

**Mr G McCloskey
Daws House
33-35 Daws Lane
London
NW7 4SD**



Small Self Administered Scheme (SSAS) Trading Account

This is an application to open a SSAS Trading Account. Please read this application in conjunction with Barclays Stockbrokers SSAS Trading Account Terms and Conditions.

The trustee(s) must complete and sign this application form.

Please return your completed form to: High Value Servicing Team, Barclays Stockbrokers, Tay House, 300 Bath Street, Glasgow, G2 4LH.

Note: Barclays Stockbrokers can only accept applications from HMRC registered schemes and those with an appointed Professional Trustee.

(Please use CAPITALS.)

Section 1 Scheme name

Scheme Name

Scheme
Correspondence
Address

Postcode

HMRC
registration
number*

Please note we require a certified copy of the HMRC's
Acknowledgement of Registration

The Correspondence address will receive details of transactions and corporate actions. All Sterling assets will be held on behalf of the Trustee(s) as the legal owner(s) within our nominee account and monies will only be accepted or remitted in accordance with Trustee's instructions.

Section 2 The Employer Company all fields are mandatory, where applicable

Company Name

Company Registered
Address

Post Code

Nature of business

Industry in which the company operates

Countries in which the company trades (if outside the UK)

Countries in which the company operates (if outside the UK)

Company
registration number
If Regulated - FSA
registration number

Section 3 Professional Trustee details (If corporate entity) you must complete all fields marked*

Name*

Address*

Postcode*

Contact person(s)

FSA or HMRC
Registration No
Phone number*

Email address

Please complete overleaf

Section 3 Profesional Trustee details (If individual)

If Professional Trustee is an individual, please complete below

Name*	<input type="text"/>	Your National Insurance number*	Yes: I have a National Insurance number <input type="checkbox"/>
Address*	<input type="text"/>	You must provide this or declare that you do not have one	No: I declare that I do not have a National Insurance number <input type="checkbox"/>
	<input type="text"/>	Please enter it here	<input type="text"/>
	<input type="text"/>		
Postcode*	<input type="text"/>	Do you pay tax? (Please tick as appropriate)	Yes <input type="checkbox"/> No <input type="checkbox"/>
Contact person(s)	<input type="text"/>	Which country are you resident in for tax purposes?	<input type="text"/>
Phone number*	<input type="text"/>	Nationality	<input type="text"/>
Email address	<input type="text"/>	Date of birth	<input type="text"/> / <input type="text"/> / <input type="text"/>

Section 4 Administrator details (to be completed if the administrator is a corporate entity) you must complete all fields marked*

Company Name*	<input type="text"/>	Contact person(s)	<input type="text"/>
Company Address*	<input type="text"/>	FSA or HMRC Registration No	<input type="text"/>
	<input type="text"/>	Phone number*	<input type="text"/>
	<input type="text"/>	Email address	<input type="text"/>
Postcode*	<input type="text"/>		

If the administrator is a trustee, please complete below

Name*	<input type="text"/>	Your National Insurance number*	Yes: I have a National Insurance number <input type="checkbox"/>
Address*	<input type="text"/>	You must provide this or declare that you do not have one	No: I declare that I do not have a National Insurance number <input type="checkbox"/>
	<input type="text"/>	Please enter it here	<input type="text"/>
	<input type="text"/>		
Postcode*	<input type="text"/>	Do you pay tax? (Please tick as appropriate)	Yes <input type="checkbox"/> No <input type="checkbox"/>
Contact person(s)	<input type="text"/>	Which country are you resident in for tax purposes?	<input type="text"/>
Phone number*	<input type="text"/>	Nationality	<input type="text"/>
Email address	<input type="text"/>	Date of birth	<input type="text"/> / <input type="text"/> / <input type="text"/>

Section 5 Trustee details you must complete all fields marked*

Trustee(s)			
Name*	<input type="text"/>	Your National Insurance number*	Yes: I have a National Insurance number <input type="checkbox"/>
Address*	<input type="text"/>	You must provide this or declare that you do not have one	No: I declare that I do not have a National Insurance number <input type="checkbox"/>
	<input type="text"/>	Please enter it here	<input type="text"/>
	<input type="text"/>		
Postcode*	<input type="text"/>	Do you pay tax? (Please tick as appropriate)	Yes <input type="checkbox"/> No <input type="checkbox"/>
Contact person(s)	<input type="text"/>	Which country are you resident in for tax purposes?	<input type="text"/>
Phone number*	<input type="text"/>	Nationality	<input type="text"/>
Email address	<input type="text"/>	Date of birth	<input type="text"/> / <input type="text"/> / <input type="text"/>

Please complete overleaf

Section 5 Trustee details (Continued) you must complete all fields marked*

Trustee(s)

Name*	<input type="text"/>	Your National Insurance number*	Yes: I have a National Insurance number <input type="checkbox"/>
Address*	<input type="text"/>	You must provide this or declare that you do not have one	No: I declare that I do not have a National Insurance number <input type="checkbox"/>
	<input type="text"/>		
	<input type="text"/>	Please enter it here	<input type="text"/>
Postcode*	<input type="text"/>	Do you pay tax? (Please tick as appropriate)	Yes <input type="checkbox"/> No <input type="checkbox"/>
Contact person(s)	<input type="text"/>	Which country are you resident in for tax purposes?	
Phone number*	<input type="text"/>	Nationality	<input type="text"/>
Email address	<input type="text"/>	Date of birth	<input type="text"/> / <input type="text"/> / <input type="text"/>

Trustee(s)

