

Customer Agreement – Foresight ITS (Investor Guide November 2014)

1. Legal Status and Definitions

- 1.1** This Customer Agreement constitutes the contract between You and Us appointing Us to constitute and manage Your Portfolio in accordance with the Investor Guide. By signing the Application Form You agree and/or confirm that:
- 1.1.1** You have received, read and understood the Investor Guide and this Customer Agreement;
- 1.1.2** Your investment will be managed and operated in accordance with and on the terms and conditions of the Customer Agreement;
- 1.1.3** You have not relied on any statement, representation or warranty made or given by the Foresight Group, other than those expressly set out in the Customer Agreement;
- 1.1.4** You have sought independent advice in respect of Your investment in the Foresight ITS;
- 1.1.5** all information that You have provided to Us (or authorised to be 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 and any changes to information You have provided shall be notified to Us in writing as soon as reasonably practicable; and
- 1.1.6** where You comprise more than one person We shall be entitled to act on the instructions and directions of any one of such persons.

- 1.2** Save as otherwise provided or amended in this Customer Agreement, definitions in the Investor Guide shall apply to this Customer Agreement. For the purposes of this Customer Agreement, the following additional definitions shall apply and, where the context permits, shall replace the equivalent definition in the Investor Guide:

‘Affiliate’ means Foresight Group CI Limited and any body corporate or entity directly or indirectly controlled by Foresight Group CI Limited, of which Foresight is a subsidiary undertaking, and any member or director of any such corporate bodies or entities;

‘AIF’ means an alternative investment fund for the purposes of AIFMD;

‘AIFM’ means an alternative investment fund manager for the purposes of AIFMD;

‘AIFMD’ means the Alternative Investment Fund Managers Directive (2011/61/EU), as transposed into UK rules and law, principally in the Alternative Investment Fund Managers Regulations 2013 (as amended) and the Investment Funds Sourcebook in the FCA Rules;

‘Cash Custodian’ means Woodside Corporate Services Limited, authorised and regulated by the FCA under firm reference number 467652, and whose registered office is at 4th Floor, 50 Mark Lane, London EC3R 7QR;

‘Change Notification’ means the letter from Foresight dated 9 November 2018 constituting a notification of changes to be made to Your Customer Agreement effective from 1 December 2018;

‘Depositary’ means any entity (which may be an Affiliate or third party) whom We appoint to provide depositary services in relation to the Foresight Inheritance Tax Fund, the first such depositary being NCM Depositary Services Limited;

‘Foresight Inheritance Tax Fund’ means the Foresight ITS, the Foresight Accelerated ITS and any other inheritance tax solution variant launched by Foresight which it intends to manage collectively with the Foresight ITS and the Foresight Accelerated ITS;

‘Foresight ITS’ means the Foresight Inheritance Tax Solution (being the non-insured variant), first made available to investors by Foresight pursuant to an investor guide dated July 2013 and any replacement or subsequent investor guide thereto from time to time;

‘Foresight Accelerated ITS’ means the Foresight Accelerated Inheritance Tax Solution (being the insured variant), first made available to investors by Foresight pursuant to an investor guide dated June 2016 and any replacement or subsequent investor guide thereto from time to time; and

‘Nominee’ means any entity (which may be an Affiliate or third party) whom We appoint to provide nominee services in relation to the Foresight Inheritance Tax Fund.

2. Regulatory Status

- 2.1** Foresight is authorised and regulated in the United Kingdom by the Financial Conduct Authority (FCA number: 198020) for the provision of investment management and advisory services.
- 2.2** We shall act as manager of the Foresight Inheritance Tax Fund. You will be an investor in the Foresight Inheritance Tax Fund through the Foresight ITS and Your investment and investment portfolio will be managed on the terms of this Customer Agreement. The Foresight Inheritance Tax Fund shall be Foresight’s client for the purposes of the FCA Rules and Foresight will not owe any obligations under the rules of the FCA to You, save for any applicable requirements in COBS 18.5A.
- 2.3** We will comply with FCA rules on best execution, namely COBS11.2, as more particularly detailed in the Schedule to this Customer Agreement.
- 2.4** We will always comply with the Applicable Rules in relation to the Foresight Inheritance Tax Fund.
- 2.5** The Foresight ITS is only suitable for persons who are likely to be subject to IHT and is not addressed to, or being sent to, any non-UK residents.
- 2.6** Foresight is covered by the Financial Services Compensation Scheme. If You qualify as a ‘retail client’, in the event that Foresight ceases trading, You may be eligible to claim compensation from the Financial Services Compensation Scheme in certain circumstances. However, professional clients and eligible counterparties will not qualify for recourse to the scheme. Most types of investment business are covered in full for the first £850,000 of any eligible claim per investor, although certain investors may not be eligible to claim under this scheme. For further information please contact Us or the Financial Services Compensation Scheme directly at www.fscs.org.uk.

2.7 Foresight is authorised by the FCA to act as a full scope AIFM for the purposes of AIFMD. Investors in the Foresight Inheritance Tax Fund benefit from the rights and obligations imposed on Foresight by AIFMD as the AIFM of the Foresight Inheritance Tax Fund.

3. Commencement Date and Right of Cancellation

3.1 This Customer Agreement will take effect on the date We accept Your duly completed and signed Application Form.

3.2 All Our obligations under this Customer Agreement are subject to Our first being satisfied with any compliance procedures required of Us in accordance with all Money Laundering Regulations. The compliance procedures include requiring proof of Your identity and of Your address, or that of any person with legal control over the investment. You authorise Foresight or its Affiliates to undertake any electronic searches necessary for the purposes of verifying Your identity and address and to check the details You supply against Your particulars on any database (public or otherwise).

3.3 We may pass on any information supplied by or on behalf of You as We consider necessary to comply with any legal or regulatory obligation to which We or any Affiliate are subject. Foresight may also use Your details in the future to assist other companies for verification purposes. A record of this search will be retained. If Your identity cannot be verified, 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 financial adviser.

3.4 Following acceptance of an Application Form, the Receiving Agent will write to You confirming acceptance and enclosing a form of cancellation notice. You may exercise a right to cancel the Customer Agreement by notification to Us within 14 days of the date of the cancellation notice. This should be done by a letter sent to Us at the address given in clause 20.6 of this Customer Agreement.

