



PensionMaster

Terms and Conditions

Introduction

This document details the Terms and Conditions for the Services provided to you, as the holder of a PensionMaster Self Invested Personal Pension from Barclays Stockbrokers, by A J Bell Management Limited ("A J Bell").

A J Bell is the Scheme Administrator of the Scheme and carries out the administration and management of the Scheme, which is a registered pension scheme under Chapter 2 of Part 4 of Finance Act 2004. The Scheme is an appropriate personal pension scheme and can accept Transfers including protected rights benefits. Sippdeal Trustees Limited ("STL"), a wholly owned subsidiary of A J Bell, is the trustee of the Scheme and acts for all purposes at the direction of A J Bell.

As trustee, STL is the legal owner of all assets within the Scheme. Your entitlement is to the future benefits which will become payable under the Scheme in line with the Scheme Rules and the HMRC rules which apply at the time benefits are drawn.

A J Bell is authorised by the Financial Services Authority. A J Bell is on the FSA Register under FSA Register Number 211468. STL does not conduct any regulated activities and is, therefore, not regulated.

Under an agreement between A J Bell, STL and Barclays Stockbrokers Limited ("BSL"), BSL will provide dealing and investment administration services for your SIPP. These Terms and Conditions set out how Dealing Services will be provided for your SIPP, how you may use those Dealing Services, and the terms on which you are authorised by A J Bell and STL to give instructions to BSL in relation to your SIPP Account. You acknowledge that all purchases and sales of Investments within the SIPP Account must be made through BSL. All cash and investments held for the purposes of your SIPP will be held in the name of BSL's nominee or STL.

Please see clause 15 of Section 2 for the definitions of the terms used in these Terms and Conditions.

Section 1

1. Applications

- 1.1 Applications must be made in a form determined from time to time by A J Bell. Membership of the Scheme will only commence upon notification by A J Bell to you following receipt and A J Bell's acceptance of a Contribution or Transfer. A J Bell may decline any Application, Contribution or Transfer at its absolute discretion.
- 1.2 On becoming a Member you agree to be bound by these Terms and Conditions and the Scheme Rules, as amended from time to time. In particular, you agree that you will not require, nor attempt to require, the withdrawal of funds held under your SIPP other than in accordance with the Scheme Rules. In the event that an unauthorised payment is made, you agree to A J Bell deducting the amount of any scheme sanction charge, or other charge, levied by HMRC on A J Bell from your SIPP in order to pay that charge to HMRC. If there are insufficient funds held in your SIPP, you agree to pay to A J Bell the amount by which the charge exceeds the value of your SIPP in the event that HMRC pursue A J Bell for this amount, or to pay the outstanding amount direct to HMRC.
- 1.3 On becoming a Member we will classify you as a retail client for the purposes of FSA rules. This classification provides the highest level of protection under FSA rules.
- 1.4 Where the application for membership of the Scheme is made by a legal guardian on your behalf because you are under the age of 18, all authority to manage your SIPP in accordance with these Terms and Conditions and the Scheme Rules will rest with the legal guardian until such time as you reach 18 years of age at which time all authority will automatically pass to you.

2. Contributions and transfers

- 2.1 Subject to 2.3, you may contribute to the Scheme at any time, subject to HMRC requirements. You may also arrange for a Transfer from any other UK registered pension scheme to the Scheme.
- 2.2 Set up, contribution processing and transfer-in fees, as set out on the Charges and Rates page of the Website, will be deducted by A J Bell before any cash is paid into the SIPP Account.
- 2.3 Payment of Contributions and Transfers may only be made in such form and manner and subject to such minimum levels as determined by A J Bell in its

absolute discretion from time to time and published in the Key Features Document. Valid Transfers or Contributions received by cheque will usually be available for dealing within five Business Days. Banking system failures outside of A J Bell's or BSL's control may sometimes make this period longer. If a payment is not subsequently honoured by the payer, an appropriate adjustment will be made to the SIPP Account and a reasonable charge levied to your SIPP for costs arising therefrom.

- 2.4 You will be responsible for initiating and co-ordinating all Transfers from other pension providers and neither A J Bell nor BSL shall be liable for any delay in receipt of such Transfers, except to the extent any loss arises from its negligence, wilful default or fraud.
- 2.5 Where you have made a Contribution that is subsequently refunded (for any reason), the refund may be less than the amount originally paid. The reduction may be as a result of our Charges; charges or interest applied by HMRC; or due to the performance of Investments held within the SIPP Portfolio. A J Bell shall not be liable for any such reduction in value except to the extent it arises as a result of its negligence, wilful default or fraud.
- 2.6 In the event of a Transfer from other registered pension schemes being made in error to your SIPP, A J Bell reserves the right to make refunds of such Transfers at its discretion and without further authority from you.
- 2.7 You are responsible for ensuring that all Contributions are within allowable limits for tax relief. A J Bell accepts no responsibility for any interest claimed by HMRC on any tax relief erroneously granted, for any reason, except to the extent any loss arises from its negligence, wilful default or fraud.

3. Dealing and investment

- 3.1 BSL provides an execution-only service for your SIPP for the purchase and sale of Investments. BSL is the exclusive provider of the Dealing Services in relation to PensionMaster. A J Bell and STL by and under the provisions of these Terms and Conditions authorise you to use this Dealing Service on their behalf in relation to your SIPP and further authorise you to delegate that authority to a User, provided BSL consents to such delegation.
- 3.2 No advice will be given by A J Bell, STL, BSL or the Bank as to the suitability of any Investments and nothing published on the Website or provided to you either verbally or in writing whatsoever should be construed as financial or investment advice as defined by the Financial Services and Markets Act 2000 unless it is expressly stated to the contrary.
- 3.3 For the avoidance of doubt no advice shall be provided by A J Bell, STL, BSL or the Bank in relation to the following:
 - the suitability of the SIPP for your own particular circumstances;
 - the level of Contributions (if any) to be paid into your SIPP;
 - whether or not to transfer an existing pension benefit into your SIPP;
 - the suitability of any Investments you may wish to buy or sell through the Dealing Service;
 - whether to take benefits and if so whether to elect for income withdrawal, annuity purchase or any other benefits available under the Scheme;
 - whether or not to register with HMRC for transitional protection for pension rights built up before 6 April 2006; and
 - any other matters relating to tax or financial services whatsoever.

Any advice you may receive from a third party shall fall outside of the scope of the Service and these Terms and Conditions.

- 3.4 Where you have delegated authority to a User you will be responsible for any instructions the User gives us or actions the User takes on your behalf in relation to your SIPP and you agree to indemnify and hold A J Bell, STL and BSL harmless in relation to such instructions or actions.

4. Services

- 4.1 A J Bell will provide the following services:
 - setting up administrative records and systems to establish and maintain your SIPP in line with HMRC and other regulatory requirements;
 - maintenance of administrative records and systems to receive Contributions, Transfers and pay benefits as appropriate;
 - recovery of basic rate tax on Contributions where appropriate;

- recovery of any allowable tax deducted at source on investment income received by your SIPP;
- provision of certificates to verify Contribution payments, if required;
- a dealing and investment administration service made available through an exclusive arrangement with BSL;
- dealing with day to day general correspondence and telephone enquiries in relation to the administration of your SIPP; and
- such other services as may from time to time be necessary to effectively administer your SIPP and comply with HMRC or any other regulatory requirements.

5. Pension administration charges

- 5.1 All Charges in connection with the SIPP, as at the date your SIPP is established, are shown on the Rates and Charges page of the Website. All Charges are subject to VAT which is payable in addition to the amounts shown, unless otherwise stated. All quarterly charges will be payable in arrears and will apply for each quarter or part thereof to which the Services under these Terms and Conditions relate. "Quarter" for this purpose means a calendar year quarter ending on 31 March, 30 June, 30 September or 31 December respectively. The quarterly charges will be calculated based on the value of the SIPP Account at the relevant quarter end. A J Bell and BSL reserve the right to charge reasonable interest for late payment of Charges.
- 5.2 All Charges will be deducted from the PensionMaster Cash Account. If there are insufficient funds available in the PensionMaster Cash Account then A J Bell is authorised to give instructions to sell such Investments as may be held within the SIPP Portfolio, as we may determine at our discretion, to cover the outstanding Charges. If any shortfall remains A J Bell will hold you personally liable for this amount. You are responsible for ensuring that there is always sufficient cash available within the PensionMaster Cash Account to pay all Charges or benefits when due.
- 5.3 In addition, A J Bell and BSL may modify the Charges from time to time by 30 days' written notice given to you or by publication on the Website. Such changes will take effect from the date stated in the notification. During this notice period we will not increase our then published transfer out fees and you will be free to transfer your SIPP to another registered pension scheme, subject to the existing transfer out fees. The use of the Website by you after any notified changes to give instructions or carry out any transaction will be considered acceptance of those changes.

We will generally only alter our Charges for the following reasons:

- significant changes in pensions or other relevant UK or European legislation;
- significant changes in the regulatory regime or reporting requirements;
- changes in the fees levied on us by the FSA, including any levies raised under the Financial Services Compensation Scheme;
- changes in how the LSE or other markets may work which may impact on the operation of your SIPP;
- changes in investment dealing or administration which may impact on the operation of your SIPP;
- to avoid cross subsidisation between individual Member funds where the provision of certain services are being charged on an uneconomic basis;
- changes in ownership of our businesses or how they operate;
- to reflect changes in how the internet operates; and
- to remedy manifest errors.

If we alter our Charges for valid reasons that are not specified in these Terms and Conditions and you are not happy with those changes, then we will waive the existing transfer out fee should you wish to transfer your SIPP to another registered pension scheme, provided that the transfer is made within three months from the date on which you were given notice of the change. We will not meet any other costs of the transfer.

6. Risk warnings

- 6.1 **General**
- The rules on taxation can change. The value to you of any tax benefits will depend on your tax position. You should consult your tax adviser in order to understand the impact of investment decisions on your tax position.
 - The Key Features Document includes further information on the risks

associated with your SIPP.

