

Macquarie



MACQUARIE EUROPE

TERMS AND CONDITIONS OF INVESTMENT BUSINESS

*FOR PROFESSIONAL CLIENTS AND ELIGIBLE
COUNTERPARTIES*

FEBRUARY 2008

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TERMS APPLICABLE TO ALL CLIENTS

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MACQUARIE EUROPE

TERMS AND CONDITIONS OF INVESTMENT BUSINESS

TERMS APPLICABLE TO PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES

1. REGULATION

- 1.1 These Terms of Business are issued to you by either Macquarie Capital (Europe) Limited¹, Macquarie Bank International Limited, or Macquarie Bank Limited (London Branch). Macquarie Capital (Europe) Limited is a company registered in England and Wales (registered number 03704031) having its registered office at Level 35 Citypoint, 1 Ropemaker Street, London EC2Y 9HD. Macquarie Bank International Limited is a company registered in England and Wales (registered number 06309906) having its registered office at Level 25 Citypoint, 1 Ropemaker St, London EC2Y 9HD. Macquarie Bank Limited is a company registered in Australia which has its London branch (registered number BR002678) at Level 25 Citypoint, 1 Ropemaker Street, London EC2Y 9HD.
- 1.2 In these Terms of Business “Macquarie” means Macquarie Capital (Europe) Limited, Macquarie Bank International Limited, Macquarie Bank Limited (London Branch), and any Associate (as defined in these Terms of Business) from time to time of Macquarie Group Limited which is resident in the United Kingdom. References to “we”, “us” and “our” are references to the Macquarie company which is providing services to, or is otherwise dealing with, you.
- 1.3 Macquarie Capital (Europe) Limited, Macquarie Bank International Limited and Macquarie Bank Limited (London Branch) are authorised and regulated in the United Kingdom by the Financial Services Authority (the “FSA”), whose address is 25 The North Colonnade, Canary Wharf, London E14 5HS. Macquarie Capital (Europe) Limited’s FSA reference number is 193905. Macquarie Bank International Limited’s FSA reference number is 471080. Macquarie Bank Limited (London Branch)’s FSA reference number is 170934.
- 1.4 For the purposes of the Terms of Business, “Applicable Regulations” means all applicable laws, rules, regulations, instruments and provisions in force from time to time, including the rules, principles and codes of practice stipulated by any regulatory authority to which the parties are subject, including the FSA Rules. All the services that we provide to you under these Terms of Business are subject to Applicable Regulations so that:
- 1.4.1 if there is any conflict between the Terms of Business and any Applicable Regulations, the latter will prevail;
 - 1.4.2 nothing in the Terms of Business shall exclude or restrict any duty or liability which we may have to you under Applicable Regulations; and
 - 1.4.3 we may take or omit to take any action we consider necessary to ensure compliance with any Applicable Regulations.

2. APPLICATION AND SCOPE OF THESE TERMS

- 2.1 These Terms of Business are legally binding and, from 1 November 2007, supersede any other terms of business for investment business that we may previously have sent you. By providing instructions to us after 1 November 2007 you agree that the services will be provided on the basis of these Terms of Business. The Terms of Business will continue until they are terminated in accordance with section 25 (Termination).
- 2.2 These Terms of Business may be supplemented by, and shall be deemed to include, additional terms in respect of particular services, transactions or types of transaction that we carry out with or for you (“Additional Terms”). Such Additional Terms may already be in place between you and us prior to 1 November 2007, and, for the avoidance of doubt, such Additional Terms shall remain in full force and effect unless we notify you otherwise. Where there is any conflict between these Terms of Business and any Additional Terms, the Additional Terms shall prevail.

¹ Name change registered and effective from 1 November 2007, previous registered name was Macquarie Europe Limited. Macquarie Capital Securities is a registered trading name of Macquarie Capital (Europe) Limited

- 2.3 We are obliged by the FSA Rules to comply with certain rules of conduct. However, we assume no greater responsibility nor owe you any fiduciary duty, other than those imposed by the FSA Rules or the express terms of the Terms of Business.

3. THE MACQUARIE GROUP

- 3.1 We may introduce you to our overseas branches and associated companies (each an "Associate") for the purpose of providing any services or effecting any transactions envisaged by these Terms of Business. You agree that we may, from time to time, act as agent for any such Associate. If we agree, you may also pass orders directly to such Associates. Where you pass an order directly to an Associate based overseas or you otherwise have a direct relationship with any such Associate, these Terms of Business will not apply to your relationship with that Associate which will be governed by such other terms as may be provided by, or agreed with, the Associate (if any). Such overseas Associates may not be regulated by the FSA and, as a result, you may not have the benefit of the protections granted by the FSA Rules. The regulatory system, including compensation arrangements, applying to such overseas Associates may be different to that applicable in the UK. We shall be entitled to delegate the performance of any of our obligations under the Terms of Business to any Associate or such other person or persons as we think fit, but shall remain responsible for the acts and omissions of any such delegate as if they were our own.