3.5 If You exercise Your cancellation rights, We shall arrange for the refund of any monies paid by You (or your adviser if that is your elected preference), less any charges We have already incurred for any services undertaken pursuant to the terms of this Customer Agreement or paid out in respect of agreed adviser charges and/or, if relevant, transfer into Your own name any shares acquired for You.

3.6 We will endeavour to arrange the return of any monies pursuant to clause 3.5 of this Customer Agreement as soon as possible (but in any event not more than 30 days following cancellation). You will not be entitled to any interest on such monies. The Receiving Agent is obliged to hold Your subscription monies until the Receiving Agent has satisfactorily completed the requisite money laundering checks.

3.7 The right to cancel set out in clause 3.4 of this Customer Agreement is without prejudice to the right under clause 16.1 of this Customer Agreement to terminate this Customer Agreement, which is a separate right.

3.8 The right to cancel under the FCA Rules does not give You the right to cancel, terminate or reverse any particular investment transaction executed for Your account before such cancellation takes effect.

4. Investment Management

4.1 The Foresight Inheritance Tax Fund is a managed service and an AIF for the purposes of AIFMD. By entering into this Customer Agreement, You grant to Us the right on Your behalf and on a discretionary basis to select and manage investments in accordance with the objectives and principles of the Foresight ITS, as set out in the Investor Guide. We will acquire appropriate investments to build Your Portfolio and when You wish to withdraw funds from Your Portfolio, sell down such holdings in Your Portfolio as We deem appropriate. Generally We shall act as We think appropriate in relation to the management of the Portfolio, but subject always to the provisions of this Customer Agreement and the Applicable Rules.

4.2 By entering into this Customer Agreement, You acknowledge that the Foresight Group has not provided You with advice about the Foresight ITS. You acknowledge that Foresight Inheritance Tax Fund is not a collective investment scheme nor is it regulated and accordingly does not provide for protections typical of such schemes or regulated products.

4.3 We will acquire for Your Portfolio, investments which We reasonably believe to be Qualifying Investments at the time of acquisition (but no commitment is given that any such investment will be a Qualifying Investment or remain a Qualifying Investment at all times thereafter). 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 unless specified in the Investor Guide and Applicable Rules.

4.4 It is likely that the trading activities of the entities in which Your Portfolio invests, directly or indirectly, will include dealings with companies and other entities in which Foresight and its Affiliates or funds advised by Foresight and its Affiliates have an interest. Such interests may include being a subsidiary undertaking or otherwise having equity investments and/or debt investments and/or the provision of services. Such dealings may include the provision of credit facilities on preferred or subordinated terms. Accordingly Foresight and its Affiliates may be entitled to gains, profits or fees from or in relation to such companies and entities. The conduct of Your Portfolio will always be in accordance with the objectives and principles set out in the Investor Guide.

4.5 Any sale of investments by Us, or withdrawals by way of dividends, on Your behalf may trigger tax consequences about which You should speak to Your professional financial and/or tax adviser. A sale of Qualifying Investments will mean you lose the benefit of BPR in relation to those Qualifying Investments. We are not responsible for the taxation consequences of any transaction. Except for BPR, We are not required to take into account tax issues for You in the management of the Portfolio.

4.6 We will not be responsible for any disclosures or notifications from time to time required of You by legislation or regulatory bodies such as the Panel on Takeovers and Mergers.

4.7 We shall not, except as expressly provided in this Customer Agreement or unless otherwise authorised, have any authority to act on behalf of, or in respect of, You or to act as Your agent.

4.8 We have appointed NCM Depositary Services Limited to act as depositary of the Foresight Inheritance Tax Fund pursuant to the Depositary Agreement. The Depositary will fulfil the duties and responsibilities provided for by AIFMD, and in particular will ensure that the Foresight Inheritance Tax Fund's cash flows are properly monitored and that all payments made by You or on your behalf in respect of Your subscription funds have been received and that all cash of the Foresight Inheritance Tax Fund has been booked in accounts opened in the name of the Foresight Inheritance Tax Fund or as otherwise provided for by AIFMD. We will have the authority to enter into an agreement with the Depositary (or any successor depositary to the Depositary) appointed in accordance with the provisions of AIFMD and to issue orders and instructions (including, without limitation to, the Depositary) with respect to the making and disposition of investments in respect of Your

Portfolio, the payment and/or the deposit of monies, securities and other assets of the Foresight Inheritance Tax Fund, in each case without Your consent.

4.9 You hereby authorise Us or Our agents to act on Your behalf and in Your name to negotiate, agree, execute and do all such acts, transactions, agreements and deeds as We or Our agents may deem necessary or desirable in connection with the Foresight Inheritance Tax Fund for the purposes of making, managing and disposing of investments and cash on Your behalf and generally fulfilling the objectives and purposes of the Foresight Inheritance Tax Fund (including facilitating the payment of adviser fees on Your behalf) and this authority shall be irrevocable and shall survive, and shall not be affected by, Your subsequent death, disability, incapacity, incompetence, termination, bankruptcy, insolvency or dissolution. This authority will terminate upon You ceasing to hold any cash or other assets in the Foresight Inheritance Tax Fund through the Foresight ITS.

5. Financial Advice

5.1 Foresight and its Affiliates have provided no financial, legal, tax or investment advice in relation to the suitability of the Foresight ITS for You. It is Your responsibility (on the advice of Your authorised financial intermediary) to keep Your financial circumstances, objectives and risk profile under review, and to assess whether the Foresight ITS and other investments selected by (or on behalf of) You remain suitable for Your needs. We are not liable for any losses You suffer or incur as a result of Your investment in the Foresight Inheritance Tax Fund through the Foresight ITS (whether or not You have received advice from an authorised financial intermediary) and We cannot and do not make any representation that such investment is (and/or investments made on Your behalf through the Foresight Inheritance Tax Fund are) suitable or appropriate for Your specific needs and requirements.

5.2 We will provide You with information on investments held within Your Portfolio from time to time. Any information on investments or markets such as market trends, investment analysis or commentary on the performance of selected investments or companies is for information purposes only and should not be viewed as a personal recommendation.

5.3 We may, subject to Applicable Rules and unless You notify Us in writing, accept instructions and deal with any agent or other adviser notified to Us in writing rather than dealing with You directly and We may share with such person, details of Your investments with Us.

