

OCTOPUS ENHANCED DISCOUNTED GIFT SOLUTION

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QUESTIONS AND ANSWERS

If you have any questions, or if you would like to speak to one of the fund managers, please call us on 0800 316 2298.

Q: How do I check the progress of my investment?

A: A formal valuation statement will be sent to you every six months, but you can call us at any time.

Q: Is there a maximum age for investors in this product?

A: Investors aged 90 and over cannot be underwritten on the DGT part so will not be able to invest in the Enhanced Discounted Gift Solution. However, there is no maximum age for Octopus ITS so investors aged 90 and over can invest in this product alone.

Q: Can I withdraw money from my investment?

A: Yes. The minimum withdrawal is £1,000 but there are no restrictions on the maximum amount that can be withdrawn. We will arrange for the funds to be returned to you as soon as possible but this may take up to twelve weeks in some cases. In the event of major legislative changes, such as the removal of Business Property Relief by the Government, it is likely to take much longer to arrange withdrawals. Please note, apart from the income agreed at outset, it is not possible to withdraw money that is transferred into the Discounted Gift Trust.

Q: What is the minimum I can invest?

A: The minimum investment into the Enhanced Discounted Gift Solution is £30,000 and there is no maximum.

Q: Who owns the investment?

A: You are the beneficial owner of shares in each company in which the Enhanced Discounted Gift Solution invests. However, to allow efficient administration, the shares will be registered in the name of the Custodian or its nominee company which will hold them on your behalf as your nominee.

Q: Can I own my investment jointly with my spouse?

A: Investments in the Enhanced Discounted Gift Solution cannot be jointly owned.

Q: What happens to unspent income that has been drawn from the DGT element of EDGS?

A: Income drawn from the Discounted Gift Trust part of the Octopus EDGS returns to your estate, so if it isn't spent it becomes liable to IHT. Therefore, it's important to make sure you draw the correct amount of income for your needs. Money placed in the ITS part of EDGS can be accessed if required and will be free of IHT after two years.

Q: Is it possible to insure my investment against death within the first two years?

A: Yes. Octopus can arrange for you to be provided with a term assurance policy that will pay out the value of the inheritance tax bill (ie 40% of the amount you invest less the amount transferred to the DGT), should you die within the first two years. Please complete the relevant section of the application form. Terms and conditions apply to the term assurance.

Q: Is there a maximum payout under the term assurance?

A: Yes - the maximum payout is £100,000.

Q: How does Octopus pay any IHT bill before probate is granted?

A: Executors can use a D20 form and submit it to Octopus. We then make an IHT payment to HMRC before probate is granted.

Q: On death, what happens to any remaining money in the DGT part of the investment?

A: On death, the discount remains in trust and does not form part of the investor's estate for probate. It can therefore be distributed to beneficiaries immediately.

Q: Who carries out the underwriting on the investment?

A: An independent firm of underwriters with extensive experience underwriting DGTs has been selected.

Q: How do I apply?

A: Please complete the application form within this document.

Q: Who do I make my cheque payable to and where do I send it?

A: Your cheque should be made payable to '**Octopus EDGS**'. This cheque, along with your Application Form and Client Suitability Disclosure, should be sent to:

**Octopus Investments Ltd
8 Angel Court
London
EC2R 7HP**

Q: Can I pay by via CHAPS/BACS?

A: Yes. Please transfer your investment to the following bank account ensuring that you **reference the payment with your name**:

Sort code: **40-03-28**
Account no: **72373696**
Bank: **HSBC**
Branch: **Holborn**

Q: What should I expect after I invest?

A: We will acknowledge receipt of your completed application by return post. Once your cheque has cleared, we will place the money in the client money account ready to make the first investment.

Before we can move the money into the DGT part of your investment, we will need to undertake medical underwriting. The underwriting process relies on input from your doctor and therefore may take several months to complete. Whilst we are waiting for the underwriting process to complete, we will pay any income required from the investment lump sum.

If you need any help with any aspect of your application, please call us free on **0800 316 2298**.

OCTOPUS ENHANCED DISCOUNTED GIFT SOLUTION

CLIENT SUITABILITY

As a result of FSA regulations, we are required to obtain information from you in order to assess your suitability for the Service that we provide. We are not able to commence investing your money until we have received your completed form.

INVESTMENT EXPERIENCE

Which types of shares listed below have you had personal experience in? Please tick those that apply and state the number of years of experience.