4. YOUR STATUS

- 4.1 Based on the information available to us and as permitted by the FSA Rules, we have categorised you as an "Eligible Counterparty" and/ or as a "Professional Client" and notified you of this in a client categorisation notice (the "Client Categorisation Notice"). Even where you are categorised as an Eligible Counterparty, you will be treated as a Professional Client where Macquarie is required by the FSA Rules to treat you as a Professional Client.

- 4.2 You have the right to request a different client categorisation. If we receive such a request, we will inform you of whether or not we accept it and, if we do accept it, of the consequences of the re-categorisation, including any limitations to the level of protection that such a different categorisation would entail. However, until we receive such a request and inform you of our acceptance of it, we shall deal with you on the basis of our original categorisation as set out in the Client Categorisation Notice.

You agree and acknowledge that you are responsible for keeping us informed about any change that could affect your categorisation as an Eligible Counterparty or Professional Client.

- 4.3 If you are categorised as an Eligible Counterparty, you will not have the protection afforded by certain rules in the Conduct of Business Sourcebook of the FSA Rules, including but not limited to: 2 (other than 2.4) (conduct of business obligations), 4 (other than 4.4.1R and 4.4.2G) (communicating with clients including financial promotions), 6.1 (information about the firm, its services and remuneration), 8 (client agreements), 10 (appropriateness (for non advised services)), 11.2 (best execution), 11.3 (client order handling), 11.6 (use of dealing commission), 14.3 (information about designated investments) and 16 (reporting information to clients), all as such FSA Rule references are amended from time to time.

- 4.4 Unless otherwise agreed by us, if you are acting on behalf of any other person when dealing with us, we will continue to treat you alone (rather than any such other person) as our client for the purposes of the FSA Rules. However, if you act as agent on behalf of another person, you acknowledge and accept that you and your principal will be jointly and severally liable, each as if a principal, to us in respect of all of your obligations and liabilities pursuant to the Terms of Business.

5. OUR SERVICES

- 5.1 The services we may provide are dealing and distribution services, the arrangement of deals, and, where we separately agree with you, personal recommendations (as defined in the FSA Rules), in the following investments, together with related research:

- (a) shares;
- (b) debenture stock, loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments, including government, public agency, municipal and corporate issues;
- (c) warrants to subscribe for investments falling within (a) or (b) above ;
- (d) depository receipts or other types of instrument relating to investments falling within (a), (b) or (c) above;

- (e) units in regulated or unregulated collective investment schemes;
- (f) futures and contracts for differences on commodities, securities, interest rate and debt instruments,
- (g) stock or other indices, currencies and base and precious metals;
- (h) spot and forward contracts on currencies, commodities, base and precious metals;
- (i) options to acquire or dispose of any of the instruments falling within any of the above categories and options on options;
- (j) notes, over-the-counter and other derivative products involving, referable to the value of, or granting rights or accepting obligations in respect of or by reference to one or more of the above categories together with commodities, freight, bullion, base and other precious metals;
- (k) investments which are similar or related to any of the foregoing.

5.2 We may also provide other services if agreed between us.

5.3 In respect of all the above, we may enter into transactions with you as principal or as your agent. If we act as principal, a statement to that effect will be included on the confirmation.

5.4 We may also enter into transactions on your behalf under which you will incur obligations as an underwriter or sub-underwriter, subject to any limits that may from time to time be agreed between you and us in writing.

5.5 Subject to the foregoing, and unless agreed otherwise in writing, there are no restrictions on the markets or types of investment in which we may carry on business on your behalf.

5.6 For some products and transactions, we will be unable to provide our services to you unless you have entered into the relevant Additional Terms. We may also provide you with specific or general risk warnings in relation to some products or transactions, or types of products or transactions (for example in relation to contingent liability transactions which may commit you to further payment or liability beyond your initial outlay). You undertake to read such risk warnings and take them into account when deciding whether or not to instruct us in relation to the relevant products or transactions.

5.7 When providing services to you, we will assume that you have the necessary experience and knowledge in order to understand the risks involved in relation to those services or relevant transactions.

5.8 You acknowledge that unless we separately agree to provide you with personal recommendations (as defined in the FSA Rules) you are required to make your own assessment of any transaction that you are considering and should not rely on any information, proposal or other communication from us as being investment advice.

5.9 If we do agree to provide you with personal recommendations (as defined under the FSA Rules):

5.9.1 we will only advise you on the products, services and transactions provided by us or an Associate;

5.9.2 you undertake to provide to us on request all information regarding your investment objectives and, where you are an elective professional client (as defined in the FSA Rules) your financial situation, so as to enable us to provide investment advice that is suitable for you. You represent and warrant that such information is complete and accurate in all material respects;

5.9.3 we are entitled to assume that:

(a) in relation to the relevant transactions where investment advice is being provided, you have the necessary experience and knowledge in order to understand the risks involved in relation to those services or relevant transactions; and

(b) where you are a per se professional client (as defined in the FSA Rules), that you are financially able to bear any related investment risks consistent with your investment objectives in relation to the proposed products, transactions and services.

