TERMS OF BUSINESS

Our Services for Clients

To comply with the Financial Conduct Authority (FCA) requirements, all Clients and prospective Clients must be aware of the Company's terms. FCA rules preclude the Company from giving any advice or taking any dealing instructions before our Terms of Business has been issued to Clients. This document is designed for your protection and establishes our relationship. It confirms the financial and statutory protection that the Company's FCA membership affords Clients. Additionally, the Company receives regular checks from the FCA, not only to ensure Clients receive "best advice" but also to make certain that the Company is conducting business within the requirements of the Financial Services and Markets Act 2000. The Company is bound by FCA rules and these Terms are governed by English Law. The current address for the FCA is: FCA, 12 Endeavour Square, London, E20 1JN. www.fca.org.uk

This document should be read carefully and if you have any queries, please contact the Company.

Philip J Milton & Company Plc offers independent advice and will act on your behalf in advising you. Because the Company provides independent advice, it can advise you on life assurance, pensions, Investment Trusts, Unit Trusts and structured products of different companies.

GENERAL FINANCIAL ADVICE

G1. For the purpose of this agreement and as a requirement of the FCA, you will be classified as a retail client, unless you are notified to the contrary.

G2. Comprehensive advice can also be given on Inheritance Tax planning, Taxation and Accountancy, Probate, Executorship, Wills and Trusts and many other non-investment related services not specifically regulated by the Financial Services and Markets Act 2000. Charges may be applied for such work, of which details will be disclosed at outset, as applicable. Within this spectrum we aim to provide "best advice" for Clients in each situation and recommendations are made dependent on the individual circumstances involved.

G3. Unless otherwise agreed, all instructions to the Company must be in writing. The receipt of instructions and subsequent action taken by the Company will be confirmed to the Client in writing. The Company or Client can cancel the Company's authority to act at any time and upon any form that the Company may require, provided any pending transactions have been completed and payment effected. A penalty will not be levied for cancelling the agreement although any outstanding sums otherwise contracted will be payable. Joint and several liability is assumed in relation to clients' accounts in this regard.

G4. Advice given implies no obligation on the Client to act on that advice. Advice will be conveyed either in writing or verbally. The basis for such advice will be given on request. Where appropriate, the Company reserves the right to call on Clients provided notice is given in writing or by telephone. When the Company acts and a charge is applicable, then the Client will be notified beforehand.

G5. Clients' valuable documents cannot be lent to a third party nor can money be borrowed against those documents.

G6. For the provision of either advice or the arrangement of a financial product/plan, the Company levies adviser charges. VAT may apply. Details will be disclosed in advance and agreement to those charges will be secured through the signing of a Fee Agreement. When advising on an existing financial product/plan or making a new arrangement it may be possible for some or all of these charges to be paid through deductions against the plan. Alternatively, clients may pay charges direct.

G7. Where adviser charges (for financial advice) are taken from an existing/new financial product/plan but payment does not occur or is reclaimed by the provider (for whatever reason, such as the plan not proceeding or being cancelled later), the client remains liable for the payment of the agreed charges. Adviser charges (for financial advice) are not contingent on a financial product/plan being arranged.

G8. Valuable documents will be registered in Clients' full names and addresses as provided. Documents will be forwarded to Clients as soon as is practical. Where a series of transactions is involved we may hold the documents until all are received and then forward them together. An acknowledgement of receipt will be requested. Any documents retained temporarily in our offices at Clients' written requests will be held securely. Although it should not be necessary, if we hold documents for more than twelve months, then Clients will be sent a statement detailing the documents held.

G9. We shall advise Clients in writing at least fourteen days before any amendments to their contractual terms take place. These Terms of Business confirm Clients' acceptance of such prior notified adjustments without further specific authority.

G10. The Company reserves the right to transfer the business of all of its Client list. This can be done at any time without prior written confirmation if such action is considered to be in the best interests of Clients. Confidentiality is assured at all times.

INVESTMENT ADVICE

I1. Clients' monies, in the course of investment or repayment, will be held in a separate Client Trust Account in accordance with the FCA rules. This account will be with Barclays Bank Plc or the Royal Bank of Scotland Plc. Such funds never form part of the Company's assets. Interest will accrue at a rate agreed by us on any unappropriated monies and will be credited at least six monthly. Amounts of more than £20 arising from any series of transactions will be credited to Clients, without deduction of tax.

When returning monies to a Client, if a cheque is issued but not presented, the Firm will take all reasonable steps to locate the payee within the cheque's six month currency and issue a duplicate cheque if the original has been lost. However, if then there is no progress, the Firm will write to the Client at their last known address to confirm that if no contact occurs within twenty-eight days, it will be obliged to absorb the funds. Tracing costs may otherwise become disproportionate. However, should the Client reappear and/or chase funds within six years of the original issue date then the Firm will honour that original payment (without interest).

I2. If the Company receives funds payable to Clients, we shall forward them to the current address held on our records or to the Clients' designated bank account or in accordance with any other instructions, if authorised in writing.

I3. The extensive protection afforded by the Financial Services' Compensation Scheme applies to Clients. Details are available on request.

I4. No business will be undertaken where the Company, its Directors or other of our Clients has a material interest unless disclosed previously in writing and Clients' consent obtained.

I5. Contract notes or bargain reports in respect of individual transactions are issued to Clients. Clients can inspect the Company's copy contracts, vouchers and book or electronic entries relating to their transactions. Records will be held for at least six years.