Name*	<input type="text"/>	Your National Insurance number*	Yes: I have a National Insurance number <input type="checkbox"/>
Address*	<input type="text"/>	You must provide this or declare that you do not have one	No: I declare that I do not have a National Insurance number <input type="checkbox"/>
	<input type="text"/>		
	<input type="text"/>	Please enter it here	<input type="text"/>
Postcode*	<input type="text"/>	Do you pay tax? (Please tick as appropriate)	Yes <input type="checkbox"/> No <input type="checkbox"/>
Contact person(s)	<input type="text"/>	Which country are you resident in for tax purposes?	
Phone number*	<input type="text"/>	Nationality	<input type="text"/>
Email address	<input type="text"/>	Date of birth	<input type="text"/> / <input type="text"/> / <input type="text"/>

Trustee(s)

Name*	<input type="text"/>	Your National Insurance number*	Yes: I have a National Insurance number <input type="checkbox"/>
Address*	<input type="text"/>	You must provide this or declare that you do not have one	No: I declare that I do not have a National Insurance number <input type="checkbox"/>
	<input type="text"/>		
	<input type="text"/>	Please enter it here	<input type="text"/>
Postcode*	<input type="text"/>	Do you pay tax? (Please tick as appropriate)	Yes <input type="checkbox"/> No <input type="checkbox"/>
Contact person(s)	<input type="text"/>	Which country are you resident in for tax purposes?	
Phone number*	<input type="text"/>	Nationality	<input type="text"/>
Email address	<input type="text"/>	Date of birth	<input type="text"/> / <input type="text"/> / <input type="text"/>

Note: Where there are additional trustee(s), please copy this sheet and complete accordingly.

Section 6 Foreign dealing

☐ I/we would like to deal in foreign securities other than those shares that are dealt through the London Stock Exchange's European Quoting service. I/we understand that this is currently available as a telephone service only. Please send all the relevant information that I/we need to do this.

Section 7 Managing your income

Please select how the scheme would like to receive its income below. The scheme will automatically be set up with a Cash Management Service (CMS) account for settling its deals.

Select one option only.

- ☐ **Automatic Dividend Reinvestment (ADR)** - Please use income paid to my CMS account to buy shares using ADR.
- ☐ **SCRIP** - Please add shares to my account.
- ☐ **Cash** - Please pay cash dividends to my CMS account.

Section 8 Scheme Bank Account Details

Please provide bank account details to where funds should be transferred.

Name of Bank

Name of Scheme

Bank Account

Sort-Code - - Account Number

Initial size of Deposit £

Declaration and Authority

I/we confirm that we are the trustee(s) acting on behalf of the scheme detailed in Section 2 of this form. I/we accept the SSAS Trading Account Terms and Conditions.

I/we confirm that the information given is true and complete and authorise you to make any credit reference and other enquiries in accordance with your normal procedures in connection with this application. I/we understand that credit reference agencies record searches and that information they record may be used by other lenders assessing credit application from us and members of my household and for debt tracing.

If you provide false or inaccurate information and a fraud is identified we will pass this information onto the fraud prevention agencies. If you are interested in hearing more about how this information may be used you can contact us on 0845 300 9020 or please refer to the section "Your Information" in our terms and conditions document.

To the extent required to comply with the governing provisions of the Scheme, we confirm that power for any one trustee of the Scheme to give instructions to Barclays Stockbrokers has been validly granted or delegated under those governing provisions. For the avoidance of doubt, Barclays Stockbrokers is entitled to rely on any instruction provided using the security information it requires from time to time. We acknowledge that if we want to appoint a User to issue instructions on our behalf, we must provide such information relating to that User as Barclays Stockbrokers may from time to time require.

Professional Trustee

Name(s) and positions

Read-only access including

- Viewing the selected accounts online
- Receiving information about the selected accounts by telephone.

Operational access including:

- Selling any investments
- Purchasing any investments
- Giving any necessary instructions in the event of corporate actions on these investments
- Giving any instructions concerning the operation of the Cash Management Service

Signature

Date

 / /

Administrator Authorised Signatory

Name(s) and positions

Signature

Date

 / /

Please complete overleaf

Declaration and Authority (Continued)

Trustee

Name(s)

Read-only access including

- Viewing the selected accounts online
- Receiving information about the selected accounts by telephone.

Operational access including:

- Selling any investments
- Purchasing any investments
- Giving any necessary instructions in the event of corporate actions on these investments
- Giving any instructions concerning the operation of the Cash Management Service

Signature

Date

 / /

Trustee

Name(s)

Read-only access including

- Viewing the selected accounts online
- Receiving information about the selected accounts by telephone.

Operational access including:

- Selling any investments
- Purchasing any investments
- Giving any necessary instructions in the event of corporate actions on these investments
- Giving any instructions concerning the operation of the Cash Management Service

Signature

Date

 / /

Trustee

Name(s)

Read-only access including

- Viewing the selected accounts online
- Receiving information about the selected accounts by telephone.

Operational access including:

- Selling any investments
- Purchasing any investments
- Giving any necessary instructions in the event of corporate actions on these investments
- Giving any instructions concerning the operation of the Cash Management Service

Signature

Date

 / /

Trustee

Name(s)

Read-only access including

- Viewing the selected accounts online
- Receiving information about the selected accounts by telephone.

Operational access including:

- Selling any investments
- Purchasing any investments
- Giving any necessary instructions in the event of corporate actions on these investments
- Giving any instructions concerning the operation of the Cash Management Service

Signature

Date

 / /

Please note the above declarations must be signed by all Trustee(s)

Checklist

A certified copy of HMRC's Acknowledgement of Registration

Direct Debit Instruction for fees

Certificate of Incorporation

Memorandum and Articles of Association

Where the employer (company) is no longer in existence, a Deed of Amendment is required

An original bank statement no older than 3 months, which confirms the Scheme name, sort code and account number, as per section 8.