- 5.9.4 if you do not, or are unable to, provide us with the information we request in a timely manner, or we consider that the relevant product, service or transaction is not suitable for you, then this may result in a delay in dealing and/ or we may refuse to deal with or for you. It is your responsibility to seek further advice if your circumstances have changed.

6. INSTRUCTIONS

- 6.1 We may rely and act on any instructions, notices or requests of any person who is, or whom we reasonably believe to be, a person designated or authorised by you to give such instructions, notices or requests (whether given in writing or by telex, telephone, computer-based systems or other media) but we will not be obliged to do so. You warrant that any list(s) of persons named by you as authorised to give instructions and sign documents and take other actions in respect of funds and investments will be correct at the date thereof. You shall notify us immediately of any amendments to such list(s) and provide specimen signatures of new signatories.
- 6.2 You shall promptly give any instructions to us which we may require in respect of any transaction or proposed transaction. If you do not provide such instructions promptly or following reasonable efforts by us, we are unable to contact you, we may, in our absolute discretion, take such steps at your cost as we consider necessary or desirable for our or your protection. If you do not provide us with notice of your intention to exercise an option at the time stipulated by us, we may treat the option as abandoned by you and, if so, will notify you.
- 6.3 If, after instructions are received, we believe it is not reasonably practicable to act upon such instructions within a reasonable time, we may defer acting upon those instructions until it is, in our reasonable opinion, practicable to do so or notify you that we are refusing to act upon such instructions. We shall not be liable for any losses resulting from such deferral or refusal.
- 6.4 We reserve the right to terminate any trading arrangements with you at any time and are not obliged to accept any particular order or to agree to enter into a transaction with you or carry out an instruction received from you. We may require (but shall not be obliged to require) written confirmation before acting on oral instructions.
- 6.5 If we effect a transaction with or for you, this shall not be taken to mean that we recommend, or concur on the merits of, the transaction or that the transaction is suitable for you. If we provide advice to you such advice shall be express and may be given orally or in writing. We shall not be required to ensure that such advice takes into account any research or other recommendations we may have published from time to time. We shall not be obliged to provide you with copies of any published research or recommendations either at the same time as it is provided to an Associate or third parties or at all. We may, subject to the FSA Rules, effect own account transactions at any time in investments which are or have been the subject of such advice and/or publications, or any related investments. No research shall constitute an offer by us or any associated company to buy or sell any investment.
- 6.6 We shall not be liable for any loss, expense, cost or liability (including consequential loss) suffered or incurred by you as a result of instructions being given, or any other communications being made, via the Internet or other electronic medium. You will be solely responsible for all orders, and for the accuracy of all information, sent via the Internet or other electronic medium using your name or personal identification number. We will not execute an order until we have verified the order to you and transmission of an order shall not give rise to a binding contract between us and you.
- 6.7 If you are authorised under the Financial Services and Markets Act 2000 you agree that you will comply at all times with all relevant FSA Rules and you will be responsible for and will have undertaken all necessary identification and verification checks for the purposes of complying with statutory and FSA money laundering requirements in respect of each principal for whom you act.
- 6.8 You confirm that we may use voice recording procedures in connection with receiving orders or instructions with or without the use of an automatic warning device. Our voice records shall be and remain our sole property and will, in the absence of manifest error, be conclusive evidence of the orders, instructions or conversations so recorded. The period for retention of such voice records shall be at our discretion.

7. EXECUTION OF ORDERS

If you are a Professional Client, the FSA Rules on best execution may apply. A summary of our current Order Execution Policy, as relevant to Professional Clients, has been provided to you. By agreeing to these Terms of Business and by providing instructions to us, you agree to the terms of our Order Execution Policy. In particular you consent to us effecting transactions on your behalf outside a regulated market or multilateral trading facility (as both terms are defined in the FSA Rules). You acknowledge that when executing certain transactions we will not be executing orders on your behalf and will not be subject to the obligation under the

FSA Rules to take all reasonable steps to obtain the best possible result taking into account the execution factors (as defined in the FSA Rules). The circumstances in which we will not be executing orders on your behalf are set out in the summary of our Order Execution Policy.

- 7.1 Orders may be executed by us or passed to any Associate or intermediate broker for execution. Transactions are subject to:
- (a) the terms and conditions of any intermediate broker;
 - (b) the customs and regulations of the relevant market, exchange and clearing house ("Market Rules"); and
 - (c) any other terms covering any particular transaction under the rules of any market or exchange or
 - (d) any separate agreement between you and us.
- 7.2 We may take or omit to take any action which we consider necessary or desirable in order to ensure compliance with any of the above or the FSA Rules. We shall not be liable for any loss suffered by you as a result of our taking or omitting to take any such action or as a result of the acts or omissions of any market, exchange or clearing house.
- 7.3 Where you place a client limit order in respect of shares admitted to trading on a regulated market and the order is not immediately executed under prevailing market conditions, we shall assume that you do not wish us to make the order public in a manner which is easily accessible to other market participants unless you expressly instruct us otherwise.