	Years of experience
Large quoted companies	<input type="checkbox"/> _____
Smaller quoted companies	<input type="checkbox"/> _____
AIM-listed or unquoted companies	<input type="checkbox"/> _____
No previous shareholdings	<input type="checkbox"/>

In what capacity have you had this experience:

Shareholder

Director

Adviser/consultant/auditor

Other (please specify): _____

ADDITIONAL INFORMATION

Please state your profession (or your previous profession, if you are retired): _____

Please state your first language if it is not English: _____

FINANCIAL SITUATION

Please tick one of the boxes to indicate your approximate annual net disposable income:

Above £100,000

£50,000 - £100,000

£25,000 - £50,000

Less than £25,000

Please tick one of the boxes to indicate the size of your net investable assets (typically your assets other than your house):

Above £1,000,000

£500,000 - £1,000,000

£100,000 - £500,000

Less than £100,000

Please sign and date this form to confirm that the information that you have provided is accurate to the best of your knowledge.

Full name: _____

Signature _____ Date _____

FOR OCTOPUS INTERNAL USE

Assessment complete: _____ Client number: _____

Signed: _____ Date: _____

Suitability met: _____

Signed: _____ Date: _____

OCTOPUS ENHANCED DISCOUNTED GIFT SOLUTION

APPLICATION PROCEDURE

Please send your completed Application Form, Client Suitability Disclosure and separate Medical Questionnaire, together with your cheque or bankers' draft to Octopus Investments Limited, 8 Angel Court, London EC2R 7HP.

If you have any questions on how to complete the Application Form please contact Octopus Investments on **0800 316 2298**.

SECTION 1

Please insert your full name, permanent address, daytime and evening telephone numbers, date of birth and email address.

SECTION 2

Please note that the minimum investment is £30,000.

- i. **Make cheques payable to 'Octopus EDGS' and crossed 'A/C Payee only'**. Cheques must be from a recognised UK Bank or Building Society account and your payment must relate solely to this application.
- ii. Alternatively, please transfer your investment via CHAPS/BACS to the following bank account ensuring that you **reference the payment with your name:**

Sort code: 40-03-28	Bank: HSBC
Account no: 72373696	Branch: Holborn

SECTION 3

Please indicate whether you would like your investment to be protected from inheritance tax in the event that death occurs in the initial two year period.

If selected, please complete the Medical Declaration on the Application Form to confirm that you qualify for term assurance on this product. Answers to these questions will not affect your application for the Octopus EDGS, but will determine whether we are able to arrange for you to take out a term assurance policy against the inheritance tax liability should you die within two years of your initial investment.

SECTION 4

Please indicate the frequency and amount you would like to draw down as income.

SECTION 5

If you are acting as Power of Attorney (POA), please include a certified copy of the Power of Attorney document and identification documents for each POA with this application, and indicate where correspondence should be sent.

SECTION 6

Authorised financial intermediaries who are entitled to receive commission should stamp and complete Section 6, giving their full name and address, telephone number and details of their authorisation under the Financial Services and Markets Act 2000. The right is reserved to withhold payment of commission if Octopus Investments is not, in its sole discretion, satisfied that the financial intermediary is authorised.

SECTION 7

Read the declaration and sign and date the Application Form.

OCTOPUS ENHANCED DISCOUNTED GIFT SOLUTION

APPLICATION FORM

Before completing this Application Form you should read the Brochure, Customer Agreement and Application Procedure. If you have any questions on how to complete the Application Form please contact us on 0800 316 2298.

SECTION 1

Mr/Mrs/Miss/Other _____ First Name _____

Middle Name(s) _____ Surname _____

Address _____

_____ Postcode _____ Date of Birth _____

Telephone (Daytime) _____ Telephone (Evening) _____

Email _____ Mobile No (Optional) _____

SECTION 2

Investment Amount (minimum £30,000) £ _____

i. I enclose a cheque or bankers' draft drawn on a UK clearing bank or building society, made payable to 'Octopus EDGS'.

ii. I have transferred the above funds via BACS/CHAPS into the Octopus EDGS bank account referenced with my name.

SECTION 3

I would like a quote for a term assurance policy to cover the inheritance tax should I die in the first two years

If ticked, please complete the Medical Declaration overleaf.

SECTION 4

I would like to draw down an income of £ _____

Monthly Quarterly Bi-annually Annually

Please nominate a bank account where you would like this income to be paid.

Account Name _____

Bank/Building Society _____

Address _____

_____ Postcode _____

Sort Code - - Account Number

SECTION 5

For Powers of Attorney (POA) please send correspondence to:

Investor POA Both investor and POA

Please note, if you are acting as POA, please include a certified copy of the Power of Attorney document and identification document for each POA.