For more information, please visit our website at www.stockbrokers.barclays.co.uk/corporate

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. Item Ref: BWL1639. August 2010.

Instructions to your Bank or Building Society to pay by Direct Debit

To cover settlement and fee shortfalls fill in this Direct Debit form, using a ballpoint pen. Once this form is complete, please detach and keep the Direct Debit Guarantee, and return the remaining form to:
Barclays Stockbrokers, Tay House, 300 Bath Street, Glasgow G2 4LH.

Please complete all sections below		Originator's Identification Number: 6 2 4 4 4 2	
1. Name(s) of bank or building society account holder(s): <input type="text"/> <input type="text"/>		FOR BARCLAYS STOCKBROKERS INFORMATION ONLY (This is not part of the instruction to your Bank or Building Society) Your name(s) in full (as held with Barclays Stockbrokers): <input type="text"/> <input type="text"/> Full name of Barclays Stockbrokers account: <input type="text"/>	
2. Bank or Building Society Account No: <input type="text"/> <small>Banks and Building Societies may not accept Direct Debit Instructions for some types of accounts.</small>			
3. Branch Sort Code (from the top right hand corner of your cheque): <input type="text"/> - <input type="text"/> - <input type="text"/>			
4. Name and full postal address of your Bank or Building Society: To the Manager <input type="text"/> Address <input type="text"/> <input type="text"/> <input type="text"/> Postcode <input type="text"/>			
5. Reference number (Barclays Stockbrokers Account No. if known): <input type="text"/> / <input type="text"/> / <input type="text"/>		6. Instruction to your Bank or Building Society Please pay Barclays Stockbrokers Direct Debits from the account detailed on this instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this instruction may remain with Barclays Stockbrokers and if so, details will be passed electronically to my Bank or Building Society. Signature(s) <input type="text"/> <input type="text"/> Date <input type="text"/> <small>For joint accounts both parties must sign.</small>	

Item Ref: 9903922, September 2007.



This Guarantee should be detached and retained by the Payer.

The Direct Debit Guarantee

- This Guarantee is offered by all Banks and Building Societies that take part in the Direct Debit Scheme. The efficiency and security of the Scheme is monitored and protected by your own Bank or Building Society.
- If the amount to be paid or the payment dates change, Barclays Stockbrokers will notify you within 14 Working Days in advance of your account being debited or as otherwise agreed.
- If an error is made by Barclays Stockbrokers, or your Bank or Building Society, you are guaranteed a full and immediate refund from your branch of the amount paid.
- You can cancel a Direct Debit at any time by writing to your Bank or Building Society. Please also send a copy of your letter to : Barclays Stockbrokers, Tay House, 300 Bath Street, Glasgow G2 4LH.



**Small Self Administered Scheme (SSAS) Trading
Account and Pension Trading Account**
Rates & charges

Commission Charges

Commission is charged per deal. Other charges and service restrictions may apply.

Online Commission - All investment types except Fixed Income investments, non-IRS foreign securities, unit trusts and OEICs

Deals per calendar month	Commission
1 –14	£12.95
15 - 24	£9.95
25 and above	£6.95

Telephone Commission - All investment types except non-IRS foreign securities, unit trusts and OEICs.

Deal value	Commission
£0 - £500	£17.50
£501 - £1,500	£35
£1,501 - £2,500	£50
£2,501 - £20,000	£65
Over £20,000	£75

The initial commission rate you pay in each month is determined by the number of deals you place in previous calendar months. Each time you hit a new tier, you will be switched to the lower commission rates. In order to remain at the new tier you must maintain the required number of deals per month. The number of telephone and online deals you place are consolidated when calculating your deal count, but each method has its own commission rates.

Non-IRS Foreign Securities (telephone dealing only)

Deal value	
First £10,000	1.75%
Next £10,000	1.125%
Next £20,000	0.50%
Next £60,000	0.40%
Thereafter	0.30%
Minimum	£45 (US) £100(non-US)

Automatic Dividend Reinvestment

Automatic dividend reinvestment purchases are charged at a flat rate commission of 1.0% (minimum £1, maximum £7.50).

Funds

The maximum initial charge for buying funds through Funds Market is 0.5% (as of 22 March 2010). Other funds vary according to the fund manager.

There is no charge for selling Funds Market funds but there is a £15 charge per deal on the sale of those funds not included in our Funds Market.

Taxes & Levies

Stamp duty or stamp duty reserve tax (SDRT) on all UK equity purchases is payable at the prevailing rate at the time of dealing. The current rates are:

0.5% SDRT on all UK equity purchases settled through CREST, rounded up to the nearest 1p

0.5% stamp duty on all UK equity purchases not settled through CREST, rounded up to the nearest £5

Stamp duty on Irish registered stock is currently charged at 1%

The Panel of Takeovers and Mergers currently levy £1 on all UK equity transactions of £10,000 and over.

Inactivity Fees

(Does not apply if you trade within the quarter*)

These charges are taken in arrears and apply per account.

Quarterly Inactivity fee	£12 plus VAT (trade only once in the quarter and this fee does not apply) An additional £25 plus VAT for your overseas portfolio (waived if a deal was made in that quarter*)
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*Please be aware that the quarter is measured 3 months from when your account is opened. This then recurs every 3 months.