Any delay in delivering payment (for share purchases) or certificates and necessary paperwork (for share sales) may result in the transaction being reversed, at extra cost. This may be at a less advantageous price. Late delivery fees and interest may also be incurred. Philip J Milton & Company Plc accepts no responsibility for these charges where it has acted on a Client's specific instruction and with due expediency. It reserves the right to levy time-costed fees to resolve protracted problems caused by the Client's negligence. It is the Client's responsibility to instruct only deals which they can complete within necessary timescales.

I6. The sensitive personal information given freely by Clients will be held by Philip J Milton & Company Plc and/or its Agents within computer and/or manual systems and will be used solely for the provision of the service for which they have applied. The use of Clients' sensitive personal information is covered by the Company's registration under the Data Protection Act 1998. Under the Act, upon payment of the appropriate fee Clients have the right to obtain a copy of the information held.

I7. Risk Warning: Predominantly our discretionary managed strategies will involve exposure to the markets. These offer income through the payment of dividends and interest (which may be reinvested) and opportunities for capital valuations to appreciate over the longer term. By this, generally we mean periods in excess of five years, preferably much longer. However, we can never promise you particular returns, especially in the short-term. At any point in time but especially in the short term, your capital could be worth less than the original amount invested as some of the selected holdings may fall in value, regardless of our best expectation at the time of acquisition. We may also invest in funds that invest in overseas' securities. The value of these investments may increase or decrease as a result of changes in exchange rates between the currencies. Returns that have been achieved in the past also cannot be relied upon in terms of what the future may deliver.

I8. The Company will not undertake an ongoing review or advise further on Clients' investments that it does not manage discretionarily unless specifically approached at such later date, when we shall be more than happy to provide further comment.

I9. If Clients should have any complaint about the service or advice received then they should contact the Compliance Officer, Choweree House, 21 Boutport Street, Barnstaple, Devon, EX31 1RP. Telephone (01271) 344300. Any complaints that the Company is unable to settle to Clients' satisfaction can be referred to the Financial Ombudsman Service. Further details on the Company's complaints' procedure are available on request.

MORTGAGE ADVICE (INCLUDING LIFETIME MORTGAGES)

M1. An Initial Disclosure Document and Fee Agreement will be provided to you which details the nature of our regulated mortgage review service. This must be provided to you within five working days of your mortgage enquiry.

M2. Please note that variations to Mortgage Contracts entered into prior to 31 October 2004 and commercial buy to let mortgages are not subject to FCA regulation but may be subject to the provisions of the Consumer Credit Act 1974.

M3. We offer a full advice and recommendation service in all cases so that we can make an informed decision with you about the choice of your new mortgage. Our relevant personnel have passed the necessary mortgage qualification although invariably they will have far higher levels of examination in the financial services' arena too.

M4. We shall also provide you with information relevant to your mortgage needs, covering such items as an explanation of the main repayment methods and your protection needs, as well as the likely costs, affordability and other implications of taking out a mortgage.

M5. The lender recommended to you may undertake credit enquiries on receipt of your mortgage application. It may also supply information to a Credit Reference Agency regarding the way your account is managed.

M6. During our initial meeting offered at our expense, we shall complete a detailed mortgage questionnaire or take detailed notes to enable appropriate advice to be given on the mortgage. If you are an existing customer, we may require additional information to that which we hold on our files already.

M7. Once we have made our recommendations to you, we shall confirm our advice in writing including a personalised illustration. This should be kept by you as it will be a record of the advice given.

M8. When we undertake mortgage advice our research will also include lenders which will accept business only directly from applicants. If we identify such a mortgage as being suitable for your needs we will complete our advice and recommendation provided we can obtain the relevant keyfacts illustration to supply with our recommendation and from which point you would be asked to progress your application directly with the lender and no further charge for our mortgage service will apply (unless we are asked by you to provide further mortgage advice). Our charge for advice to that point remains payable however but we shall not invoice you until the mortgage application has completed or until you withdraw from the purchase otherwise. In using the services of Philip J Milton and Company Plc, by signing the relevant fee agreement you will authorise the Firm contacting the prospective lender we have recommended to verify whether the application has been made although we shall always contact you to verify this in the first instance and only approach the lender directly if essential.

M9. We shall treat all your personal information as private and confidential (even when you are no longer a customer) except where disclosure is made at your request or with your consent in relation to researching and arranging your mortgage.

M10. As part of the FCA's duties we may be asked to provide it with access to our customer records in order that it may carry out an audit of our activities.

GENERAL ADVICE (OTHER THAN ON A 'FACE TO FACE' BASIS)

GA1. The terms we offer to distance clients will not vary from those available to clients who may arrange an appointment at one of our offices.

GA2. Other taxes or costs may exist that are not paid through the Firm or imposed by it.

GA3. All communication with clients will be in English.

RECORDING COMMUNICATIONS

RC1. We are required by our regulators (the FCA) to keep records of any telephone conversations or other electronic communications with our clients in relation to the arranging of transactions in investments that are categorised as financial instruments. Please note that for telephone conversations the records will be obtained by taping calls. We have decided to ensure that all relevant records are held that all calls will be recorded and stored. The term 'electronic communication' covers many categories of communications and includes (amongst others) video conferencing, fax email, Bloomberg mail, SMS, business to business devices, chat, instant messaging and mobile devices applications. A copy of our call recording policy is available upon request.