Please note: Application Form continues overleaf

SECTION 6

Financial Adviser _____ Telephone _____

Mr/Mrs/Miss/Other _____ First Name _____ Surname _____

Administrator _____ Telephone _____

Mr/Mrs/Miss/Other _____ First Name _____ Surname _____

FSA Number and Company Stamp

Special IFA Instructions

SECTION 7

If this form is completed and signed by the investor named in Section 1:

By signing this form I HEREBY DECLARE THAT:

- i. I have read and understood the Brochure;
- ii. I have read and understood the Customer Agreement attached and agree to be bound by the terms and conditions set out within it;
- iii. I understand the risks associated with the Octopus EDGS;
- iv. I am applying on my own behalf;
- v. To the best of my knowledge and belief, the personal details I have given are correct;
- vi. I agree that I understand the product involves the use of a trust; and
- vii. I have considered the need for appropriate financial and tax advice.
- viii. I consent to Octopus' best execution policy and the execution of trades on my behalf outside of a recognised investment exchange or multi-lateral trading facility.

If this form is completed and signed by an authorised financial intermediary or any other person on behalf of the investor:

By signing this form on behalf of the individual whose details are shown above, I make a declaration (on behalf of such individual) on the terms of sub-paragraphs i. to viii. above.

Signature _____ Date _____

MEDICAL DECLARATION

If you have **requested a quote for term assurance** in Section 3, please answer the following medical questions. If you are not able to answer 'No' to all four questions we will not be able to arrange a term assurance policy for you.

Please note that any omission or misstatement of a material fact could affect cover in respect of you under the insurance policy and may result in rejection of a claim. Material facts (ie those which an insurer would regard as likely to influence the insurer's assessment and acceptance of the application) must be disclosed. If you have any doubt as to whether a fact is material, then you should disclose it.

Are you currently receiving treatment for any symptoms, illnesses or injuries? Yes No

Have you been advised to undergo any medical treatment or are you waiting to undergo any medical treatment? Yes No

Has a proposal for Life, Critical Illness, Disability or Private Medical Insurance ever been declined, postponed, withdrawn or accepted on special terms? Yes No

Do you reside outside the European Union for longer than three months in a calendar year or travel frequently outside the European Union? Yes No

INVESTOR SERVICES PROGRAM

At Octopus, we pride ourselves not only on our track record but also on the level of service we provide to all our investors. That's why we provide you with half yearly updates that keep you involved and informed throughout the investment process. These half yearly updates will include a portfolio valuation.

We encourage you to speak to the fund managers investing your money. If you have any questions, or if it would help to meet one of the team, please call us on **0800 316 2298**.

- Please tick here if you do not want us to contact you with information about other Octopus products which we feel may be of interest to you.
 Please tick here if you do not want us to disclose your personal data to selected third parties so that they can provide you with information about their goods or services.

Please send the completed Application Form and Client Suitability Disclosure, together with your cheque or bankers' draft to Octopus Investments Limited, 8 Angel Court, London EC2R 7HP.

CUSTOMER AGREEMENT

If you are unclear as to these terms and conditions, you should take independent advice.

DEFINITIONS

The definitions below are designed to assist your reading and understanding of the Customer Agreement. References to statutes, FSA Rules and any other rules or regulations shall be taken to include any amendments made to them from time to time.

'Agreement' or 'Customer Agreement'

This customer agreement, completed application form and any relevant sections of the product brochure as mentioned within the body of this customer agreement

Application Form

The Application Form attached

Associate

Any holding, sister or subsidiary company of Octopus Investments and any director thereof

Brochure

The EDGS marketing brochure published by Octopus and in force at the time that you became a customer

Business Day

Any day (other than a Saturday or Sunday) on which banks in London are open for business

Custodian

Any entity (which may be an Associate or a third party), whom we appoint to carry out safe custody and administration (and related) services in relation to investments in your Portfolio

EDGS

The Octopus Enhanced Discounted Gift Solution

FSA

Financial Services Authority

FSA Rules

Those rules made by the FSA for the regulation of the conduct of our business

Insurance Trust

The insurance trust which you may establish if you so choose and into which any payout from the Term Assurance Policy in respect of you in relation to your investment in the product may be paid on your death

Insurer

The insurance company providing the Term Assurance Policy

'Octopus', 'Octopus Investments', 'us' or 'we'

Octopus Investments Limited, a company registered in England & Wales under company number 3942880 and with a registered address at 8 Angel Court, London EC2R 7HP

Portfolio

Your portfolio of investments (including any uninvested cash) which are managed in accordance with the investment policy as described in the Brochure

Qualifying Investment

Shares which qualify as relevant business property for the purposes of Inheritance Tax Act 1984 Part V Chapter I Section 105 (1) bb

Term Assurance Policy

The term assurance policy that pays out an amount equal to 40% of the amount invested in the EDGS after subtracting the amount transferred to a Discounted Gift Trust subject to a maximum payout of £100,000

'You' or 'your'

References to 'you', 'your' shall be in respect of you, the investor, or your executors, should the case apply

1. Agreement

This Agreement constitutes the contract between you and us appointing us to constitute and manage your Portfolio in accordance with the Brochure. By signing this agreement you confirm that: (1) you have read and understood the Brochure (incorporating these terms and conditions); (2) your investment will be managed and operated on the terms and conditions of the Brochure; and (3) this Agreement shall constitute the entire agreement in respect of your investment and this Brochure shall operate to the entire exclusion of any previous or other terms and conditions.