5.4 Where Your Application Form has been submitted through a financial adviser or other professional agent, then You warrant and represent that such person is acting as Your agent.

6. Fees and Charges

6.1 Fees and charges are summarised in the Investor Guide, as updated in the Change Notification, and are described in more detail in this clause 6 of this Customer Agreement.

6.2 Foresight will be entitled to an initial charge of 2.5% of the monies invested by You in the Foresight ITS. This initial charge will be deducted from the monies invested.

6.3 We may make, or procure the making of, facilitation payments in respect of charges You have agreed with Your authorised financial intermediary on Your behalf as detailed in the Investor Guide. You confirm that any ongoing agreed charges payable to Your authorised financial intermediary are and will be for ongoing services to You in relation to the Foresight ITS. You have the right to cancel the facilitation of ongoing charges at any time by notice in writing to Us. You may also request that facilitation of ongoing charges be paid to a new authorised financial intermediary who is advising You in relation to the Foresight ITS in place of the previous authorised financial intermediary. Any such request must be by at least 30 days' notice in writing to Us. No facilitation of ongoing charges will be made unless these are exceeded by the value of Your Portfolio. Facilitation of ongoing charges will, in most cases, be facilitated through withdrawals from Your Portfolio and, if required, will be rounded down to the amount capable of being realised through the disposal of the nearest whole number of shares within Your Portfolio. We may decline to make, or procure the making of, facilitation payments, or alter the structure of such facilitation payments for legal, tax or regulatory reasons. All facilitation payments will be made in accordance with the Foresight Group terms of business for financial intermediaries from time to time.

Clauses 6.4 to 6.13 shall apply in relation to fees in connection with Your investment in the Foresight Inheritance Tax Fund through the Foresight ITS up to and including 31 December 2020:

6.4 Clauses 6.4A to 6.6A of this Customer Agreement shall apply in respect of each financial period (or part thereof) up to and including 30 November 2018. Clauses 6.4B to 6.13B apply in respect of each financial period (or part thereof) on and from 1 December 2018.

6.4A Foresight shall, within 1 month of the end of each financial year of the Foresight ITS calculate the annual return on Your Portfolio for the period ("Calculation Period") from the date of Your investment in the Foresight ITS to the last Business Day of that financial year. Annual return shall mean income returns (excluding capital growth) on the funds invested by You in Your Portfolio (net of the initial charge of 2.5%, any upfront adviser charges that are facilitated and any withdrawals by You) and shall be calculated on a cumulative basis (without compounding) after deduction of the costs and expenses of the Foresight ITS and before deduction of the Foresight management charges. In relation to each Calculation Period, Foresight shall be entitled to an annual management charge of 2% per annum (1% per annum from 1 October 2016) of the funds invested by You in Your Portfolio (net of the initial charge of 2.5%, any upfront adviser charges that are facilitated and any withdrawals by You). Payment of the annual management charge for any Calculation Period shall be determined as follows:

6.4A.1 If at the end of any such Calculation Period, the annual return on Your Portfolio is at least 5.5% per annum (4.5% per annum from 1 October 2016), then Foresight shall be paid, within one month of the end of that Calculation Period, its annual management charge for the Calculation Period (to the extent not previously paid).

6.4A.2 If at the end of any such Calculation Period, the annual return on Your Portfolio is greater than 3.5% per annum but less than 5.5% per annum (4.5% per annum from 1 October 2016), Foresight shall be paid, within one month of the end of that Calculation Period, such proportion of its annual management charge for the Calculation Period (to the extent not previously paid) as will result in the annual returns on Your Portfolio for the Calculation Period being reduced to no less than 3.5% per annum.

6.4A.3 Annual management charges will normally be paid by the companies in which You hold Qualifying Investments. For the avoidance of doubt no part of an annual management charge actually paid to Foresight shall be repayable if annual returns for a Calculation Period ending after the date of payment have fallen.