6.2 Income withdrawal

- If you are using income withdrawal and you are drawing an income from the SIPP Account, based on current rules, income limits must be reviewed at five yearly intervals up to age 75 and annually from age 75. The maximum pension permitted at each review may be reduced if your SIPP achieves insufficient investment growth.
- Taking income withdrawals may erode the capital value of the SIPP Account, especially if investment returns are poor and a high level of income is taken. This could result in a lower income than anticipated in future.
- There is no longer a requirement to purchase an annuity by your 75th birthday. If you continue income withdrawal after age 75 you will be required to take a minimum income and the maximum income permitted by HMRC will reduce significantly. The benefits that may be paid on your death will be more restricted and the remaining fund on your death may be subject to significant tax charges, including inheritance tax.
- There is no guarantee that annuity rates will improve in the future. If you choose to purchase an annuity, the level of pension you receive when you purchase the annuity may be lower, or higher, than the pension previously being paid under income withdrawal and/or the annuity you could have purchased initially.
- If maximum withdrawals permitted by HMRC regulations are to be taken, these high income levels may not be sustainable over the longer term.

7. Indemnity and exemptions from liability

- 7.1 **Indemnity**
- You agree to indemnify A J Bell, its employees, agents, STL, the Bank and BSL ("the Indemnified Parties") against all reasonable costs, claims, expenses, tax charges, demands and losses ("Liabilities") that the Indemnified Parties may suffer or incur in performing their duties under these Terms and Conditions or carrying out their lawful duties and responsibilities in relation to your SIPP except where that Liability arises from the negligence, wilful default or fraud of the Indemnified Parties. This indemnity will remain in force notwithstanding that you transfer your SIPP elsewhere.
- 7.2 Nothing in these Terms and Conditions will exclude or limit A J Bell or STL's liability for
- (a) any duty which we owe you under the FSA rules
 - (b) death or personal injury caused by our negligence
 - (c) fraud
 - (d) any obligations which the law does not permit to be excluded.
- 7.3 Except as provided in clause 7.2, neither A J Bell nor STL shall be liable for:
- any loss or damage arising from the use by you of the Dealing Service provided by BSL
 - any loss or damage that is not reasonably foreseeable
 - any loss of income or revenue, loss of profits or anticipated savings or wasted expenditure (except where such losses are a direct result of our breach of the Agreement) or loss of the ability to reinvest
 - any indirect, special or consequential loss or damages
- and in all cases regardless of whether or not such loss was foreseeable or arises from circumstances particular to you which you had advised us of.
- 7.4 A J Bell and STL exclude all obligations, warranties and conditions express or implied and any liabilities that arise from them so far as is permissible by law.
- 7.5 **Circumstances beyond our control**
- A J Bell, STL and BSL will not be liable to you for any partial or non-performance of their obligations under these Terms and Conditions by reason of any cause beyond their reasonable control. This includes prevailing stock market conditions, the breakdown or failure of any clearing system used in connection with the Service, the insolvency or default of any participant in such a clearing system or the failure by any settlement bank to make, receive, credit or debit any payment. This also includes failures, interruptions or delays due to postal delays, unauthorised access, theft, earthquakes, war or other hostilities, terrorist activity, civil unrest and interference (whether or not caused by severe or abnormal weather conditions). Please also note that the internet and any telecommunication or computer service or systems or equipment or software

may break down, malfunction or lead to a delay in relation to the Services through no fault of A J Bell, STL or BSL.

8. Instructions and notices

- 8.1 A J Bell may act upon oral, email or facsimile instructions but reserves the right to refuse to act until the original written instruction is received. Any written notice or Communication to A J Bell should be sent to its registered office address.

A J Bell accepts email as an acceptable form of Communication. E-mail messages may not be secure and may be intercepted by third parties. A J Bell therefore advises you not to use email to send confidential information or Communications which require immediate attention.

- 8.2 When sending Communications to you, A J Bell will send them to the permanent postal or e-mail address or telephone number you gave on the Application or to any other postal or e-mail address or telephone number that you have subsequently given to A J Bell in writing.

- 8.3 Unless these Terms and Conditions provide otherwise you can send BSL a Communication by post, e-mail or telephone using the contact details set out below:
Barclays Stockbrokers
Tay House
300 Bath Street
Glasgow G2 4LH

Telephone: 0870 160 6099

e-mail: stockbrokers@barclays.co.uk

or such other contact details as BSL may notify you of in the future in a manner contemplated by these Terms and Conditions.

If you send BSL a Communication that you feel is important, you agree to check with BSL or ask them to tell you when they have received it. This will ensure they are aware of any Communication that has not reached them.

- 8.4 You are required to maintain a live e-mail address for receipt of ongoing Communications.
- 8.5 A J Bell cannot be forced to make any payment that is not authorised by Finance Act 2004. A J Bell is required to report any unauthorised payments made by your SIPP to HMRC.

9. Complaints

If you want to make a complaint in relation to the Services provided by A J Bell in accordance with these Terms and Conditions then such a complaint should be made in writing and addressed to the Compliance Officer at A J Bell's registered office. A leaflet explaining A J Bell's complaint handling procedure is available on request.

If you want to make a complaint about the Dealing Services, you should contact BSL's Client Service Team. A leaflet explaining BSL's complaint handling procedure is available on request.

If you want to make a complaint in relation to the activities of a User, you should take these up with the User directly.

10. Amendment

- 10.1 Subject to 10.2 below, A J Bell may amend, or supplement these Terms and Conditions from time to time upon 30 days' written notice to you. You acknowledge that, from time to time, BSL is entitled to change the Terms and Conditions upon which BSL provides the Dealing Services to A J Bell. Any such changes by BSL will be notified to you by A J Bell or BSL by 30 days' written notice. BSL may only do so in circumstances similar to those set out at 10.3 below.

- 10.2 Such changes will take effect from the date stated in the notification. During the notice period we will not increase our then published transfer out fees and

you will be free to transfer your SIPP to another registered pension scheme, subject to the existing transfer out fees. The use of the Website by you after any notified changes will be considered acceptance of those changes.

- 10.3 We will generally only alter our Terms and Conditions for the following valid reasons:
- significant changes in pensions or other relevant UK or European legislation;
 - significant changes in the regulatory regime or reporting requirements;
 - changes in how the LSE or other markets may work which may impact on the operation of your SIPP;
 - changes in investment dealing or administration which may impact on the operation of your SIPP;
 - to avoid cross subsidisation between individual Member funds where the provision of certain services are being charged on an uneconomic basis;
 - changes in ownership of our businesses or how they operate;
 - to reflect changes in how the internet operates; and
 - to remedy manifest errors.

If we alter our Terms and Conditions for valid reasons that are not specified above and you are not happy with those changes, then we will waive the existing transfer out fee should you wish to transfer your SIPP to another registered pension scheme, provided that the transfer is made within a period of three months from the date on which you were given notice of the change. We will not meet any other costs of the transfer.

11. Termination and suspension

- 11.1 Termination of membership of the Scheme and of the SIPP Account may only be effected by you or A J Bell subject to the Scheme Rules, HMRC rules and the provision of relevant instructions to A J Bell.
- 11.2 BSL is entitled to terminate the provision of the Dealing Service or, where reasonable, suspend its provision for a reasonable period to your SIPP, at any time by giving written notice to you. This notice will apply from the date it is received or any later date advised in the notice from BSL. BSL will give you at least 30 days' written notice before ending the Dealing Service.
- 11.3 BSL may give you less or no notice if termination of the Dealing Service is necessary for any legitimate reason, for example, to comply with any Relevant Law, or because of legitimate security concerns or because of other breaches of arrangements you have with BSL, including when you owe BSL money.
- 11.4 Termination of the Dealing Service in relation to your SIPP will not affect:
- instructions you have already given in relation to your SIPP (which will be processed in the usual way); or
 - any rights or obligations arising prior to termination.
- 11.5 The Dealing Service cannot be terminated in relation to your SIPP until all transactions underway are complete.
- 11.6 If BSL ends the Dealing Service, A J Bell will write to you to seek instructions on the transfer of the Investments in your SIPP Portfolio and the cash in your PensionMaster Cash Account to an alternative registered pension scheme. Once instructions have been received that comply with the Scheme Rules and HMRC rules to the reasonable satisfaction of A J Bell, A J Bell will issue the appropriate instructions to BSL. BSL will only act on A J Bell's instructions.
- 11.7 BSL will send you a valuation of the SIPP Portfolio as at the date the Service ends.
- 11.8 If you instruct us to make a transfer from your SIPP to another pension scheme the transfer must always be made direct to the trustees or administrators of the receiving pension scheme.
- 11.9 These Terms and Conditions as varied, if appropriate, will continue until your membership of the Scheme is terminated. If there are any Charges or fees payable when membership is terminated, they will remain payable. Termination shall be without prejudice to the completion of transactions already initiated by BSL.

12. Miscellaneous

- 12.1 Headings are for reference only and shall not affect the construction of these Terms and Conditions.
- 12.2 These Terms and Conditions are in addition to, but not contrary to, the Scheme Rules. In the event of any dispute arising out of the construction of these Terms and Conditions, the Key Features Document and the Scheme Rules, the Scheme Rules will take precedence. A copy of the Scheme Rules can be obtained from A J Bell on request.
- 12.3 A J Bell or BSL may delegate some or all of their duties to a third party they reasonably consider capable of performing the same.
- 12.4 Your use of the Service is at your sole risk and A J Bell and BSL give no warranty that the Service will meet all of your requirements although they will try to ensure that the service provided is of a proper and reasonable quality. In particular, your attention is drawn to the following:
- A J Bell or BSL may alter the Investment range made available through the Service at their sole discretion and may require the sale of any existing Investments that are no longer to be available through the Service;
 - the internet may be subject to interruption or failure through no fault of A J Bell or BSL;
 - you are responsible for providing and maintaining the communications equipment (including personal computers and modems) to use the Website; and
 - we cannot guarantee that the Website will support all browser types and be fully compatible with your communications equipment.
- 12.5 You must inform A J Bell as soon as possible of any changes to your personal details, including the address that A J Bell and BSL have registered for correspondence purposes, your e-mail address and your bank details. A J Bell and BSL will not be liable to you for any loss that may be suffered as a result of you not receiving correspondence or payments where you have not informed A J Bell of any change in your details and bank account save to the extent such loss arises as a result of our negligence, wilful default or fraud.
- 12.6 It is your responsibility to notify A J Bell of a change of personal circumstances that results in you becoming a US national or resident. The Service is only available to UK residents.

