

1 May 2009

INTERMEDIARY TERMS OF BUSINESS AGREEMENT

1 Scope

1.1 This Agreement sets out the only basis on which Stellar accepts Business from you, the Intermediary. This Agreement supersedes any previously issued terms of business between Stellar and the Intermediary. This Agreement is legally binding and applies to any Business which the Intermediary may carry out with or through Stellar.

1.2 Stellar offers fund operating services and is authorised and regulated by the Financial Services Authority.

1.3 Stellar reserves the right at its discretion without giving reasons to decline, delay implementation of, or to withdraw from any Business placed with it by the Intermediary.

1.4 If the Intermediary has Appointed Representatives, Stellar reserves the right, upon giving written notice to the Intermediary, to decline further business from the Appointed Representative named in the notice.

1.5 The Intermediary is an agent of its client and not an agent of Stellar in relation to Business submitted by or serviced by the Intermediary. Stellar shall treat the Intermediary alone as its client and shall not treat any underlying customer as its client. The Intermediary has no right whatsoever to bind or to act on behalf of Stellar. The Intermediary must not misrepresent its relationship with Stellar in any way (such as by implying that it is an agent, affiliate or representative of Stellar). This does not detract from the obligation of the Intermediary and Stellar to each other in this Agreement.

1.6 Words denoting the singular only shall include the plural also and vice versa. Words denoting one gender only shall include the other gender. Words denoting persons only shall include individuals, firms, companies, corporations and any unincorporated associations.

1.7 This Agreement shall come into effect when the Intermediary places its first order following receipt of this Agreement.

1.8 This Agreement is supplemented by the current documents governing or describing the various products issued by Stellar.

1.9 The Intermediary warrants to Stellar that it has all necessary authorisations, licences and permits to carry out transactions under this Agreement and undertakes to comply with all Applicable Laws.

1.10 The Intermediary will notify Stellar immediately if it receives notice that the FSA intends to or has suspended, cancelled, rejected or amended the Intermediary's authorisation. Stellar will not accept business from an Intermediary who is not or ceases to be authorised by the FSA.

2 Definitions

In this Agreement the following expressions shall have the meanings defined in this clause, except where the context otherwise requires:

"Agreement" means the terms of business agreement as set out herein, as may be amended by Stellar from time to time.

"Applicable Laws" means all laws, rules and regulations, including FSMA and the FSA Rules, applicable to Stellar and/or the Intermediary.

"Appointed Representative" has the meaning given by FSA rules.

"Business" means any business in respect of a 'specified investment', as set out in Part III of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

"DPA" means the Data Protection Act 1998.

"Force Majeure" means any acts, events, omissions or accidents beyond reasonable control including but not limited to Acts of God, including but not limited to fire, flood, earthquake; war, threat of or

preparation for war, terrorist attack, civil commotion; nuclear or chemical contamination; mandatory compliance with any law; and collapse of building structures, failure of plant machinery, machinery, computers or vehicles.

"FSA" means the Financial Services Authority.

"FSA Rules" means the FSA Handbook of Rules and Guidance including the Principles for Business and such other rules, regulations, codes of practice, guidance, practice requirements and appendices issued by the FSA from time to time.

"FSMA" means the Financial Services and Markets Act 2000 as amended from time to time.

"Intermediary" means an independent intermediary, discretionary asset manager, stockbroker or other professional adviser authorised under FSMA and/or its Appointed Representative who accepts and deals under this Agreement.

"Network" has the meaning given by FSA Rules.

"Principal" has the meaning given by FSA Rules.

"Regulated Activities" means any and all regulated activities as defined in Section 22 FSMA (The classes of activity and categories of investment).

"Services" means the services Stellar provide to the Intermediary in order to facilitate its acceptance of the Business the Intermediary places with it.

"Stellar" means Stellar Asset Management Limited.

3 Commission

3.1 All matters relating to the payment of commission by Stellar to the Intermediary or the recovery of commission from the Intermediary shall be governed by FSA Rules.