- 6.5A** Foresight and/or Affiliates will in respect of each financial year of the Foresight ITS charge a company secretarial fee of £60,000 per annum or, if greater, 0.3% of the gross amount of all monies invested in the Foresight ITS at the end of such year. The company secretarial fee will be paid within one month of the end of the financial year.
- 6.6A** Foresight will ensure that in relation to each financial year of the Foresight ITS the expenses of the Foresight ITS will not exceed 0.7% of the value of the Portfolios of all Investors in the Foresight ITS at the end of that financial year. Expenses will include the costs and expenses of the bodies corporate in which Your Portfolio invests, and the Foresight Group company secretarial fees. Expenses will not include the Foresight management charges, performance incentive fees, dealing fees, stamp duty, the costs and expenses of the entities in which such bodies corporate themselves invest and investment costs of the underlying investments.
- 6.4B** We shall be entitled to annual management charges of an amount equal to 1.0% per annum of Your Portfolio Value (calculated in the same manner as set out in clause 6.5B.1 of this Customer Agreement), and shall be payable in accordance with clauses 6.5B and 6.6B of this Customer Agreement.
- 6.5B** The payment of Our annual management charge shall be subject to, and calculated in accordance with, the following:
- 6.5B.1** We shall, within three months of the end of each financial period of the Foresight Inheritance Tax Fund calculate the Investor Priority Return, the Portfolio Value and the Gross Return in respect of Your Portfolio in relation to the relevant financial period (or, as applicable, part thereof) of the Foresight Inheritance Tax Fund ("Calculation Period"). For these purposes:
- (a) 'Investor Priority Return' shall mean a sum equal to a growth of 3.5% on the value of Your Portfolio as at the end of the immediately preceding Calculation Period (for the avoidance of doubt, after providing for any annual management charge for the relevant preceding Calculation Period and any unpaid annual management charges from previous Calculation Periods that have become payable in respect of the relevant preceding Calculation Period);
 - (b) 'Portfolio Value' means the value of Your Portfolio (ignoring the annual management charge for the relevant Calculation Period and any accrued but unpaid annual management charges from previous Calculation Periods) as at the end of that Calculation Period; and
 - (c) 'Gross Return' means a sum equal to the growth in the value of Your Portfolio for the relevant Calculation Period (ignoring any annual management charge for that Calculation Period and any unpaid annual management charges from previous Calculation Periods that have become payable in that Calculation Period).
- 6.5B.2** Our annual management charge in respect of a Calculation Period will always accrue, but payment for that Calculation Period will be restricted as set out in clause 6.5B.3 of this Customer Agreement.
- 6.5B.3** Payment of Our annual management charge for the relevant Calculation Period will be restricted to the extent that the Gross Return in respect of the relevant Calculation Period (as reduced by the amount of annual management charge to be paid for that Calculation Period, but ignoring any unpaid annual management charges from previous Calculation Periods that may be paid in respect of that Calculation Period) would be reduced to less than the Investor Priority Return in respect of that Calculation Period. Any part of Our annual management charge for the relevant Calculation Period that cannot be paid will accrue and be carried forward ("Unpaid Annual Management Charges") to subsequent Calculation Periods until it can be paid in accordance with clause 6.5B.4 of this Customer Agreement). With regard to any annual management charges payable to Us accrued but unpaid as at 30 November 2018 under the provisions of clause 6.4A of this Customer Agreement, such amount will be treated as Unpaid Annual Management Charges.
- 6.5B.4** Any Unpaid Annual Management Charges resulting from clauses 6.5B.3 or 6.5B.14 of this Customer Agreement will be paid in subsequent Calculation Periods where, in respect of the relevant Calculation Period, the Gross Return is greater than the Investor Priority Return. However, any Unpaid Annual Management Charges in a relevant Calculation Period will only be paid to the extent that the Gross Return in respect of that Calculation Period (as reduced by the amount of annual management charge to be paid for that Calculation Period and any Unpaid Annual Management Charges to be paid pursuant to this clause in respect of that Calculation Period) not being reduced to less than the Minimum Threshold. For these purposes 'Minimum Threshold' means a sum equal to the aggregate of the Investor Priority Return for that Calculation Period plus an amount equal to all shortfalls (if any) in Investor Priority Return in respect of all previous Calculation Periods (each an 'Investor Priority Return Shortfall') to the extent not previously made up. By 'to the extent not previously made up', We mean that where the Gross Return in any particular Calculation Period (as reduced by the amount of annual management charge to be paid for that Calculation Period) is greater than any Investor Priority Return Shortfall, that Investor Priority Return Shortfall, to the extent met, shall be excluded from the calculations in this clause 6.5B.4 in subsequent Calculation Periods. For the avoidance of doubt, any Unpaid Annual Management Charges which cannot be paid will continue to be carried forward to subsequent Calculation Periods until paid pursuant to this clause.
- 6.6B** The annual management charge to which We are entitled to be paid in respect of a Calculation Period pursuant to clause 6.5B.3 of this Customer Agreement (excluding, for the avoidance of doubt, any Unpaid Annual Management Charges) shall be paid as follows:
- (a) in four quarterly amounts based upon the latest quarterly value of your Portfolio during the Calculation Period as payments on account in such amounts and on such dates as We shall determine;
 - (b) to the extent that the payments on account paid to Us in respect of a Calculation Period are less than the annual management charge payable for that Calculation Period (excluding, for the avoidance of doubt, any Unpaid Annual Management Charges) then the balance of the annual management charge shall be payable to Us within four months of the end of the Calculation Period; and
 - (c) to the extent that the payments on account paid to Us in respect of the Calculation Period are more than the annual management charges payable for that Calculation Period (excluding, for the avoidance of doubt, any Unpaid Annual Management Charges) the excess amount shall be repaid by Us within four months of the end of the Calculation Period.
- 6.7B** Unpaid Annual Management Charges to which We are entitled to be paid in respect of a Calculation Period pursuant to clause 6.5B.4 of this Customer Agreement shall be paid within four months of the end of the Calculation Period.

- 6.8B** Annual management charges accrued (including Unpaid Annual Management Charges) as at the date of final or full withdrawal (whether such withdrawal occurs during Your lifetime or on Your death) will be calculated immediately prior to such withdrawal and the provisions of clause 6.5B and clauses 6.6B(b) and 6.6B(c) of this Customer Agreement shall apply mutatis mutandis. For the avoidance of doubt, Your final Portfolio Value will be based upon the latest quarterly value of your Portfolio in the relevant financial period of the Foresight Inheritance Tax Fund and not revalued at the date of final or full withdrawal.
- 6.9B** In the event of any partial withdrawals from Your Portfolio, We shall, in such instances, be entitled to make such time-weighted adjustments in respect of the calculation of Our annual management charges and the value and returns in respect of Your Portfolio as We see fit.
- 6.10B** Annual management charges will normally be paid by the companies in which You hold Qualifying Investments and will reduce the value of Your Portfolio.
- 6.11B** Foresight will charge an annual administration fee to the companies in which the Foresight Inheritance Tax Fund directly invests. In respect of each investee company the annual administration fee will be an amount equal to 1.65% per annum of the investee company's net asset value (calculated before the deduction of any annual management and administration charges) at the end of its financial period. The annual administration fee includes all company secretarial, administration, deal and arrangement services to an investee company group, and related costs. It does not include the normal trading costs of an investee company group nor any fees and costs in relation to independent directors, audit, legal, stamp duty and exceptional items.
- 6.12B** Annual administration fees to which We are entitled from an investee company in respect of each of its financial periods pursuant to clause 6.11B of this Customer Agreement shall be paid in four quarterly amounts as payments on account in such amounts and on such dates as We shall determine based on Our estimates of the investee company's net asset value based upon that investee company's net asset value for the previous quarter.
- 6.13B** Foresight shall, within three months of the end of each financial period of the relevant investee company re-calculate the annual administration fee in respect of the relevant financial period based on that investee company's management accounts for the relevant financial period. To the extent that:
- (a) the payments on account paid to Us by the relevant investee company are less than the annual administration fee actually payable by that investee company for its relevant financial period then the balance of the annual administration fees shall be payable to Us by that investee company within four months of the end of its financial period; and
 - (b) to the extent that the payments on account paid to Us by the relevant investee company are more than the annual administration fees payable for its relevant period, the excess amount shall be repaid by Us to that company within four months of the end of its financial period.