2. Regulatory Status

Octopus Investments Limited is authorised and regulated by the FSA with a Firm Reference Number of 194779. Details of our registration can be checked on the FSA's website at www.fsa.gov.uk. The address of the FSA is 25 The North Colonnade, London E14 5HS.

3. Start Date

3.1 This Agreement will come into force (and therefore we are able at our discretion to start managing your Portfolio) on the date of receipt by us of your duly completed and signed Application Form and Client Suitability form (or if later, on the date by which we have completed any compliance procedures required of us in accordance with the Money Laundering Regulations 2007).

3.2 The compliance procedures discussed at 3.1 above include requiring proof of your identity and of your address. Under the Money Laundering Regulations 2007, we are required to check the identity of clients. You authorise Octopus Investments to undertake an electronic search for the purposes of verifying your identity. To do so, Octopus Investments may check the details you supply against your particulars on any

database (public or other) to which we have access. Octopus Investments may also use your details in the future to assist other companies for verification purposes. A record of this search will be retained. If we cannot verify your identity, we may ask you to provide, among other things, a recent, original bank statement and an original HM Revenue & Customs Tax Notification, or a copy of your passport certified by a bank, solicitor or accountant or a Client Verification Certificate from your IFA.

4. Cancellation Rights

4.1 When we first receive your Application Form, we will write to you enclosing your form of cancellation notice. If you wish to exercise your right to cancel, you must notify us in writing, sending the completed cancellation form to us at our address as printed in the Brochure. Your period of cancellation commences on the day of receipt of this notice and expires 14 calendar days after you receive notification of dispatch of your discount certificate.

4.2 If you exercise your cancellation rights, we shall refund any monies paid by you less any commission paid to your financial adviser and any charges we have already incurred for any service undertaken in accordance with the terms of the Agreement, although this would exclude the initial charge by Octopus as stipulated in the Brochure. We are obliged to hold your investment monies until we have completed our Money Laundering checks satisfactorily.

4.3 We will endeavour to return any such monies as described at 4.2 as soon as possible (but in any event, not more than 30 days following cancellation for any cash balances). You will not be entitled to interest on such monies.

4.4 If you do not exercise this right to cancel within the requisite time period, you will still be entitled to exercise your right under clause 17 below to terminate this Agreement, which is a separate right.

4.5 The right to cancel under the FSA Rules does not give you the right to cancel/terminate/ reverse any particular investment transaction executed for the account of your Portfolio before cancellation takes effect.

4.6 If investments have already been made on your behalf into illiquid shares, the return of your monies may be delayed (see 6.4 below).

5. Client Categorisation

5.1 We have categorised you as a retail client for the purposes of the FSA Rules. This categorisation has taken place based on our internal client categorisation process. Different rules and different levels of protection apply to you depending on your client categorisation, and retail clients are generally afforded the highest degree of protection. Please note that irrespective of whether you could be categorised as a professional client for the purposes of FSA Rules, we have categorised you as a retail client for the purposes of FSA Rules.

5.2 You will receive notification of your categorisation in writing. If at any point after categorisation you wish to be re-categorised, you may do so in writing, or by telephone. Please note that whilst all requests for recategorisation will be considered, Octopus is not obliged to carry out any request.

5.3 Under the European Directive on Distance Marketing of Financial Services to consumers we are obliged to provide certain information in respect of agreements entered into with consumers (a natural person who is acting for purposes outside his trade, business or profession) that are concluded by the exclusive use of one or more means of distance communication (eg telephone, internet, fax or mail). If you are such a consumer, the required information is included within this Customer Agreement and the Brochure.

5.4 You warrant that all information that you have provided to us (including the information provided in your Application Form) is true, accurate and complete in all material respects and you have not omitted any information which may be material to the services to be provided to you. We will have no responsibility or liability to you if such information is untrue, inaccurate or incomplete in any material way. You shall notify us in writing as soon as reasonably practicable if any information you have provided requires to be updated or is no longer correct.

6. Investment Management Services

6.1 The EDGS is a discretionary investment service. By entering into this Agreement, you grant to us the right to select and manage, at our discretion, investments which correspond with the objectives and principles for the EDGS, as set out in the Brochure and we will, normally acting as your agent, have complete discretion to buy, sell, retain, convert, exchange or otherwise deal in investments and other assets of your Portfolio, make and withdraw deposits, apply for issues and offers for sale and accept placings, underwritings and sub-underwritings of any investments, effect transactions on any markets or exchanges, negotiate and execute counterparty and account opening documentation, take all routine or day to day decisions and otherwise act as we think appropriate in relation to the management of the Portfolio, but subject always to the provisions of these Terms. You acknowledge receipt and understanding of the Brochure and the risk factors set out in it and acknowledge that Octopus has not provided you with advice about this product.