Other Charges

Account Closure/Transfers

Closure of account	FREE (Dealing and/or transfer fees may be applicable)
Transfer out of shares	CREST: £15 per holding Non-CREST: £17.50 per holding
Transfer in of shares	FREE
Remaining administration charges	Pro-rata up to date of closure

Cash Management

Cash withdrawal	FREE
Wire charge	£20 + VAT

Late Settlement

Returned cheque fee/unpaid direct debit	£15 + VAT
Late settlement administration charge	£40 + VAT per overdue deal
Referral to Debt Recovery Department	£25 (additional 8% if referred to an outside agency - minimum £15) + VAT
Debit Interest	Barclays base rate + 3.5%

General Administration

Ad hoc statement or valuation	Free
Copy of consolidated tax certificate	£17.50 + VAT (if requested after 3 months of sending the original)
Duplicate contract note	Free, if requested within 6 months since deal £10 + VAT, if requested more than 6 months since deal
Copy of tape recording/telephone	£20 + VAT conversation transcript in case of complaint (if Barclays Stockbrokers is not at fault)
Valuation for Probate	*First £100,000 – 0.15% of the value *Next £100,000 – 0.10% of the value *Excess over £200,000 – 0.05% of the value *Minimum Fee £50 per valuation. *Minimum charge per holding of £5. For portfolios with more than 12 holdings - £3 per holding for each additional holding All requests are subject to VAT.

Interest Rates

The interest paid is banded, which means that the rates in the table below apply only to the portion of the balance within each band shown, not to your cash balance as a whole. Each band of your overall cash balance will receive different rates of interest as shown below, to give an overall blended rate.

Please note that our interest rates will move in line with changes in the Barclays base rate. However, where the applicable margin would result in a negative figure, the rate will be zero.

Cash Balance band	Interest paid on this band only
£0 - £999	Nil
£1,000 - £12,499	4% below Barclays Base Rate
£12,500 - £24,999	3.5% below Barclays Base Rate
£25,000 - £149,999	2.5% below Barclays Base Rate
£150,000 - £249,999	1% below Barclays Base Rate
£250,000 and over	Barclays Base Rate

View the **Barclays Bank Base Rate** online alternatively you can call Barclays Bank directly on 0845 603 0845*, hold for an agent and ask for the current rate. (Lines are open 8am-6pm Monday to Friday and Saturday 9am-2pm, except Bank Holidays. To maintain a quality service, phone calls may be monitored or recorded.)

All charges are correct as August 2010



SSAS Pension Trading Account

Terms and Conditions

Important notice

This Agreement sets out the terms which apply to the Service we provide to Small Self Administered Schemes ("SSAS"). You can use the Service to instruct us to buy and sell investments held by you in respect of the SSAS.

If you wish to use the Service, please complete the application form accompanying (and forming part of) this Agreement. Please read this Agreement carefully before completing the application form.

Once we have accepted your application on the application form and have confirmed this, you will be bound by these terms and conditions in respect of your use of the Service.

If you have any questions about this document or the application form, we will be pleased to answer your queries.

You should read the Investment Risk Warning Notices in Schedule B carefully.

Definitions

Account – Any account held with us in respect of the Portfolio.

Affiliate – The ultimate holding company of Barclays Stockbrokers Limited and any direct or indirect subsidiary of that holding company.

Agreement – Includes the application form you have filled in and these terms and conditions, as amended from time to time.

At Best Order – An Instruction to buy or sell a specified stock at the best price available to us at the time of dealing. As some stocks can be very volatile when the market first opens we may, at our absolute discretion, delay execution of the instruction until the volatility decreases.

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

BSL – Barclays Stockbrokers Limited and/or any of its Affiliates that provide some or all of the Service.

Business Day – A day on which banks in England are open for business, except for weekends.

Cash Management Service or CMS – A facility available as part of the Service for you to hold Funds available for dealing, from which we will debit all purchase costs and charges and to which we will deposit all sales proceeds and income from Investments.

Communication(s) – In the case of communications coming from us, this means all notices, instructions, orders, demands, contract notes, statements or other communications that we may need to make to you. If the communication comes from you, this means all notices you give us in relation to this Agreement, but not Instructions.

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

Custodian – A company that we have chosen to hold Investments in the event that these are not held with our Nominee. The choice of custodian is at our discretion and may be an Affiliate or a company outside of our 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.

Execution Policy – A summary of our execution arrangements as set out in Schedule A.

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

Funds – The cash balances that the Scheme holds with us for investment purposes.

HMRC – Her Majesty's Revenue and Customs.

Instruction(s) – Instructions that are provided to us by you or on your behalf in accordance with the delegated authority set out in the application form via your User (in accordance with our requirements), concerning the Service to buy or sell Investments; operate the Cash Management Service (where applicable) or any other instructions in relation to any other financial services that we may provide via the Service in the future.

Investment(s) – The Investments we allow you to trade through the Service, as described in clause 4 or as notified to you from time to time.

Limit Order – An Instruction to us setting the maximum or minimum price at which you are willing to buy or sell shares.

LSE – London Stock Exchange plc.

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

Permitted Investments – The investments the Scheme is permitted to buy or sell through the Service and hold in the Portfolio in accordance with the Scheme Rules and HMRC.

Portfolio – the SSAS Investments that you have asked us to custody for you.

Relevant Law – All laws, regulations, rules and customs which apply to you, the Scheme and us and any transaction which we carry out for you. It includes the rules of HMRC, the 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.

Rules – means the Financial Services Authority's Handbook and the 'regulatory system' defined therein.

Scheme – the small self administered occupational pension scheme in respect of which Services are provided under this Agreement.

Scheme Rules – mean the trust deed/master policy/deed poll and/or other rules which govern the Scheme as amended from time to time.

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

Service – The dealing, execution, custody and administration services we provide enabling you to (1) obtain investment information from us; and (2) give Instructions to us by a computer, e-mail, telephone, postal service or any other electronic means that we make available in future, and us then acting upon those Instructions.

User – any advisor or administrator or trustee (this includes a delegation to a trustee of the Scheme or a Professional Trustee) you have appointed on the application form or the User form, and we have approved, to use the Service on your behalf.