13. Data protection

- 13.1 A J Bell and BSL are joint data controllers as defined in the Data Protection Act 1998. All information received by A J Bell and BSL will be dealt with in accordance with the provisions of the Data Protection Act 1998 or successor legislation.
- 13.2 For your protection, to check instructions and to maintain high quality service standards, BSL and A J Bell may record and monitor calls and e-mails made to or from BSL and A J Bell.

14. Financial Services Compensation Scheme

- 14.1 A J Bell and BSL are covered by the Financial Services Compensation Scheme which was set up to provide compensation if firms authorised by the FSA are unable to meet claims made against them. The amount of compensation available depends on the type of business and the circumstances of the claim. Further information about the compensation arrangements is available from the Financial Services Compensation Scheme (www.fscs.org.uk).

15. Cancellation rights

- 15.1 You have cancellation rights in the following circumstances:
- 15.1.1 on the establishment of your SIPP;
- 15.1.2 on the making of a Transfer to your SIPP;
- 15.1.3 on the first occasion when you choose to take unsecured pension;
- 15.1.4 on the first occasion when you choose to take alternatively secured pension;

- 15.2 On each of the events set out in 15.1 you will have 30 days from the date of the event to cancel, if you wish.
- 15.3 You may exercise your cancellation rights by writing to us at:
- Barclays Stockbrokers
SIPP Administration Team
Trafford House
Chester Road
Manchester
M32 0RS
By fax to: 0870 240 0513
By e-mail to BSLadmin@sippdeal.co.uk
Quoting your name and SIPP reference number.
- 15.4 When exercising your cancellation rights you must confirm whether you wish to cancel your SIPP, a transfer, or your decision to choose unsecured or alternatively secured pension.
- 15.5 If you cancel your SIPP we will repay any contributions we have received.
- 15.6 If you cancel a transfer payment we will attempt to repay the amount received to the transferring scheme. If the transferring scheme refuses to accept the repayment, or only accept it on different terms to those applying prior to the transfer, you must provide instructions on whether to pay the amount to another registered pension scheme. If you have not provided your instructions within the 30 day cancellation period we reserve the right to take reasonable administration charges from your SIPP until such time as we are able to make the transfer to another registered pension scheme.
- 15.7 If you cancel your decision to take unsecured pension or alternatively secured pension you must return any lump sum or pension income that has been paid to you in relation to your decision. If you cancel your decision to take alternatively secured pension you will have to purchase an annuity or transfer your SIPP to another pension provider.
- 15.8 If you do not exercise any of your cancellation rights you will not be able to cancel your SIPP, or any relevant transfer, or your choice to take unsecured pension or alternatively secured pension benefits at a later date. This will not affect your rights to transfer your SIPP to another registered pension scheme or, if applicable, purchase an annuity.
- 15.9 If you make an investment within the 30 day cancellation period you will lapse your cancellation rights. If you lapse your cancellation rights you will not be able to cancel your SIPP, or have a transfer payment repaid to the transferring scheme, after the effective date that you lapse your cancellation rights. You may also lapse your cancellation rights by giving us notice in writing to the address shown in 15.3 above.

16. Jurisdiction and law

- 16.1 These Terms and Conditions shall be governed by and construed in accordance with the laws of England and Wales. The parties agree that courts anywhere in the United Kingdom (subject to clause 16.2) shall have exclusive jurisdiction to settle any dispute which may arise in connection with these Terms and Conditions, including their creation, validity, effect, interpretation or performance and for such purposes irrevocably submit to the jurisdiction of courts anywhere in the United Kingdom.
- 16.2 The agreement of the parties in 16.1 is concluded for BSL and A J Bell's benefit alone. BSL and A J Bell retain the right to bring proceedings against you in their absolute discretion in the courts of any other country which may have jurisdiction, to whose jurisdiction you irrevocably submits.
- 16.3 A J Bell believes these Terms and Conditions are fair. If any part proves not to be legally valid because it is unfair, it will not affect the rest.
- 16.4 No waiver by A J Bell of any breach of these Terms and Conditions will be construed as a waiver of any subsequent breach of the same or any other provision.

16.5 These Terms and Conditions only confer rights and obligations on you, A J Bell, STL and (or) BSL. BSL shall, with A J Bell's consent, have the right to enforce these Terms and Conditions as if they were A J Bell. The Contracts (Rights of Third Parties) Act 1999 does not otherwise apply to these Terms and Conditions and no-one other than you, A J Bell, STL and (or) BSL may enforce any term of these Terms and Conditions.

16.6 The registered office of A J Bell and STL and their contact details are:

Trafford House
Chester Road
Manchester
M32 0RS

A J Bell and STL are both incorporated in England under registration numbers 3948391 and 4050222 respectively.

PensionMaster is administered by A J Bell, part of the A J Bell Group.

Telephone: 0870 160 6099 Fax: 0870 240 0513

E-mail: BSLadmin@sippdeal.co.uk

Website: www.stockbrokers.barclays.co.uk

A J Bell is registered in England and Wales at Trafford House, Chester Road, Manchester M32 0RS. Registered number 3948391. Authorised and regulated by the Financial Services Authority.

Section 2 Dealing and Investment Administration

Terms and Conditions

1. Introduction

- 1.1 Section 2 of these Terms and Conditions shall govern the use by you of the Dealing Services.
- 1.2 A J Bell and STL delegate authority to you, as a Member, to give instructions to BSL in relation to your SIPP. You are also authorised to delegate such authority to a User. References to 'you' giving instructions therefore will always mean that these instructions are given by you under the authority given to you by A J Bell and STL in relation to your SIPP, or by a User under delegation of authority by you. The Dealing Services from BSL are provided on an execution-only basis. BSL is authorised and regulated by the FSA.
- 1.3 Where you have delegated authority to a User, you agree to be responsible for the action of the User and confirm that you understand the risks involved in delegating authorities to the User. BSL shall be entitled to rely upon any instructions given by a User as valid and shall not be responsible for monitoring or verifying the validity of their content with you. You or the User must notify BSL in writing if you wish to terminate any authority delegated to a User. BSL shall be entitled to continue to receive and act upon instructions from a User until such time as it receives from you or such User written notification of termination of the User's authority. BSL can refuse to continue to accept the instructions of a User for any or no reason by sending written notification to you.
- 1.4 (i) Where you are provided with an investment service, it is important that you understand the nature and risks involved. Please read Schedule B carefully, as it sets out important information on some of the general risks of investing, and the nature and risks associated with particular types of investments.
(ii) Unless the Agreement states otherwise, BSL may deal for you in securities the price of which has been influenced by measures taken to stabilise it. This is particularly the case where new issues are concerned. You should read the explanation in Schedule C carefully. It is designed to help you judge whether you wish to invest your funds in such securities.

2. The BSL service

- 2.1 Cash comprised in your SIPP will be held in the PensionMaster Cash Account pending investment.
- 2.2 Unless restrictions agreed with A J Bell and advised to you apply:
 - BSL will deposit money to and withdraw money from the PensionMaster Cash Account;
 - sale proceeds will be paid into the PensionMaster Cash Account on the settlement date;
 - purchase costs will be taken from the PensionMaster Cash Account on the settlement date;
 - You authorise BSL to deduct any Charges from the PensionMaster Cash Account.
- 2.3 Contributions and Transfers can only be deposited in the PensionMaster Cash Account via A J Bell. BSL will pay cash dividends, gilt and bond interest into the PensionMaster Cash Account when BSL receives them from the registrars. These payments will normally be paid into the PensionMaster Cash Account six Business Days after BSL receives them. No interest will be earned on this money before it has been paid to the PensionMaster Cash Account.
- 2.4 You can view the SIPP Portfolio valuation and make share price enquiries using the Website. The value of the SIPP Portfolio will be delayed by up to 20 minutes. When you ask for a price quote this price will be real-time.

3. Looking after investments in your SIPP

- 3.1 Where BSL provides its custody service for your SIPP the provisions of this paragraph 3 will apply. In providing the custody service BSL is responsible for the safekeeping of the investments of your SIPP (including dealing with any cash), the settlement on behalf of your SIPP of any transactions BSL effect for your SIPP, collecting income, the presentation for redemption or payment of any securities that are redeemed or called and otherwise administering the investments. BSL will take the steps set out in this paragraph 3 to ensure the protection of the investments of your SIPP.
- 3.2 BSL may employ agents (including members of the Barclays Group) to perform administrative, custodial and ancillary services to assist BSL in providing the services referred to in paragraph 3.1 and may authorise them to do the same. BSL's liability for all matters delegated to a member of the Barclays Group will be unaffected by the delegation. In all other cases, BSL will exercise reasonable skill and care in selecting, using and monitoring any agents (including sub-custodians) appointed, but will not otherwise be liable for their acts or omissions except to the extent losses result from BSL's negligence, wilful default or fraud.
- 3.3 BSL will keep records that make it clear that your SIPP's investments are held on behalf of your SIPP and do not belong to BSL. Where investments in BSL's custody are held by a nominee or sub-custodian BSL will take reasonable steps to ensure that the records of the relevant entity make it clear that the investments are held by or on BSL's behalf for your SIPP and that they do not belong to BSL or any such nominee or sub-custodian. The purpose of this is to make clear, in the event of the failure of any such entity, that the Investments are held on behalf of third parties and, are not available to creditors of that entity if it fails. However, it cannot be guaranteed that there would be no loss of Investments in the event of such a failure. Where the Investments are held by a nominee or sub-custodian outside the UK, it may not be possible under the relevant law of that country for those Investments to be separately identifiable from the investments of the nominee or sub-custodian or from BSL's investments and accordingly there may be a greater risk of loss in the event of a failure of any such nominee or sub-custodian.
- 3.4 Where BSL considers it appropriate and in accordance with applicable regulatory requirements the investments of your SIPP (other than bearer stocks and other non-registrable investments) will be registered in the name of a nominee or a sub-custodian BSL appoint and held directly or indirectly to BSL's order. Registration in the name of a nominee or sub-custodian may mean you lose incentives and shareholder benefits attaching to investments. BSL or any sub-custodian BSL appoint will hold any documents of title (including bearer stocks).