6.2 It is your responsibility (on the advice of your professional financial adviser if appropriate) to keep your financial circumstances, objectives and appetite for risk under review and to assess whether the specific investment selected by you remains suitable for your needs. We shall not be liable for any losses you suffer or incur as a result of your investment in this product (whether or not you have received advice from a professional financial adviser) and cannot and do not make any representation that such investment is suitable or appropriate for your specific needs and requirements.

6.3 Notwithstanding the generality of 6.1, all transactions for your Portfolio will be undertaken in accordance with the overriding principles of Suitability under the FSA Rules.

6.4 We will acquire for you investments which we reasonably believe to be Qualifying Investments at the time of acquisition (but please be aware that we give no commitment that any such investment will remain a Qualifying Investment at all times thereafter). Subject thereto, there shall be no restriction on the amount invested in any one investment, or on the proportion of your Portfolio in any one investment, or any particular type of investment, or on the markets on which transactions are effected, other than as specified in the Brochure. If we sell Qualifying Investments on your behalf, there may be tax consequences about which you should speak to your adviser.

6.5 You should be aware that the Qualifying Investments in your Portfolio are likely to be classified under FSA Rules as "not readily realisable". It may well not be possible to deal in such investments on a regular basis.

7. Investment Advice

7.1 Octopus does not give any investment advice or tax advice. This does not mean that we shall not provide you with information on investments held within your Portfolio from time to time. If we give you information on investments or markets such as market trends, investment analysis or commentary on the performance of selected companies this should not be viewed as a personal recommendation or advice - this is for information purposes only.

7.2 Where you have submitted your Application Form through a financial adviser or other professional agent, then you warrant and represent that such person is acting as your agent and therefore we may, subject to applicable FSA Rules, accept instructions and deal with such agent rather than dealing with you directly. In that respect we may share with your agent details of your investments with us unless you advise us to the contrary in writing. You will notify us in writing as soon as reasonably practicable if the person previously notified to us ceases to be your agent.

8. Fees and Expenses

8.1 The fees and expenses that you will bear are set out in the Brochure.

9. Delegation and Use of Agents

9.1 We may delegate any of our functions under this Agreement to any Associate or third party of our choosing which is competent (and if relevant, appropriately regulated) to perform such functions. We will give you written notice of any such delegation which involves the exercise of our discretionary investment management powers and will not, without your consent in writing, delegate the whole or substantially the whole of such powers.

9.2 We will act in good faith and with due diligence in the selection, use and monitoring of third party delegates.

9.3 Where we have delegated any of our functions to an Associate, we will accept responsibility for the acts and omissions of such Associate as if they were our own.

9.4 You agree that we may at our discretion delegate the provision of administration, nominee and safe custody services to such professional Custodian as we shall reasonably see fit. We may from time to time change or amend the terms of the relationship with the Custodian, including replacement thereof but such terms shall never be more onerous than those we presently have without your consent in writing.

10. Custody

10.1 The Custodian will hold all investments in your Portfolio in safe custody on the following basis:

- (a) title documents to investments in respect of which such documents are issued will be physically held by the Custodian;
- (b) any registerable investment acquired for your Portfolio will normally be registered in the name of the Custodian or its nominee company; and
- (c) any documents of title to investments in bearer form will be held by the Custodian.

10.2 Please note that investments held by the Custodian for the account of your Portfolio may be pooled with other holdings held by the Custodian. Such investments may not be identifiable by separate certificates, other physical documents of title or equivalent electronic record and, should the Custodian default, you will share in any shortfall in proportion to your original share of any investments in the pool. On occasion, your investments may be used to settle another person's transaction, which will not affect the Custodian's record of your entitlements.

10.3 We have discretion to exercise (or if we so choose, not to exercise) any conversion, subscription, voting or other rights (such as may arise in takeover situations, other offers and capital reorganisations) relating to investments held in your Portfolio. By entering into this Agreement you hereby authorise Octopus to act on your behalf and exercise all rights attaching to shares held in your Portfolio as it shall deem fit and at its discretion.

10.4 Where assets are pooled with third parties, distribution of entitlements to any benefits or entitlements arising from corporate events will be allocated pro rata. Fractions of entitlements arising from this process will be rounded down to the nearest whole unit or share.

11. Client Money

11.1 All uninvested cash received or held for the account of your Portfolio shall be treated by us under the FSA Rules as 'client money'. We will deal with such cash in accordance with the FSA Rules. In that respect

we will deposit the cash in the United Kingdom with an Approved Bank. The Approved Bank will hold the cash on our behalf in a trust account separate to any account used to hold money belonging to us in our own right. We will not, however, be responsible for any acts or omissions of the Approved Bank. If the Approved Bank becomes insolvent, we will have a claim on behalf of our clients against the Approved Bank. If, however, the Approved Bank cannot repay all of its creditors, any shortfall may have to be shared proportionately between them.