User ID – User identification.

we, us – Barclays Stockbrokers Limited and/or any of its Affiliates that provide some or all of the Service, as may be notified from time to time.

you – means the trustees of the Scheme.

your information – Personal and financial information: a) obtained from you or from third parties (including the User) when you apply for an account 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 Account, from the transactions you make and from the payments which are made to the Account.

1. Your Information

- 1.1 We and our Affiliates will store and process your information electronically and in any other way we consider appropriate, in accordance with this Agreement and any applicable law.
- 1.2 Where you provide personal and financial information relating to others (including a User) for the purposes of administering or managing the Account or using the Service, you acknowledge that you have their consent to provide personal and financial information to us and for us to process it in accordance with this Agreement.
- 1.3 We and our Affiliates will use your information to administer the Account(s) in accordance with this Agreement, give you statements and provide our services.
- 1.4 We and our Affiliates will use your information to inform you by letter, telephone (including sending text messages), or electronically about products and services (including

those of others) which may be of interest to you. You may tell us if you do not wish to receive marketing material from our Affiliates.

- 1.5 For your protection and ours, in order to check Instructions and to maintain high quality service standards, we may record and monitor calls made to or by us.
- 1.6 Internet communications are not secure unless the data being sent is encrypted. We cannot accept any responsibility for unauthorised access by a third party or the corruption of data sent to us save to the extent it arises as a result of our negligence, wilful default or fraud (or that of our Affiliates).

For security purposes we may monitor electronic communications (including e-mails) received by us or issued by us.
- 1.7 We may give information about you and how you manage the Account to the following:
 - people who provide a service to us or are acting as our agents, on the understanding that they will keep the information confidential;
 - companies and organisations that help us to process transactions for the Account, for example, executing your trades at an exchange;
 - anyone to whom we transfer or may transfer our rights and duties under this Agreement (only with your prior agreement); and
 - a User for the purpose of managing and administering the Service. Where you have carried out transactions through a User (where permitted) then that person will be deemed to be your agent to whom full details of the Account may be disclosed unless you advise us to the contrary in writing.

We may also give out information about you in compliance with any legal or regulatory duty to do so or if you have consented for us to do so. Otherwise we will keep information about you confidential.

- 1.8 If we transfer your information to a service provider or agent in another country, we will make sure that the service provider or agent agrees to apply the same levels of protection as we are required to apply to information held in the UK and to use your information only for the purpose of providing the service to us.
- 1.9 You may be able to access your records under the terms of the Data Protection Act 1998. For more details please write to The Data Protection Co-ordinator, Barclays Stockbrokers Limited, Tay House, 300 Bath Street, Glasgow G2 4LH.

2. Opening the Account

- 2.1 The Service is available to (i) persons aged 18 or over resident within the UK, and (ii) trusts or companies located or registered in the UK.
- 2.2 You can apply to use the Service in respect of the Scheme by completing the application form.
- 2.3 If you satisfy the application security checks, an Account will be opened and you will be given a User ID. You and your User will then have access to the Account online and can deal on any cash or stock added to the Account (added via the Scheme).
- 2.4 For the purpose of the FSA Rules, we will treat you as a retail client unless we otherwise agree with you. This does not necessarily mean that you are 'eligible' for the purposes of the Financial Services Compensation Scheme or the Financial Ombudsman Scheme Service.

3. The Service

- 3.1 This Agreement sets out the terms which apply to the Account held by you and the terms on which you are permitted to use the Service.
- 3.2 You may only use the Service in a lawful manner and you should not use the Service to engage or participate in any activities which are criminal or in breach of law or regulation or which may expose us to legal or regulatory sanction or scrutiny.
- 3.3 Under this Agreement you may delegate authority as set out in the application form for the User to give Instructions on your behalf. References to 'you' giving Instructions therefore will include the Instructions given on your behalf by the User under this delegated authority.
- 3.4 Scheme members and beneficiaries cannot invest by making payments directly to us or the CMS. Contributions for investment must first be made to the Scheme. Funds we receive from the Scheme will be held in the CMS pending your investment Instructions. We can only carry out your dealing Instructions in accordance with this Agreement.

4. Permitted Investments

- 4.1 The Investments that may be held directly or indirectly via the Service and which we may execute orders for are as follows, and you must ensure your Instructions comply with this list and any amendments we notify you of from time to time:
 - (a) Investment Instruments traded on any recognised exchange including:
 - Equities
 - Fixed interest securities issued by governments or other bodies

- Debenture stock and other loan stock
- Warrants (for equities)
- Permanent interest bearing shares
- Convertible securities
- Exchange Traded Funds & Exchange Traded Commodities
- Exchange listed Structured Products
- Covered warrants & Turbos;

(b) Crest Depositary interests;

(c) Investment Trusts:

- Resident in the UK and authorised under the Financial Services and Markets Act 2000
- Resident outside the UK but authorised under the Financial Services and Markets Act 2000;

(d) Unit trusts:

- Resident in the UK and authorised under the Financial Services and Markets Act 2000;

(e) Open Ended Investment Companies (OEICs); and

(f) Cash

4.2 We may amend the list provided in clause 4.1 and/or include additional restrictions, and in the event changes are made you will be notified as soon as reasonably practicable. The list may be amended to accommodate business or operational requirements, or where necessary to comply with any Relevant Law. Investments will only be offered to you in accordance with the requirements of the jurisdiction through which the investment is registered or permitted by local regulation.

4.3 We reserve the right to refuse any Instructions where we consider that carrying out those Instructions may conflict with any Relevant Law or with our own policies. However it is your responsibility to ensure that your Account only handles investments that are eligible to be held under the Scheme Rules and that are permitted to be held under any Relevant Law.