- 3.5 Where investments are securities which are uncertificated or are transferable by book entry transfer, BSL or its sub-custodian may use a securities depository, clearing or settlement system, account controller or other participant in the relevant system to hold and transfer the investments (or entitlements to them). The investments or entitlements will be separately identifiable from any investments or entitlements held in the same system for our account.
- 3.6 Where BSL considers it appropriate and in accordance with regulatory requirements the investments in your SIPP may be pooled with those of other clients (including other clients of sub-custodians) in an omnibus account. In that case individual client entitlements may not be identifiable by separate certificates, or other physical documents of title, entries on the register or equivalent electronic records. If there is an irreconcilable shortfall following any default by BSL or BSL's sub-custodian your SIPP may not receive its full entitlement and may share in the shortfall pro-rata among BSL's other clients or the sub-custodian's other clients. This paragraph is for information purposes and is not intended to limit any claim you may have against BSL in respect of a default.
- 3.7 BSL will collect and receive all income, interest distributions and other payments in respect of the investments of your SIPP.
- 3.8 BSL may arrange for some of the investments of your SIPP to be held outside the UK. In that case, different settlement, legal and regulatory systems will apply in the overseas jurisdiction from those that apply in the UK. Different practices for the separate identification and segregation of clients' investments will also apply.
- 3.9 BSL reserves the right not to hold, or to cease to hold or register in its Nominee name certain investments delivered to it in relation to your SIPP. This right includes the right to refuse to accept or to cease holding any investments and/or documents of title and the right to transfer your SIPP holding out of CREST. BSL will try to warn you in advance of exercising this right. When BSL exercises this right, BSL will try to ensure its decision is reasonable and BSL will comply with any laws and regulations that apply. BSL will not be liable to you in any way if BSL refuses to follow your instructions or if BSL ceases holding any Investments and/or documents of title in relation to your SIPP.
- 4.7 If there is an enhanced scrip dividend BSL will ask you to decide whether to take the dividend in shares or in cash. If BSL does not hear from you, BSL will take up the default option, subject to the provisions of clause 4.5.
- 4.8 If a company offers a Dividend Re-investment Programme (DRIP), BSL will always take the cash dividend for you.
- 4.9 BSL will credit the SIPP Portfolio with new stocks and shares paid in relation to Investments as a result of any corporate action, as long as they are eligible to be held in your SIPP and BSL will credit these within three Business Days of issue from the company registrars.
- 4.10 BSL will pay any cash due to your SIPP from any corporate action to the PensionMaster Cash Account. BSL will normally pay this cash to your SIPP six Business Days after BSL receives it from the company registrars. No interest will be earned on this cash until BSL has paid it to your PensionMaster Cash Account. If there is any delay in paying this cash into your PensionMaster Cash Account beyond this period BSL will start calculating interest from the latest date the cash should have been paid to your PensionMaster Cash Account. BSL will not pay interest of less than £5.
- 4.11 If a company has a bonus or other similar issue, BSL will automatically credit the SIPP Portfolio with the new Investments or the cash proceeds, unless there are restrictions in the terms of the corporate action that prevent BSL from participating.
- 4.12 If there is a take-over, conversion or other offer BSL will contact you, as long as there is enough time to do so. BSL will then follow your instructions. If there is an unconditional take-over and BSL has not received instructions from you, BSL will contact you to confirm the offer. If BSL has been unable to contact you or BSL does not receive instructions from you by a given date, BSL will accept the basic offer for you.
- 4.13 If a company has a rights issue, as long as there is enough time to do so and the terms of the issue permit it, BSL will contact you and ask whether you want to:
- take up the rights;
 - sell the rights; or
 - do nothing (i.e. allow the rights to lapse).

BSL will then follow your instructions.

BSL will automatically accept nil-paid rights for your SIPP, provided the terms of the rights issue permit it to do so and subject to the Scheme Rules and any rules of HMRC.

4. Corporate actions

- 4.1 It is essential that you provide BSL with your instructions in relation to a corporate action before the deadline that BSL notifies to you expires. This deadline may expire before the deadline set by the company or their registrars. This is to ensure that BSL has a reasonable amount of time to process instructions in relation to the corporate action for all its clients.
- 4.2 It is your responsibility to ensure that there are sufficient cleared funds in the PensionMaster Cash Account to take up any corporate actions.
- 4.3 If BSL has been unable to contact you, or BSL does not receive instructions from you by the deadline advised in relation to a corporate action, BSL will select the basic default option specified by the company or registrar concerned, or in the case of a rights issue, subject to clause 4.13, allow the rights to lapse.
- 4.4 Sometimes BSL will only be made aware of these events a short time before they happen. If this is the case and BSL does not have time to obtain your instructions, BSL will select the default option that is specified by the company or registrar concerned.
- 4.5 Sometimes the terms of a corporate action will require an election to be made on behalf of BSL's Nominee's entire holding in a company on an 'all or nothing' basis. In these circumstances, BSL may not be able to get instructions from all its clients holding shares in that company or were it able to do so, might not be able to act in accordance with those instructions. BSL reserves the right in these circumstances not to offer the option to you. BSL will use reasonable efforts to give you an alternative option but BSL cannot guarantee that this will match the option offered by the company.
- 4.6 If there is a scrip dividend, BSL will follow any instructions that you have provided on your application.
- 4.14 Some corporate actions permit you to subscribe for additional shares in a company. In these cases applications to subscribe will be made on behalf of BSL's Nominee's entire holding in that company. The additional shares will be allocated to the Nominee on the basis of that holding. BSL will then allocate the shares amongst all the clients involved on a pro-rata basis. The shares allocated to your SIPP may be different to what you would have received if your SIPP had been holding the shares directly. It may be that on some occasions no shares are allocated to your SIPP.
- 4.15 Nil paid shares (such as those from rights issues) may require further payments, known as 'calls' or call payments. BSL will write to you before the due date to tell you how much needs to be paid. BSL will collect any additional payment from the PensionMaster Cash Account.
- 4.16 Any Investment received in relation to your SIPP as a result of a take-over, conversion or other offer will be rounded down to the nearest whole unit. BSL will retain any amount remaining and will pay this amount, together with similar amounts retained relating to other accounts, to a charity.
- 4.17 In the case of a redemption of an Investment in your SIPP, BSL will pay to the PensionMaster Cash Account the amount received from the redemption and let you know that BSL has done this.
- 4.18 If shares have to be registered outside of the Nominee as a result of a corporate action, a charge may apply if this is indicated in the Charges published on the Website.

4.19 If your SIPP's Investments are pooled with those of other BSL clients you may find that the options available in relation to those Investments during a corporate action are different from what you would have received if the Investment were held directly. BSL reserves the right to apportion the total entitlement received in respect of the pooled Investments between your SIPP and the other clients involved.

4.20 BSL will treat any fractional entitlement in the same way as the company concerned, acting through its registrars.

4.21 If BSL is notified of a class action or group litigation order that is being proposed or taken concerning Investments that the Nominee is holding, or has held in relation to your SIPP, BSL will be under no obligation to inform you or otherwise act on that notification.

5. Dealing

5.1 When BSL executes transactions on behalf of your SIPP BSL will normally be required to provide best execution and when BSL do so BSL will comply with its Execution Policy.

5.2 A summary of BSL's execution arrangements is attached as Schedule A. BSL will consider the continued placement of orders by you to constitute your continued consent to our execution arrangements as may be in effect from time to time.

5.3 When deciding where to execute a deal on behalf of your SIPP, BSL may transact outside of a regulated market or multilateral trading facility. BSL will do so when BSL believes it is in the best interest of your SIPP to transact in this way, for example either due to the pricing available or where sufficient liquidity is not available on a regulated market or multilateral trading facility.

5.4 Please note that BSL may accept specific dealing instructions from you. Where BSL does so and is able to execute in accordance with such instructions, it may not be possible for BSL to obtain the best result that would otherwise be available to you at the time of dealing.

5.5 When BSL executes for your SIPP BSL will consider a number of factors in deciding where to route your order for execution. These factors may include total consideration payable (inclusive of deductions relating to third party brokerage or other charges), speed of execution, likelihood of execution and settlement, and the size and nature of your order. BSL will generally execute transactions with reference to the best total consideration identified and available to BSL at the point of dealing unless there is a reason why it is not in your SIPP's best interest to do so.

5.6 BSL's assessment of the relative importance of the execution factors may vary from deal to deal, depending on the circumstances of the trade and the prevailing market conditions. When using automatic order routing technology, BSL's dealing process prioritises the best price net of dealing costs. In circumstances where an order cannot be executed automatically, it will be dealt manually by BSL's dealing professionals, who will consider the circumstances of each deal and decide on the appropriate course of action. For the avoidance of doubt, this may include the prioritisation of another execution factor (such as speed or certainty of execution) over the best market price when it is in your SIPP's interest to do so.

5.7 BSL may place reliance on third party brokers to execute transactions when BSL acts as agent on behalf of your SIPP. When BSL does so, BSL will take reasonable steps to ensure that the dealing arrangements of the parties BSL places reliance on are sufficient to provide appropriate execution quality. When passing orders to a broker outside of the European Economic Area ("EEA"), you should note that brokerage standards in such markets may not be equivalent to those in the EEA. In these markets BSL will take reasonable care to identify that the brokers used provide an appropriate quality of execution.

5.8 When BSL deals for you, BSL may combine your order with its own orders and orders of other clients if BSL believes that aggregation can generally be expected to work to the benefit of all parties concerned. However on some occasions aggregation may disadvantage your SIPP. When BSL combines orders or when an order cannot be executed as a single transaction, BSL may execute it in a series of deals and confirm to you the aggregate of these at an average price. BSL may allow brokers who deal on behalf of your SIPP to

combine deals with their own and their clients' deals subject to applicable laws and regulations.

5.9 When BSL combines your order with another BSL will allocate the transaction in accordance with its allocation process. When the combined order cannot be filled, BSL will generally allocate to all participants on a pro rata basis, unless it may not be in your SIPP's interest to receive a reduced allocation (for example if BSL view the deal is not economic when considered against dealing costs), or BSL are otherwise unable to do so by force of law.