8. OUR RESPONSIBILITIES AT SETTLEMENT

- 8.1 We are not obliged to settle transactions or account to you unless and until we (or our settlement agents) have received all necessary documents or money from you and/or a counterparty (as appropriate). Where we undertake transactions for you delivery or payment is entirely at your risk except to the extent that any failure of delivery or payment is a result of our negligence, wilful default or fraud. In the case of securities which have already been assented to an offer, settlement may be delayed if the transaction can only be completed with securities issued by the offeror.
- 8.2 Settlement of transactions may be administered by one of our Associates and you agree that we may pass all relevant information to any such Associate to enable it to administer such settlement.

9. YOUR RESPONSIBILITIES AT SETTLEMENT

- 9.1 You will be responsible for the due performance of every transaction which we enter into with or for you, whether you are dealing as principal or as agent for another person. You will deliver any money or property due under a transaction carried out pursuant to these Terms of Business in accordance with the terms of the transaction or otherwise in accordance with our reasonable requests. We may buy investments to cover any liabilities of yours to deliver investments to us. We may debit your account(s) with any loss we suffer and/or cost we incur in this way.

10. OUR CHARGES

- 10.1 Our charges for the services described in the Terms of Business will be disclosed to you in accordance with the FSA Rules. You will pay the charges prevailing at the time the services are provided. All charges are exclusive of VAT. Any alteration to charges will be notified to you before the time of the change.
- 10.2 We may pay or receive fees, commissions or non-monetary benefits to or from any Associate or other third party in connection with the services where permitted by FSA Rules. If you are a Professional Client, we will provide you with separate disclosure of the essential arrangements relating to such fees, commissions or non-monetary benefits.
- 10.3 You will be responsible for payment of all taxes, brokerage, transfer fees, registration fees, stamp duty and all other liabilities, charges, costs and expenses payable or incurred by us and/or a custodian in connection with the services described in these Terms of Business except to the extent that such liabilities, charges, costs and expenses arise from our negligence, wilful default or fraud. We may deduct from sums due to you or withhold any such estimated or actual charges at our reasonable discretion. Any difference between such estimated amounts and the final confirmed liability shall be promptly credited or debited to your account.

10.4 We may share our charges with all or any of our Associates or any third party.

11. AGGREGATION OF ORDERS

11.1 We may combine your order with our own orders, orders of Associates and persons connected with us and orders of other clients. Aggregation will only take place if we believe it is likely that the aggregation will not work overall to the disadvantage of each of the Professional Clients concerned. However, the effect of aggregation may work on some occasions to your disadvantage in relation to a particular order.

12. YOUR MONEY

12.1 Where you are dealing with either Macquarie Bank Limited (London Branch) or Macquarie Bank International Limited any money held in an account with them will not be treated as client money within the meaning of the FSA Rules and we will not therefore be required to segregate such money, as that money will be held by us as banker and not as trustee.

12.2 Subject to the preceding paragraph and unless agreed otherwise, we will treat your money as client money and hold it in accordance with the client money FSA Rules.

12.3 We may transfer your money to an overseas branch of Macquarie Bank Limited (an authorised deposit-taking institution regulated by the Australian Prudential Regulatory Authority) and/or Macquarie Bank International Limited which are part of the same group of companies as Macquarie Capital (Europe) Limited, deposit your money in an overseas approved bank or pass your money to an overseas intermediate broker, settlement agent or counterparty outside the United Kingdom. In such circumstances, the legal and regulatory regime applying to the overseas branch, approved bank, intermediate broker, settlement agent or counterparty will be different from that of the United Kingdom and, in the event of their failure, money may be treated in a different manner from that which would apply if the money was held by a bank, intermediate broker, settlement agent or counterparty in the United Kingdom.

12.4 Your money may be held or controlled by a third party, such as an exchange, a clearing house or an intermediate broker to enable transactions to be effected in accordance with your instructions or to meet your obligations to provide collateral for a transaction.

12.5 Interest will not be payable to you on money held unless otherwise agreed between you and us.

12.6 We may (but shall not in any circumstances be obliged to) convert any monies held for you into such other currency as we consider necessary or desirable to cover your obligations and liabilities in that currency at such rate of exchange as we shall select. We shall be entitled to charge and retain for our own account such administration fee for arranging such conversion as we may from time to time specify.

12.7 If, from time to time, there has been no movement on an account (notwithstanding payments of interest or similar amounts) for six years we may close the relevant account and retain the sums contained therein for our own benefit provided we have first taken reasonable steps to notify you and return the balance. We agree to make good any valid claim made by you in respect of any balance on an account closed in this way.

13. CONTRACT NOTES AND STATEMENTS

13.1 We will promptly provide you with confirmation of all transactions carried out on your behalf in accordance with the FSA Rules unless confirmation is provided to you by a third party, for example by a broker through whom we deal. You agree that we may send confirmations, contract notes and other statements electronically and, subject to legal, regulatory and market requirements we may send you a single confirmation or contract note in respect of a series of transactions unless agreed otherwise. In the absence of manifest error, all confirmations, contract notes and other statements which we send to you will be conclusive and binding on you unless you notify us in writing within 5 days of the date of the confirmation or statement that you disagree with its contents.