4.4 We will not be responsible for any instructions given by you or your User provided in breach of the Scheme rules or any rules of any applicable Stock Exchange or Relevant Law.

5. Looking After the Investments

5.1 Where we provide you with our custody service the provisions of this paragraph 5 will apply. In providing our custody service we are responsible for the safekeeping of your assets

(including dealing with any cash), the settlement on your behalf of any transactions we effect for you, collecting income, the presentation for redemption or payment of any securities that are redeemed or called and otherwise administering the assets. We will take the steps set out in this paragraph 5 to ensure the protection of your assets.

- 5.2 We will keep records that make it clear that your Investments are held on your behalf and do not belong to us. Where Investments in our custody are held by a Nominee or subcustodian we will take reasonable steps to ensure that the records of the relevant entity make it clear that the Investments are held by or on our behalf for you and that they do not belong to us or any such Nominee or subcustodian.

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.

- 5.3 You agree that where we consider it appropriate and in accordance with applicable regulatory requirements, we may register your assets (other than bearer stocks and other non-registrable investments) in the name of a Nominee or a sub-custodian that we appoint to be held directly or indirectly to our order.

Registration in the name of a Nominee or sub-custodian may mean you lose incentives and shareholder benefits attaching to Investments. We or any sub-custodian we appoint will hold any documents of title (including bearer stocks).

- 5.4 Where assets are securities which are uncertificated or are transferable by book entry transfer, we or our 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.
- 5.5 If you transfer Investments from another registered pension scheme to the Portfolio these will need to be transferred into the Nominee name. You will be unable to sell these Investments until the transfer is complete.
- 5.6 Where assets are transferred into the Account by you, whilst we will custody the assets in accordance with this Agreement, you may not receive back the same Investments transferred in, but an equivalent number of the same class and type of Investments as we received, subject to any corporate actions.
- 5.7 Where we consider it appropriate and in accordance with regulatory requirements your assets may be pooled with

those of other clients (including other clients of subcustodians) 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 us or our sub-custodian you may not receive your full entitlement and may share in the shortfall pro-rata among our 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 us in respect of a default.

- 5.8 We may employ agents (including members of the Barclays Group) to perform administrative, custodial and ancillary services to assist us in providing the services referred to in paragraphs 5, 6.1 and 7 and may authorise them to do the same. Our liability for all matters delegated to any agent will be unaffected by the delegation.

6. Income

- 6.1 We will collect and receive all income, interest distributions and other payments in respect of your assets. You authorise us to take any steps necessary to do so.
- 6.2 We reserve the right in certain circumstances to withhold income less than £5
- 6.3 We will pay any cash due from any dividend to the CMS. We will normally pay this cash 6 Business Days after we receive it from the company registrars. Interest will not be earned on this cash until we have paid it to the CMS. If there is any delay in the payment of this cash to the CMS following this period we will start calculating interest from the latest date the cash should have been paid. We will not pay interest of less than £5 on such delayed payment.
- 6.4 On your application for the Service, you may be able to elect for the Account to receive all dividends arising in respect of Investments in the Account in the form of
- cash (this will be paid to the CMS);
 - stock dividend (where available); or
 - automatic dividend reinvestment.
- 6.5 If you elect for the Account to receive stock dividends, and a stock dividend is not being paid for any reason, we will accept the cash.
- 6.6 If there is an enhanced stock dividend, we will ask you to decide whether to take the dividend in shares or in cash. If we do not hear from you, we will take up the default option.
- 6.7 If you elect for automatic dividend reinvestment, we will reinvest dividend income into the associated stock (ie the stock which originated the dividend), within 10 Business Days of our receipt of the dividend.

- 6.8 We will purchase whole numbers of shares; any dividend income not sufficient to purchase a whole share will remain in the Account as cash.
- 6.9 Dividend reinvestment will only be carried out if the dividend income is £10 or greater, after the deduction of fees or any other due amounts.
- 6.10 Only CREST eligible UK stocks qualify for dividend reinvestment. Dividends received on other stocks will be paid as cash, except where stock is paid.
- 6.11 Only dividend income will be reinvested; other income or cash balances held will not be reinvested except following a specific instruction.
- 6.12 If, where permitted, you elect for automatic dividend reinvestment and a dividend is offered in the form of stock we will accept this; no dividend reinvestment will be carried out or commission charged. There may be occasions when we are unable to accept the stock option due to time constraints and we will accept cash and subsequently carry out dividend reinvestment.
- 6.13 There may be times when we are unable to reinvest dividend income. This includes, but is not limited to, the following:
- there is no holding in the associated stock in the Account at the time of the dividend reinvestment;
 - the Account has been suspended from trading;
 - the Account is in the process of being transferred or closed; or
 - the associated stock is undergoing a corporate action.
- 6.14 We will endeavour to follow your Instructions but we reserve the right not to reinvest dividend income.
- 6.15 If a company offers a Dividend Reinvestment Programme (DRIP) you agree that we should always elect to accept cash.
- 6.16 You can change your dividend Instructions at any time. We will accept new Instructions in writing or by telephone call to our Client Service team.
- 6.17 Where you elect to reinvest income and dividend payments, the income and dividends will remain in the CMS pending reinvestment. Interest will be payable in respect of money held in a CMS at our published rates. Charges properly payable under these terms and conditions will also be deducted from the CMS.
- 7. Corporate Actions**
- 7.1 Where there is a corporate event or other matter which involves the exercise of rights (including voting, conversion and subscription rights) that arise in relation to the assets held in your Account:
- (a) we will take reasonable steps to seek and act on your Instructions. If we cannot obtain your Instructions, we will take no action and our default option will apply;
- (b) In relation to proxy voting, which we may at our discretion undertake at your request (though we are under no obligation to do so), we may charge you a fee for this additional service, which we will advise you of separately and upon agreement to provide this service to you.
- 7.2 It is essential that you provide us with your Instructions in relation to a corporate action by the deadline advised by us. This deadline may expire before the deadline set by the company or their registrars. This is to ensure that we have a reasonable amount of time to process Instructions in relation to the corporate action for all our clients.
- 7.3 It is your responsibility to ensure that there are sufficient cleared funds in the CMS to take up any corporate actions and the Account does not go overdrawn.
- 7.4 Sometimes we will only be made aware of these events a short time before they happen. If this is the case and we do not have time to obtain your Instructions, you agree to the default option that is specified by the company or registrar concerned.
- 7.5 Sometimes the terms of a corporate action will require an election to be made on behalf of our Nominee's entire holding in a company on an 'all or nothing' basis. In these circumstances, we may not be able to get Instructions from all our clients holding shares in that company, or were it to do so, might not be able to act in accordance with those Instructions. We reserve the right, in these circumstances not to offer the option to you. We will use reasonable efforts to give you an alternative option but we cannot guarantee that this will match the option offered by the company.
- 7.6 We will credit the Portfolio with new stocks and shares paid as a result of any corporate action, as long as they are permitted in accordance with clause 4 to be held in the Account and we will credit these within five Business Days of issue from the company registrars.
- 7.7 We will pay any cash due from any corporate action to the CMS. We will normally pay this cash within 6 Business Days of receipt from the company registrars. Interest will not be earned on this cash until we have paid it to the CMS. If there is any delay in getting this cash to the CMS beyond this period we will start calculating interest from the latest date the cash should have been paid. We will not pay interest of less than £5 on such delayed payments.
- 7.8 If a company has a bonus or other similar issue, we will automatically credit the Account or CMS with the new Investments or the cash proceeds, unless there are restrictions in the terms of the corporate action that prevent us from participating.