3.2 Stellar will, subject to clauses 3.1 & 3.5 to 3.13, pay to the Intermediary commission on Business submitted to Stellar by the Intermediary and concluded by Stellar. Commission will be paid at Stellar's relevant rates in force from time to time. Stellar shall endeavour to make the relevant rates available to the Intermediary via the documentation produced for each product or by other means as determined by Stellar from time to time.

3.3 Statements of account provided by Stellar shall be the prime record of commission due to the Intermediary.

3.4 The Intermediary will become entitled to be paid in accordance with individual product terms communicated to the Intermediary. In the absence of any such terms, commission will be paid within 28 days of Stellar accepting an investment application introduced by the Intermediary.

3.5 Stellar will pay commission to the Intermediary by BACS or by cheque.

3.6 Stellar reserves the right to not pay commission or alter the terms for the payment of or repayment of commission where the applicant for business is the Intermediary, an employee of the Intermediary, a relative of the Intermediary, a relative of an employee of the Intermediary or otherwise as determined by Stellar.

3.7 In the event of the Intermediary or a client notifying Stellar that the Intermediary is no longer an agent of the client, Stellar will no longer pay commission to the Intermediary in relation to Business in the name of the client.

3.8 The transfer of Business to another Intermediary is subject to the agreement of Stellar (which will not be unreasonably withheld) and, unless Stellar agree otherwise in writing, the Intermediary will remain liable for any unearned commission paid to it.

3.9 In the event of a dispute arising between two or more Intermediaries in respect of any commission, Stellar shall have the discretion to direct to whom such commission shall be payable.



3.10 Where all or part of the commission paid to the Intermediary is found subsequently not to have been earned (for example, commission paid in error) the Intermediary will repay Stellar the amount of commission which has not been earned.

3.11 The Intermediary will not be required to pay interest on an unearned commission debt if it is repaid within 3 months of it receiving notice of the debt. For reclaims of commission where interest is to be applied, the rate of interest shall be the Bank of England Base Rate applicable at the time plus 5 per cent.

3.12 Where any sum of money shall be recoverable from or payable by the Intermediary under this Agreement, the same may be deducted from any sum then due or which may become due to the Intermediary by Stellar under this or any other contract and/or in respect of any agency or account the Intermediary has with Stellar.

3.13 Stellar will cease payment of commission upon termination of this Agreement by Stellar or the Intermediary unless agreed otherwise by Stellar.

3.14 Stellar may stop paying commission at any time in its discretion without giving reasons.

3.15 The Intermediary must disclose to its clients all commission paid to it by Stellar. Disclosure must be made at the times and in the manner required by Applicable Laws. This obligation extends to disclosing alterations in rates of commission, payments of commission in circumstances where it was not previously paid, and if applicable, obtaining clients' consent to retain the commission.

4 Payment of monies

If the Intermediary receives from the client monies which are to be passed to Stellar, the Intermediary must pass such monies to Stellar immediately without set off or deduction.

5 Responsibilities

5.1 The Intermediary will conduct all Business in accordance with FSA Rules.

5.2 The Intermediary is solely responsible for advising its client on all financial matters associated with the Business it submits to Stellar for that client, including, without limitation, any assessment of suitability and/or appropriateness (within the meaning of FSA Rules) of a product issued by Stellar for the needs of that client, which, the Intermediary acknowledges, Stellar shall be entitled to rely on. Stellar is unable to give advice on investments.

5.3 The Intermediary will only submit Business to Stellar from clients who the Intermediary has ensured (through obtaining documentary evidence where appropriate) fall within a category of person specified in the product documentation issued by Stellar (for example, information memoranda) in relation to the product concerned.

6 Intermediary's Indemnity Stellar's liability

6.1 The Intermediary will indemnify Stellar against any loss, costs, claims, damages, fines or expenses incurred by Stellar arising from:

6.1.1 any breach of this Agreement, negligence, wilful default, fraud or bad faith of the Intermediary, its directors, agents or employees in the performance of its obligations under this Agreement; or

6.1.2 the introduction of business outside of the Intermediary's scope of permission granted to it or its Principal by FSA; or

6.1.3 any failure to comply with any Applicable Laws; or

6.1.4 the inaccuracy of any information, statement or instruction given to Stellar by the Intermediary.