14. CUSTODY OF YOUR INVESTMENTS

14.1 We will not be obliged to provide or arrange for any custody services in respect of your investments. All investments purchased through us and requiring registration will be registered in your name or as you may request, in the name of an eligible nominee or eligible custodian in accordance with FSA Rules. We accept no liability for the negligence or other default of a third party nominee or custodian.

15. RIGHTS ISSUES, TAKEOVERS, ETC.

- 15.1 Unless we accept your specific instructions as regards investments which we are holding on your behalf, we shall not be responsible for:
- (a) taking up any rights;
 - (b) exercising any conversion or subscription rights;
 - (c) dealing with takeover or other offers or capital reorganisations;
 - (d) exercising voting rights; or
 - (e) exercising any other rights which are conferred by any investments held by us or to our order for your account.
- 15.2 In the event that we hold investments on your behalf, we shall endeavour to advise you of the occurrence of any such rights, offers or capital reorganisations upon becoming aware of the same.

16. MARGINS, COLLATERAL AND PAYMENT

- 16.1 This section 16 shall apply to the provision of security, margin or collateral. Where another agreement or general terms are in effect relating to the provision of security, margin or collateral then such other agreement or general terms shall prevail to the extent there is any conflict between such agreement or terms and this section
- 16.2 You shall pay to us on demand:
- (a) such sums of money by way of deposits, or as initial or variation margin as we may require being, in the case of a transaction effected on an exchange, not less than the amount or percentage stipulated by the relevant exchange;
 - (b) such sums of money as may from time to time be due to us under a transaction and such sums as may be required in or towards clearance of any debit balance on any account with us; and
 - (c) such sums of money as we may from time to time require as security for your obligations to us.
- 16.3 With our prior written agreement on each occasion, you may deposit securities or other assets ("collateral") with us or provide us with a guarantee or indemnity from a person and in a form acceptable to us instead of cash for the purpose of complying with your obligations under this section 16. Any securities or other assets so deposited may be held by an intermediate broker who will be responsible for claiming and receiving all interest payments, income and other rights accruing to you. We accept no responsibility whatsoever for the acts or omissions of any intermediate broker and shall not be liable to you for any losses resulting directly or indirectly from such acts or omissions.
- 16.4 Notwithstanding any other provision of these Terms of Business, money and collateral provided to us under this section 16 shall be transferred absolutely to us for our own benefit and use.
- 16.5 We may:
- (a) pass on any money or collateral received from you in order to satisfy our or your obligations to any third party;
 - (b) charge, pledge or grant any security arrangement over collateral in order to satisfy our or your obligations to any third party, in which case the collateral may not be registered in your name;
 - (c) lend collateral to any third party, in which case the collateral may not be registered in your name; and
 - (d) return to you assets other than the original collateral or type of collateral.

- 16.6 We shall not be obliged to account to you for any income received as a result of carrying out any of these activities.
- 16.7 If you fail to provide any margin, deposit or other sum due under these Terms of Business we may close out any open position without prior reference to you and apply any proceeds thereof to payment of any amounts due to us.
- 16.8 You may not withdraw or substitute any property which we hold as security, margin or collateral without our prior consent.
- 16.9 You shall, immediately upon request, execute all documents and do all such things as we may reasonably request in order to enable us to exercise our rights under this section 16 or section 19.

17. RIGHT TO RETAIN YOUR FUNDS

- 17.1 We may retain or make deductions from amounts which we owe to you or are holding for you in respect of all sums due and payable by you to us (including margin, fees and commission) even though arising in a different transaction. Where debits and credits are expressed in different currencies, and we would have had a right of retention or set-off if the sums concerned had been in the same currency, we shall be entitled at your expense to convert any sums owing to you into the currency of your debt to us for the purpose of effecting the said retention or set-off.

18. POWER OF SALE OVER YOUR INVESTMENTS

- 18.1 All investments (including collateral) which we hold or are entitled to receive on your behalf shall be a continuing security for the payment and satisfaction of all sums which may at any time be or become due from you to us, including any interest payable to us hereunder and reasonable costs, charges and expenses paid or incurred in perfecting or enforcing our security or otherwise.
- 18.2 If you fail to meet your liabilities under these Terms of Business as and when they become due we may, without prior notice, sell all or any of such investments at such price and in such manner as we may in our reasonable discretion decide without being responsible for any loss or diminution in price and apply any proceeds of such sale in or towards:
- (a) discharge of the costs of such sale; and
 - (b) discharge of the sums secured by this section 18.
- 18.3 If you fail to meet your liabilities under these Terms of Business we may close out or require you to close out immediately any open positions and/or buy any investment or other property where this is, or is in our reasonable opinion likely to be, necessary in order for us to fulfil our obligations under any transaction entered into as a result of your instructions (you shall reimburse us for the full amount of the purchase price plus any associated costs and expenses) and/or treat any outstanding transactions as cancelled and terminated.