5.10 If you place a limit order with BSL in respect of a share admitted to trading on a regulated market, and BSL is not immediately able to execute at the relevant price, BSL will publish the amount of stock and price available in order to increase its chances of execution. BSL will not publish orders which are large in scale as defined by the FSA. You may choose to instruct us not to publish your unexecuted order when you place a deal with BSL.

5.11 BSL has the right to refuse to accept any instruction given by you for any Dealing Services and/or transaction for any legitimate reason, for example, where it reasonably considers that to execute the Instruction would result in a breach of law or regulation.

5.12 Whilst the Market is open you can request a real-time quote and place a deal at that price. If you deal using the Website the price quote will be held for a period of 15 seconds. After this period has expired, you can request a new price quote. We may restrict the number of quotes you can request on a daily basis. Deals will be carried out as soon as possible for the relevant market at the best price available to us at the time of dealing.

5.13 When the Market is closed you can place an online order to buy or sell selected stocks, subject to the amount in the PensionMaster Cash Account available for dealing. You have the option of specifying a 'limit price'. However, if you do not leave a limit price the order will be dealt 'At Best'. To ensure orders placed can be dealt:

- the PensionMaster Cash Account and SIPP Portfolio holdings will be adjusted to take into account the pending order; and
- for an At Best Order if you are selling a stock you will only be able to specify the quantity to be sold or if you are buying a stock the cash amount to be invested.

5.14 BSL will endeavour to carry out At Best Orders as soon as is reasonably practicable, dependent on market conditions. If your order is deemed to be outside the normal market size for the security BSL may not act upon your instruction, in which case, it will attempt to contact you using the details that you have supplied.

5.15 If, after an order given by you is placed with the Market, BSL is asked by the Market to cancel any dealings in the relevant stock, BSL will not be liable for any loss save to the extent it arises as a result of its negligence, wilful default or fraud.

5.16 Limit Orders can be placed online at any time or by telephone during BSL Client Contact opening hours specified on the Website. Foreign dealing Limit Order instructions can only be given by telephone.

5.17 Some Limit Orders placed by telephone will be subject to a £3,000 or currency equivalent minimum value and all Limit Orders placed by telephone will be subject to standard telephone commission rates.

5.18 Limit Orders will only be carried out if a price equal to or better than your specified limit is available. If the specified price is not reached during this time, your order will expire. It is your responsibility to confirm whether this order has been carried out.

5.19 Orders will expire in line with your instructions and be confirmed to you at the time of placing the order and will remain in a queue for dealing until the date specified for expiry.

5.20 Once you have placed your At Best or Limit Order, you may be able to cancel or amend your instructions, as long as the order has not been carried out or is not in the process of being executed and BSL accepts the cancellation or amendment. If you amend your order it will be dealt according to the time of receipt of these new instructions.

- 5.21 When BSL accepts your order, BSL will use its reasonable endeavours to follow your instructions and will generally carry out orders by reference to time of receipt. However, all orders for the same stock and with the same limit price (if applicable) received outside of normal Market hours will be treated as having been received at the commencement of trading the following working day.
- 5.22 The demand for the Service and Market conditions may fluctuate. BSL does not accept any responsibility for any actual or potential financial loss or expense you incur if for any reason (other than its negligence, wilful default or fraud) there is a delay or change in market conditions before execution of your order is complete.
- 5.23 BSL will ask you some security questions when you deal by telephone, and BSL may refuse to deal for you if you cannot answer them correctly.
- 5.24 BSL will not accept your instructions to deal by fax or email or any form of communication via the Internet other than through the Website.
- 5.25 Instructions can only be processed during normal working hours even though the Dealing Service may be available outside these hours. This means that your instructions may not always be processed as soon as BSL receives them. BSL will do what BSL reasonably can to carry out your instructions as soon as BSL receives them.
- 5.26 You can normally use the Dealing Service at the times specified in BSL's literature and on the Website. Routine maintenance or demand on the systems may mean that is not always possible.
- 5.27 BSL will record the date and time that you place an Instruction and all relevant bargain details.
- 5.28 If BSL reasonably thinks you may not have authorised an Instruction, BSL will try to check it. BSL may refuse to act on it or take steps to reverse it. BSL will not be responsible for loss to you as long as BSL has acted reasonably.
- 5.29 BSL reserves the right to withdraw the facility to deal through the Website.
- 5.30 You can only deal for your SIPP using the cash available in the PensionMaster Cash Account.
- 5.31 If the SIPP Portfolio benefits from investments or dividends denominated in a foreign currency, foreign exchange rates may affect the value of your Investments and any income.
- 5.32 When you deal online it is your responsibility to ensure all details are correct prior to execution.
- 5.33 In relation to foreign securities there may be a withholding tax on dividends.
- 5.34 You should note that:
- you may not always have access to the same levels or types of functionality across all the channels by which BSL provides the Dealing Service;
 - balance, holding and valuation information may be updated at different times for BSL's electronic channels, and you should always take into account any previous transactions made or instructions given;
 - when using any of the electronic channels, you are responsible for paying any telephone or transmission charges.
- 5.35 Whilst you can access your SIPP and place dealing instructions in BSL's published opening times, in most circumstances your deal will only be carried out within the official opening hours of the Market.
- 5.36 There may be occasions when you want to give BSL a dealing Instruction when the Market is closed. BSL will usually accept such instructions, but will not present them for execution until the earliest opportunity after the Market next opens. If you do not receive the 'DEALT' confirmation during Market hours, this means that your order has not been dealt automatically and will be dealt by BSL's dealing team as soon as practicable.
- 5.37 BSL will not be liable to you for any difference in the value quoted at the time you place the Instruction and the time the Instruction is executed save to the extent any loss arose as a result of its negligence, wilful default or fraud.
- 5.38 If BSL negligently fails to accurately carry out your Instruction, BSL will ask you to choose one of the following options:
- Instruction to buy an Investment: BSL will either (1) buy investments to put your SIPP in the position that it would have been in if BSL had carried out your Instruction correctly, or (2) pay into the PensionMaster Cash Account the difference between the price that should have been paid for the Investment, and the price that was actually paid;
 - Instruction to sell an Investment: BSL will either (1) pay into the PensionMaster Cash Account the difference between the price that was obtained on the sale and the price that should have been obtained if BSL had carried out your Instruction correctly, or (2) if the value of the Investment has risen from the price that should have been obtained, the Investment, can be retained in your SIPP Account so you can sell it at the higher price.

6. Settlement and charges

- 6.1 BSL charges fees and commissions for the Dealing Service as set out on the Rates and Charges page of the Website. In addition, BSL may also charge for any expenses an Affiliate incurs while administering Investments and cash for your SIPP Account. These additional charges will be paid from the PensionMaster Cash Account.
- 6.2 If you deal using the Website, then online commission rates will apply. If you deal by telephone, telephone commission rates will apply. The commission will be deducted from your SIPP Cash Account.
- 6.3 You must make sure that there is enough money available in the PensionMaster Cash Account to cover payment of all Charges and settlement costs when they are due.
- 6.4 If the PensionMaster Cash Account does not have sufficient funds for your transactions or to pay the Charges on time, A J Bell reserves the right to instruct BSL to:
- deduct the monies owing from the sale of investments held in the SIPP Portfolio;
 - sell such SIPP Investments, as we may determine at our discretion, subject to FSA rules, and if the sales proceeds are not enough to meet the Charges, you will be liable to A J Bell for the difference;
- 6.5 Government stamp duty, stamp duty reserve tax (SDRT), VAT or other applicable taxes will be charged at the prevailing rates. If these rates change, the new rates will be applied straight away. Neither A J Bell nor BSL will normally write to you to inform you of any change.
- 6.6 BSL is a member of the LSE but not of any other stock exchange so BSL may have to deal with an agent. Any charges incurred by dealing with an agent will be shown on your contract note along with BSL's dealing commission.
- 6.7 Foreign deals can be settled in either sterling or foreign currency. If settled in sterling, your contract note will contain details of the transaction and the foreign exchange rate used to convert the currency to sterling. Barclays Stockbrokers will receive remuneration from an associate for this conversion. The basis of this charge is available on request. Dealing commission will be shown in Sterling. If settled in foreign currency, your contract note will contain details of the deal in currency, including our dealing commission. Your currency account will be debited with the total cost of your deal on the settlement date that is detailed on your contract note. You must ensure you have sufficient funds in your currency account to complete any transactions. As we can only carry out foreign exchange transactions, we cannot deal or settle using cross currency transactions.
- 6.8 If you have authorised an Intermediary to arrange for fees, including commission, to be paid directly from your SIPP Account, BSL shall arrange for such fees to be deducted upon receipt of an invoice from the Intermediary. BSL shall be entitled to rely upon each invoice it receives as valid and shall not be responsible for monitoring the amounts invoiced or validating the fee level with you or the Intermediary. However, BSL reserves the right to refuse to pay any invoice which it believes may be unlawful or unauthorised.

Any issues arising in relation to the level of fees invoiced by the Intermediary are to be settled exclusively between you and the Intermediary and any refunds due shall be sought by you directly from the Intermediary. You hereby confirm that you understand the risks involved in granting such fee payment authority

to an Intermediary and we recommend that you monitor the fees taken by your Intermediary accordingly.

- 6.9 On notification of your death, we will not, where you have authorised the payment of fees from your SIPP Account, pay any further invoices. If, at the time of notification of your death, any third party is due any fees from the SIPP Account, such fees must be recovered direct from your estate.

7. Agents

- 7.1 BSL may employ and continue to use agents or Affiliates to provide some or all of the Dealing Services. BSL will only do this if it is satisfied they are competent.