Clauses 6.14 to 6.19 shall apply in relation to fees in connection with Your investment in the Foresight Inheritance Tax Fund through the Foresight ITS from 1 January 2021:

- 6.14** We will charge an annual administration fee to the companies in which the Foresight Inheritance Tax Fund directly invests of an amount equal to 2.00% of the investee company's net asset value. Such fee will be calculated quarterly as an amount equal to 0.5% of each investee company's net asset value as at the end of that investee company's relevant quarter but before the deduction of the administration fee and any Foresight Accelerated ITS annual management charges for that quarter. The annual administration fee includes all company secretarial, administration, deal and arrangement services to an investee company group, and related costs. It does not include the normal trading costs of an investee company group nor any fees and costs in relation to independent directors, audit, legal, stamp duty and exceptional items.
- 6.15** The administration fees to which We are entitled from an investee company pursuant to clause 6.14 of this Customer Agreement shall be paid quarterly in advance based on Our estimates of the investee company's expected net asset value as at the end of that quarter.
- 6.16** We shall, as soon as reasonably practicable following the end of the relevant investee company's quarter, calculate the actual administration fee in respect of the relevant quarter based on that investee company's books and records for that quarter. To the extent that:
- 6.16.1** the administration fee payment paid to Us by the relevant investee company based upon Our estimate for a relevant quarter is less than the administration fee actually payable by that investee company for that quarter, then the balance shall be payable to Us by that investee company as soon as reasonably practicable; or
- 6.16.2** the administration fee payment paid to Us by the relevant investee company based upon Our estimate for a relevant quarter is more than the administration fee actually payable by that investee company for that quarter, the excess amount shall be repaid by Us to that investee company as soon as reasonably practicable.
- 6.17** On final withdrawal (whether made during Your lifetime or on Your death), We will pay to You (or, as applicable, to Your estate) in respect of each financial period from 1 January 2021 to the date of final withdrawal, an amount equal to up to 0.35% of Your Portfolio Value as at the end of each financial period (or, as applicable, the date of final withdrawal) if, and only to the extent that, the growth of Your Portfolio Value during that financial period is (taking into account such payment) less than Your Investor Priority Return. For the purposes of clause 6.17 of this Customer Agreement:
- 6.17.1** in respect of the financial period in which final withdrawal takes place (and, any immediately preceding financial period where a valuation as at the end of that financial period has not been completed as at the date of final withdrawal), Your Portfolio Value on withdrawal will be the most recent valuation of Your Portfolio carried out by Us and the payment, if anything, for such financial periods shall be calculated only to the date of that most recent valuation and not in respect of any later period; and
- 6.17.2** where the financial period is less than 12 months, Your applicable Investor Priority Return percentage will be proportionately reduced.
- 6.18** In the event of any partial withdrawals from Your Portfolio, We shall, in such instances, be entitled to make such time-weighted adjustments in respect of the calculation of the payment referred to in clause 6.17 as We see fit.
- 6.19** We hereby unconditionally waive any Unpaid AMCs which have not become payable as at 31 December 2020.

6.2014 ~~Foresight-We~~ may fix the financial year of the Foresight Inheritance tax Fund from time to time and the expression 'financial period' or 'financial year' means any shorter/longer period than a 12-month period as ~~Foresight-We~~ may in ~~its-Our~~ discretion decide.

6.215 All fees and charges are stated exclusive of VAT, if applicable. ~~To the extent ff~~ees and charges ~~are~~ paid by the companies in which the Foresight Inheritance Tax Fund invests ~~will be subject to~~, applicable VAT ~~will be charged~~ and any irrecoverable VAT will reduce the value of Your Portfolio.

7. Delegation and Use of Agents

7.1 Any of Our functions under this Customer Agreement may be delegated to an Affiliate or suitably qualified (and if relevant, appropriately regulated) third party of Our choice to perform such functions. This does not prevent the assignment by Us of any agreement pursuant to clause 20.1 of this Customer Agreement.

7.2 In particular, We may at Our discretion, delegate the provision of administration, nominee and safe custody services to such professional entity or entities as We see fit. We may change such entity and amend the terms of the relationship with such entity from time to time and will negotiate such terms on an arms' length basis in good faith.

7.3 We will act in good faith and with due diligence in the selection, use and monitoring of third party agents and delegates. Save as provided in this clause 7.3 and clause 7.4 of this Customer Agreement We are not responsible or liable for the acts, omissions and errors of any agent or delegate.

7.4 Where any functions have been delegated to an Affiliate, We will, save as otherwise set out in this Customer Agreement, accept responsibility for all acts and omissions of such Affiliate as if they were Our own.

8. Custody

8.1 The Nominee or Depositary will, subject to the Applicable Rules, hold all investments in Your Portfolio in safe custody on the following basis:

8.1.1 any registerable investment acquired for Your Portfolio will normally be registered in the name of the Nominee. For legal and tax purposes, You will be the beneficial owner of such investments but the Nominee will be the legal owner;

8.1.2 title documents (if any) to investments in respect of which such documents are issued will be physically held by the Depositary; and

8.1.3 any documents of title to investments in bearer form will be held by the Depositary.

8.2 Investments held by the Nominee for the account of Your Portfolio may be pooled with other holdings held by the Nominee and, as such, may not be readily identifiable by separate certificates, other physical documents of title or equivalent electronic record. As a result, should the Nominee default, You will share in any shortfall in proportion to Your original share of any investments in the Nominee's pool. In addition, where the ~~Custodian-Nominee~~ holds the same investments for You and another investor in the Foresight Inheritance Tax Fund, Your investments may in effect be used to settle that other investor's transaction, which will not affect the Nominee's record of Your entitlements.

8.4 We have discretion to exercise or decline to exercise any conversion, subscription, voting or other rights relating to investments held in Your Portfolio, and to give suitable instructions to the Nominee, without consulting with You beforehand. By entering into this Customer Agreement, You hereby authorise Foresight to act on Your behalf and exercise all rights attaching to the investments held in Your Portfolio as it shall deem fit and at its discretion.

9. Client Money

9.1 When your Application Form has been accepted, following processing of the Application and investment monies by the Receiving Agent, the Receiving Agent will deposit cash received from You in connection with the Foresight ITS, until invested, with an Approved Bank in a common call account, together with cash balances belonging to other investors and the Receiving Agent shall appoint a suitably authorised person to operate such account. This account will have trust status and will be kept separate from any money belonging to Us, the Receiving Agent or to the Depositary. The Receiving Agent is not subject to the FCA's client money rules and, therefore, any of Your monies held by the Receiving Agent will not receive the protections afforded by the FCA's client money rules.