19. CUSTOMER WARRANTIES

- 19.1 You warrant and represent that:
- (a) you are not under any legal disability with respect to, and are not subject to any law or regulation which prevents your performance of, these Terms of Business or any transaction contemplated by these Terms of Business;
 - (b) you have obtained all necessary consents and have the capacity and authority to enter into these Terms of Business;
 - (c) investments or other property supplied by you shall, subject to these Terms of Business, at all times be free from any charge, lien, pledge or encumbrance and, unless you are a trustee, shall be beneficially owned by you; and
 - (d) you are in compliance with all laws to which you are subject including, without limitation, all tax laws and regulations, exchange control requirements and registration requirements that would affect the enforceability of these Terms of Business or the transactions.

19.2 The warranties and representations in this section 19 shall be deemed to be repeated each time you provide instructions, investments or collateral to us.

20. CONFLICT OF INTERESTS

20.1 Macquarie has established and implemented a conflicts policy at group level (which may be revised and updated from time to time) (the "Conflicts Policy") pursuant to the FSA Rules, which sets out how we must seek to identify and manage all material conflicts of interest.

20.2 You agree that we may transact business in circumstances where we have, or which give rise to, and may maintain, such an interest, relationship or arrangement without prior reference to you and retain all benefits received therefrom. In addition, we may provide advice and other services to third parties whose interests may be in conflict or competition with your interests. We, our Associates and our or their employees may take positions opposite to you or may be in competition with you to acquire the same or a similar position. We will not deliberately favour any person over you but will not be responsible for any loss which may result from such competition.

20.3 Such conflicting interests or duties may arise because:

- (a) we may be dealing as principal or agent or be registered as a market maker in the investments that are the subject of a transaction or providing services to other persons with interests in or proposing to acquire such investments;
- (b) we may be a financial adviser or lending banker to the issuer of such investments;
- (c) we may be dealing as agent on your behalf with a person connected with us or conducting an "agency cross" by matching your order with the order of another party (who may be a person connected with us) or receive a commission or other payment from the counterparty or broker to any transaction which we carry out on your behalf;
- (d) a transaction may be in units in a unit trust or collective investment scheme of which a person connected with us is a manager or trustee or in investments where the issuer is a person connected with us or in investments in which we or a person or persons connected with us have undertaken or underwritten an issue within a period of 12 months before the date of the transaction;
- (e) a transaction may be in investments in respect of which we or a person or persons connected with us are contemporaneously trading or have traded on our own account or have either a long or short position;
- (f) we may have acted upon or used our, or their, published research recommendations (or the conclusions which they expressed or the research or analysis on which they are based) before the recommendations have been published to our (or their) customers;
- (g) we may deal with you as principal in a foreign exchange transaction.

20.4 You should also understand that we or persons connected with us may carry on corporate finance business for clients. In such circumstances you may receive or see an investment publication or other document communicated or approved by us, or containing invitations, offers, recommendations or advice from us, or persons with which we are associated, to the public or a class of persons in which you are included. However, you should not treat that as representing advice from us to you as a customer about suitability, or look to us to regard you as a customer, whether for the purpose of securing best execution or otherwise. Before entering into any commitment in such a case, you are recommended to seek specific advice on the merits and suitability of the proposed transaction.

21. INDEMNITY AND LIABILITY

21.1 You shall fully indemnify us and keep us fully indemnified against all losses, expenses, costs and liabilities (together "Losses") which arise as a result of or in connection with your breach of these Terms of Business or the proper provision by us of the services or the exercise of any rights envisaged by these Terms of Business (including, for the avoidance of doubt, any fines which may be imposed upon us as a result of late settlement of any transaction and any costs incurred in enforcing our rights or defending any action or claim brought by a third party or any losses arising from acting on your instructions, or instructions reasonably believed to be given by you or on your behalf).

21.2 We shall not be liable for any Losses suffered or incurred by you unless such Losses are suffered or incurred as a result of our negligence, wilful default or fraud. We shall not be responsible for any consequential loss suffered or incurred by you whether arising from our negligence or otherwise or for any loss suffered or incurred by you as a result of any third party failing to perform its obligations to us.

21.3 Macquarie Capital (Europe) Limited and Macquarie Bank International Limited are not authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia), and their obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Capital (Europe) Limited and Macquarie Bank International Limited.

22. INTEREST

22.1 If you fail to pay any amount when it is due, we reserve the right to charge interest (both before and after judgment) on such unpaid amount calculated at the rate reasonably determined by us to be the reasonable cost of funding such overdue amount. Such interest shall accrue and be calculated daily from the due date to the date of payment and shall be compounded monthly.

23. COMPLAINTS PROCEDURE

23.1 We have internal procedures for handling complaints fairly and promptly. You may submit a complaint to the compliance officer, for example, by letter, telephone, fax or e-mail. We will send you a written acknowledgement of your complaint enclosing details of our complaints procedure. Further details regarding our complaints procedures are available on request.

