ◆ The fund does not pay an income
- ◆ The initial commission cost is 4.00% (3.50% to your Adviser and 0.50% to Transact)
- ◆ The Transact Annual Commission cost is 1.15% per annum (0.55% to your Adviser and 0.60% to Transact)
- ◆ The difference between the buying and selling price of units (the "spread") is 0.50% (as there is no initial charge paid to the unit trust fund manager)
- ◆ The basic annual management charge (before rebate) paid to the fund manager is 1.50% and there are additional fund expenses of 0.20%
- ◆ In the case of the GIA, the investment grows at 6.00% per annum and, in the case of the ISA, the investment grows at 7.00% per annum.

What you might get back

You should be aware that the figures in the tables are not guaranteed and only show what you might get back based upon an assumed growth rate.

GIA Example 1 – If the unit trust fund manager rebates 1.00% of its annual charge

1.00% Annual Rebate						
At End Of Year	Investment To Date		Effect of Deductions To Date		What You Might Get Back At 6.00%	
	Lump Sum	Monthly Savings	Lump Sum	Monthly Savings	Lump Sum	Monthly Savings
1	£5,000	£2,400	£339	£138	£4,960	£2,330
3		£7,200	£600	£577	£5,360	£7,290
5		£12,000	£909	£1,270	£5,780	£12,700
10		£24,000	£1,940	£4,440	£7,010	£28,100

The last line in the table shows that over ten years the effect of the total charges and expenses could amount to £1,940 for a lump sum investment and £4,440 for a monthly savings investment. Putting it another way, this would have the same effect as bringing investment growth down from 6.00% a year to 3.5% a year for lump sum investment and 3.0% a year for monthly savings.

GIA Example 2 – If the unit trust fund manager rebates 0.50% of its annual charge

0.50% Annual Rebate						
At End Of Year	Investment To Date		Effect of Deductions To Date		What You Might Get Back At 6.00%	
	Lump Sum	Monthly Savings	Lump Sum	Monthly Savings	Lump Sum	Monthly Savings
1	£5,000	£2,400	£363	£144	£4,940	£2,330
3		£7,200	£680	£632	£5,280	£7,240
5		£12,000	£1,050	£1,430	£5,640	£12,500
10		£24,000	£2,290	£5,170	£6,670	£27,400

The last line in the table shows that over ten years the effect of the total charges and expenses could amount to £2,290 for a lump sum investment and £5,170 for a monthly saving investment. Putting it another way, this would have the same effect as bringing investment growth down from 6.00% a year to 3.0% a year for a lump sum investment and 2.6% a year for monthly savings.

ISA Example 1 – If the unit trust fund manager rebates 1.00% of its annual charge

1.00% Annual Rebate						
At End Of Year	Investment To Date		Effect of Deductions To Date		What You Might Get Back At 6.00%	
	Lump Sum	Monthly Savings	Lump Sum	Monthly Savings	Lump Sum	Monthly Savings
1	£5,000	£2,400	£351	£147	£5,000	£2,340
3		£7,200	£647	£614	£5,480	£7,370
5		£12,000	£1,000	£1,350	£6,010	£12,900
10		£24,000	£2,250	£4,820	£7,590	£29,500

The last line in the table shows that over ten years the effect of the total charges and expenses could amount to £2,250 for a lump sum investment and £4,820 for a monthly savings investment. Putting it another way, this would have the same effect as bringing investments growth down from 7.00% a year to 4.29% a year for lump sum investment and 3.86% a year for monthly savings.

ISA Example 2 – If the unit trust fund manager rebates 0.5% of its annual charge

0.50% Annual Rebate						
At End Of Year	Investment To Date		Effect of Deductions To Date		What You Might Get Back At 6.00%	
	Lump Sum	Monthly Savings	Lump Sum	Monthly Savings	Lump Sum	Monthly Savings
1	£5,000	£2,400	£376	£153	£4,970	£2,330
3		£7,200	£728	£670	£5,400	£7,320
5		£12,000	£1,150	£1,520	£5,860	£12,800
10		£24,000	£2,620	£5,600	£7,210	£28,700

The last line in the table shows that over ten years the effect of the total charges and expenses could amount to £2,620 for a lump sum investment and £5,600 for a monthly savings investment. Putting it another way, this would have the same effect as bringing investment growth down from 7.00% a year to 3.77% a year for lump sum investment and 3.38% a year for monthly savings.

Important Notes

These figures are for illustrative purposes only. You should be aware that the figures in the tables are not guaranteed and only show what you might get back based upon a notional growth of 6.00% (in respect of the GIA) and 7.00% (in respect of the ISA).

You could get back more or less than this.

All firms use the same assumed rates of growth for these tables but their charges and expenses will vary.

Do not forget that inflation would reduce what you could buy in the future with the amounts shown.

How much will the advice cost?

We will normally make your payments to your Adviser out of the total charges.

The amount we might pay to your Adviser will depend upon the amount of the investment. For example, on an exclusive basis if you agree with your Adviser an initial payment rate of 3.50% and you invest £1,000, we will remit to your Adviser £35 and if you invest from switch cash and you have agreed a rate of 0.80% switch payment with your Adviser, we will remit to your Adviser £8 (whichever is applicable).

The amount of annual payments we might remit to your Adviser will be based upon the value of your investment. For example, if you agree with your Adviser an annual payment rate of 0.55% on investments and switch cash and the value of your non-cash investments was £1,000 in one year, we would remit to your Adviser Transact Annual Commission of £5.50 and if the value of the investment doubled to £2,000 the next year, then the annual payment remitted to your Adviser would be £11.

The amount actually remitted in cash terms will be shown on the confirmations and statements that we send to you.

Your Adviser may also have non-voting shares, or an entitlement to non-voting shares, in Integrated Financial Arrangements plc as a consequence of business placed through Transact, although this will not involve any additional cost to you.

What if I change my mind?

A right to cancel will not apply to the opening of your Portfolio or your General Investment Account and you will not have the right to change your mind once we have received your initial application. However, if you have made no investment purchases or cash transfers, there will be no net cost to close your Portfolio.

In respect of any other Wrapper within your Portfolio (i.e. the Transact ISA, Transact PPP, Transact EPP, Transact Section 32 Buy-Out Bond, Transact Pension Income Withdrawal Facility, Transact Onshore Bond, and/or Transact Offshore Bond), a right to cancel does apply.

Should you wish to change your mind within 30 days of (a) the date on which we accept your application to open the Wrapper in question, (b) the date on which any single premium or other form of deposit (of whatever nature, including transfers-in) is made, and (c) the date on which the first deposit is made in respect of regular deposits:

- ◆ in respect of the Transact ISA, please write to us at Domain House, 5-7 Singer Street, London EC2A 4BQ;
- ◆ in respect of the Transact PPP, Transact EPP, Transact Section 32 Buy-Out Bond, Transact Pension Income Withdrawal Facility and Transact Onshore Bond, please write to IntegraLife UK Limited at Domain House, 5-7 Singer Street, London EC2A 4BQ; and
- ◆ in respect of the Transact Offshore Bond, please write to IntegraLife International Limited at Barbican House, 8-10 Malew Street, Castletown, Isle of Man, IM9 1AB.

In each case where you do exercise any such right to cancel, you will receive back the premium or other form of deposit (of whatever nature including transfers-in) in question less any amount by which any relevant Investments may have fallen in value; save in respect of the Transact PPP, Transact EPP or Transact Section 32 Buy-Out Bond, where the trustee/administrator of the transferring scheme does not have to take the proceeds back, you have to transfer them to an alternative scheme; which you must notify to us forthwith upon request.

What if I have a query or complaint?

Both we and IntegraLife UK Limited are authorised and regulated by the Financial Services Authority (FSA) and as such are bound by its rules. If you have a complaint, except in relation to the Transact Offshore Bond, you should write to our Compliance Department at Domain House, 5-7 Singer Street, London EC2A 4BQ; alternatively you may call us on 020 7608 4900. If your complaint is not dealt with to your satisfaction then the matter may be referred to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR. This action will not affect your right to take legal action.

For the Transact Offshore Bond, IntegraLife International Limited is regulated by the Isle of Man Government Insurance & Pensions Authority (IPA) and as such we are bound by their rules. If your complaint relates to the Transact Offshore Bond please write to our offices in the Isle of Man at IntegraLife International Limited, Barbican House, 8-10 Malew Street, Castletown, Isle of Man, IM9 1AB; alternatively, you can call their Compliance Officer on 01624 825 986. Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man. Please note the Ombudsman Scheme can only consider complaints from private individuals. Contact details are: The Financial Services Ombudsman Scheme for the Isle of Man, Government Buildings, Lord Street, Douglas, Isle of Man, IM1 1LE (Tel: +44 (0)1624 686500; Fax: +44 (0)1624 686504)

KEY FEATURES

If you make a valid claim against us in respect of your investments and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme or, for the Transact Offshore Bond, from the IPA. Details of the Financial Services Compensation Scheme are available from the Financial Services Authority and the Financial Services Compensation Scheme. For the Transact Offshore Bond, details of the Compensation of Policyholders regulations are available from the Isle of Man Government Insurance & Pensions Authority.

Applicable Law

Unless otherwise provided, the terms of your Transact Portfolio is governed by the laws of England and Wales, with the exception of the policy terms of the Transact Offshore Bond which are governed by the laws of the Isle of Man.

Transact is operated by:

Integrated Financial Arrangements plc
Domain House
5-7 Singer Street
London EC2A 4BQ

Tel: (020) 7608 4900

Fax: (020) 7608 5300

Website: www.Transact-Online.co.uk

Email: info@transact-online.co.uk

Authorised and regulated by the Financial Services Authority

Part B: Transact Terms & Conditions

Integrated Financial Arrangements plc (registered number 3727592) of Domain House, 5-7 Singer Street, London EC2A 4BQ (**IntegraFin**) owns and operates the Transact wrap service (the **Transact Service** or **Transact**). IntegraFin is authorised and regulated by the Financial Services Authority (entered on their register under number 190856).

Your Transact Portfolio is constituted by your General Investment Account (**GIA**) and comprises your Transact GIA Wrapper and any other Wrapper(s) which you may add to it from time to time. As part of its wrap services, IntegraFin will arrange the purchase and sale of Investments in the Wrappers which comprise your Transact Portfolio from time to time, on an execution-only basis, and will maintain records of all transactions undertaken on your behalf and provide you with access to the information contained in these records.

Transact Nominees Limited (registered number 3727527) of Domain House, 5-7 Singer Street, London EC2A 4BQ (**TNL**) is a wholly-owned subsidiary of IntegraFin. Although TNL is not regulated under the Financial Services and Markets Act 2000, IntegraFin (its parent company), is authorised and regulated under that act. TNL constitutes a nominee company under the rules of the Financial Services Authority and, in the highly unlikely event of its default, IntegraFin will accept liability for this company.

IntegraFin has appointed TNL as custodian and nominee in respect of the holding of the legal title to the Investments comprising the Transact GIA; beneficial ownership of these assets will remain with you. IntegraFin will deposit Cash comprising the Transact GIA into an interest-bearing client money account.

No company in the IntegraFin group of companies provides recommendations or advice in respect of the relative merits or suitability of any Investments or Wrappers in your Portfolio. IntegraFin does not manage your Investments and so you, in conjunction with your Adviser, are responsible for ensuring that a particular investment is suitable for a particular Wrapper and for the effectiveness or suitability of a particular Wrapper for your tax planning needs.