~~**9.2** Cash within Your Portfolio realised in relation to realisations and withdrawals will be held by the Cash Custodian with an Approved Bank in one or more client accounts, together with cash balances belonging to other investors. Interest does not currently accrue on any such cash balances. Should this change, any interest earned on cash balances will be added to Your Portfolio. The client accounts referred to in this clause 9.2 will have trust status and will be kept separate from any money belonging to Us, the Cash Custodian or to the Depositary. The Cash Custodian is subject to the FCA's client money rules and, therefore, any of Your monies held by the Cash Custodian will receive the protections afforded by the FCA's client money rules.~~

~~**9.23** No responsibility is accepted for any acts or omissions of the Receiving Agent, the Cash Custodian or the Approved Bank. Should the Receiving Agent, the Cash Custodian or the Approved Bank become insolvent, We will claim on behalf of Our clients. ~~Interest does not currently accrue on uninvested cash. Should this change, any interest earned on cash balances will be added to Your Portfolio.~~~~

~~**9.3** Any cash returns on Your Portfolio are expected to be paid directly to You from the entities in which investments have been made as comprised in Your Portfolio. If any cash is to be held by any such entity until it can be paid to You, it will not subject to the FCA's client money rules (and, therefore, will not receive the protections afforded by the FCA's client money rules) and no interest will be paid on such amounts.~~

9.4 After termination of this Customer Agreement, and subject to any Applicable Rules, We may direct Your money be used at Our own discretion if it remains unclaimed for a period of at least six years and provided that We have taken reasonable steps (or have procured that such reasonable steps have been taken) to trace You and return the balance.

10. Valuations and Reports

10.1 You will receive statements twice a year, confirming the value of Your Portfolio as at the last day of the period in question. All such reports will be provided within 90 days of the period end. On request We can provide you with a statement for an interim three month period.

10.2 All investments will be valued at close of business on the last day of the relevant period as stated in clause 10.3 of this Customer Agreement. Periodic statements will also show the opening value of Your Portfolio, any withdrawals and/or other adjustments to Your Portfolio holdings

~~and the closing value of Your Portfolio gain/loss compared to the end of the previous period, deductions and fees charged or accrued and a summary of investment activity within the period.~~

10.3 We will value the investments, ~~including incorporating~~ capital and income returns, in Your Portfolio quarterly and on a basis consistent with the valuation principles issued by the British Private Equity and Venture Capital Association from time to time, but using discounted cashflows where appropriate. The companies in which investments are made are typically audited annually. In calculating the fees and charges of Foresight relevant to income or capital returns, or annual returns for any period the applicable valuation statements issued by Foresight or Affiliates in relation to Your Portfolio shall be final and binding. The performance of the investments held within Your Portfolio will not be measured against any stock market or other index.

11. Conflicts of Interest

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 such policy is available on request. Your attention is drawn to clause 4.4 of this Customer Agreement.

12. Dealing

12.1 In effecting transactions for the Foresight Inheritance Tax Fund, We will act in accordance with the FCA Rules.

12.2 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.

12.3 We may aggregate transactions with those of other customers and employees of Us and Our Affiliates in accordance with the Applicable Rules. It is unlikely that the effect of such an allocation will work to Your disadvantage however, occasionally, this may be the case. We will allocate aggregated transactions promptly on a fair basis in accordance with the requirements of the Applicable Rules (if applicable) so that:

(a) if there is any conflict between the provisions of this Customer Agreement and any such rules, customs or Applicable Rules, the latter shall prevail; and

(b) action may be taken as thought fit in order to ensure compliance with any such rules, customs or Applicable Rules. You should, however, be aware that Your Portfolio will be invested in a range of unlisted securities and there is generally no relevant market or exchange and consequent rules and customs and there will be varying practices for different securities. Transactions in shares of such securities will be effected on the best commercial terms which can be secured.

12.4 Save as detailed in clause 2.3 of this Customer Agreement, We shall take reasonable steps to obtain the best possible result when executing orders. This duty of best execution is owed by Us to the Foresight Inheritance Tax Fund, further details of which are set out in the Order Execution Policy, provided in the Schedule of this Customer Agreement.

13. Liability

13.1 We will act in good faith and with due diligence in managing Your Portfolio in accordance with this Customer Agreement. We accept responsibility for loss to You only to the extent that such loss is due to negligence or wilful default by Us or Our Affiliates. We will not be responsible for any losses to the extent arising from any information provided by You and/or Your agent being untrue, inaccurate or incomplete.

13.2 Should the Nominee, the Cash Custodian or the Depositary 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 save where the Nominee, the Cash Custodian and/or the Depositary is Our Affiliate, and subject to Our general duty of good faith, no liability is accepted for such failure.

13.3 Save as provided in the Applicable Rules if there is a total or partial failure, interruption or delay in the performance of Our obligations to the extent resulting from acts, events or circumstances not reasonably within Our control (including, but not limited to: acts or regulations of any governmental, regulatory 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 or in breach of this Customer Agreement.

13.4 Subject to clause 13.1 of this Customer Agreement, 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.

13.5 We will assume that all investments made on Your behalf under the Foresight Inheritance Tax Fund are new investments requiring a full two year holding period for BPR and will report to You on this basis. If You are transferring an existing BPR investment into the Foresight Inheritance Tax Fund it will be Your responsibility to assess Your holding period for BPR and whether any transfer prejudices any prior holding period (and We accept no responsibility in this regard).

13.6 Nothing in clauses 13.1 to 13.4 of this Customer Agreement shall limit any liability We may have to You under the terms of the Applicable Rules.

13.7 No responsibility is accepted for loss of an indirect or consequential nature such as loss of goodwill, profit or opportunity.

13.8 Nothing in this Customer Agreement shall exclude or limit Our liability for fraud or fraudulent misrepresentation by Us or Our Affiliates or for death or personal injury.