24. CHANGES TO THESE TERMS OF BUSINESS

24.1 We may amend these Terms of Business by sending you a written notice describing the relevant changes. Such changes will become effective on a date to be specified in the notice.

24.2 Any changes to these Terms of Business proposed by you will become effective only once they have been agreed by us in writing.

25. TERMINATION

25.1 You are entitled to terminate these Terms of Business by giving immediate written notice to us, as we may by giving you immediate written notice. No penalty will become due from either you or us in respect of the termination of these Terms of Business. However, we may require you to pay charges for transferring any investments held for you. Termination of these Terms of Business will not affect any outstanding order or transaction or accrued charges under these Terms of Business or any legal rights or obligations which may already have arisen.

26. CONFIDENTIALITY

26.1 Subject to section 27, neither party to these Terms of Business shall, without the prior written consent of the other, use or disclose any information relating to the business, investments, finances or other matters of a confidential nature of the other party except to the extent that such use or disclosure is to an Associate or is required by law or any regulatory authority or is desirable for the purposes of, or to enable the disclosing party to properly perform its obligations under, these Terms of Business.

26.2 Neither we nor any Associate is obliged to disclose to you or to take into consideration or utilise for your benefit any fact, matter or thing:

(a) if in our or its opinion disclosure of the information would or might be a breach of duty or confidence to any other person or render our or its employees liable to criminal or civil proceedings ; or

(b) which comes to the notice of an officer, employee or agent of ours or of any Associate but does not come to the actual notice of the individual or individuals with whom you are dealing.

26.3 The obligations in this section 26 shall not apply to any confidential information lawfully in a party's possession otherwise than as a result of the Terms of Business or coming into the public domain otherwise than by breach by any party of its obligations contained in the Terms of Business. For the avoidance of doubt, we and our Associates will be entitled to disclose confidential information if we are required or

requested to disclose such information by a relevant regulatory authority or pursuant to any Applicable Regulations.

26.4 The provisions of this section 26 shall continue to bind you and us after termination of these Terms of Business.

27. DATA PROTECTION

27.1 We may use, store or otherwise process any personal information provided by you, your employees, agents or representatives. Such personal information may be processed by us for the purpose of administering these Terms of Business, providing services to you, or marketing financial services and products provided by us or third parties to you ("Permitted Purposes"). If you do not want personal information to be used for marketing purposes, please notify us. We may, for any Permitted Purpose, transfer or disclose personal information to any Associate of ours anywhere in the world, to any person acting on our behalf and to any person to whom we are permitted to delegate any of our functions under these Terms of Business (other than to the extent that you have indicated that you do not want your personal information to be used for marketing purposes). You agree to the processing and disclosure of personal information for the Permitted Purposes and agree to procure such consent from your employees, agent and representatives. You also agree that the Permitted Purposes may be amended to include other uses or disclosures of personal information by notice to you. You may request us to make available to you a copy of your personal information.

28. ASSIGNMENT

28.1 You may not assign any of your rights or delegate any of your obligations under these Terms of Business.

29. DELAY OR OMISSION

29.1 No delay or omission in exercising any right, power or remedy provided by law or under these Terms of Business, or partial or defective exercise thereof, shall prevent further or other exercise of, or operate as a waiver of, such right, power or remedy. No waiver of any breach of any term of these Terms of Business shall (unless expressly agreed in writing by the waiving party) be construed as a waiver of a future breach of the same term or as authorising a continuation of the particular breach.

30. GENERAL

30.1 These Terms of Business shall be governed by and construed in accordance with the laws of England and each party submits to the non-exclusive jurisdiction of the English Courts.

30.2 If at any time any provision of these Terms of Business is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of these Terms of Business under the law of that jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall be in any way affected.

30.3 We shall not be in breach of these Terms of Business and shall not be liable or have responsibility of any kind for any loss or damage incurred by you as a result of our failure to perform any or all of our obligations, where such failure arises from or is attributable to either acts, events or omissions or accidents beyond our reasonable control, including but without limitation any breakdown, malfunction or failure of transmission, act of God, war, terrorism, malicious damage, civil commotion, failure of any computer system, interruptions of power supplies or industrial action.

30.4 We shall be entitled to communicate with you by telephone, fax, e-mail or by post. You may communicate with us by post at the address given in section 1.1 of these Terms of Business, telephone, fax or electronic mail, unless you are obliged to communicate in writing under these Terms of Business, in which case you may communicate with us by letter delivered by post or personal delivery to that address.

30.5 You confirm that you have regular access to the Internet and consent to us providing you with information, including information about our Order Execution Policy and information about the nature and risks of investments, by electronic message or by posting such information on our website at <http://www.macquarie.com/eu/> or such other website as we may from time to time notify to you.

APPENDIX - RISK WARNING NOTICE

This notice is supplementary to the terms and conditions for investment business which you may receive from time to time ("the Terms of Business").

1. GENERAL

The value of investments and the income from them may fluctuate and go down as well as up. There is no guarantee that you will get back the amount initially invested. The value of investments may be affected by a variety of factors, including economic and political developments, interest rates and foreign exchange rates, as well as issuer-specific events.