Wrappers currently available comprise: (i) Transact GIA; (ii) Transact ISA; (iii) Transact Personal Pension Plan; (iv) Transact Section 32 Buy-Out Bond; (v) Transact Offshore Bond; and (vi) Transact Onshore Bond. Where you have an existing Section 32 Buy-Out Bond with another provider which is being wound up and you have protected/enhanced benefits, you can transfer your protected tax-free cash benefits to the Transact Section 32 Buy-Out Bond, whereupon it will operate in accordance with these terms and the bond policy terms of the Transact Section 32 Buy-Out Bond. Where you have an existing Transact EPP with us, contributions can continue and transfers can be received into that Wrapper in accordance with these terms and the terms of the Transact EPP policy.

This Part B, including this page, sets out the terms which apply to, and form part of, your Transact Portfolio. This Part B should be read in conjunction with, and your Transact Portfolio is also subject to the terms of, the following:

- (i) the Portfolio Application Form(s) and the application form submitted in respect of any particular Wrapper from time to time; and
- (ii) the terms specific to any Wrapper which you open with us from time to time.

KEY
FEATURES

Contents

1. Definitions	17
2. General	18
2.1 IntegraFin	18
2.2 Your Portfolio and Your Portfolio Application	18
2.3 Cancellation Rights	19
3. Carrying out Transactions in Your Portfolio	19
3.1 Form of Instructions	19
3.2 Withdrawal Instructions	20
3.3 Instruction Conditions	20
3.4 Order Execution Policy Summary	21
3.5 Asset Allocation	23
3.6 Conflicts of Interest Policy	23
3.7 Non-Complex Investments	23
3.8 Exercise of Rights	23
3.9 Variation to Normal Business Hours in December and January	23
4. Cash	23
4.1 Cash Deposit Instructions and Cleared Funds	23
4.2 Interest	24
4.3 Use of Cash	24
4.4 Equalisation	24
5. Commissions	24
5.1 Transact Commission Rates	24
5.2 Discounts	24
5.3 Ancillary Services	24
5.4 Reporting	25
6. Other Fees, Charges and Payments	25
6.1 Wrapper Administration Charges	25
6.2 Your Payments to Your Adviser	25
6.3 Other Costs and Charges	25
7. Your PIN	26
7.1 Permitted Purpose	26
7.2 Security of Your PIN	26
7.3 Use of Your PIN	26
8. Keeping You Informed	26
8.1 Regulatory Requirements	26
8.2 Corporate Actions and Notices	26
8.3 Reliance on Third Parties	27
8.4 Investment Documentation and Eligibility	27
9. You and Your Adviser	27
9.1 Appointment of an Adviser	27
9.2 Nature of the Appointment of Your Adviser	27
9.3 Changing Advisers and/or Terminating the Appointment of an Adviser	27
10. Closing Your Portfolio or a Wrapper Within Your Portfolio	28
10.1 Closure by You	28
10.2 Closure by Us	28
11. Death of a Portfolio-holder	28
12. Limitation of Liability	28
13. Complaints	29
14. Financial Services Compensation Scheme	30
15. Data Protection	30
16. Recording of Calls	30
17. Amendments and Variations	30
18. Notices and Communications	30
19. Unenforceability	30
20. Remedies and waivers	30
20.1 No waiver or discharge	30
20.2 Effect of failure or delay	30
20.3 Rights and remedies cumulative	30
21. Governing Law and Jurisdiction	30
22. Other terms which may apply	31
22.1 Your Transact GIA	31
22.2 Your Transact ISA	31
22.3 Your Transact PEP	32
22.4 Your Transact PPP, Transact EPP, Transact Section 32 Buy-Out Bond and/ or Transact Pension Income Withdrawal Facility	32
22.5 Your Transact Onshore Bond and/or Transact Offshore Bond	32

1. Definitions

In this document, the Key Features document and the Portfolio Application Form, the singular shall include the plural and vice versa, and the following terms shall have the meanings respectively ascribed to them.

References to any legislation includes any amendment or subordinate legislation enacted pursuant to, or consolidation or replacement of it.

References to any Government or regulatory body shall be to that body and to any successor bodies or organisations from time to time of that body.

References to clauses are to clauses of this document unless otherwise expressly stated herein.

Adviser	The financial adviser who provides you with intermediary services in relation to transactions as part of the operation of your Portfolio, who has registered with us, and who is an authorised person under Section 31 of the Financial Services and Markets Act 2000.
Business Day	Any day on which (i) banks are open for ordinary business in England and Wales, and (ii) the London Stock Exchange is open for business.
Cash	Your cash, comprising New Cash and Switch Cash.
Complex Product	An Investment of a kind other than those described in Clause 3.7 below.
Direct Debit	An instruction issued to the relevant bank or building society pursuant to a mandate granted by you in the form of the Transact Form T006.
FRN	The firm reference number assigned by the FSA to the firm in question on the FSA's register.
FSA	Financial Services Authority.
HMRC	HM Revenue & Customs.
Instruction	An instruction received by us in connection with your Portfolio in accordance with the terms of your Portfolio, or which is deemed to have been received by us pursuant to one or more of the terms of your Portfolio.
IntegraFin, we or us	Integrated Financial Arrangements plc (registered number 3727592) of Domain House, 5-7 Singer Street, London EC2A 4BQ.
Investment	Any asset, other than Cash.
IPA	Isle of Man Government Insurance and Pensions Authority.
ISA Regulations	The Individual Savings Account Regulations 1998 (as amended from time to time).
Month	A calendar month.
New Cash	All cash other than Switch Cash.
Nominated Account	The UK bank or building society account, as specified to us from time to time in writing by you, in your name (or, in the case of joint Portfolio-holders, in the name of one or more such joint Policy holder), in each case solely or jointly with one or more other named account holders.
Nominee, Transact Nominees Limited or TNL	Has the meaning ascribed to TNL on the first page of these Transact Terms & Conditions.

Portfolio	All Wrappers held by you from time to time with the same identifying designation.
Portfolio Application Form	The Transact form T001, T001(TR) or T001(CA) submitted by you to us in respect of which application we have opened your Portfolio.
Portfolio Value	The value of all Investments and Cash held in your Portfolio at the relevant time.
Quarter	A period of three months ending on 31 March, 30 June, 30 September and 31 December.
Sterling or £	Great British pounds sterling.
Switch Cash	Any cash proceeds arising from the sale of Investments on which Transact Initial Commission has been paid.
Tax Residency	The place(s) in which you pay tax on income, profit or gains or withholding tax, or anything equivalent or analogues thereto.
Transact Additional Adviser Payment Request Form	The form with this title which we have provided on our website at the time in question (if any).
Transact Adviser Payments Amendment Form	The form with this title which we have provided on our website at the time in question (if any).
Transact Annual Commission	The Transact commission described at Clause 5.1(3) below.
Transact Commissions, Charges and Discounts Schedule	The schedule with this title as available on www.transact-online.co.uk , or in hard copy on request from your Adviser or from us.
Transact Commissions Table	The table headed "Transact Commissions" set out in the Transact Commissions, Charges and Discounts Schedule at the time in question.
Transact Executive Pension Plan or EPP	The Wrapper identified as such by us within your Portfolio and operated in accordance with these terms and the Transact Executive Pension Plan Policy Provisions.
Transact General Investment Account or GIA	The Wrapper identified as such by us within your Portfolio and operated in accordance with these terms.
Transact Initial Commission	The Transact commission described at Clause 5.1(1) below.
Transact Cash ISA	The Transact Cash ISA Wrapper identified as such by us within your Portfolio and operated in accordance with these terms.
Transact ISA	The Transact Cash ISA Wrapper and/or Transact Stocks and Shares ISA identified as such by us within your Portfolio and operated in accordance with these terms.
Transact Stocks and Shares ISA	The Transact Stocks and Shares ISA Wrapper identified as such by us within your Portfolio and operated in accordance with these terms.
Transact Offshore Bond	The Wrapper identified as such by us within your Portfolio and operated in accordance with these terms and the Transact Offshore Bond Standard Policy Terms & Conditions.

Transact Onshore Bond	The Wrapper identified as such by us within your Portfolio and operated in accordance with these terms and the Transact Onshore Bond Standard Policy Terms & Conditions.
Transact Pension Income Withdrawal Facility	The feature within the Transact PPP, Transact EPP or Transact Section 32 Buy-Out Bond (as applicable) that enables you to draw an income from your pension fund.
Transact Personal Pension Plan or PPP	The Wrapper identified as such by us within your Portfolio and operated in accordance with these terms and the Transact Personal Pension Plan Policy Provisions.
Transact Section 32 Buy-Out Bond	The Wrapper identified as such by us within your Portfolio and operated in accordance with these terms and the Transact Section 32 Buy-Out Bond Policy Provisions.
Transact Service or Transact	Has the meaning ascribed to it on the first page of these Transact Terms & Conditions.
Transact Switch Commission	The Transact commission described at Clause 5.1(2) below.
UK	England, Wales, Northern Ireland and Scotland excluding the Isle of Man and the Channel Islands [OR: United Kingdom of Great Britain and Northern Ireland]
UK Tax Resident	In respect of the most recent completed tax year running from the 6th April in any year to 5th April in the next year, any individual who has been resident in the UK for at least 6 of the 12 months in such tax year.
USA	The United States of America.
Wrapper	A tax or legal structure in which the assets of your Portfolio are held from time to time.
Wrapper Administration Charges	The charges described at Clause 6.1 below.
Wrapper Administration Charges Table	The table headed "Wrapper Administration Charges" set out in the Transact Commissions, Charges and Discounts Schedule at the time in question.
You and your	Means the person (in whose name(s)) the Portfolio and any subsequent Wrapper within the Portfolio is opened.

2. General

2.1 IntegraFin

We act on an execution only basis. This means that we do not provide advice in relation to Investment, any particular Wrapper or your Portfolio as a whole. The availability of a particular Wrapper, stock, fund, or other product or asset, or any other function or feature of Transact does not imply that it is necessarily suitable for you and you should seek independent specialist advice.

2.2 Your Portfolio and Your Portfolio Application

(1) Our Portfolio Application Form is an application for both the establishment of your Portfolio and a Transact GIA and, as such, must satisfy the requirements for a Transact GIA application set out in Clause 22.1, below. We cannot open a Portfolio for you without a Transact GIA.

- (2) You shall inform us and keep us informed of your jurisdiction(s) of Tax Residency and shall keep us informed of any changes to such jurisdiction(s) of Tax Residency from time to time.
- (3) Portfolios which are opened in respect of a joint application from more than one applicant are held by the applicants as joint tenants. This means that the Portfolio will (ultimately) pass to the estate of the last surviving Portfolio holder and that Instructions, written notices or any other similar communications sent to us by one such Portfolio holder (including, for the avoidance of doubt, withdrawal requests and changes to the Nominated Account details) will be binding on, and construed by us as coming from, all holders of that Portfolio.
- (4) Joint Portfolio holders are jointly and severally liable for their obligations under the terms of, and liabilities in respect of, their Portfolio.
- (5) We rely on the information and declarations contained in your application form(s) from time to time in considering whether or not to open a Portfolio, or a particular Wrapper within your Portfolio. If at any time we discover that any of this information or these declarations is/are false or misleading in any material way, in our opinion, we reserve the right to amend the terms of your Portfolio and/or Wrapper(s) as we see fit, having regard to the inaccuracy in question, or to terminate your Portfolio or any one or more Wrappers within it.
- (6) We reserve the right to request supplementary documents from you at any point during the term of your Portfolio without giving any reasons.
- (7) We reserve the right to reject all or any of your application forms (including, without limitation, your Portfolio Application Forms) for any reason, at our discretion.
- (8) We will send you a letter of confirmation when your Portfolio is opened. This will include confirmation of the opening balance in your Transact GIA and will state your Transact Portfolio Number. Under separate cover, we will send to you your confidential PIN. Your Transact Portfolio Number must be used on all correspondence with us as it identifies your specific Portfolio. Your PIN is a unique identifier for you and will be required when you give us instructions by telephone and in order to view and manage your Portfolio on the Internet at www.transact-online.co.uk. Your PIN is confidential and must be held by you in accordance with the provisions set out in Clause 7, below.
- (9) Documents evidencing title to your Investments within your Portfolio, or to which the value of a Wrapper is linked (where applicable), from time to time will be held by us together with those of our other clients. As a result, your Investments will not necessarily be immediately identifiable by separate certificates or other physical documents. In the unlikely event that we were to become insolvent, you might therefore suffer delays in recovering your Investments and possibly an increased risk of loss if the value of your Investments fell during any such recovery period.
- (10) Your Portfolio details are accessible on the Internet at www.transact-online.co.uk.
- (11) Where you have not declared the country in which the application form for the Wrapper in question (including, for the avoidance of doubt, the Portfolio Application Form) was signed, we will deem this to be the country notified to us by your Adviser.