14. Withdrawals

14.1 Any request for, or other necessary, withdrawal from investments in Your Portfolio (including regular and ad hoc withdrawals) must be made in writing. Withdrawals will generally be made through a disposal of Your holding in shares which may be taxable to income tax or capital gains tax. Requests for partial withdrawals will, unless otherwise requested, be rounded down to the amount capable of being realised through the disposal of the nearest whole number of shares within Your Portfolio. We will endeavour to effect withdrawals in as tax efficient manner as possible at the time, typically with a capital gains tax treatment, but withdrawals, and their tax treatment, cannot be guaranteed

(in particular for full withdrawals). We may, from time to time, effect withdrawals by way of dividends. As the underlying investments are illiquid, there is no guarantee that We can effect withdrawals in the targeted timescales, if at all, or that the proceeds will reflect the value of such holdings. Subject to availability of readily realisable funds, 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 (net of any applicable charges or sums due). If We are required to effect a share buyback to generate realisable funds to enable a withdrawal request, or if there are a substantial number of withdrawal requests, there may be a considerable delay in paying out on the withdrawal request.

14.2 We may deduct from funds payable to You (or at your direction) any fees, charges or sums due or payable to Us or any Affiliates or any delegates.

14.3 In exceptional circumstances such as a change in law or practice We may choose to satisfy withdrawal requests (including on termination) wholly or partly by the transfer of investments.

15. Amendments

We may amend the terms of this Customer Agreement or Our arrangements with You by sending You written notice. Such changes shall take effect on the date specified in the notice being not less than ten Business Days from the date of such notice unless the changes are for legal or regulatory reasons when such changes shall take effect on the date specified in the notice.

16. Termination

16.1 You may terminate this Customer Agreement at any time by notice in writing to Us. Foresight may terminate this Customer Agreement by giving You 30 days' 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 by notice in writing. Termination will not affect accrued rights or any contractual provision intended to survive termination, in particular in relation to the liquidation and/or distribution of Your Portfolio.

16.2 Following termination of this Customer Agreement We will use our reasonable endeavours to realise the investments in Your Portfolio in an orderly fashion (although there is no guarantee that the proceeds will reflect the value of such holdings) and this Customer Agreement will continue to apply from termination until Your Portfolio has been realised and/or transferred to You in full. The net proceeds of sale will be remitted to You after all deductions permitted by this Customer Agreement. If We are unable to liquidate some or all of the investments in Your Portfolio We may transfer investments to You to effect termination of this Customer Agreement. In such circumstances, you should note the following potentially adverse consequences:

16.2.1 there will be no established market for those shares and, if You wished to sell them, You would be responsible for trying to do so, including finding a buyer;

16.2.2 the shares may not be redeemable by the issuing company; and

16.2.3 You will be responsible for recovering any facilitation fee that has been paid to Your authorised financial intermediary on Your behalf.

16.3 We reserve the right to settle outstanding transactions for Your Portfolio at the effective date of termination.

16.4 Where We endeavour 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.

16.5 Subject to clause 16.3 of this Customer Agreement, termination will take effect on the date stated in the written notice of termination provided that date is no earlier than the date of receipt of the termination notice by Foresight or any later date agreed with You; and shall be without prejudice to the completion of transactions already initiated, which shall be completed in an orderly manner.

16.6 On termination, You will be liable to pay (meaning that We may debit from Your Portfolio and/or any cash payable to you or, if there are insufficient funds, invoice You):

16.6.1 all fees and other charges mentioned at clause 6 of this Customer Agreement, accrued and remaining outstanding at the date of termination;

16.6.2 any additional expenses necessarily incurred by Us in terminating this Customer Agreement and winding up Your Portfolio; and

16.6.3 Our charges (if any) in connection with liquidating Your investments or transferring Your investments into Your name.

16.7 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.

16.8 Please note that if Qualifying Investments are sold You will lose any potential entitlement to BPR unless the sale proceeds are reinvested into other relevant business property and HM Revenue & Customs accepts that the new Qualifying Investments have replaced the old Qualifying Investments within the meaning of section 107 Inheritance Tax Act 1984.

16.9 We will endeavour to liquidate all investments comprising Your Portfolio within a reasonable time, but given the nature of the investments no liability is accepted in respect of any delays. You acknowledge that in the event of any material change to the legislation governing Qualifying Investments, the liquidation of investments may take a considerable period of time.

16.10 We will provide You with a closing valuation of the Portfolio prepared in the manner described above once all outstanding transactions have been accounted for and from which point Our management responsibility for the Portfolio will cease entirely.

17. Data Protection and Consents

17.1 We respect Your privacy and are committed to protecting Your personal data. If You would like to find out more about how We use and look after Your personal information, please refer to Our privacy notice, which can be found at www.foresightgroup.eu/privacy-cookies/.

17.2 Certain information may be shared with Affiliates, Our delegates, the Nominee, the Depository, the Receiving Agent, [the Cash Custodian](#) and/or any Approved Bank in connection with the Foresight ITS and/or for performing the obligations to You pursuant to this Customer Agreement and/or in order for us, our Affiliates, Our delegates, the Nominee, the Depository, the Receiving Agent, [the Cash Custodian](#) and/or

any Approved Bank to fulfill our respective regulatory and contractual obligations. Information may also be shared with regulatory bodies to the extent any of the above entities are required, or consider obliged, to do so in accordance with any statute or regulation or if governmental, judicial and law enforcement bodies so require.

17.3 We will at all times keep confidential all of Your information acquired in connection with the Foresight Inheritance Tax Fund, except for information which:

- (a) is in the public domain; or
- (b) We may be entitled or bound to disclose under the Applicable Rules; or
- (c) is requested by regulatory agencies; or
- (d) is given to professional advisers where reasonably necessary for the performance of their professional services; or
- (e) which is authorised to be disclosed by You;

and shall use reasonable endeavours to prevent any breach of this clause 17.3 of this Customer Agreement.

17.4 We will procure that any agent or delegate that is an Affiliate appointed by Us will observe and comply with the provisions of clauses 17.2 and/or 17.3 of this Customer Agreement.

17.5 You have certain rights in relation to Your personal information, including the right to receive a copy of the information that We hold about You. For more details, please refer to Our privacy notice referred to above.