11.2 Following our acceptance of your application, interest will not accrue on uninvested cash held in the client money account.

11.3 We may cease to treat your money as "client money" after termination of this Customer Agreement if it remains unclaimed for a period of at least six years and after we have taken reasonable steps to trace you and return the balance.

12. Valuations and Reports

12.1 You will receive statements twice a year, comprising the cost, current value, and dividends of all holdings within your Portfolio as at the last business day of the period in question. We will provide all such reports within 25 Business Days of the end of the period in question. The performance of the investments held within your Portfolio will not be measured against a stock market index.

12.2 All Qualifying Investments will be valued at close of business on the last business day of the reporting period which is, in our opinion, a reasonable valuation as at that date. Periodic statements will also show income and interest credited to your Portfolio, fees charged and transactions made within the period.

13. Dealing, Counterparties and Aggregation

13.1 We will act in good faith and with due diligence in our choice and use of counterparties. All transactions will be effected in accordance with the rules and regulations of the relevant market, exchange or trading facility (if relevant), and we may take all such steps as may be required or permitted by such rules and regulations and/or by appropriate market practice.

13.2 We may aggregate your transactions with those of other customers and of our employees in accordance with the FSA Rules. It is likely that the effect of such an allocation will not work to your disadvantage however occasionally this may not be the case. We will allocate aggregated transactions promptly on a fair basis in accordance with the requirements of the FSA Rules.

14. Conflicts of Interest

We take the identification and management of conflicts of interest seriously. We have implemented a conflicts of interest policy that identifies those circumstances that constitute, or may give rise to, conflicts of interest that pose a material risk of damage to our customers. This policy also addresses the effective organisational

and administrative arrangements that we maintain and operate to manage those conflicts. A copy of our conflicts policy is available on request from the Compliance Officer.

15. Best Execution

15.1 In accordance with the FSA rules, we have implemented an order execution policy which sets out the reasonable steps that we will take in order to obtain the best possible result for our customers.

15.2 Our execution policy is set out on our website at www.octopusinvestments.com. Any changes to our execution policy will be posted on our website.

15.3 The Octopus EDGS will execute trades outside a regulated exchange or multi-lateral trading facility. In signing this customer agreement, you provide consent and authorise Octopus to execute such trades on your behalf.

16. Our Liability

16.1 We will act in good faith and with due diligence in managing your Portfolio in accordance with this Agreement. We accept responsibility for loss to you only to the extent that such loss is due to our negligence, wilful default or fraud or that of our Associates and further, nothing shall limit our liability for death or personal injury caused by Octopus. In any event, we shall not be liable for any loss of an indirect and/or consequential nature.

16.2 If the Custodian should fail to deliver any necessary documents or to account for any investments, we will take all reasonable steps on your behalf to recover such documents or investments or any sums due or compensation in lieu thereof but subject thereto to our general duty of good faith, shall not be liable for such failure.

16.3 In the event of any failure, interruption or delay in the performance of our obligations resulting from acts, events or circumstances not reasonably within our control (including, but not limited to: acts or regulations of any governmental or supranational bodies or authorities; breakdown, failure or malfunction of any telecommunications or computer service or services; and acts of war, terrorism or civil unrest) we shall not be liable to you for consequent loss in the value of, or failure to perform investment transactions for the account of, your Portfolio and further, nothing shall limit our liability for death or personal injury caused by Octopus. In any event, we shall not be liable for any loss of an indirect and/or consequential nature.

16.4 Subject to 16.1, we shall not be liable for any loss or damage of any direct or indirect nature caused by changes in revenue law or practice as determined by HM Revenue & Customs from time to time.

16.5 Nothing in 16.1 - 16.4 is deemed to limit any liability we may have to you under the terms of the FSA Rules.

16.6 The size of the immediate discount to IHT could be subject to challenge by HMRC. A successful challenge could result in a recalculation, or loss of the IHT relief to the discount. In that event the estate may have to pay any outstanding IHT liability. Octopus cannot be held liable for any loss suffered as a result of a challenge by HMRC.

16.7 We have instructed a reputable firm of solicitors to draft the Discounted Gift Trust in the form provided by Octopus. These are draft deeds and are for the consideration of the Settlor and the Settlor's legal advisers. Octopus accepts no liability for any loss caused as a result of their use. Octopus does not have the authority to give tax or legal advice in relation to the use of these trusts or the tax implications arising from them.