- (12) You can re-register existing Investments into your Transact Wrappers, but you should first check with the existing holder of the legal title to such Investments to make sure that they can effect such re-registration, as some parties are not able to effect re-registrations and will instead liquidate the asset and transfer a cash balance upon receipt of a transfer request.

(13) In respect of your Portfolio:

- (i) to open your Transact Portfolio (and, thereby, your Transact GIA Wrapper), you must make a minimum deposit into your Transact GIA of £5,000 (either in Cash or Investments) or a minimum deposit of £1,000 together with a commitment to make further deposits of at least £200 per month; and
- (ii) you must ensure that you maintain at all time a minimum Portfolio Value of £5,000.

2.3 Cancellation Rights

- (1) A right to cancel will not apply to the opening of your Portfolio or your General Investment Account and you will not have the right to change your mind once we have received your initial application. However, if you have made no investment purchases or cash transfers, there will be no net cost to close your Portfolio.
- (2) In respect of any other Wrapper within your Portfolio (i.e. the Transact ISA, Transact PPP, Transact EPP, Transact Section 32 Buy-Out Bond, Transact Pension Income Withdrawal Facility, Transact Onshore Bond, and/or Transact Offshore Bond), a right to cancel does apply.

Should you wish to change your mind within 30 days of (a) the date on which we accept your application to open the Wrapper in question, (b) the date on which any single premium or other form of deposit (of whatever nature, including transfers-in) is made, and (c) the date on which the first deposit is made in respect of regular deposits:

- (i) in respect of the Transact ISA and Transact PEP, please write to us at Domain House, 5-7 Singer Street, London EC2A 4BQ;
- (ii) in respect of the Transact PPP, Transact EPP, Transact Section 32 Buy-Out Bond, Transact Pension Income Withdrawal Facility and Transact Onshore Bond, please write to IntegralLife UK Limited at Domain House, 5-7 Singer Street, London EC2A 4BQ; and
- (iii) in respect of the Transact Offshore Bond, please write to IntegralLife International Limited at Barbican House, 8-10 Malew Street, Castletown, Isle of Man, IM9 1AB.

In each case where you do exercise any such right to cancel, you will receive back the premium or other form of deposit (of whatever nature including transfers-in) in question less any amount by which any relevant Investments may have fallen in value; *SAVE THAT* in respect of the Transact PPP, Transact EPP or Transact Section 32 Buy-Out Bond, where the trustee/administrator of the transferring scheme does not have to take the proceeds back, you have to transfer them to an alternative scheme; which you must notify to us forthwith upon request.

3. Carrying out Transactions in Your Portfolio

3.1 Form of Instructions

- (1) Subject to Sub-Clause (2) below, Instructions may be given by:
- (i) letter or facsimile, in each case signed by a holder of the Portfolio in question or, where the Portfolio holder is not a natural person, signed by all persons required and/or duly authorised to sign on behalf of such Portfolio holder;

- (ii) telephone (following our verification of your identity, which may include the need to provide one or more numbers from your confidential PIN and/or the provision of personal information from which we can identify you); or
- (iii) via the PIN-protected pages on www.transact-online.co.uk.

Please also refer to Clause 9.2, below.

- (2) For your protection, notwithstanding any other provision of these terms, Instructions relating to changes of:

- (i) name;
- (ii) address; and
- (iii) payments to your Adviser; and

Instructions relating to:

- (x) assignments or other changes to Portfolio-holder details; and
- (y) changes to your Nominated Account or personal payment details;

must be given by written Instruction signed by all holders of the Portfolio in question or, where the Portfolio holder is not a natural person, the signatures of all persons required and/or duly authorised to sign on behalf of such Portfolio holder. In the case of a Portfolio holder which is a trust, for example, this means that the Instruction must be signed by all trustees.

- (3) You must ensure that Instructions are complete and unambiguous.
- (4) Without prejudice to the generality of Sub-Clause (3) above, you must ensure that:
- (i) you have included any applicable identifying reference, in respect of any cash transfer to our bank account(s) which your Instruction relates;
 - (ii) you have included in your Instruction any applicable Epic or Sedol number (or equivalent) and the full name of any Investment to which your Instruction relates (not an abbreviated name);
 - (iii) you have specified in your Instruction any applicable designation or class of the particular Investment to which your Instruction relates;
 - (iv) you have specified, in any Instruction for a regular purchase, that the purchase is to be made on a regular basis, and the intervals at which the purchase is to be made; such intervals to be one of: monthly, quarterly, biannually and annually; and
 - (v) where your Instruction relates to the purchase of an Investment, that you have only given an Instruction in respect of an Investment (a) of a kind which is suitable for the Wrapper in respect of which you are proposing to purchase the Investment in question, and (b) in respect of which you are an eligible investor, pursuant to the terms of the Investment in question.
- (5) Where you have failed to provide the information specified in, or have otherwise failed to comply with the terms of, Sub-Clause (4) above, or where the Instruction in question is otherwise incomplete or ambiguous we shall be entitled, at our discretion, to:
- (i) deem any such Instruction in respect of unit trusts or OEICs for which different classes of units or shares are available to be an Instruction to purchase income units or shares;

- (ii) deem any such Instruction in respect of equities for which different classes are available to be an Instruction to purchase ordinary shares;
 - (iii) delay the acceptance, and/or suspend our deemed acceptance pursuant to Clause 3.4 below, of any such Instruction whilst we seek clarification from you and/or your Adviser or, in the case of a cash transfer Instruction, identify the funds in question;
 - (iv) reject any such Instruction; or
 - (v) execute the Instruction in respect of the Investment, or such class or designation of the Investment, which appears to us to be the closest to the Investment described in your Instruction;
- in each case, without liability to you for any loss which you may incur as a result.
- (6) Where you request that we cancel an Instruction prior to completion of the transaction in question, we will use reasonable endeavours to effect that cancellation. However, if having used such reasonable endeavours we are unable to cancel the Instruction in question, we shall have no liability to you for failing to effect such cancellation request.
- (7) Instructions may not have been received by us, and are not accepted by us, if they do not appear on your 'Portfolio Valuation' and your 'Transaction Listing' pages on www.transact-online.co.uk. The details of an Instruction which we have received and accepted will be set out your 'Portfolio Valuation' and your 'Transaction Listing' pages on www.transact-online.co.uk, in addition to the transaction in question being contained in your contract note and to the details being set out in any confirmatory email which we may send to you and/or your Adviser. We provide access for you and your Adviser to your 'Portfolio Valuation' and your 'Transaction Listing' pages on www.transact-online.co.uk on a daily basis in order that you can review your Portfolio, and the transactions for which you have provided us with Instructions. **As we provide execution only intermediary services in conjunction with your Adviser, it is the responsibility of you and your Adviser to ensure that you check that your Instruction has been received, accepted and accurately interpreted by us and notify us of any discrepancy within 14 days of the date on which you gave, or believed that you had given, the Instruction in question. Where you notify us outside of this 14 day period, you accept and acknowledge that any compensation payable for loss suffered or sufferable will be restricted to the value of the loss on the last day of the 14 day period, and you will indemnify us against any payment which we make pursuant to a claim in respect of any loss suffered as a result of any such discrepancy to the extent that such payment exceeds the value of the loss on the last day of the 14 day period in question.**
- (8) We reserve the right, for ourselves and any member of our group of companies, to sell or realise in any other manner (including liquidation) any Investment allocated to any Wrapper within your Portfolio which we, or such applicable member of our group of companies, consider the holding of which to be prejudicial to the operation of your Portfolio, or to the tax or regulatory status or integrity of any particular Wrapper.
- In exercising our/its rights under this Sub-Clause (8), we (or the relevant member of our group of companies) will take into account, inter alia:
- (i) any current or proposed legal, regulatory or other official requirements applicable to the operation of the Wrapper in question or the Portfolio as a whole;
 - (ii) whether the relevant Investment has become valueless; and
 - (iii) whether the relevant Investment is, directly or indirectly, contrary to the terms of the Wrapper, contrary to public policy (for example, where it is in a company whose activities are regarded by us as being illegal), or unethical or otherwise or a nature that may be of detriment to our reputation, or the reputation of the relevant member of our group of companies.
- (9) You are prohibited from giving any Instructions for new contributions into your Portfolio if, at the time in question, you are situated in the USA.
- (10) Where a fund manager or product provider divests or modifies your holding at any time in accordance with the rights afforded to them under the terms of the Investment in question at that time, you will be deemed by us to have given us an Instruction to liquidate or so modify the holding in question.
- (11) *Use of templates*
- Where your Adviser uses a template in order to make transactions in Cash and Investments which you have from time to time in a particular Wrapper, the following terms will apply and shall take precedence over any other term of this agreement which deals with the same issue:
- (i) the template must include at all times, and always re-balance to, (including, but not limited to, immediately following any fund swap or re-balance) a Cash balance of at least 2% of the value of the Wrapper in question;
 - (ii) re-balance and fund swap Instructions are subject to a de minimis of £50;
 - (iii) re-balance and fund swap Instructions are construed by us as a single transaction Instruction and, therefore, we send out a single contract note at the completion of the entire Instruction only; and
 - (iv) when undertaking re-balance or fund swap Instructions, we cannot guarantee exact replication of template proportions as the Instruction utilises historic prices but the transactions take place at the price actually achieved.
- ### 3.2 Withdrawal Instructions
- (1) You can elect, by way of a valid Instruction to us, to have withdrawals paid to your Nominated Account or to your Transact GIA on a single or regular basis from any of the Wrappers in your Portfolio, subject to any applicable contractual, legal or regulatory restrictions (including, but not limited to, any age restrictions on withdrawals from the Transact PPP, Transact EPP and Transact Section 32 Buy-Out Bond) and to such Instruction being for no less than £100 per payment.
- (2) As an alternative to specifying a fixed amount for a regular withdrawal, you can elect, by way of valid Instruction to us, to have all of the Investment income (for the avoidance of doubt, excluding interest) credited to Cash in respect of Wrapper(s) specified in that Instruction, during the relevant period, swept into your Nominated Account.
- (3) Payments of regular withdrawals will be made:
- (i) at such frequency of monthly, quarterly, biannually or annually; and
 - (ii) on such payment day of the 7th, 17th or 27th day of the payment month of the specified frequency period (or, where this is not a Banking Day, the immediately preceding Banking Day);
- as are specified in the Instruction in question.