Investments denominated in currencies other than your base currency carry the risk of exchange-rate movements. A movement in exchange rates may have a separate effect, unfavourable as well as favourable, on your gains and losses. Hedging techniques may, in certain circumstances, be limited or not be successful.

The market for some investments may be restricted or illiquid. There may be no readily available market and from time to time there may be difficulty in dealing in such investments or obtaining reliable information about the value and extent of risks associated with such investments.

2. EQUITY SECURITIES

Buying equity securities (the most common form of which is shares) will mean that you will become a member of the issuer company and participate fully in its economic risk. Holding equity securities will generally entitle you to receive any dividend distributed each year (if any) out of the issuer's profits made during the reference period.

Generally, holdings in equity securities will expose you to more risk than debt securities since remuneration is tied more closely to the profitability of the issuer. In the event of insolvency of the issuer, your claims for recovery of your equity investment in the issuer will generally be subordinated to the claims of both preferred or secured creditors and ordinary unsecured creditors of the issuer.

There is an extra risk of losing money when shares are bought in some smaller companies, such as penny shares. There is a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than was paid for them. The price may change quickly and it may go down as well as up.

If you buy equity securities you will be exposed to both the specific risks associated with individual securities held (and the financial soundness of their issuers), as well as the systemic risks of the equity securities markets.

3. DERIVATIVES

This notice cannot disclose all the risks and other significant aspects of warrants and/or derivative products such as futures, options, and contracts for differences. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position. Certain strategies, such as a 'spread' position or a 'straddle', may be as risky as a simple 'long' or 'short' position. Although warrants and/or derivative instruments can be utilised for the management of investment risk, some of these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points.

(a) WARRANTS

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities.

A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile.

It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined timescale then the investment becomes worthless.

You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a 'covered warrant').

(b) OFF-EXCHANGE WARRANT TRANSACTIONS

Transactions in off-exchange warrants may involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate your position, or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

Your firm must make it clear to you if you are entering into an off-exchange transaction and advise you of any risks involved.

(c) FUTURES

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The 'gearing' or 'leverage' often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements, which are set out in paragraph 8.

(d) OPTIONS

There are many different types of options with different characteristics.

Buying options:

Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the future. This will expose you to the risks described under 3 and 8.

Writing options

If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset which you have contracted to sell (when the options will be known as 'covered call options') the risk is reduced. If you do not own the underlying asset ('uncovered call options') the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

Traditional options

Certain London Stock Exchange member firms under special exchange rules write a particular type of option called a 'traditional option'. These may involve greater risk than other options. Two-way prices are not usually quoted and there is no exchange market on which to close out an open position or to effect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage his exposure to risk.

Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

(d) CONTRACTS FOR DIFFERENCES

Futures and options contracts can also be referred to as contracts for differences. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option and you should be aware of these as set out in paragraphs 3 and 4 respectively. Transactions in contracts for differences may also have a contingent liability and you should be aware of the implications of this as set out in paragraph 8.

(e) OFF-EXCHANGE TRANSACTIONS IN DERIVATIVES

It may not always be apparent whether or not a particular derivative is arranged on exchange or is an off-exchange derivative transaction. Your firm must make it clear to you if you are entering into an off-exchange derivative transaction.

While some off-exchange markets are highly liquid, transactions in off-exchange or 'non transferable' derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

4. FOREIGN MARKETS

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. On request, your firm must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which it will accept liability for any default of a foreign firm through whom it deals. The potential for profit or loss from transactions of foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

5. CONTINGENT LIABILITY INVESTMENT TRANSACTIONS

Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If you trade in futures contracts for differences or sell options, you may sustain a total loss of the margin you deposit with your firm to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

Save as specifically provided by the FSA, your firm may only carry out margined or contingent liability transactions with or for you if they are traded on or under the rules of a recognised or designated investment exchange. Contingent liability investment transactions which are not so traded may expose you to substantially greater risks.

6. LIMITED LIABILITY TRANSACTIONS

Before entering into a limited liability transaction, you should obtain from your firm or the firm with whom you are dealing a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you before you enter into the transaction.

The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of the loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

7. COLLATERAL

If you deposit collateral as security with your firm, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral, depending on whether you are trading on a recognised or designated investment exchange, with the rules of that exchange (and the associated clearing house) applying, or trading off-exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken.

Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited, and may have to accept payment in cash. You should ascertain from your firm how your collateral will be dealt with.

8. COMMISSIONS

Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

9. SUSPENSIONS OF TRADING

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

10. CLEARING HOUSE PROTECTION

On many exchanges, the performance of a transaction by your firm (or third party with whom he is dealing on your behalf) is 'guaranteed' by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the customer, and may not protect you if your firm or another party defaults on its obligations to you. On request, your firm must explain any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing. There is no clearing house for traditional options, or normally for off-exchange instruments.

11. INSOLVENCY

Your firm's insolvency or default, or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash. On request, your firm must provide an explanation of the extent to which it will accept liability for any insolvency of, or default by, other firms involved with your transactions.