17.6 You authorise Us to provide any information as provided by You to Us and by Us to You in connection with Your participation in the Foresight Inheritance Tax Fund to Your authorised financial intermediary detailed on Your Application Form or other financial intermediary notified to Us from time to time. You acknowledge that any such communication may be sent to Your authorised financial intermediary prior to, or where requested, in place of, being sent to You in such form as may be agreed with your authorised financial intermediary. Information may also be provided more frequently where agreed. You also authorise Us to accept changes to your personal details as provided by your authorised financial intermediary (subject to such evidence and/or verification as We may request).

18. Risk Warnings and Further Disclosures

18.1 Your attention is drawn to the risk warnings set out on page 4 of the Investor Guide. Foresight ITS will not be suitable for everybody and it is important that You consider these risks, and the nature of the investment, seeking advice from Your financial or tax adviser as required.

18.2 The value of investments and the income derived from them may go down as well as up and You may not get back some or the entire amount invested. Due to the nature of tax reliefs available under the Foresight Inheritance Tax Fund, an investment in the Foresight Inheritance Tax Fund is not suitable as a short term investment and should be held for at least two years.

18.3 No monies shall be borrowed nor securities (or similar transactions) granted or entered into for the account of Your Portfolio.

18.4 Subject to clause 16.6 of this Customer Agreement, there is no requirement for additional monies to be called upon for addition to Your Portfolio.

18.5 No investments in warrants, in units in collective investment schemes or in derivatives of any sort shall be made in any Portfolio.

19. Complaints Procedure and Compensation

19.1 If You have a complaint, You can contact Us via phone, email or in writing as follows:

For the attention of

Foresight ITS Investor Relations
Foresight Group LLP
The Shard, 32 London Bridge Street
London SE1 9SG

020 3667 8181

investorrelations@foresightgroup.eu.

We will investigate the circumstances and report back to You. A copy of Our complaints handling procedure is available on request. Complaints from eligible complainants will be dealt with in accordance with the FCA Rules.

19.2 Complaints that We are unable to settle may be referred to the Financial Ombudsman Service, which is an independent service set up to resolve disputes between customers and businesses providing financial services. The Financial Ombudsman Service can be contacted at: Exchange Tower, Harbour Exchange, London E14 9SR. Further information can be found at www.financial-ombudsman.org.uk. Only complainants that are 'retail' clients or professional clients that are acting outside the course of their profession, trade or business will be eligible to refer their complaints to the Financial Ombudsman Service.

19.3 Foresight is covered by the Financial Services Compensation Scheme as referred to in clause 2.6 of this Customer Agreement.

20. General

20.1 We may assign the benefit of this Customer Agreement to any appropriately authorised and regulated person, such assignment being effective upon written notice to You. This Customer Agreement is personal to You and You may not assign it.

20.2 This Customer Agreement constitutes the entire agreement between Us in respect of Your Portfolio and Your Investment in the Foresight Inheritance Tax Fund through the Foresight ITS and supersedes any other or previous terms and conditions. Save as provided in clause 15 of this Customer Agreement, any amendment to this Customer Agreement shall be effective only if made in writing and agreed by both parties.

- 20.3** It is not intended that any term contained in this Customer 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 a party to this Customer Agreement save that any Affiliate shall have the benefit of any provision of this Customer Agreement expressed to be for the benefit of Affiliates.
- 20.4** If any part of the wording of this Customer Agreement shall become or is declared to be illegal, invalid or unenforceable for any reason, such part or wording shall be deleted and shall be divisible from the rest of the Customer Agreement, which will continue in force.
- 20.5** The failure of Foresight or its Affiliates to exercise or delay in exercising a right or remedy provided by this Customer Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies.
- 20.6** Any notice under or relating to this Customer Agreement shall be in writing. We may send any communication to You at the address which You provide to Us in the Application Form (or to any provided postal address or email address). You must communicate with Us at Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG (or such other postal address notified to You for this purpose). Notice sent by first class post to such address 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 3667 8100. Telephone calls may be recorded or monitored for Our mutual protection.
- 20.7** This Customer Agreement shall be governed by and construed in all respects in accordance with English law and You hereby submit to the exclusive jurisdiction of the English Courts in relation to any disputes arising out of or in connection with this Customer Agreement.
- 20.8** This Customer Agreement is supplied in English, and We will only be required to communicate in English during the course of our relationship with You.
- 20.9** Where You comprise more than one person at any time We may rely upon any notice from any one of such persons on behalf of You and any waiver or agreement with any one of such persons shall be binding upon You. On the death of a joint holder we shall be entitled to treat the survivor(s) as the only person(s) having title or ownership of the Portfolio of the joint holder.
- 20.10** In respect of individual investors, on and following Your death, We may (acting in good faith) act on the directions of Your personal representatives or the persons holding themselves out as Your personal representatives pending grant of representation.

SCHEDULE – ORDER EXECUTION POLICY

Execution factors and execution criteria

We have an obligation when executing orders for the Foresight Inheritance Tax Fund to obtain the best possible outcome.

The FCA requires various execution factors to be taken into account including price; cost; speed; market impact; likelihood of execution and settlement; size; or any other consideration meriting a high relative importance in obtaining the best possible result. However, in some circumstances, We may appropriately determine that other execution factors are more important than price in obtaining the best possible execution result. We will determine the relative importance of the execution factors by using Our commercial judgement and experience in light of market information available and taking into account the execution criteria.

The execution criteria are defined as the characteristics of the client, order (orders placed in the market will indicate a price range that is suitable for the investment decision), type of financial instrument (some shares are more liquid than others, and illiquid shares will be less easily tradable in volume) and the execution venue.

The scope of activities undertaken by Us does not currently include placing orders with brokers or dealers. Should We place orders with brokers or dealers for execution We will satisfy ourselves that the broker or dealer has arrangements in place to enable Us to comply with Our best execution obligations to Our clients. Specific arrangements will be put in place such that brokers will confirm that they will treat Us as a professional client and will, therefore, be obliged to provide best execution.

Special purpose vehicles ('SPVs')

We may establish special purpose vehicles for the purpose of investments. As shares in SPVs cannot be obtained from any other sources there is limited opportunity to apply some of the execution factors.

Monitoring and review

We will review the effectiveness of Our execution policy and order execution arrangements on an annual basis. Whenever a material change occurs that affects Our ability to continue to obtain the best possible result for You, We will notify You of any material changes to Our execution arrangements or Our execution policy by posting an updated version on Our website (www.foresightgroup.eu).