- (4) All withdrawals are subject to a right of set-off against any monies which you owe to us but which remain unpaid at the time in question.

3.3 Instruction Conditions

- (1) Instructions are subject to the following minimum and (where stated) maximum values:
- (i) in respect of an Investment purchase Instruction, the minimum value is (a) £250 for Investments listed on the London Stock Exchange, and (b) in respect of all other Investments, the higher of (I) £100 and (II) the dealing limit applied by the fund manager or product provider in question at the time in question. In respect of regular purchases, in addition to these individual Investment minimum values, further overall minimum values of £300 per Quarter, £600 per half-year and £1,000 per year also apply;
 - (ii) in respect of an Investment sale Instruction, the minimum value is (a) £250 for Investments listed on the London Stock Exchange, and (b) in respect of all other Investments, the higher of (I) £100 and (II) the dealing limit applied by the fund manager or product provider in question at the time in question; and
 - (iii) in respect of cash deposit Instructions, the minimum value is £100 unless the deposit is made by direct debit, in which case the minimum value is (i) £50 for a monthly direct debit, (ii) £150 for a quarterly direct debit, (iii) £300 for a biannual direct debit and (iv) £600 for an annual direct debit. Save where there is a lower applicable regulatory restriction, the current maximum value for a cash deposit Instruction is £49,999 for a deposit made by direct debit; there is no maximum limit in respect of cash deposits made by any other medium;

in addition to any minimum and maximum levels or restrictions set by law of regulation the market in question, or the fund or product manager in question in respect of any such Instruction, in each case from time to time. Such above-stated minimum and maximum values shall apply per Instruction per Investment.

- (2) Instructions for cash withdrawals will only be paid by direct credit to your Nominated Account.
- (3) All Instructions are deemed to be inclusive of costs, expenses and charges unless expressly stated otherwise in the Instruction itself. This means that, for example, a buy Instruction for £5,000 will have any applicable costs, expenses and charges taken from that amount prior to it being used to make the purchase in question.
- (4) You may impose either of the following conditions on your purchase Instructions from time to time:
- (i) in respect of Investments listed on the Official List of the London Stock Exchange, you may specify in your instruction a price above which we should not complete a buy, or below which we should not complete a sale *save that* any such Instruction shall expire if the transaction is not completed within 1 (one) Business Day of the date of the Instruction; and
 - (ii) where you give a single Instruction to purchase Investments listed on the London Stock Exchange with a value of at least £1,500, or other Investments with a value of at least £600, you may choose to elect in your Instruction to have your purchase phased over six monthly instalments.

Where you choose to impose any such condition, you must specify this in your Instruction for the condition to be binding on us.

- (5) No payment Instruction (including, but not limited to a withdrawal Instruction) can be given until the Portfolio has been open for at least 14 days.
- (6) You must ensure that you do not give us any Instruction in respect of any business for which you have appointed a discretionary manager at the time in question, as all Instructions must be given by the discretionary manager only, in respect of any such business.
- (7) You are prohibited from giving any Instructions if, at the time in question, you are situated in the USA.

3.4 Order Execution Policy Summary

We execute and aggregate orders in accordance with our order execution policy (and, in respect of templates, the provisions of Clause 3.1(11) above) as set out below:

- (1) All Instructions are carried out in accordance with our order execution policy so as to ensure that, in the course of executing Instructions on your behalf on an aggregated basis, we obtain the best possible result for you on a consistent basis.
- (2) *Retail Clients*
- Our policy is to treat all our clients as Retail Clients in order that they receive the maximum regulatory protections and avenues of recourse available. We ensure that you are provided with sufficient total fees and commissions information so that you are able to make a decision about utilising our services.
- (3) *Our Strategy*

When executing an Instruction on your behalf, we consider the characteristics of the order and the financial instrument concerned, together with the venues where such an order can be executed. We have effective arrangements in place to assess the most appropriate route to execute your Instructions which take into account the certainty of execution, costs, order size and nature, price, settlement, speed of execution and any other relevant considerations. Our policy is monitored on a regular basis and formally reviewed at least annually to ensure that your Instructions are executed promptly and accurately.

In those specific circumstances in which you may provide us with specific alternative instructions, we will attempt to execute those instructions in line with your requirements. You should note, however, that by doing so we may be prevented from following our usual order execution policy.

- (4) *Aggregated Dealing*

We aggregate all valid Instructions of the same Investment and execute them as a single transaction in the name of Transact Nominees Limited with the execution venue chosen by us on the basis described in Sub-Clause (7) below. We do not net buy instructions against sell instructions. We do not carry out non-aggregated dealing as, by aggregating all valid Instructions received relating to the same Investment, we are able to achieve the best possible result for clients by providing fair allocation of all Instructions.

Subject to Clause 3.9 below, save in respect of Express Trades and regular purchases (the provisions in respect of which are set out in Sub-Clauses (5) and (6) below) we:

- (i) aggregate all valid instructions (including any of your Instructions) for purchases received by us prior to 1300 hours on any Business Day;
- (ii) aggregate all valid instructions (including any of your Instructions) for sales received by us prior to 1300 hours on any Business Day; and
- (iii) place such aggregated purchase instructions and such aggregated sale instructions;

from 1400 hours until such instructions are executed within Business hours on that Business Day. *SAVE THAT*, where the Investment in question does not deal on a daily basis, you must ensure that your valid Instruction is received by us by 1300 hours on the date or day specified in the long name of the Investment on our website, where such date falls on a Business Day (or by 1300 hours on the Business Day immediately preceding such specified date, where such date does not fall on a Business Day).

If, for any reason, we are unable to place your Instruction on any Business Day then we continue to place your Instruction on the following Business Day(s) until such time as we determine, acting in good faith and in a commercially reasonable manner, that the Instruction is unlikely to be placed; whereupon such Instruction shall be deemed to be cancelled.

We believe that the aggregation of instructions will result in us obtaining the best overall result, particularly with regard to overall dealing costs and obtaining access to and/or discounts on investments. However, as we execute all of your Instructions on an aggregated basis this, in some circumstances, may result in a fund or product manager, market or other third party:

- (i) applying additional levies, penalties or charges such as a dilution levy, a redemption penalty or cancellation charge, or scaling back; or
- (ii) delaying the dealing of a proportion of the aggregated total until a later valuation point;
- (iii) allowing you to purchase an Investment in an amount which will be insufficient, without being aggregated with instructions from other clients, to allow you to sell it; and/or
- (iv) allowing you to purchase an Investment in an amount which will be insufficient, without being aggregated with holdings of other clients in that investment, to meet its minimum holding requirements;

and, in each case, this may not have occurred if the Instructions were placed individually.

In these circumstances, respectively:

- (v) such levies, penalties or charges will be apportioned to all underlying clients in respect to their proportion of the aggregated sale or purchase instruction in question;
- (vi) we will wait until the entire aggregated instruction is dealt before allocating the assets or proceeds to underlying clients;
- (vii) we will hold your sell Instruction until such time as we have sufficient sell instructions in respect of the same Investment with which it can be aggregated to meet the minimum dealing limit in question; and
- (viii) we will credit to your Portfolio the settlement monies we receive from the manager of the Investment in question in respect of any compulsory, required or automatic liquidation of your Investment by such Investment manager.

(5) *Transact Express Trades*

Notwithstanding the foregoing provisions of this Clause 3.4, but subject to Clause 3.9 below, for a sale or purchase of shares on the London Stock Exchange we will, for an additional charge per transaction, per client, per Wrapper, execute a valid Instruction given to us by telephone during the period from 0900 hours to 1530 hours on any Business Day, as soon as practicable upon receipt. We would usually expect this to be within one hour, but this will depend upon the type of transaction(s) in question.

We will use all reasonable endeavours to undertake instructions as quickly as possible, in the order in which they are received, but when we rely upon third parties to complete certain transactions, this may lead to delays in executing your Instructions. We do not include express trades in our normal aggregated dealing process.

(6) *Regular Purchases*

We will aggregate all valid instructions (including any of your Instructions) for regular purchases in the same Investment and will place orders in respect of the same on the ninth day of each month (or, where this is not a Business Day, the Business Day first following). For the avoidance of doubt, regular purchases are aggregated with the non-regular purchase instructions for that Investment for the Business Day in question.

(7) *Execution Venues*

In order to ensure that we have taken all reasonable steps to obtain on a consistent basis the best possible result for the execution of your Instructions, we evaluate our choice of execution venues annually. We consider whether or not the then current venue(s) achieve the best possible service in executing your Instructions. We assess execution venues by taking into account factors such as:

- (i) speed, certainty of execution and completion;
- (ii) accuracy of execution and completion; and
- (iii) costs, fees and commissions for executing instructions.

In particular, we currently place significant reliance on Winterflood Securities Limited.

(8) *Appropriateness*

Where we require more information in order to undertake any appropriateness assessment required by law or regulation before being able to proceed with an Instruction, your failure or delay in providing this information will result in delays in accepting and executing your Instruction and the foregoing provisions of this Clause 3.4 must be read and construed accordingly in such circumstances.

(9) *General*

We do not accept liability for any loss resulting from the failure or delay on the part of a third party in respect of the execution of your Instruction, or for your Instruction being executed at a different price than that which could have been obtained if the Instruction had been executed at the time anticipated by you.

Notwithstanding the above, we reserve the right to delay the processing of any Instruction if:

- (i) we cannot readily deal in the Investment to the value of the Instruction on the processing date and within the times set out above; or
- (ii) it is not reasonably practicable for us to process the Instruction on that date due to circumstances beyond our control (including, but not limited to, any minimum dealing limit applied to the Investment in question).

In such circumstances, we will normally process the Instruction on the first Business Day upon which it becomes reasonably practicable for the Instruction in question to be executed after the end of the period of delay, subject to the Sub-Clauses above.

- (10) We may refuse to carry out any Instruction at any time if, in our opinion, it would be prejudicial to the operation of your Portfolio, or to the tax or regulatory status or integrity of any particular Wrapper.

3.5 Asset Allocation

- (1) We allocate assets in client Portfolios as soon as is reasonably practicable following receipt of contract notes from the execution venue in question, and in any event within the timescales set down in the regulatory obligations applicable to us at the time in question.
- (2) Where we have to place aggregated Instructions over more than one dealing time and/or day, the price applicable on each such day will be applied to clients weighted in proportion to each client's proportion of the aggregated sale or purchase instruction in questions.
- (3) The allocation of cash proceeds to your Portfolio is subject to a right of set-off against any monies which you owe to us but which remain unpaid at the time in question.
- (4) Where a third party settles an Instruction in one or more parts (rather than in a single, final settlement of the Instruction in question), we may, at our discretion, allocate the assets of any such part settlement in circumstances where we believe that it would not be prejudicial or detrimental to any affected client to do so as soon as is reasonably practicable following receipt of such part settlement. For the avoidance of doubt, where we do not exercise our discretion in this regard, we shall follow our normal procedures for settlement in accordance with sub-clauses (1) to (3) above.

3.6 Conflicts of Interest Policy

Conflicts may arise in the course of our services. Accordingly, we maintain and operate effective arrangements to enable us to take all reasonable steps to identify conflicts of interest between you and us, or between you and another client, in order to ensure fair treatment. In determining what steps are reasonable, we will take into account the level of risk that the conflict may constitute to your interest together with its nature and materiality. We will notify you of any such conflicts identified which may entail a material risk to your interests. A copy of our Conflicts of Interest policy is available on request.