8. Your money

- 8.1 BSL will work out interest daily on money in the PensionMaster Cash Account at its published rates. Interest will be paid in gross on the last Friday, which is a Business Day, of each month. Interest will be paid without deduction of basic rate tax. Interest paid for cleared balances in currency accounts is paid on a quarterly basis providing there is a minimum balance of £1,000 currency equivalent. See indicative interest rates within Rates & Charges on our Website.
- 8.2 BSL will deal with money in accordance with the FSA's Client Money Rules. When BSL holds money in a client bank account in the UK, this account will be with its Affiliate, Barclays Bank PLC.
- 8.3 BSL may allow another person such as an exchange, clearing house or intermediate broker to hold or control your SIPP's client money for the purposes of transactions for your SIPP.
- 8.4 Where BSL effect a non-UK investment transaction on behalf of your SIPP or income is paid on non-UK investments, your SIPP's client money may have to pass through an overseas bank or an intermediate broker, a settlement agent or counterparty located outside the UK. The legal and regulatory regime applicable to that client money will be different from the UK regime. If there is a default, your SIPP's position may be worse than in the UK and the bank concerned may exercise a right of set-off or counterclaim in respect of money owed on any of BSL's other accounts. Similar considerations apply to the use of intermediate brokers and settlement agents outside the EEA. Money may not be protected as effectively as it would be if held solely within the EEA.
- 8.5 BSL reserves the right to reclaim from your SIPP any payment or Investment which has been paid or transferred to your SIPP in error. These must be returned to BSL, or BSL may take these from the SIPP Portfolio. If BSL writes to reclaim them, BSL will give you at least 10 Business Days before BSL makes the claim. BSL will then send them to the person who is entitled to them.
- 8.6 BSL reserves the right not to pay to your SIPP Account amounts less than £5 or any other minimum amount that BSL may notify you of from time to time in accordance with Clause 10 of Section 1.
- 8.7 BSL may debit Charges and fees properly due and payable from, and deposit dividend income to, the PensionMaster Cash Account.

9. Restrictions

- 9.1 BSL will usually be acting as agent when buying and selling for your SIPP Portfolio. BSL will not act as principal unless it is in your SIPP's and its interests to do so. If BSL acts as a principal you will be notified at the time of dealing.
- 9.2 BSL will not provide stock market or tax advice. The decision to buy, sell or hold Investments will be your responsibility. If BSL give you information on investments or markets such as research recommendations, market trends, investment analysis or commentary on the performance of selected companies this should not be viewed as a personal recommendation or advice.
- 9.3 Once BSL has received your instructions you will not normally be able to change them, unless you have left a Limit Order or At Best Order that has not yet been executed.
- 9.4 BSL may receive remuneration from fund managers when you deal in Unit Trusts and OEICs and other forms of UK funds. Where BSL receives this, BSL will tell you about it on your contract note. Cancellation rights do not apply to orders placed through BSL.

- 9.5 BSL may keep any share of any commission paid as a result of transactions BSL carry out in relation to your SIPP including transactions made through an Affiliate or third party. Details of any commission BSL has kept can be obtained on request.

- 9.6 BSL will not exercise voting rights on your shares.

10. Your responsibilities

- 10.1 You agree to check that the information on contract notes, statements and other Communications is correct and to let BSL know as soon as possible if it is not. If BSL notices that there is an error in the documentation that BSL has sent to you in relation to your Instructions, BSL will re-issue correct documentation. You agree to return the original incorrect documentation to BSL if so requested, and to repay any overpayments promptly.
- 10.2 You agree not to reproduce, re-transmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the Data (unless BSL has agreed in writing that you could) and not use the Data, or the Website, for any unlawful purpose.
- 10.3 You are responsible for all dealing Instructions placed using your Security Codes. You must make sure that these details remain confidential. You must not disclose them to anyone. For the avoidance of doubt, this shall include BSL and AJ Bell employees.
- 10.4 BSL is entitled to treat as genuine and duly authorised and may act on all instructions placed using your Security Codes, including deals that have been placed in error or duplicated unless it is manifestly clear to the person acting on the instruction that this is the case.
- 10.5 You agree to let BSL know as soon as possible if you:
- lose or disclose your Security Codes, or if they are stolen; or
 - find out that someone has used your Security Codes, online account, or any of the Data without permission.

Following notice, BSL will suspend your access to the Service until your new Security Codes have been set up and communicated to you. Neither A J Bell nor BSL shall be liable for any unauthorised use of your Security Codes or any loss that results save to the extent it arises as a result of their negligence, wilful default or fraud. In any event, you will not be held responsible for deals placed using your Security Codes if they have been placed after midday on the next Business Day after you have notified BSL.

- 10.6 You agree to let BSL know as soon as possible if you:
- do not receive confirmation by post that BSL has carried out your dealing Instructions within three Business Days of you placing them;
 - receive confirmation of a deal which you did not place.

11. Keeping you informed

- 11.1 BSL will send Communications to you using one of the following methods:
- in writing (i.e. by post, fax or email);
 - verbally by telephone;
 - by posting the Communication onto the Website.
- 11.2 BSL will assume that you have received a Communication from BSL:
- two days after BSL posts it to you, if it is sent to you by post;
 - immediately upon sending, if it is sent to you by fax and BSL has received confirmation of successful transmission;
 - when it is received by your internet service provider, if it is sent to you by email;
 - when it is posted onto the Website.
- 11.3 You can choose to receive email acknowledgements when there are any status changes on your orders. BSL will send these to the email address BSL holds for you, unless you nominate a different email address when you place your order.
- 11.4 At least every six calendar months BSL will send you a statement that lists:
- what Investments are held in your SIPP Portfolio;
 - what Investments you have bought and sold since your last statement;
 - the current value of the Investments held in your SIPP Portfolio (using mid-market prices);
 - details on the balance of your PensionMaster Cash Account.
- Currency account statements will be sent on a quarterly basis showing all the movements in each of your currency accounts.

- 11.5 A periodic statement will not include any measurement of performance. The statements are based on instructions received from you, up to and including the Business Day before the date of issue. You can also view this information via the Website at any time or ask BSL for an up-to-date statement at any time. BSL will inform you if it intends to change how it reports this information to you however you will retain the right to request BSL to continue to provide transaction confirmations for each trade.
- 11.6 BSL will provide A J Bell with a consolidated tax certificate for your SIPP Account once a year.
- 11.7 BSL will send you a contract note each time BSL buys or sells Investments for your SIPP. BSL will do this by the end of the Business Day after the day that BSL deals. The contract note will show the amount your SIPP Account will receive or pay on the settlement date, including charges. You agree to check that the information on the contract note is correct and to let BSL know as soon as possible if it is not.
- 11.8 If you place an order via the Dealing Service:
- using BSL's Quote & Deal facility, you will receive an electronic deal confirmation immediately; or
 - using other types of order e.g. Limit Order, At Best Order, you will receive an order confirmation immediately, and you can choose to receive an e-mail alert confirming when the deal has been placed.

You will also receive a paper contract note.

- 11.9 BSL does not accept responsibility for any documents which go missing in transit to and from its office save to the extent this arises as a result of its negligence, wilful default or fraud.

12. Circumstances beyond our control

- 12.1 BSL provides you with Data through the Dealing Service. BSL tries to ensure that the Data that BSL provides is accurate and up-to-date. You are responsible for evaluating the Data and for any decisions that you make as a result. Where BSL sources the Data from third parties, the views expressed will not be A J Bell's or BSL's but those of the third party concerned. BSL tries to ensure that those sources of Data are reputable. However, neither A J Bell nor BSL endorses those views. BSL does not provide any guarantees about the accuracy of the Data that third parties provide and neither A J Bell nor BSL accepts any responsibility for any loss or damage that you suffer in connection with them. BSL will not be held responsible for any errors, failures, delays or distortions in the transmission of information or instructions, either from you to BSL, or from BSL to you and BSL will not be responsible for the failure of security of such transactions.
- 12.2 BSL will act on instructions that BSL reasonably believes to come from you.
- 12.3 Neither BSL nor its Nominee will be responsible for any claims loss or liability in connection with these Terms and Conditions, including when acting in accordance with your Instructions, except where a liability is incurred as a result of BSL's own negligence, wilful default or fraud or that of its Nominees or its Affiliates.
- 12.4 Neither A J Bell nor BSL is responsible for products or services provided by third parties, even if you access them through the Service. Neither A J Bell nor BSL endorses these products or services. You are responsible for evaluating them. If you decide to buy any of these products or services, you do so at your own risk. Neither A J Bell nor BSL is party to any dealings that you have with third parties.

13. General

- 13.1 If BSL enters into liquidation, receivership or administration:
- funds BSL holds in relation to your SIPP are protected under the FSA Client Money Rules;
 - Investments BSL holds in relation to your SIPP are held under the FSA Custody Rules;
 - any amounts that BSL owes in relation to your SIPP will still remain due and owing.
- 13.2 BSL is part of a global financial institution. Future developments in the structure or operation of BSL's group's businesses may result in BSL needing to change

the provider of a part or all of the Dealing Service to one of its Affiliates. BSL will be entitled to make such a change as long as it reasonably considers the Affiliate capable of providing the service to at least the standard of BSL by giving you reasonable advance notice of it. After you have received notice of this change, your use of the Dealing Service will be acceptance of it.

14. Conflicts of interest

- 14.1 The complexity and size of BSL's business, BSL's position within the wider Barclays Group, and BSL's reliance on third parties at various points can occasionally lead to situations where BSL's interests and/or those of BSL's staff conflict with your interests. Equally, your interests may occasionally compete with those of other BSL clients.
- 14.2 Where BSL are aware or made aware that BSL are faced with a situation of competing interests, BSL will undertake all reasonable steps to protect your SIPP's interests and ensure fair treatment of your SIPP, in line with the duties BSL owe you as our client. To this effect, BSL have a framework in place to handle conflicts of interest, such that BSL act with an appropriate degree of independence from BSL's own interests when transacting with your SIPP or dealing on behalf of your SIPP. This framework comprises of:
- (a) a policy that specifies the requirements for staff to identify, prevent and manage conflicts of interest, including ongoing monitoring of the effectiveness of the arrangements designed to protect clients' interests in the face of conflicts;
 - (b) the active engagement of senior management in order to ensure BSL's arrangements remain robust; and
 - (c) mandatory training sessions to familiarise all BSL's staff with the relevant arrangements.
- 14.3 Where BSL are not satisfied that BSL's arrangements to handle conflicts are sufficient to prevent a conflict from potentially harming the interests of your SIPP, BSL will:
- (a) disclose the nature and source of the conflict to you; and
 - (b) if appropriate, obtain your permission to proceed with the service.
- 14.4 On request, BSL will provide you with further information on how BSL handle conflicts of interest.
- 14.5 BSL will ensure that transactions BSL enter on behalf of your SIPP are on terms that are not materially less favourable to you than if no potential conflict had existed. Neither BSL nor any member of the Barclays Group will account to you or your SIPP for any profit, commission or remuneration made or received from or by reason of such transactions and these amounts will not be set-off against BSL's fees except where this is required by the FSA Rules.
- 14.6 When conducting business on behalf of your SIPP, BSL may receive from or pay to a third party commissions or other benefits in relation to that business. For any such commissions or benefits, BSL will ensure that these arrangements provide for an enhancement of the service to which they relate and that they do not prevent us from acting in your best interests.
- 14.7 When providing services to your SIPP, BSL are permitted to deal in investments with your SIPP as agent and/or principal including dealing in investments issued by Barclays Bank PLC or another member of the Barclays Group. You agree that neither the relationship between you and BSL nor any other service that BSL provide to you will give rise to any duties on BSL's part or that of BSL associates that would prevent BSL or its associates undertaking normal business activity except where it would not be permitted under the FSA Rules.
- 14.8 BSL and its associates provide a range of services and may possess information of a confidential or non-public nature which BSL are under a duty not to disclose or use for its own benefit or anyone else. BSL will therefore be unable to use this information on behalf of your SIPP or disclose it to you. In providing its services, BSL are not obliged to disclose or take into consideration any information, fact or matter that:

- (a) has not come to the actual attention of the individual acting on your behalf whether or not it has come to the attention of any other person;
- (b) disclosure of which would be a breach of a duty of confidentiality to any other person or result in a breach of any applicable law or regulation, or
- (c) is held solely in a division of us or the Barclays Group in a manner that precludes its publication outside that division.

15. Definitions

These definitions apply equally to Section 1 and Section 2 of these Terms and Conditions.

Affiliate – The ultimate holding company of BSL and any direct or indirect subsidiary of that holding company.

AIM – The Alternative Investment Market operated by the LSE.

Agreement – These Terms and Conditions, together with the completed Application, the Key Features Document and the Scheme Rules.

A J Bell – A J Bell Management Limited and (where applicable) any undertaking in the same group as A J Bell Management Limited

Application – An application to open a PensionMaster and to arrange facilities for BSL to be able to take and process instructions you or a User give in relation to the SIPP.

At Best Order – An Instruction to obtain the best result in buying or selling a specified stock.

BACS – Bank Automated Clearing System.

Bank – The Governor and Company of the Bank of Scotland or such other bank as may be determined from time to time by A J Bell at its discretion.

Barclays Group - means the Barclays Wealth group of companies, their parent companies and any companies totally or partly owned by any of these companies.

BSL – Barclays Stockbrokers Limited and/or any of its Affiliates that provide some or all of the Service in relation to your SIPP.

Base Rate – The Barclays Bank PLC base rate at the time interest is calculated.

Business Day – A day which is not a weekend day on which banks in England are open for business.

Charges – The charges for PensionMaster published on the Website.

Communication(s) – All notices, Instructions, orders, demands, contract notes, statements or other communications that BSL or A J Bell may need to make to you. If the communication comes from you, this means all notices you give to A J Bell or BSL.

Contribution – Payment by you, or on your behalf, (including the tax relief thereon) or your employer by way of a single or regular payment.

CREST, CRESTCo – The centralised settlement system for securities traded on the LSE.

Custodian – A company that BSL has chosen to hold Investments in the event that these are not held with BSL's Nominee. The choice of custodian is at BSL's discretion and may be an Affiliate or a company outside of BSL's group. If it is an Affiliate, BSL will remain liable for its acts and omissions as if they were its own.

Data – Any market prices, news, research or other information obtained by you using the Service.

Data providers – Any third parties who provide Data.

Dealing Service(s) – Any dealing and investment administration services provided by BSL or its Affiliates in relation to PensionMaster.

FSA – Financial Services Authority or any regulator that takes over its regulatory responsibilities.

Financial Ombudsman Scheme – The scheme provided under Part XVI of the Financial Services and Markets Act 2000 for resolving disputes by an independent person.

HMRC – This means Her Majesty's Revenue and Customs.

Indirect, special or consequential loss or damage – means loss or damage other than direct loss or damage arising as a direct result of our breach of contract such as the loss of ability to reinvest.

Intermediary – A third party who (i) is independent to BSL (but may be connected to an Affiliate); (ii) is authorised and regulated by the FSA; and (iii) you have authorised to use the Service on your behalf; and (iv) BSL has approved or shall approve to use the Service on your behalf. (All provisions of these terms and conditions shall remain in full force and effect notwithstanding any connection your Intermediary may have to an Affiliate.)

Investments – Investments made available from time to time through the Service in accordance with these Terms and Conditions and permitted by the Scheme Rules and HMRC rules including:

- United Kingdom equities, investment trusts and Gilts; corporate bonds; debenture stock and other loan stock; and warrants (for equities) all of which should be listed or dealt on the LSE;
- Depository interests (including CREST depository interests in European securities dealt through LSE's International Retail Service);
- Authorised unit trusts resident in the UK and authorised by the FSA;
- UK based open-ended investment companies (OEICs);
- fixed interest securities issued by governments or other bodies;
- debenture stock and other loan stock;
- permanent interest bearing shares;
- convertible securities;
- Options traded on any recognised stock exchange whether currency, equity or bonds and either long or short positions or options (provided there is no exposure beyond that permitted in accordance with these Terms & Conditions);
- Contracts for Differences ("CFDs");
- 'Over The Counter' Products or Derivatives ('OTC');
- Foreign Exchange;
- Hedge funds, listed on a recognised stock exchange;

- Deposit accounts, in any currency, held with any deposit taker authorised under FSMA;

- Undertaking for Collective Investment Schemes in Transferable Securities (UCITS);
- Venture capital trusts, quoted on AIM;

and such other investments as A J Bell and BSL may from time to time make available through the Service in accordance with these Terms and Conditions.

Key Features Document – means the Key Features available at the Website.

Limit Order – An instruction to BSL setting the maximum or minimum price at which you are willing to buy or sell shares. Third party data will be used to determine the price available to BSL.

LSE – London Stock Exchange plc.

Market – The London Stock Exchange and such other stock exchange or investment market as A J Bell and BSL may determine at their absolute discretion.

Member – A person who is a member of the Scheme, having been accepted by A J Bell following completion of an Application in a format stipulated by A J Bell and who has not subsequently left the Scheme.

Nominee – Barclayshare Nominees Limited, or any other nominee company BSL decide to use.

Relevant Law – All laws, regulations, rules and customs which apply to BSL and A J Bell and any transactions which BSL or A J Bell carries out for you. It includes the rules of FSA and any other relevant regulator and the rules, customs and practices of LSE and of any other market or exchange on which a transaction is carried out.

Scheme – The registered pension scheme known as the Sippdeal e-sipp established under trust deed and registered with HMRC.

Scheme Rules – The trust deed and rules for the Scheme as may be amended from time to time and a copy of which is available from A J Bell on request.

Security Codes – Any User identifiers, password(s), account number(s), electronic keys and details used to identify you when you use the Service.

Service(s) – The Service(s) provided by A J Bell as outlined in Section 1 and the Dealing Services as outlined in Section 2.

SIPP – The pension arrangement, or arrangements, established for a Member under the Scheme, and includes the assets held under the Member's SIPP Account.

PensionMaster Account – The PensionMaster Cash Account and SIPP Portfolio for your SIPP.

PensionMaster Cash Account – Means a sub-account opened by BSL in respect of Sippdeal's Trustee's Account to enable Members (or their duly authorised agents) to give Instructions in respect of cash, which shall include any sub-account for foreign exchange cash (if applicable), held in relation to their rights under the Scheme.

SIPP Portfolio – Means a sub-account opened by BSL in respect of Sippdeal Trustees' Account to enable Members (or their duly authorised agents) to give Instructions in respect of Investments, which shall include any sub-account for foreign equities or investments (if applicable), which are designated to them in relation to their rights under the Scheme.

Sippdeal Trustees' Account – account held in the name of STL with BSL for the purposes of holding Scheme assets.

STL – Means Sippdeal Trustees Limited.

Tax Year – A year beginning 6 April one year and ending 5 April in the following calendar year.

Transfer – The transfer of benefits from any UK registered pension scheme to the Scheme.

User – Someone you have authorised in writing, and BSL has approved, to use the Dealing Service on your behalf who is either a (i) a third party who is not acting in the capacity of an investment professional and who is not subject to any authority or regulation by the FSA; or (ii) an Intermediary. BSL will not need to get any further confirmation from you concerning the User's use of the Service and BSL are entitled to treat Instructions from them as though they have come from you. You are responsible for the actions of the User, and for ensuring that the User complies with these Terms and Conditions.

Website – BSL's internet website at www.stockbrokers.barclays.co.uk

VAT – United Kingdom Value Added Tax

you/your – the Member who has entered into the Agreement and, where the context permits, the User acting for the Member.

your Information – Personal financial information:

- (a) obtained from you or from third parties, credit reference agencies (who may search the Electoral Register), fraud prevention agencies or other organisations when you apply for a SIPP or any other product or service or which you or they give to us at any other time; or
- (b) learned from the way you use and manage the SIPP Account, from the transactions you make and from the payments which are made to the SIPP Account.

Your SIPP – The SIPP established for you under the Scheme.

SCHEDULE A: INFORMATION ON HOW BSL EXECUTES CLIENT ORDERS & THE EXECUTION VENUES THAT BSL USE

Introduction

Before BSL undertake any deals in investments for your SIPP, it is important that you understand how BSL will execute such transactions. The following information is designed to provide you with a general understanding of BSL's typical dealing arrangements for different investment types (Part 1) and the execution venues that we use (Part 2).

Please note that this information should not be seen as a prescriptive statement of how a particular order must be dealt.

PART 1: OUR TYPICAL DEALING ARRANGEMENTS FOR DIFFERENT TYPES OF INVESTMENT:

Equities

For standard UK market orders, and in normal market conditions, BSL will poll a variety of different execution venues, using automatic execution technology to identify the best terms available to it at the point of trading for the equity concerned. Other orders, including those relating to international equities, that cannot be executed automatically will be dealt manually with another regulated firm or via a Multilateral Trading Facility (MTF). This involves a manual search for reference trading prices via market data feeds or by comparing prices offered by other market participants. When an appropriate counterparty is identified, the price is negotiated manually and executed on the best terms identified for the order in question. This may occur off-exchange.