16.8 Cover in respect of you under the Term Assurance Policy is provided by the Insurer on the basis of the replies you gave to the Medical Questionnaire and in good faith. We do not accept any liability for non-payment of any claim made in respect of you under the Term Assurance Policy. Our liability in respect of the Term Assurance Policy shall be limited to payment of the requisite insurance premiums, the paying of monies received from the Insurer, and of no other loss whatsoever. The Term Assurance Policy will not apply if death is caused by any of the activities listed in Annex 1.

16.9 We have instructed a reputable firm of solicitors to draft the Insurance Trust in the form contained in the document provided to you by Octopus. We do not accept any liability for failure or inadequacy of the Insurance Trust and we shall not be liable for any consequential loss, whether direct or indirect.

16.10 Notwithstanding the provisions of 15.1, we shall not be liable to you for any loss or damage of any direct or indirect nature caused by the retraction by HM Revenue & Customs of its approval of any benefits or as a result of changes in law.

16.11 We are not responsible for loss of goodwill, profit, opportunity or any special or indirect losses.

17. Withdrawals and Transfers

17.1 If you wish to withdraw money or investments from your investment account, you must provide us with written instructions only. We will realise the cash sum required and pay the net sale proceeds over to you upon receipt of such proceeds by us into your nominated bank account.

17.2 The settlor has no ability to withdraw further money from the DGT other than the regular withdrawal amounts set out in the trust deed.

18. Termination

18.1 You may terminate this Customer Agreement at any time by immediate written notice to us. Upon receipt of written instruction, Octopus can make arrangements to transfer the assets held to you in specie. Octopus may terminate this Customer

Agreement by giving you two months' written notice. Where required to do so by applicable law or regulation or where it becomes impossible, impractical or unreasonable for us to continue to manage your Portfolio we may terminate this Customer Agreement immediately, in which case you will be notified in writing. In this event, Octopus will make arrangements to either transfer the assets to you as the holder, or to appoint another investment manager.

18.2 Further to 6.5 above, you should be aware that where we are required to liquidate your Portfolio, this may take place over an extended period of time as there may be limited liquidity for your Portfolio's investments.

18.3 Subject to 18.3, termination will take effect on the date stated in the written notice of termination or some later date that we agree with you and shall be without prejudice to the completion of transactions already initiated, which will be completed in an orderly manner.

18.4 You will provide us with written instructions confirming what you would like us to do with your investments and/or cash, including, whether you would like us to liquidate the investments or whether you would like us to transfer the investments and/or cash.

18.5 Termination will not affect accrued rights, or any contractual provision intended to survive termination.

18.6 On termination, you will be liable to pay (meaning that we may debit from your Portfolio, or if there are insufficient funds invoice you):

- (a) all fees and other charges mentioned at 8.1 above, accrued and remaining outstanding at the date of termination;
- (b) any additional expenses necessarily incurred by us in terminating this Agreement; and
- (c) our charges (if any) in connection with transferring your investments into your name or as you may direct.

18.7 On termination, we may retain and/or realise such investments as may be required to settle transactions already initiated and to pay your outstanding liabilities. If there is a dispute as to the payment of fees to us, you may require the disputed amount to be held in an escrow account pending resolution of the dispute.

18.8 Where a Term Assurance Policy is provided, on termination, cover in respect of you under the Term Assurance Policy shall cease and consequently you shall have no rights (if any) or benefits in respect of either the Term Assurance Policy or the Insurance Trust. You may be required to complete additional paperwork as may be reasonably requested by the solicitors administering the Insurance Trust and you hereby agree to act reasonably in respect of the winding-up of the Insurance Trust.

18.9 You may request termination of this agreement before the Portfolio is terminated by written notice.

Please note that if qualifying investments are sold you will lose any potential entitlement to Business Property relief.

18.10 We will endeavour to liquidate all investments comprising your Portfolio within a reasonable time span, but given the nature of the investments you shall hold us harmless in respect of any delays. You acknowledge that in the event of any material change to the legislation governing Qualifying Investments, the liquidation of the Qualifying Investments may take a considerable period of time.

18.11 After all outstanding transactions have been accounted for, we will provide you with a closing valuation of the Portfolio prepared in the manner described above. Our management responsibility for the Portfolio will then cease entirely.

19. Quantifying the Term Assurance Payout

19.1 The term assurance payout in respect of you (if applicable) will be calculated by multiplying the net amount of your investment by 40% (after adjusting the value of your investment by subtracting any amount that is transferred into a Discounted Gift Trust).

19.2 The maximum term assurance payout payable in respect of you shall be limited to either the amount quantified by applying the principles set out in clause 19.1 or £100,000 (whichever is the lesser amount) and neither Octopus nor the Insurer shall be liable to you in respect of further amounts.

Tax payable on the term assurance payout in respect of you (if any) shall be the responsibility of the recipient of it (including your estate, as the case may be). For the avoidance of any doubt, Octopus shall only be liable to pay the monies received from the Insurer in accordance with the instructions received by us and not under any circumstances for the payment of any tax on it.