- 7.9 If there is a take-over, conversion or other offer we will contact you, as long as there is enough time to do so. We will then follow your Instructions. If there is an unconditional take-over and we have not received Instructions from you, we will contact you to confirm the offer. If we have been unable to contact you or we do not receive Instructions from you by a given date, our default option described in this clause 7 will apply.
- 7.10 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, we will contact you and ask whether you want to instruct us to take up the rights or do nothing (ie allow the rights to lapse). We will then follow your Instructions.
- 7.11 You agree that we should automatically accept nil-paid rights in respect of the Account, provided the terms of the rights issue permit us to do so and subject to any contrary Instruction from you.
- 7.12 Nil-paid shares (such as those from rights issues) may require payment from you in relation to any distribution of these 'calls' or call payments. We will collect any payment from the CMS. You must ensure sufficient funds are maintained in the CMS to cover this payment.
- 7.13 Some corporate actions permit subscription for additional shares in a company. An application to subscribe will be made on behalf of our Nominee's entire holding in that company. The additional shares will be allocated to our Nominee on the basis of that holding. We will then allocate the shares amongst all the clients involved on a pro-rata basis. The entitlement may be different to what would be received if our Nominee was not holding the shares. On some occasions the entitlement may be zero.
- 7.14 In the case of a redemption of an Investment in the Portfolio, we will pay to the Account the amount received from the redemption.
- 7.15 If shares have to be registered outside of our Nominee as a result of a corporate action, a charge may apply. This charge will be deducted from the CMS.
- 7.16 Where corporate events (such as partial redemptions) affect some but not all of safe custody investments held in a pooled account we will allocate the investments affected to particular clients in a fair and equitable manner as we consider appropriate (including pro rata allocation or an impartial lottery).
- 7.17 Where we become aware of any class action or group litigation proposed or taken which is relevant to any assets, we are not obliged to tell you about it or take any other steps.
- 7.18 If any Investment in the Account is delisted, we will notify you of this and may seek to establish if the Investment is registered on another market. Any holding or disposal of the

delisted Investment will be your responsibility and you should provide us with your instruction should you wish us to transfer, dispose or sell the Investment.

- 7.19 Where your assets are pooled with those of third parties, distribution of entitlements to any benefits or entitlements arising from corporate events will be allocated pro rata.
- Fractions of entitlements arising from this process will be rounded down to the nearest whole unit or share. The accumulated amount of any undistributed entitlements arising from this process will be sold and the proceeds allocated pro rata. However, where this would result in an allocation to you of less than such amount as we may designate from time to time, the amount will be accumulated with other similar amounts and dealt with as we shall determine (including by retention of such amounts or payment to a charity of our choice). Pooling may mean that where an allocation or share issue has rights weighted towards smaller investors, your allocation may be less than it otherwise would have been.
- 7.20 We shall be under no obligation to follow your Instruction where,
- (i) you have not correctly completed the Instruction form e.g. no election is provided;
 - (ii) the Instruction is received after the deadline for receipt notified to you under any notice of corporate action sent to you;
 - (iii) there are insufficient funds in the Account;
 - (iv) it has not been validly provided e.g. the Instruction form has not been signed or signed in accordance with the corporate action requirements; or
 - (v) you are not eligible to apply having regard to any restrictions described in the notice of the corporate action.
- 7.21 If, in respect of this clause 7, we will endeavour to act reasonably at all times, but shall not be liable to you in the event we refuse to act on your Instruction, save to the extent you suffer any loss as a result of our negligence, wilful default or fraud.

8. Dealing

In respect of any instruction given by you or your User;

- 8.1 When we execute transactions on your behalf we will normally be required to provide best execution and when we do so we will comply with our Execution Policy.
- 8.2 We will consider each placement of orders by you to constitute your continued consent to our execution arrangements as may be in effect from time to time.

8.3 When deciding where to execute a deal on your behalf, we may transact outside of a regulated market or multilateral trading facility. We will do so when we believe it is in your best interest 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.