7 Stellar's liability

7.1 Stellar will only be liable to the Intermediary for losses arising directly as a result of negligence, fraud or wilful default by it or any of its employees or agents. In no event shall Stellar be liable for special, indirect, incidental or consequential damages or losses.

8 Documentation & Information

8.1 The Intermediary must pass on immediately without amendment any documentation which is either supplied by Stellar for the benefit of or completion by the Intermediary's client, or provided by the Intermediary's client in relation to a transaction. The Intermediary will only pass on documents to, or return to Stellar completed documents from, clients who the Intermediary has ensured (through obtaining documentary evidence where appropriate) fall within a category of person specified in the relevant documents issued by Stellar (for example, information memoranda).

8.2 The Intermediary shall ensure that Stellar current literature is used at all times and will destroy out of date stocks.

8.3 All books, documents and computer software provided by Stellar and in the possession of the Intermediary must at all times be available to Stellar for inspection and be returned to Stellar if Stellar requests it to do so.

9 Intellectual property rights

The Intermediary will not produce or distribute any documentation (unless supplied by Stellar for distribution) containing Stellar name, logos or other trade marks without the prior written consent of Stellar

10 Confidentiality

The Intermediary will not divulge to any third party any documents or materials of any kind containing confidential information relating to the business or affairs of Stellar.

11 Communications & Data Protection

11.1 Both the Intermediary and Stellar will comply with the DPA any regulations made under the DPA in connection with this Agreement and their performance hereunder.

11.2 Stellar may record and monitor telephone calls and emails and the Intermediary consents to this.

11.3 The Intermediary agrees that Stellar may share such information with:

(i) its group companies (within the meaning of section 421 FSMA) in the course of business and for purposes connected with the Business; and

(ii) appropriate regulatory authorities, including the FSA or as is required to be disclosed by any Applicable Laws;

(iii) any third parties with whom Stellar provides products and services.

11.4 The personal information which the Intermediary provides will be processed by Stellar or associated or affiliated companies, who may be based outside of the EEA. This may involve the transfer of data by electronic media including the internet. Where such data is transferred outside of the UK, Stellar will ensure that the recipient agrees to keep the information confidential and hold it securely in accordance with the requirements of the DPA.

11.5 Stellar will consider emails to have the same status as documents sent to it by facsimile transmission or by post. The Intermediary agrees not to contest the validity or enforceability of an email message it sends to Stellar.

11.6 Stellar accepts no liability for any loss or damage the Intermediary may suffer as a consequence of an email it sends failing to be delivered or during transmission the email being altered or failing to remain private.

11.7 Stellar reserves the right, and the Intermediary consents to Stellar disclosing where reasonably necessary, personal data relating to the Intermediary to credit reference agencies, fraud prevention agencies, FSA, any other regulatory body or as required by any Applicable Laws.

11.8 Stellar reserves the right to communicate directly with a client of the Intermediary.

12 Money Laundering

12.1 In relation to all Business that the Intermediary submits to Stellar, it will ensure that:

12.1.1 it complies with all statutory and other requirements in relation to money laundering (including obtaining evidence of the identity of all third parties introduced by the Intermediary). This includes without limitation the Criminal Justice Act 1993, the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007, the Joint Money Laundering Steering Group Guidance (Prevention of money laundering / combating the financing of terrorism. Guidance for the UK Financial Sector) and any other requirements notified to the Intermediary from time to time by Stellar; and

12.1.2 the Intermediary will forward to Stellar such completed documentation or identity documents relating to verification of a third party's identity as Stellar shall require from time to time.

12.2 The Intermediary will notify Stellar in cases where the Intermediary is not responsible for carrying out identification procedures under any of the requirements in clause 12.1.1 and will supply Stellar promptly on request with sufficient details to enable Stellar to comply with its anti-money laundering obligations.