3.7 Non-Complex Investments

In providing intermediary financial services to you in relation to Investments which the Financial Services Authority designates as non-complex instruments, for example shares traded on regulated markets and units in regulated collective investment scheme, we are not required to assess the suitability of the instrument or the service provided or offered to you and, as a result, you will not benefit from the protection of the Financial Services Authority's rules on assessing suitability. We will not assess whether:

- (1) the relevant product or service meets your investment objectives;
- (2) you would be able financially to bear the risk of any loss that the product or service may cause; or
- (3) you have the necessary knowledge and experience to understand the risks involved.

If at any time you are unsure as to whether or not your purchase instruction relates to a non-complex instrument please contact us and we can confirm this prior to you placing any particular purchase Instruction with us.

3.8 Exercise of Rights

We, and no member of our group of companies, will be liable to you for any loss which you suffer as a result of the exercise by us, or such member of our group of companies, of our/its rights under this Clause 3 in a commercially reasonable manner and acting in good faith.

3.9 Variation to Normal Business Hours in December and January

Notwithstanding anything to the contrary in these Transact Terms & Conditions, our offices will close at 1400 hours (London time) on the Business Day immediately preceding Christmas Day and on the Business Day immediately preceding New Years' Day, and on each such day the times set out in Clause 3.4(4) above shall all be read and construed as if **reduced by 2 (two) hours**; and we shall not, therefore, have received or be deemed to have received any instruction or communication sent to us after that time on those days. Any such instruction or communication shall be deemed to be received by us on the next following Business Day.

4. Cash

4.1 Cash Deposit Instructions and Cleared Funds

- (1) Without prejudice to Clause 2.2(13) above, our obligation to carry out Transactions in respect of each Wrapper within your Portfolio is subject to you maintaining at all times a minimum Cash balance of 2% of the value of the Wrapper in question.
- (2) Where the balance of Cash falls below the minimum Cash balance requirement we may, at our discretion, take any one or more of the following actions:
 - (i) sell Investments in the Wrapper in question to a value equal to or as near as possible (rounding up) to the amount by which Cash has fallen below an amount equal to 2% of the value of the Wrapper in question PLUS the value of any withdrawals for which we have Instructions to settle within three calendar months of the sale date; subject additionally to the minimum Investment sale Instruction value;
 - (ii) during any period that the balance of Cash is less than the minimum required balance, refuse to execute any purchase Instruction in respect of the Wrapper in question;
 - (iii) during any period that the balance of Cash is less than the minimum required balance, refuse to execute any withdrawal Instruction in respect of the Wrapper in question;
 - (iv) during any period that the balance of Cash is less than the minimum required balance, refuse to execute any Adviser payment Instruction in respect of the Wrapper in question;
 - (v) cancel any regular purchase Instruction in respect of the Wrapper in question;
 - (vi) cancel any regular withdrawal Instructions in respect of the Wrapper in question; and
 - (vii) terminate the Wrapper in question.
- (3) Cash deposits are subject to the minimum and maximum limits which we may apply from time to time.
- (4) Subject to the minimum and maximum limits which we may apply from time to time, cash deposits may be made by way of cheque, direct debit or wire / electronic transfer from you. Save in respect of the Transact ISA, Transact PPP, Transact EPP and Transact Section 32 Buy-Out Bond, we will not accept, and you must not attempt to make, cash deposits into your Portfolio with funds from third parties other than as part of the transfer from an existing wrapper from a ceding provider.
- (5) We will be under no obligation to process any:
 - (i) purchase Instruction;
 - (ii) withdrawal Instruction; and/or
 - (iii) Adviser payment Instruction;

in each case, on a single or regular basis, during any period for which you have insufficient cleared funds to cover the value of such Instruction over and above the required minimum Cash balance in respect of the Wrapper in question. In these circumstances the Instruction in question will not be construed as a valid Instruction unless we, in our discretion, choose to accept it. You should bear this in mind in particular before submitting an Instruction to purchase particular Investment(s) with settlement moneys received from the sale of other specified Investment(s), as there may be a delay whilst the settlement monies are received and reconciled to your Portfolio.

- (6) Without prejudice to Sub-Clause 4.1(5) above, where cleared funds are not provided by you within what we, acting in a commercially reasonable manner, consider to be a reasonable time period in respect of the Instruction in question, we shall be entitled to construe the Instruction as withdrawn or cancelled by you.

4.2 Interest

In respect of a particular Wrapper which has a positive cash balance, we will credit the Wrapper with cash interest each month. The interest applied is calculated by us taking the net amount of interest actually periodically received from the financial institutions which have custody of our client account monies and then applying this in proportion to each client's average daily cash balance.

4.3 Use of Cash

Cash will be used to:

- (1) debit from you:
 - (i) the amount of any single or regular withdrawals in respect of which we have received an Instruction from you from time to time. In this regard (as with purchases), we will make such withdrawals from New Cash first and then, to the extent necessary, from Switch Cash;
 - (ii) the amount of Transact Initial Commission, Transact Switch Commission, Transact Annual Commission and any applicable Wrapper Administration Charges payable in respect of the Wrapper in question in accordance with the applicable terms and conditions of such Wrapper or your Portfolio from time to time; and
 - (iii) the amount of any single or regular payment which you wish us to remit to your Adviser on your behalf, in respect of which we have received an Instruction from you from time to time, on the basis further described in Clause 6 below; and
- (2) credit to you as New Cash:
 - (i) Cash deposits which you make from time to time;
 - (ii) the proceeds of sale of Investments in respect of the Wrapper in question (net of all costs, charges, fees, expenses, taxes, duties or other liabilities in connection with such sales) on which Transact Initial Commission has not been paid;
 - (iii) income (including, without limitation, dividends) received in respect of Investments allocated to the Wrapper in question;
 - (iv) cash rebates on charges which we receive from time to time from fund managers or product providers in respect of your Investments; and
 - (v) interest, in accordance with the provisions of Clause 4.2 above; and
- (3) credit to you as Switch Cash the proceeds of sale of Investments in respect of the Wrapper in question (net of all costs, charges, fees, expenses, taxes, duties or other liabilities in connection with such sales) on which Transact Initial Commission has been paid.

Where it is not permissible by law and/or regulation to debit or credit such amounts from or to the Cash balance of the Wrapper in question, or where we from time to time consider such debit or credit of Cash would be prejudicial to the operation of the Wrapper in question, or to the tax or regulatory status or integrity of that Wrapper, we will make such debits and/or credits from and/or to your Transact GIA instead.

4.4 Equalisation

Where settlement mismatches arise or late payments are made, equalisation will be applied to Cash to the amount of the mismatch or payment at the crediting rate which we have set, acting in a commercially reasonable manner, for the relevant accrual period.

5. Commissions

5.1 Transact Commission Rates

As consideration for carrying out execution-only transactions on your behalf, we will levy a commission on your Portfolio. The commission will be charged on the following occasions and in the following amounts:

(1) *Transact Initial Commission*

Whenever we use New Cash to buy an Investment for you, we will deduct from your Portfolio an amount equal to the percentage specified against Initial Commission in the Transact Commissions Table from time to time multiplied by the cost of the Investment in question.

(2) *Transact Switch Commission*

Whenever we use Switch Cash to buy an Investment for you, we will deduct from your Portfolio an amount equal to the percentage specified against Switch Commission in the Transact Commissions Table from time to time multiplied by the cost of the Investment in question.

(3) *Transact Annual Commission*

Subject to Clause 5.2 below, at the end of each Quarter up to the 30th September 2008 and thereafter, from and including the 1st October 2008, each Month, we will deduct from your Portfolio amounts equal to:

- (i) the percentage specified against Transact Annual Commission: New Cash in the Transact Commissions Table from time to time multiplied by the average value of New Cash balances over the Quarter or, from the 1st October 2008, the Month in question; and
- (ii) the percentage specified against Transact Annual Commission: Investments and Switch Cash in the Transact Commissions Table from time to time multiplied by the average value of Investments over the Quarter or, from the 1st October 2008, the Month in question and the average value of Switch Cash balances over the Quarter or, from the 1st October 2008, the Month in question.

5.2 Discounts

The terms set out in the Transact Commissions, Charges and Discounts Schedule under the heading "Discount Terms" shall apply as if set out here in full.

5.3 Ancillary Services

For the avoidance of doubt, no additional charge is made in respect of:

- (1) arranging safe custody of your Investments;
- (2) issuing you with a PIN and a Portfolio Number;
- (3) maintaining records of all transactions undertaken on your behalf and providing you with access to the information contained in those records; and

- (4) providing you with regular valuations of the investments in your Portfolio.

5.4 Reporting

Your Adviser payments and your Transact commission will be set out on your contract note for the transaction(s) in question.

6. Other Fees, Charges and Payments

In addition to the amounts described in Clause 4.3(1) and Clause 5 above, we will make the following payments on your behalf in accordance with the provisions of Clause 4.3 above:

6.1 Wrapper Administration Charges

Due to the nature of the Wrapper in question, some of our Wrappers require us to undertake administration work in order that the Wrapper can be provided to you:

- (1) in respect of these Wrappers, an additional administration charge will be payable by you in the amount and at the frequency set out in the terms of the Wrapper in question from time to time. For your ease of reference, we summarise these in the Wrapper Administration Charges Table; and
- (2) we also reserve the right to charge an additional administration charge for any transfer-out of a Wrapper, or any part of it, to another manager, trustee, custodian, agent or administrator (or equivalent). Any such charge will be calculated by us in a commercially reasonable manner as being the costs of administration work involved in effecting any such transfer-out.

6.2 Your Payments to Your Adviser

Should you wish us to do so, we will make payments to your Advisers on your behalf in return for his/her provision of intermediary services to you in relation to transactions as part of the operation of your Portfolio; in accordance with the provisions of Clause 4.3 above. To facilitate this, at your Instruction (either by way of one of our Transact forms, or by your express written request signed by you and your Adviser in accordance with the following provisions), we can make such payments on any or all of the following basis:

(1) Adviser Payment Types

(i) Initial

Where you have indicated a percentage in the box headed 'Initial' in the 'Payment Types' section of a particular application form:

- (a) whenever we use New Cash to buy an Investment for you, we will pay to your Adviser from your Portfolio an amount equal to the percentage so specified (as the same may be amended from time to time in accordance with this Clause 6.2(1)) multiplied by the cost of the Investment in question; and
- (b) alternatively, where you have specified that the initial payment is to be made on a portfolio establishment fee basis, whenever we (x) transfer-in an Investment into your Portfolio for you, (y) deposit New Cash into your Portfolio for you.

(ii) Switch

Where you have indicated a percentage in the box headed 'Switch' in the 'Payment Types' section of a particular application form, whenever we use Switch Cash to buy an Investment for you, we will pay to your Adviser from your Portfolio an amount equal to the percentage so specified (as the same may be amended from time to time in accordance with this Clause 6.2(1)) multiplied by the cost of the Investment in question.

