

REGULATOR'S STATEMENT

Those who advise on and/or arrange life assurance, pensions, or unit trusts products are EITHER independent firms OR representatives of one company. Chelsea Financial Services PLC (CFS) is independent and will act on your behalf in arranging for your life assurance, pensions or unit trust products. Because CFS is independent, CFS can assist you regarding the products of different companies.

EXECUTION-ONLY TERMS AND CONDITIONS OF BUSINESS

Chelsea Financial Services PLC is an Independent Financial Adviser regulated and bound by the Rules of the Financial Services Authority (FSA), and authorised by the FSA to advise on and arrange regulated investment products for Private Clients. These products include life assurance and pension contracts, units and shares in collective investment schemes, units in investment trust savings schemes, and securities except those which are not readily realisable.

The following Terms and Conditions of Business will apply to services supplied:

1. CFS does not offer advice to clients but arranges deals on behalf of clients on an execution-only or direct offer basis. Execution-only and direct offer transactions are carried out on the instructions of the client and CFS has not given advice nor exercised any judgement on the client's behalf as to the merits or suitability of the transaction for the client and CFS has no intention of providing any advice.
2. **CFS DOES NOT HANDLE CLIENTS' MONEY.** CFS never accepts a cheque made out to CFS (unless it is a cheque in settlement of charges or disbursements for which the client has received a bill) nor cash.
3. CFS undertakes not to transact for the client business in which CFS or any director or employee or one of its other clients has a known personal interest unless that interest is first disclosed. This undertaking shall not apply to personal holdings in unit trusts, insurance contracts, gilts, shares of publicly quoted companies, personal equity plans, Individual Savings Accounts (ISAs), offshore funds and enterprise investment schemes.
4. Written instructions will normally be required before CFS will act for the client but at CFS discretion oral instructions will also be acceptable but must be followed up in writing. Authority to act on behalf of the client may be terminated at any time without penalty by either party giving notice in writing to that effect to the other. Such termination will not affect the completion of any transaction already initiated.
5. CFS acts as the client's agent in arranging investments, and never owns investments it arranges for them.
6. All investments will be registered in the names of the client(s). All contract notes and documents of title will be forwarded to the client within 7 days of their receipt by CFS. However, when a number of contract notes or documents relating to a series of transactions is involved, they may be retained by CFS until the series is complete.
7. All application forms, contract notes, cheques, certificates or documents of title may be sent by post and shall be sent at the client's risk.
8. CFS accepts no liability to clients who purchase two ISAs in one fiscal year, or mix MINI and MAXI ISAs, or otherwise do not comply with ISA rules.
9. CFS receives commission from product providers following arrangement of investments, and this is retained for CFS's benefit. The client will receive from the product provider, or from CFS, information about the commission which CFS receives. CFS will tell the client the amount of commission payable to CFS on a life policy, pension contract, unit trust, ISA or PEP and, if the client asks, on any other investment it has arranged for the client. CFS retains the right to share this commission with professional connections at its discretion. As this commission is retained clients are not charged for arranging such contracts except by separate arrangement as agreed in advance with the client. If CFS receives a commission or other form of benefit from the issuer of a security or from another intermediary, CFS will inform the client, but will not disclose the amount unless requested.
10. Units bought with No Initial Charge are usually bought at "Creation Price", which comprises Bid Price plus Stamp Duty and other charges that CFS cannot control or discount.
11. CFS will supply, on demand, to the client or his agent, copies of contract notes, vouchers, and entries in books and records for a period of six years from the date of each transaction.
12. CFS maintains a professional indemnity insurance policy for the protection of clients in the event of negligence by any member or employee of CFS and details of this, including the current limits of indemnity, are available on request.
13. CFS is included in the Financial Services Compensation Scheme, which provides compensation if a firm cannot meet its financial obligations. The Scheme can order up to £48,000 in awards where clients suffer from such acts. For details contact FSCS, 7th Floor, Lloyds Chambers, 1 Portsoken St, London E1 8BN (020 7892 7300 or www.fscs.org.uk)
14. Clients will not be entitled to receive cancellation rights in the case of unit trust purchases.
15. Discounts and refunds are paid out of initial commission. In no circumstances will CFS be liable to pay discount in excess of the initial commission payable on an investment.
16. Discounts given on investments which do not proceed will be refundable by the client to CFS.
17. Whilst every care is taken to provide the highest standards of service, in the unlikely event of a complaint this should be addressed to the Compliance Officer, CFS, St James' Hall, Moore Park Road, SW6 2JS (020-7384-7300). Should the matter not be resolved to your satisfaction, you can then contact the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR (0845 080 1800 or www.financial-ombudsman.org.uk)
18. If any of the principals of Chelsea Financial Services is unable to conduct investment business for illness or any other reason for a period of more than twenty-one days, Chelsea Financial Services has made an arrangement with Chelsea Investments Ltd, St James' Hall, Moore Park Road, London SW6 2JS (tel 020 7384 7323) to carry out its investment business obligations.

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