13 Variation

13.1 Stellar may amend this Agreement by giving the Intermediary at least one month's written notice, except in circumstances where changes in applicable legislation, rules or regulations are required to take immediate effect earlier than this date, in which event notice of amendment will be given as soon as reasonably practicable.

13.2 Where there are changes in legislation, FSA Rules, Joint Money Laundering Steering Group guidance or the rules of any relevant statutory regulatory authority, any relevant provisions in this Agreement will be deemed to be amended accordingly.

14 Termination

14.1 Either party may terminate this Agreement by giving one month's written notice to the other. Such notice must be sent to the other's principal place of business.

14.2 Clauses 3.1, 3.10, 3.11, 6, 9, 10 and 11.6 will remain in full force and effect notwithstanding termination.

14.3 This Agreement will terminate immediately:

14.3.1 on death, if the Intermediary is a sole trader;

14.3.2 if the Intermediary is a partnership and the partnership is dissolved;

14.3.3 if the Intermediary is a company and the company is wound up; or

14.3.4 on notification by the Intermediary or Stellar having reasonable belief that one or more of the circumstances specified in clause 15.4 has occurred.

15 General

15.1 In the event of a breach of this Agreement or in the event that the Intermediary incurs a FSA reportable debt, Stellar may share this information with other financial institutions and relevant regulatory authorities, including the FSA.

15.2 A failure or delay by either party to enforce any right under this Agreement shall not be deemed to be a waiver of that right, or of any other right, at that time or in the future.

15.3 If any provision in this Agreement is held or made invalid by a court, statute or rule or otherwise, the remainder of this Agreement will not be affected.

15.4 The Intermediary will immediately notify Stellar:

15.4.1 if it, or any directors or partners of it, have been charged with or convicted of any offence involving fraud or dishonesty;

15.4.2 if it, or any directors or partners of it, enter into a voluntary arrangement with creditors or where bankruptcy or liquidation proceedings are brought against it or them or a receiver is appointed; or

15.4.3 if it is suspended by the FSA, ceases to be authorised by the FSA, ceases to have the appropriate authorisation by the FSA.

15.5 This Agreement is personal to the Intermediary. The Intermediary may not assign this Agreement. Stellar reserve the right to assign this Agreement to any group company of Stellar within the meaning of section 421 FSMA.

15.6 Notices to Stellar must be sent to its principal place of business which is:

Stellar Asset Management Limited
105-107 Gloucester Place
London
W1U 6BY

or any other address Stellar specifies to the Intermediary in writing.

15.7 Stellar will issue notices to the address of the Intermediary noted on the FSA Register or as notified by the Intermediary to Stellar in writing.

15.8 Nothing in this Agreement is intended to confer on any third party any right to enforce any provision of this Agreement, either pursuant to the Contracts (Rights of Third Parties) Act 1999 or otherwise.

15.9 Nothing in this Agreement prevents Stellar or the Intermediary from entering into arrangements similar to those provided for in this Agreement with any other person, firm or company.

15.10 Neither party to this Agreement shall be deemed to be in breach of this Agreement or otherwise liable to the other party in any manner whatsoever for any failure or delay in performing its obligations under this Agreement due to Force Majeure. If a party's performance of any of its obligations under this Agreement is affected by Force Majeure:

15.10.1 it shall give notice to the other party, specifying the nature and extent of the Force Majeure, immediately on becoming aware of the Force Majeure and will at all times use all reasonable endeavours to mitigate the severity of the Force Majeure;

15.10.2 the time for performance of such obligation shall be suspended for a period equal to the delay caused by such Force Majeure; and

15.10.3 it shall not be entitled to payment from the other party in respect of extra costs and expenses incurred by virtue of the Force Majeure.

16 Governing Law

This Agreement shall be governed by and construed in accordance with English Law and the parties agree to submit to the exclusive jurisdiction of the English Courts.