Debt Securities (aka "bonds")

The debt market in some locations is not centrally organised, and for many non-government issues, is not a liquid market. In these circumstances the majority of debt issues or "bonds" must be dealt manually in order to identify current traders in the security concerned. If liquidity is available and a price comparison made for the size of trade concerned, BSL will route its order to the counterparty which provides the most competitive overall pricing. For some smaller orders, BSL is able to use automatic execution technology which will source the best bid and offer from a range of bond dealers.

Collective Investment Schemes

BSL will usually trade directly with the Fund Manager on negotiated terms not generally available to individual clients.

Over-The-Counter Products

Over-the-counter products are dealt either directly between BSL and its client, or may be sourced via a third party. The order routing process will depend both on the execution factors, and on the following:

- i) A request for a price or quotation on any over-the-counter product will be traded by BSL as principal at the price agreed. For such deals the onus is on a client to be comfortable with the dealing terms offered.
- ii) For bespoke, highly negotiated transactions or for those which may be highly original trading ideas or for which BSL has a duty of confidentiality to the originating firm, it will route such orders exclusively to the originating firm since there will be no other available market liquidity available within a reasonable timeframe.
- iii) For some more standardised products, BSL will usually select and price poll from a shortlist of dealing counterparties identified by it to be among the most competitive in the field concerned.

PART 2: THE EXECUTION VENUES THAT WE USE:

Regulated Markets

Regulated Markets are subject to strict operating rules governed by the relevant regulatory body in each jurisdiction in which they operate. Execution via a regulated market occurs in line with the rules of each exchange which are designed to protect market participants. BSL uses many Regulated Markets to execute client orders however it places significant reliance on the following Regulated Markets when it executes deals on behalf of its clients.

- i) London Stock Exchange - All markets
- ii) The PLUS Market
- iii) New York Stock Exchange
- iii) NASDAQ
- iv) Euronext

Multilateral Trading Facilities ("MTFs")

MTFs are privately operated order matching systems which act in a similar way to an order driven market. Similar to regulated markets, these execution venues are subject to regulatory standards determined and governed by the requirements of the EU Markets in Financial Instruments Directive which is effective from 1st November 2007.

Despite being a relatively new type of execution venue, the use of MTFs is expected to increase, both generally and in terms of BSL's reliance upon them.

Off Exchange Trading with Regulated Firms

Off Exchange trading is the least regulated form of deal execution. While trading occurs outside of the regulations of the Regulated Markets or MTF's, we believe that executing off-exchange can result in enhanced terms for some deals. When dealing off-exchange on behalf of its clients, BSL takes reasonable care to deal with reputable firms with which it has generally maintained an ongoing dealing relationship.

Significant reliance is placed by BSL on the following forms of Off Exchange Trading when relevant to the service provided to its clients:

i) Systematic Internalisers, being firms who routinely offer prices on listed investments outside of a Regulated Market or MTF

ii) Operators of Collective Investment Schemes

iii) Other authorised Firms which trade in Debt Securities, and Over-The-Counter Derivatives

Off Exchange Trading may be conducted (among other firms) with another member of the Barclays Group.

SCHEDULE B

Investment Risk Warning Notices

The following risk warning notices are intended for information purposes only. Please note that not all may be relevant to the services BSL currently provide to you, and BSL will abide by the scope of our existing agreed terms. For example, where you have not previously consented to our use of an investment type (such as derivatives) these will continue to be outside of the scope of our investment powers.

General Risks:

Volatility of Returns

The value of investments and the amount of income derived from them may go down as well as up. All investments can be affected by a variety of factors, including macro-economic market conditions such as the interest or exchange rate environment, or other general political factors in addition to more company or investment specific factors.

Liquidity and non-readily realisable securities

Some investments may be very illiquid, meaning that they are infrequently traded, and hence it may be difficult to sell them on within a reasonable timeframe or at a price which reflects 'fair' value. In extreme cases an investment may be non-readily realisable. In this case there may be no secondary market available, and it may be difficult to obtain any reliable independent information about the value and risks associated with such an investment.

Investment Leverage or Gearing

Use of borrowing to invest increases both the volatility and the risk of an investment. This applies if a company has significant borrowings, or if an investment vehicle otherwise allows an investor to gain much greater economic exposure to an asset than is paid for at the point of sale. It also applies if an investor borrows money for the specific purpose of investing. The impact of leverage can be as follows:

- movements in the price of an investment leads to much greater volatility in the value of the leveraged position, and this could lead to sudden and large falls in value;
- the impact of interest costs could lead to an increase in any rate of return required to breakeven; or a client may receive back nothing at all if there are significantly large falls in the value of the investment

Foreign Exchange

Investments denominated in foreign currencies open up additional risks related to the relevant exchange rate. Movements in exchange rates may cause the value of an investment and any related income to fluctuate either in a favourable or unfavourable manner.

Taxation

The tax treatment of an investment for individual clients is relevant only to the specific circumstances of each client. There can be no guarantee that the nature, basis or incidence of taxation may not change during the lifetime of an investment. This may cause potential current or future tax liabilities, and you should be aware of the tax treatment of any investment product before you decide to invest. If your circumstances are changing, or if you are uncertain about any aspect of how an investment might relate to your own tax position, please seek professional tax advice.

Investment Specific Risks:

Equity Securities and Equity Funds

Ownership of an equity security represents a direct stake in the company concerned. Such an investment will participate fully in the economic risk of the company and its value can therefore fall as well as rise. The price volatility of equity markets can change quickly, and cannot be assumed to follow historic trends. In adverse market conditions irrecoverable capital losses could be incurred. In the worst case, a company could fail and if this happens its equity can become worthless. These securities are commonly used by investors seeking longer term capital growth.

Examples of typical company characteristics which could heighten equity investment risks are:

- a low market capitalisation;
- a product set that is undiversified or reliance on single markets as a major source of income;
- a significant reliance on borrowing as a source of finance;
- a significant level of fixed costs to pay, irrespective of output, production or turnover levels;
- major income sources which are seasonal or 'cyclical' in nature; and
- companies trading primarily in emerging markets particularly during poor market conditions, or in countries where legal property rights may be difficult to enforce.

The equity of some smaller companies may trade in very small sums per share, and an investment into this type of equity will usually involve a proportionately large difference between the market buying and selling price. The effect of this difference means that an immediate sale may realise significant losses.

Other smaller companies may not be subject to the rules of a listing authority. Such companies are likely to be high risk ventures and may have an unproven trading history or management team. These equity shares may not be readily sold, and it could be difficult to realise or to value them independently due to the lack of a secondary trading market.

The risks involved in equity investment can often be managed through investment via diversified investment vehicles, or by investing directly in a wide range of different companies, industries, countries and currencies.

Debt Securities and Fixed Income Funds

The value of debt investments (or 'bonds') can generally be expected to be more stable than that of equity investments. However in some circumstances, particularly when interest rate expectations are changing, the value of most bonds is also volatile. The most common use of a bond is to provide a reliable yield, or source of income until maturity. For example the value of a bond can be adversely affected by a number of factors such as:

- the issuer's credit rating, which reflects their ability to repay the amounts payable when they fall due;
- the market expectations about future interest and inflation rates;
- amount of interest payable (the coupon);
- the length of time until the debt falls due for repayment; or
- the seniority of a bond within the capital structure of a company, and the quality of any security available.

The factors which are likely to have a major impact on the value of a bond are the perceived financial position of the issuer, and changes to market interest rate expectations. Bonds issued by major governments or supranational bodies tend to be lower risk investments, while the risks of other debt securities (such as those with emerging market or corporate issuers) can vary greatly. For example if an issuer is in financial difficulty, there is an increased risk that they may default on its repayment obligations. In this event, little or no capital may be recovered and amounts repaid may take a significant amount of time to obtain.

SCHEDULE C

Risk warning in respect of securities that may be subject to stabilisation

Unless the Agreement states otherwise, BSL may, from time to time, carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise it. You should read the explanation below carefully. This is designed to help you judge whether you wish your funds to be invested at all in such securities and, if you do, whether you wish:

- (i) to be consulted before we carry out any such transaction on your behalf; or
- (ii) to authorise us to carry out any such transaction on your behalf without first having to consult you.

What is stabilisation?

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it.

The FSA allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is carried out by a "stabilisation manager" (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilisation manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise have been during the period of stabilisation.

The stabilisation rules:

- (i) limit the period when a stabilising manager may stabilise a new issue;
- (ii) fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and
- (iii) require him to disclose that he may be stabilising but not that he is actually doing so.

The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

Services for disabled customers

We are committed to providing equal access to our services for all customers with disabilities. Full details of Barclays services and facilities can be found in the brochure 'Disabled customers – making our services available'.

This item can be provided in Braille, large print or audio by calling 0800 400 100* (via TextDirect if appropriate). If outside the UK call: +44(0)1624 684444* or order online via our website www.barclays.com

*Calls are recorded so that we can monitor the quality of our service and for security purposes. Calls made to 0800 numbers are free if made from a UK landline. Other call costs may vary, please check with your telecoms provider. Lines are open from 8am to 6pm UK time Monday to Friday.

Barclays Stockbrokers is the group name for the businesses of: Barclays Stockbrokers Limited, a member of the London Stock Exchange and PLUS. Registered No. 1986161; Barclays Sharedealing, Registered No. 2092410; Barclays Bank Trust Company Limited, Registered No. 920880. All companies are registered in England and the registered address is 1 Churchill Place, London E14 5HP. All companies are authorised and regulated by the Financial Services Authority.

PensionMaster is administered by A J Bell Management Limited. A J Bell Management Limited is registered in England No. 3948391. Registered Office: Trafford House, Chester Road, Manchester M32 0RS. Authorised and regulated by the Financial Services Authority and on the FSA Register under FSA Register number 211468. Sippdeal Trustees Limited is a wholly owned subsidiary of A J Bell Management Limited, registered in England No. 4050222. Registered Office: Trafford House, Chester Road, Manchester M32 0RS. Sippdeal Trustees Limited does not conduct any regulated activities, and is, therefore, not regulated.