(iii) Annual

Where you have indicated a percentage in either or both of the boxes headed 'Annual' in the 'Payment Types' section of a particular application form, at the end of each Quarter up to the 30th September 2008 and thereafter, from and including the 1st October 2008, each Month, we will pay to your Adviser from your Portfolio amounts equal to:

- (a) where you have indicated a percentage in the box headed 'Annual: New Cash' on a particular application form, at the end of each Quarter or, from the 1st October 2008, the Month, we will pay to your Adviser from your Portfolio amounts equal to the percentage so specified (as the same may be amended from time to time in accordance with this Clause 6.2(1)) multiplied by the average value of New Cash balances over the Quarter or, from the 1st October 2008, the Month in question; and
- (b) where you have indicated a percentage in the box headed 'Annual: Investments and Switch Cash' on a particular application form, at the end of each Quarter or, from the 1st October 2008, the Month we will pay to your Adviser from your Portfolio amounts equal to the percentage so specified (as the same may be amended from time to time in accordance with this Clause 6.2(1)) multiplied by the average value of Investments over the Quarter or, from the 1st October 2008, the Month in question and the average value of Switch Cash balances over the Quarter or, from the 1st October 2008, the Month in question.

- (iv) These percentages can be amended by you and your Adviser, together, at any time in respect of all or one or more Wrapper(s) by submitting to us the Transact Adviser Payments Amendment Form, or by written Instruction to us in substantially the same terms as that amendment form or in a form, and with a content, which we otherwise agree with you.

(2) Other Adviser Payments

We will pay to your Adviser on your behalf such amounts as you may from time to time agree between you and your Adviser to be payable as soon as is reasonably practicable following receipt of your Instruction to pay the same, provided that:

- (i) you notify the amount of such payment to us by submitting to us the Transact Additional Adviser Payment Request Form, or by written Instruction to us in substantially the same terms as that amendment form or in a form, and with a content, which we otherwise agree with you; and
- (ii) we are not, nor are we held by you or your Adviser, to be responsible for the settling of any taxation, levy or charge accruing in respect of or attracted to or by, nor for the accounting of the same to you, your Adviser or any relevant taxation or regulatory authority or government body.

6.3 Other Costs and Charges

We will charge to you any of the following costs, fees and charges which are accrued in respect of, or attracted to or by your Wrapper, the Cash and/or Investments within your Wrapper, and/or any transaction in respect of the same:

- (1) the costs of purchasing any Investments (including but not limited to: (i) charges associated with associated with collective investments (for example, unit trusts and OEICs) that are levied by fund managers or product providers; (ii) equity dealing charges; and (iii) any stamp duty, government, bank or other charges, audit fees, taxes or imposts that arise out of the operation of your Portfolio and/or the undertaking of a particular transaction on your behalf); and
- (2) the amount of all and any fees, costs, expenses, taxes, duties, charges and other liabilities (including, without limitation, the costs of any currency conversion) or permitted deductions that may arise in connection with the purchase, management, maintenance, custody, valuation and sale of any Investments or otherwise in respect of your Portfolio (including, without limitation, any costs incurred in contemplation of a sale of any Investment and which sale fails, for whatever reason, to be completed).

7. Your PIN

7.1 Permitted Purpose

Your PIN must only be used by you to access information in respect of your own Portfolio, to identify yourself to us on the telephone (in which case you must never state your whole PIN) and to give Instructions to us in respect of your Portfolio via www.transact-online.co.uk. You must not attempt at any time to use your PIN for any other purpose.

7.2 Security of Your PIN

Your PIN must not be disclosed, intentionally or recklessly, to any third party. Should you feel, or know, that the security of your access code and PIN has been compromised, you are required to notify us immediately and, unless and until you so notify us we will, and shall be hereby authorised by you to, construe any Instruction given to us using your PIN (as identity or via www.transact-online.co.uk) as being an Instruction from you.

7.3 Use of Your PIN

In addition to the provisions of Clause 7.2 above, where Instructions are given using a PIN, we shall be entitled to assume that the use of the PIN has been duly authorised by all required signatories, and:

- (1) the use of your PIN is also subject to the terms set out in the letter notifying you of the same; and
- (2) you will indemnify us against any and all costs, claims, demands, losses, expenses and liabilities, directly or indirectly suffered by us or any member of our group of companies as a result of use of your PIN which is not authorised by us.

8. Keeping You Informed

8.1 Regulatory Requirements

- (1) As a firm authorised and regulated by the Financial Services Authority (FSA), we will send to you such statements, and retain such records, as are required from time to time by the FSA. For example, these requirements currently include:
 - (i) sending to you a statement of all Investment sales and purchases and all Cash deposits (other than in respect of those completed on a regular basis) as soon as your Instruction has been completed;
 - (ii) maintenance of records of transactions for required period (for the avoidance of doubt, including records of transactions undertaken on a regular basis); and

- (iii) provision to you of an annual statement of your Portfolio (for the avoidance of doubt, including transactions undertaken on a regular basis). In this regard, we provide biannual statements, as at 5th April and 5th October to assist you with your tax returns.

- (2) You may appoint a third party as agent for and on your behalf to receive all and any regulatory or statutory statements that we may send to you from time to time. Should you choose to make such appointment:
 - (i) you must notify us of it in writing, or make this election by specifying a third party correspondence address on an application form. For the avoidance of doubt, where you make the election on an application form, the election will apply in respect of your entire Portfolio, and not just the Wrapper in respect of which that form is applying; and
 - (ii) you must notify us forthwith in writing of the termination of any such appointment.

Unless and until we receive notification from you in the form and of the kind described in (ii) above, we shall continue to rely on an appointment of agent of the kind described in this Clause 8.1(2).

8.2 Corporate Actions and Notices

- (1) We provide intermediary financial and wrap services only; we do not administer the investments, or advise on the investments, which we hold within your Portfolio for you. As a result:

- (i) we will not normally forward to you copies of reports and accounts, scheme particulars or meeting and voting information issued by the providers of Investments; and
- (ii) we will normally not exercise any voting rights attaching to your investments;

unless you expressly request otherwise, and we agree to such request, on a case by case basis. Where we, from time to time, do agree to such a request, we reserve the right to charge a fee calculated in a commercially reasonable manner as commensurate to the amount of work which it is required for us to undertake in respect of any such request.

- (2) It is the responsibility of you, in conjunction with your Adviser where applicable, to monitor corporate actions in respect of the Investments which you have purchased or transferred into your Portfolio from time to time. We rely on third parties for details of corporate actions. Where we forward any such details to you, this is for your ease of reference only and you should ensure that you have:
 - (i) checked the full details of the information issued by the company, registrar, fund manager or product provider in question (or equivalent) to ensure that you have read complete and accurate information;
 - (ii) understood the details of the information so issued and sought independent specialist advice wherever necessary; and
 - (iii) included on any Instruction which you wish us to undertake in respect of any such corporate action, as a minimum, details of (a) how you wish to vote, or what action you wish to take in respect of the corporate action in question, and (b) details of how such vote or action must be taken by us in order to be valid under the terms of the corporate action in question.

8.3 Reliance on Third Parties

Where you have selected Investments to be purchased or transferred into your Portfolio that are managed by third parties, we have to rely on, and report on, information provided to us by those third party managers. We do not, therefore, accept liability resulting from any errors in any such third party information.

8.4 Investment Documentation and Eligibility

- (1) We are not an introducer or intermediary for any third party product, we do not market or sell any third party product and we provide our services on an execution-only basis. Consequently, we do not provide or distribute any documentation relating to the underlying Investments within your Portfolio (such as prospectuses, information memoranda, Key Features documents). Your Adviser or the person who informed you of the Investment prior to your instructing us to purchase it will be responsible to you for providing such documentation and advice. You must ensure that you have read and understood such documentation prior to giving us an Instruction in respect of an Investment.
- (2) You shall be deemed to represent, confirm and undertake to us, on each occasion on which you provide us with an Instruction in respect of an Investment, that you have read the then current key facts/features document in respect of such Investment and understood the risks associated with such Investment and, where appropriate, have taken independent specialist advice.
- (3) You shall also be deemed to represent, confirm and undertake to us, on each occasion on which you provide us with an Instruction in respect of an Investment, that you are eligible (in accordance with the terms of the Investment in question) to invest in, or hold (legally and/or beneficially) such Investment.
- (4) You undertake to provide evidence to us of your eligibility to invest in any particular Investment within your Portfolio upon request.

9. You and Your Adviser

9.1 Appointment of an Adviser

- (1) 'Adviser' for the purposes of our terms and conditions, and the operation of your Portfolio, is the firm of the individual who provides you with intermediary financial services. Where the individual who provides you with such financial services is not a sole practitioner, they are the 'Registered Individual' of the Adviser.
- (2) To be your Adviser in respect of your Portfolio, the firm in question must be registered with us. Advisers must then register their Registered Individuals with us.
- (3) Where you purport to appoint a Registered Individual, you are deemed to have appointed the firm in respect of whom they have been registered with us as a Registered Individual, as your Adviser.
- (4) For any period during which you do not have an Adviser appointed in respect of your Portfolio, we will have to undertake the whole of the intermediary services. As a result, during and in respect of any such period, the percentage multipliers for each of Transact Initial Commission, Transact Switch Commission and Transact Annual Commission shall be increased by adding the following percentage rates to them, respectively:

Initial Commission	3.00%
Switch Commission	0.80%
Annual Commission: New Cash	0.30%
Annual Commission: Investments and Switch Cash	0.50%

- (5) Where you receive any correspondence from us that contains any incorrect details about your Adviser, you must notify us of any such error(s) within 14 days of receipt of such correspondence. Where you notify us outside of this 14 day period, you accept and acknowledge that any compensation payable for loss suffered or sufferable will be restricted to the value of the loss on the last day of the 14 day period, and you will indemnify us against any payment which we make pursuant to a claim in respect of any loss suffered as a result of any such discrepancy to the extent that such payment exceeds the value of the loss on the last day of the 14 day period in question.

9.2 Nature of the Appointment of Your Adviser

Notwithstanding any other provision(s) which we may agree with you, or you may notify to us, from time to time in respect of the appointment of your Adviser (from time to time), your appointment of an Adviser in respect of your Portfolio (whether by way of an application form or otherwise), is subject at all times to the following terms:

- (1) during such period as you may appoint the Adviser in question, that Adviser is hereby authorised to appoint any of its Registered Individuals in respect of your Portfolio from time to time, and to change any Registered Individuals appointed in respect of your Portfolio to any other of its Registered Individual on one or more occasion at any time during that Adviser's period of appointment by you;
- (2) during such period as you may appoint the Adviser in question, we are authorised to accept Instructions from that Adviser and any of its Registered Individuals as if they were your direct Instructions;
- (3) you undertake to ratify and confirm whatever your Adviser, or any Registered Individual of your Adviser, does or purports to do in good faith in the exercise of any power conferred by Sub-Clause (2) above, and to indemnify us fully against all claims, losses, costs, expenses, damages or liability which we sustain or incur as a result of any action taken by us in following in good faith any Instruction given to us by your Adviser, or any Registered Individual of your Adviser, pursuant to the authorisation set out in Sub-Clause (2) above (including any cost incurred in enforcing this indemnity); and
- (4) in respect of any provision(s) which we may agree with you, or you may notify to us, from time to time in respect of the appointment of your Adviser and which deals with the same subject matter as any of the foregoing Sub-Clauses of this Clause 9.2, you accept and acknowledge that the provisions of the foregoing Sub-Clauses of this Clause 9.2 take precedence.

9.3 Changing Advisers and/or Terminating the Appointment of an Adviser

Without prejudice to Clause 9.1(5) above:

- (1) If you wish to change your appointed Adviser (i.e. you wish to appoint an Adviser who has a different FRN to your existing Adviser), we will amend our records to reflect this change of appointed Adviser following receipt of any of the following:
 - (i) an original or certified copy letter of authority (addressed to either ourselves or your new Adviser);
 - (ii) an original or certified copy letter to your new Adviser accepting their terms of business; or
 - (iii) a letter from you notifying us of your appointment of a new Adviser, and setting out the new Adviser's details.