19.3 The premium for the term assurance must be paid by cheque and you will not be covered by the Insurer until we have received payment.

20. Data Protection and Confidentiality

20.1 We are registered under the Data Protection Act 1998, and as such may keep records in which your name and certain personal information provided by you to us will be stored. We may share this information with other persons (including Associates) if we consider that they have products or services to draw to your attention that may be of interest. However, if you so indicate when executing this Agreement, we will not do so.

20.2 You have the right, upon payment of a reasonable fee, to receive a copy of the information that Octopus holds about you to the extent that it constitutes personal information. For more details, please write to the Compliance Officer.

20.3 We will keep confidential any data or other information which we hold on you. We may however

share some or all of this with the FSA if we are required to do so in accordance with FSA Rules, and with other governmental, judicial, law enforcement or regulatory bodies if similarly required to do so.

21. Risk Warnings and Further Disclosures

21.1 General

Your attention is drawn to the risk warnings set out in the Brochure.

21.2 The value of investments and the income derived from them may go down as well as up and you may not get back the full amount invested. Investments made by the EDGS, because they are in unquoted companies, are classified by the FSA as higher risk than companies on the London Stock Exchange official list. An investment in the EDGS is not suitable as a short term investment and should be held for at least two years

21.3 Borrowing and lending

We will not borrow money for the account of your Portfolio, nor lend securities or enter into stock lending or similar transactions.

21.4 Supplement

We cannot require you to add further monies to your Portfolio.

21.5 Limit on investment powers

We will not invest in warrants, in units in collective investment schemes or in derivatives of any sort.

21.6 The Term Assurance Policy is provided by the Insurer. Octopus accepts no liability for default or insolvency of the Insurer or any failure to payout on a valid claim, or any liability whatsoever.

21.7 Octopus has sought independent legal advice in providing the forms of trust which are provided to you as draft documents. Octopus does not accept liability for the suitability of any trust documentation meeting individual requirements. The provisions relating to the Insurance Trust are as set out in the document.

22. Complaints Procedure and Compensation

22.1 If you have a complaint, you should write to our Compliance Officer, who will acknowledge receipt of your letter, investigate the circumstances and report back to you. If we have given you our final response and you are still dissatisfied you may refer your case within 6 months to the Financial Ombudsman Service (FOS). The FOS is an independent body that arbitrates on complaints. It will only consider complaints after we have provided you with written confirmation that our internal complaints procedure has been exhausted. The FOS can be contacted at South Quay Plaza, 183 Marsh Wall, London E14 9SR. A copy of our complaints handling procedure is available on request.

22.2 Octopus Investments is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and

the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme. The address of the Financial Services Compensation Scheme is 7th Floor, Lloyds Chambers, Portsooken Street, London E1 8BN.

23. General

23.1 We may assign this Agreement to any appropriately authorised and regulated person, such assignment being effective upon written notice to you. This Agreement is personal to you and you may not assign it.

23.2 This Agreement constitutes the entire agreement between us in respect of your Portfolio. Amendments to this Agreement shall be effective only if in writing and agreed by both parties, provided that we may amend the Agreement in circumstances where we are required to do so in accordance with applicable law or to reflect changes in regulations and any such amendment will be effective when notified to you in writing.

23.3 It is not intended that any term contained in this Agreement shall be enforceable, whether by virtue of the Contracts (Rights of Third Parties) Act 1999, common law or otherwise, by any person who is not party to this Agreement.

23.4 We may send any communication to you at the address which you provide to us in the Application Form

(or to any provided address). You may communicate with us at Octopus Investments Limited, 8 Angel Court, London EC2R 7HP. Notice sent by first class post is deemed to have arrived on the second Business Day after posting. Notice sent by fax or email or hand-delivered is deemed to be delivered immediately (or on the next Business Day if sent after 5pm on a Business Day or on a non-Business Day). Our telephone number is 020 7710 2800. Telephone calls may be recorded or monitored for our mutual protection.

23.5 This Agreement is governed by English Law and you hereby submit to the court of England.

23.6 The Terms are supplied in English, and we will only communicate in English during the course of our relationship with you.

ANNEX 1

The Term Assurance Policy will not apply if death is caused by dangerous or hazardous sports or activities such as boxing, caving, climbing, professional or semi-professional football, horse-racing, jet-skiing, martial arts, mountaineering, off-piste skiing, parachuting, polo, pot-holing, power-boat racing, sky diving, under-water diving, water skiing, winter sports (other than on-piste skiing or ice-skating), yacht racing or any race, trial or timed motor sport (car or motor cycle).



Please contact us on
0800 316 2298

or email us at
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8 Angel Court
London EC2R 7HP

Octopus Investments Limited is authorised and regulated by the Financial Services Authority

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