If you have more than one Portfolio, we shall be entitled to assume that your request to change Adviser in the form of any of (i) to (iii) above, relates to all Portfolios unless you state otherwise. For the avoidance of doubt, the notification of the appointment of a new Adviser will automatically operate as a termination of the appointment of your then current Adviser with effect from the date of appointment, as it is not possible for us to recognise the appointment of more than one Adviser in relation to a Portfolio.

- (2) If we are notified of the appointment of a new Adviser in writing from your current Adviser (or in writing from your new Adviser), we will automatically terminate the appointment of your current Adviser but we will not link your Portfolio account to the new Adviser, unless we have received written confirmation from you as specified in Clause 9.3 (1) above. For the avoidance of doubt, until we receive written confirmation from you appointing a new Adviser, your Portfolio will be listed as having no current Adviser appointed and the provisions of Clause 9.1(4) shall apply accordingly.
- (3) If you wish to terminate your appointment of your existing Adviser, but do not wish to appoint a new Adviser at that time, we will amend our records to reflect this following receipt of a letter from you informing us that you no longer wish to have an/that Adviser appointed in respect of your Portfolio(s). If you have more than one Portfolio, we shall be entitled to assume that your letter of termination relates to all Portfolios unless you state otherwise.

In each case, please bear in mind that your "Adviser" is the firm in question and not the individual (Registered Individual) (RI) with whom you may have day-to-day contact. If you wish to change your RI, you will need to speak with your Adviser (firm) as they appoint the RIs (as set out in Clause 9.2(1) above). Please also bear in mind, in each case, that the change to (or termination of) your appointed Adviser will take place following receipt of your notice in accordance with this Clause 9.3, and not with effect from any earlier date or time.

10. Closing Your Portfolio or a Wrapper Within Your Portfolio

10.1 Closure by You

- (1) Where you send us an Instruction to either:
 - (i) transfer all of your Investments and Cash to yourself or a third party;
 - (ii) transfer all of your Investments and Cash in a particular Wrapper to yourself or a third party;
 - (iii) sell all of your Investments and then withdraw the entirety of your Cash;
 - (iv) sell all of your Investments in a particular Wrapper and then withdraw the entirety of your Cash from that Wrapper;
 - (v) in the case of the Transact PPP, Transact EPP, Transact Section 32 Buy-Out Bond and Transact Pension Income Withdrawal Facility Wrappers, use the fund to purchase a pension annuity;
 - (vi) expressly close a particular Wrapper; or
 - (vii) expressly close your Portfolio;

we will follow your Instruction to the extent that it complies with the terms of the Wrapper in question and/or does not breach any legal or regulatory restrictions (including, but not limited to, those relating to the taking of any such pension benefits). For example, the Transact Personal Pension Plan can only be closed by transferring the value of your plan to another approved pension arrangement, paying benefits in the event of death, or by using the fund to purchase a

pension annuity (subject to applicable legal and regulatory restrictions). *SAVE THAT* we will not close your Transact GIA unless and until all of your other Wrappers have been closed.

- (2) Where you send us any Instruction to close your Transact GIA, this shall be deemed to be an Instruction to expressly close your Portfolio for the purposes of Sub-Clause (1) above.
- (3) An Instruction to expressly close a particular Wrapper will be deemed to be an Instruction to sell all of your Investments in a particular Wrapper and then withdraw the entirety of Cash for that Wrapper for the purposes of Sub-Clause (1) above.
- (4) An Instruction (or deemed Instruction) to expressly close your Portfolio will be deemed to be an Instruction to sell all of your Investments and then withdraw the entirety of Cash for the purposes of Sub-Clause (1) above.
- (5) Where you have a Transact PPP, Transact EPP, Transact Section 32 Buy-Out Bond or Transact Pension Income Withdrawal Facility Wrapper, immediately upon providing an Instruction, or being deemed to have provided an Instruction, to close your Portfolio you must notify us of details of the approved pension arrangement to which you are transferring your plan or, where applicable, the annuity you are purchasing with the final Wrapper value. Until such Wrapper is so transferred or applied we will not accept any other Instructions in respect of that Wrapper from the date of receipt of notice of Portfolio closure but the provisions of Clause 4.3 shall continue to apply.
- (6) Immediately prior to the transfer or withdrawal of Cash or Investments we will first deduct all and any commissions, costs, charges, fees, expenses, taxes, levies or other liability of whatever description which have accrued in respect of your Portfolio, or the Wrapper in question where this is the closure of a particular Wrapper, in or before the date of such transfer or withdrawal and which are calculated or calculable but have not yet been paid.
- (7) Notwithstanding the closure of your Portfolio or any particular Wrapper within your Portfolio, you will remain liable for any commissions, costs, charges, fees, expenses, taxes or other liability of whatever description which have accrued in respect of your Portfolio, or the Wrapper in question where this is the closure of a particular Wrapper, prior to the date of such transfer or withdrawal but which have not been so deducted until such time as they are paid in full by you.

10.2 Closure by Us

- (1) We may close a Wrapper within your Portfolio in the circumstances in which we have a right of termination set out in the terms of the Wrapper in question.
- (2) We shall be entitled to close your Portfolio where:
 - (i) you have failed within a reasonable timeframe to provide any documentation we have requested from you in order that we may fulfil our regulatory or statutory obligations (including, but not limited to, the failure to provide suitable evidence to enable us to verify your identity in accordance with anti-money laundering rules and regulations from time to time in force);
 - (ii) where we are obliged or instructed to do so by the terms of a Court Order;
 - (iii) the Cash balance of more than one Wrapper has fallen below the required minimum;
 - (iv) you have transferred out, or sold and withdrawn the sale proceeds for, 95% of the Investments in more than one Wrapper;

- (v) where you have assigned, or purported to assign, your Portfolio to a third party without our express prior written consent; or
- (vi) you have lent, deposited as collateral or used as security to or with a third party one or more of the Investments within your Portfolio, or have purported to do so.

by notifying you by in writing of the date on which we will be closing your Portfolio. Where we exercise this entitlement, this shall be deemed to be an Instruction from you to expressly close your Portfolio for the purposes of Clause 10.1 above.

- (3) During the period from the date of the notice of closure and the date on which the final cash is deposited in your Nominated Account, your Portfolio and/or Wrapper (as the case may be) will be frozen. This means that we will no longer accept your Instructions (or, for the avoidance of doubt, the Instructions of your Adviser) in respect of your Portfolio and/or Wrapper (as the case may be) unless we otherwise agree expressly in writing.
- (4) Where the balance of your Cash within a particular Wrapper cannot be transferred to your Nominated Account due to a legal or regulatory restriction, we will accept your Instruction as to where to transfer this balance to provided that such Instruction does not breach any legal or regulatory restriction. Until such time as the balance of the Cash in question has been transferred, the provisions of Sub-Clause (3) above shall continue to apply.
- (5) We will not be liable to you for any commissions, costs, charges, fees, expenses, taxes, levies or other liability of whatever description which are triggered, accrued or crystallised by the closure of your Portfolio, or any Wrapper within your Portfolio, pursuant to this Clause 10.2.

11. Death of a Portfolio-holder

When we are notified of the death of a Portfolio-holder:

- (1) in the case of a joint Portfolio-holder, the Portfolio will, by operation of law, automatically pass to the surviving Portfolio-holder(s) and we will simply amend our records accordingly;
- (2) in all other cases:
 - (i) in respect of the Transact Offshore Bond, the Policies (as such term is defined in the Transact Offshore Bond Terms & Conditions) will be administered in accordance with the Transact Offshore Bond Terms & Conditions from time to time in force and effect;
 - (ii) in respect of the Transact PPP, Transact EPP, Transact Section 32 Buy-Out Bond and Transact Pension Income Withdrawal Facility, upon receipt of an original death certificate (or a copy certified as a true copy of the original by a solicitor, barrister, notary public or Court official), these policies will be administered in accordance with their respective terms; and
 - (iii) in all other respects, we will immediately freeze the Portfolio until such time as we have received an original Grant of Probate (or a copy certified as a true original by a solicitor, barrister, notary public or Court official). This means that your PIN will be deactivated and we will no longer accept Instructions from your Adviser in respect of your Portfolio. Once we have received an original Grant of Probate (or a copy certified as a true original by a solicitor, barrister, notary public or Court official), we will construe the personal

representative(s) of the estate as our Portfolio-holder and the terms of the Portfolio, and any Wrapper within the Portfolio other than the Transact Offshore Bond, shall be read and construed accordingly.

12. Limitation of Liability

- (1) We will not be liable, and no member of our group of companies shall be liable, to you for any commissions, costs, charges, fees, expenses, taxes, levies or other liability of whatever description which are triggered, accrued or crystallised by our/their following of an Instruction from you or your Adviser (or which we, acting in good faith, believe to be from you or your Adviser), or by us/them exercising our rights under the terms of your Portfolio or any particular Wrapper within your Portfolio.
- (2) You agree to release and indemnify us and our subsidiaries from and against any and all costs, claims, demands, losses, expenses and liabilities suffered by us in acting in reliance upon an Instruction given by you or your Adviser (or which we, acting in good faith, believe to be given by you or your Adviser).
- (3) Neither you nor we will be liable to the other in contract, tort (including negligence), or otherwise for any indirect or consequential loss or damage, however arising (including, but not limited to, indirect economic loss, loss of business, loss of data, loss of profits and third party claims), whether or not that loss or damage was foreseeable.
- (4) You will indemnify us and our subsidiaries, and keep us indemnified, against any claim or demand made against us by any third party discretionary manager which you may from time to time appoint in respect of your Portfolio or any part thereof.
- (5) Notwithstanding the foregoing, nothing in the provisions Clause 12 shall operate such as to limit liability for death, personal injury, gross negligence, wilful default, or any other liability in respect of which limitation is prevented by law from time to time.

13. Complaints

- (1) For all complaints except those relating to the Transact Offshore Bond, both we and IntegraLife UK Limited are authorised and regulated by the Financial Services Authority and bound by its rules. If you have a complaint, you should write to our Compliance Department at Domain House, 5-7 Singer Street, London EC2A 4BQ. Your complaint will be handled in accordance with our internal procedure and the FSA rules governing complaints. A copy of our complaint procedure will be sent to you with our acknowledgement letter.
- (2) For complaints relating to the Transact Offshore Bond, these are governed by the Isle of Man Government Insurance & Pensions Authority (IPA). If you have a complaint, you should write to IntegraLife International Limited, Barbican House, 8-10 Malew Street, Castletown, Isle of Man, IM9 1AB. Your complaint will be handled in accordance with internal procedures and the IPA rules governing complaints.
- (3) If your complaint is not dealt with to your satisfaction:
 - (i) for all complaints except those relating to the Transact Offshore Bond, the matter may be referred to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR Telephone: +44(0)20 7964 1000 Fax: +44(0)20 7964 1001; Email: complaint.info@financial-ombudsman.org.uk. Any such action will not affect your right to take legal action.

- (ii) for complaints relating to the Transact Offshore Bond, the matter may be referred to the Financial Services Ombudsman Scheme for the Isle of Man at Isle of Man Office of Fair Trading, Government Building, Lord Street, Douglas, Isle of Man IM1 1LE. Telephone: +44(0)1624 686 520 Fax: +44(0)1624 686 504; Email: ombudsman@iomoft.gov.im. Any such action will not affect your right to take legal action.

14. Financial Services Compensation Scheme

- (1) If you make a valid claim against us in respect of your investments and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme (FSCS). Further information is available from FSCS at 7th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN (Telephone: 020 7892 7300; Fax: 020 7892 7301).
- (2) If you make a valid claim in respect of the Transact Offshore Bond and we are unable to meet our liabilities in full, you may be entitled to redress from the Isle of Man Government Insurance & Pensions Authority under the Compensation of Policyholders Regulations. Further information about the scheme is available from the Isle of Man Government Insurance and Pensions Authority, 4th Floor, HSBC House, Ridgeway Street, Douglas, Isle of Man IM1 1ER (Telephone: 01624 646 000).

15. Data Protection

We hold a current and appropriate authority under the Data Protection Act 1998 to maintain and store your personal data. As such we will process and keep information obtained by us or given by you in respect of your dealings with us. We will only give out this information to people with whom we deal in the day to day operation of your Portfolio, to people who are acting as our agents, to anyone to whom we transfer or may transfer our rights and duties, to your Adviser, as necessary in the general course of our business, or as required by law, court order or regulation on the understanding that the information will be kept confidential. Otherwise we will keep your personal data confidential and will not use it for marketing purposes without your permission.

16. Recording of Calls

We will record all incoming and outgoing calls. By applying for a Portfolio and/or Wrapper, you are consenting to our recording of calls with you. To ensure the accuracy of the information you receive your call may be monitored or the recording may be used for training purposes.

17. Amendments and Variations

- (1) These Terms & Conditions may be amended by us:
 - (i) where there are changes in such legislation or regulations, or any other circumstances beyond our control, without prior notice to the extent necessary or expedient to comply with any such changes;
 - (ii) in all other cases on 1 (one) month's written notice.
- (2) Where these terms, or the terms of a particular Wrapper, refer to our agreement in writing being required, in order for such written agreement to be valid it must be signed by a director or the company secretary of ours, or the member of our group of companies in question.
- (3) References in these terms and conditions to these terms and conditions and the agreement constituted by these terms and conditions (in each case, howsoever described) refer to these terms and conditions in the form as amended from time to time.

18. Notices and Communications

- (1) Notices and other formal written communications required by or described in these terms must be served on us or sent to us at our registered office and addressed to 'The Directors'.
- (2) Notices and other formal written communications required by or described in these terms will be valid if sent to you at the residential / registered / principal address or postal address, or if sent to any third party agent (pursuant to Clause 8.1(2) above), in each case which you have notified to us from time to time and you irrevocably consent to the service of notice (including the service of process in any legal proceedings) in this manner or in any other manner permitted by law.
- (3) Any notice or other communication:
 - (i) delivered by hand shall be deemed to have been received at the time of delivery;
 - (ii) sent by post shall be deemed to have been received on the second Business Day (for inland mail) or the fifth Business Day (for overseas mail) after the date of posting; and
 - (iii) transmitted by fax shall be deemed to have been received on the day of transmission, or the next following Business Day where this is not a Business Day, where a good transmission report is generated and the original is also sent by post on that day.

19. Unenforceability

If any provision of these terms or the terms of a particular Wrapper is held by any court or tribunal or by a relevant regulatory authority to be unenforceable, we shall each in good faith consult with each other to agree an alternative provision which is compatible with the law and/or regulation in question and which achieves a result as similar as possible to the result which would have been achieved by the unenforceable provision.

20. Remedies and waivers

20.1 No waiver or discharge

No breach by either of us or any member of our group of companies of any provision of these terms or the terms of a particular Wrapper shall be waived or discharged except with the express written consent of the other.

20.2 Effect of failure or delay

No failure or delay by either of us or any member of our group of companies in exercising any right, power or privilege under these terms or the terms of a particular Wrapper, shall operate as a waiver of that right, power or privilege and no single or partial exercise of any right, power or privilege shall preclude any further exercise of that right, power or privilege or the exercise of any other right, power or privilege.

20.3 Rights and remedies cumulative

The rights and remedies provided in these terms and the terms of any particular Wrapper are cumulative and not exclusive of any rights and remedies provided by law or otherwise.

21. Governing Law and Jurisdiction

- (1) These terms shall be governed by and construed in accordance with English law.
- (2) Each of us and you irrevocably agree to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with these terms, and irrevocably waive any objection which us or you (as the case may be) may have now or hereafter to the laying of the venue of any proceedings

in any such court and any claim that any such proceedings have been brought in an inconvenient forum, and further irrevocably agrees that a judgment in any proceedings brought in the English courts shall be conclusive and binding, and may be enforced in the courts of any other jurisdiction.

- (3) Where at any time during the term of your Portfolio you are not resident in England and Wales or Scotland, you will forthwith appoint an agent for service and notify us of such appointment in writing. Where you fail to so notify us in writing we shall be entitled to assume that your Adviser from time to time is, and is hereby, validly appointed as your agent for service during such period as you are not resident in England and Wales or Scotland.

22. Other terms which may apply

Where you have, from time to time, one or more of the following Wrappers, the terms referenced below will apply in addition to these Terms and Conditions:

22.1 Your Transact GIA

In addition to the terms of your Portfolio, the following terms shall also apply in respect of the Transact GIA Wrapper within it:

- (1) Where your Adviser has not made the identity and address certifications set out in the Adviser Declarations section of the Portfolio Application Form for your Transact GIA, you must provide the requisite documentation, appropriately certified, before your application can be considered by us.
- (2) Investments within your Transact GIA are held in the name of our Nominee but will always remain in your beneficial ownership and will not be lent to third parties or used as security for loans.
- (3) All income accruing to the Investments held within your Transact GIA will be credited to your Transact GIA, net of any tax deducted at source.
- (4) The Cash within your Transact GIA is held by us in one or more interest-bearing, client money accounts at appropriate financial institutions, and these accounts are operated by us in accordance with the client money rules of the Financial Services Authority.
- (5) There are no Wrapper Administration Charges in respect of the Transact GIA.

22.2 Your Transact ISA

In addition to the terms of your Portfolio, the following terms shall also apply in respect of the Transact ISA Wrapper within it:

- (1) The opening of your Transact ISA is conditional upon you submitting to us a valid election in a valid Portfolio Application Form or by you submitting to us a valid application in the relevant form, and by your remitting to us Cash or Investments with a value no less than £500 (either in Cash or Investments) or of £100 together with a commitment to make further deposits of at least £50 per month over a period no less than eight months from the date on which your Transact ISA is opened.
- (2) We are an HMRC-approved Individual Savings Account manager and undertake to manage your Transact ISA in accordance with the ISA Regulations.
- (3) Notwithstanding any minimum and/or maximum investment levels which we may set from time to time, you must ensure that your contributions do not exceed the maximum levels prescribed in the ISA Regulations for the taxation period in question.

- (4) You must ensure that, and in applying to open your Transact ISA you represent, warrant and undertake that, you have not subscribed to any other individual savings account in the same taxation year (such representation, warranty and undertaking to be deemed to be repeated on the occasion of your first subscription to your Transact ISA in any subsequent taxation year in which you so subscribe).
- (5) Any income accruing to the Investments held within your Transact ISA will be credited to your Transact ISA, net of any tax deducted at source. Any tax deducted from interest received will be reclaimed by us on your behalf and credited to your Transact ISA as Cash. Tax deducted from dividends cannot be recovered.
- (6) The Cash within your Transact ISA is held by us in one or more interest-bearing, client money accounts at appropriate financial institutions, and these accounts are operated by us in accordance with the client money rules of the Financial Services Authority.
- (7) There will be a Wrapper Administration Charge in the amount set out as such in the Wrapper Administration Charges Table which will be deducted from your Transact ISA.
- (8) The tax benefits of a Transact ISA end automatically upon the death of the Portfolio-holder in whose name the Transact ISA Wrapper was opened.
- (9) You must ensure that you have submitted to us a new application form for a Transact ISA where you have had a break in subscriptions over and above the period allowable by HMRC at the time in question.
- (10) Except for cash deposits in the Transact Cash ISA:
 - (i) investments within ISAs are held in the name of Transact Nominees Limited but will always remain in your beneficial ownership and will not be lent to third parties or used as security for loans;
 - (ii) share certificates or other documents evidencing title to ISA investments will be held by in the name of Transact Nominees Ltd.
 - (iii) Integrated Financial Arrangements plc will arrange, if you elect, for you to receive a copy of the annual report and accounts issued by every company or other concern in respect of shares, securities or units which are held directly in the ISA;
 - (iv) Integrated Financial Arrangements plc is under an obligation, if you so elects, to arrange for you to be able:
 - (A) to attend shareholders', securities holders' or unit holders' meetings
 - (B) to vote, and
 - (C) to receive, in addition to the annual report and accounts, any other information issued to shareholders, securities holders or unit holders.
- (11) Integrated Financial Arrangements plc ensures that any person, to whom any functions or responsibilities are delegated, is competent to carry out those functions and responsibilities under the terms agreed with you.
- (12) Integrated Financial Arrangements plc will notify you if, by reason of any failure to satisfy the provisions of the ISA regulations, an ISA has, or will, become void either
 - (i) on your instructions and within the time stipulated by you, an ISA with all rights and obligations shall be transferred to another ISA manager; or

- (ii) on your instructions and within the time stipulated by you, all or part of the investments held in the ISA and proceeds arising from those investments shall be transferred or paid to you.

22.3 Your Transact PPP, Transact EPP, Transact Section 32 Buy-Out Bond and/or Transact Pension Income Withdrawal Facility

In addition to the terms of your Portfolio, and the specific terms of the policy in question, the following terms shall also apply in respect of any Transact PPP, Transact EPP, Transact Section 32 Buy-Out Bond and/or Transact Pension Income Withdrawal Facility within your Transact Portfolio:

- (1) The Transact PPP, Transact EPP and Transact Section 32 Buy-Out Bond are all registered pension schemes under Part 4 of the Finance Act 2004.
- (2) The value of all Cash and Investments to which your policy is linked will be applied to an individually designated arrangement for the benefit of you and your dependents in accordance with HMRC rules and regulations.
- (3) The Transact PPP can be used to contract out of your state second pension (sometimes referred to as an 'S2P'), but the Transact EPP and Transact Section 32 Buy-Out Bond cannot.

Transact is operated by Integrated Financial Arrangements plc.

The provider of the Transact Personal Pension, Transact Executive Pension, Transact Section 32 Buy-Out Bond and Transact Onshore Bond is IntegraLife UK Limited.

The provider of the Transact Offshore Bond is IntegraLife International Limited.

IntegraLife UK Limited, IntegraLife International Limited and Transact Nominees Limited are members of the Integrated Financial Arrangements plc group of companies.

- (4) You may arrange for a transfer of the benefits from another registered pension scheme to your Transact PPP, Transact EPP or Transact Section 32 Buy-Out Bond. Transfer payments received from contracted out defined benefit and money purchase schemes can be held on a money purchase basis as protected rights in the Transact PPP or as requisite benefits in the Transact Section 32 Buy-Out Bond (depending on the source of the transfer payment in question). If you wish to transfer safeguarded rights, then these must be transferred to a Transact PPP, and cannot be transferred to a Transact EPP or a Transact Section 32 Buy-Out Bond.

22.4 Your Transact Onshore Bond and/or Transact Offshore Bond

In addition to the terms of your Portfolio, the specific terms of the policy in question shall also apply in respect of any Transact Onshore Bond and/or Transact Offshore Bond within your Transact Portfolio.

You must ensure that you have read and understood the Key Features Document applicable to any such Wrapper before applying to open it within your Portfolio.

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Authorised and regulated by the Financial Services Authority
(entered on the FSA Register under number: 190856).