8.4 Please note that we may accept a specific dealing Instruction from you. Where we do so and are able to execute in accordance with such Instruction, it may not be possible for us to obtain the best result that would otherwise be available to you at the time of dealing.

8.5 When we execute for you we will consider a number of factors in deciding where to route your order for execution.

These factors may include but are not limited to:

- (i) the total consideration payable (inclusive of deductions relating to third party brokerage or other charges);
- (ii) the speed of execution;
- (iii) the likelihood of execution and settlement; and
- (iv) the size and nature of your order.

We will generally execute transactions with reference to the best total consideration identified and available to us at the point of dealing unless there is a reason why it is not in your best interest to do so.

8.6 Our 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, our 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 our 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 interest to do so.

8.7 We may place reliance on third party brokers to execute transactions when we act as agent on your behalf. When we do so, we will take reasonable steps to ensure that the dealing arrangements of the parties we place 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 we will take reasonable care to identify that the brokers used provide an appropriate quality of execution.

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

We may allow brokers who deal on your behalf to combine deals with their own and their clients' deals subject to applicable laws and regulations.

8.9 When we combine your order with another we will allocate the transaction in accordance with our allocation process.

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

8.10 If you place a limit order in respect of a share admitted to trading on a regulated market with us, and we are not immediately able to execute at the relevant price, we will publish the amount of stock and price available in order to increase its chances of execution. We 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 us.

8.11 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 Relevant Law or where you instruct us to purchase investments which are not Permitted Investments.

8.12 Whilst the market is open you can request a real-time quote and place a deal at that price. If you deal using our 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.

8.13 You can also place Limit Orders and At Best Orders online both during market hours and when the market is closed. To ensure orders placed can be dealt, Funds and Investments will be adjusted taking into account the pending Instruction to buy or sell.

8.14 If, after an order is placed on your behalf with the market, we are asked by the market to cancel any dealings in the

relevant stock, we will not be liable for any loss incurred, save to the extent it arises as a result of our negligence, wilful default or fraud.

- 8.15 Limit Orders and At Best Orders can be placed online at any time or by telephone during our Client Service team opening hours.
- 8.16 If you choose to place a Limit Order by telephone, orders will be subject to standard telephone commission rates.
- 8.17 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.
- 8.18 Orders will expire in line with your Instruction 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.
- 8.19 Once you have placed your At Best or Limit Order, you may be able to cancel or amend your Instruction, as long as the order has not been carried out or is not in the process of being executed and we accept the cancellation or amendment. If you amend your order it will be dealt according to the time of receipt of the new Instruction.
- 8.20 When we accept your order, we will endeavour to follow your Instruction 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 Business Day.
- 8.21 If you place a Limit Order in a stock and the stock subsequently becomes subject to a corporate action or dealing suspension, we may, but shall not be obliged to, cancel any pending Limit Orders.
- 8.22 If you place a Limit Order and the Account is subsequently suspended, we may but shall not be obliged to cancel any pending Limit Orders.
- 8.23 Please note that demand for the Service and market conditions may fluctuate. We cannot accept any responsibility for any actual or potential financial loss or expense you incur if for any reason there is a delay or change in market conditions before execution of your order is complete save to the extent such expense or loss arises from our negligence, wilful default or fraud.
- 8.24 We will ask you some security questions when you deal by telephone, and we may refuse to deal for you if you cannot answer them correctly.
- 8.25 We will not accept your Instruction to deal by fax or e-mail or any form of communication via the Internet other than through our website.
- 8.26 An Instruction can only be dealt with and processed during our normal business hours, even if the Service is available outside of these hours. This means that your Instruction may not always be processed as soon as we receive it i.e. if you provide an instruction outside of normal business hours it may be transmitted to us, but may not be executed. We will use our reasonable endeavours to execute your Instruction as soon as practicable during normal business hours.
- 8.27 You can normally use the Service at the times specified in our literature and on our website. Routine maintenance and demand on the systems may mean that is not always possible.
- 8.28 We will record the date and time that you place an Instruction and all relevant bargain details.
- 8.29 If we reasonably think you may not have authorised an Instruction, we will try to verify the Instruction came from you. We may refuse to act on it or take steps to reverse it if we believe that it was not provided by you. We will not be responsible for loss to you as long as we reasonably believe that the instruction came from you.
- 8.30 You can only trade on the Account using the cash available in the CMS and must ensure there are sufficient funds in the CMS in order for you to do so.
- 8.31 When you deal online it is your responsibility to ensure all details are correct prior to execution.
- 8.32 You should note that:
- you may not always have access to the same levels or types of functionality across all the channels by which we provide the Service;
 - balance, holding and valuation information may be updated at different times for our website, and you should always take into account any previous transactions made or Instruction given; and
 - when using our website, you are responsible for paying any telephone or transmission charges and these charges will be deducted from the CMS.
- 8.33 There may be occasions when you want to give us a dealing Instruction when the LSE is closed. We will usually accept such Instruction, but will not present them for execution until the earliest opportunity (having regard to any market or regulatory events or disruptions) after the market next opens. If you do not receive confirmation that your order has been dealt during market hours, this means that your order has not been dealt automatically and will be dealt by our dealing team as soon as practicable.

8.34 If we negligently fail to accurately carry out your Instruction to sell an Investment, we will ask you to choose one of the following options:

- we will pay the CMS the difference between the price that you obtained on the sale and the price that you should have obtained if we had carried out your Instruction correctly; or
- if the value of the Investment has risen from the price that you should have obtained, you can hold on to the Investment so you can sell it at the higher price.

8.35 If we negligently fail to accurately carry out your Instruction to buy an Investment, we will ask you to choose one of the following options:

- we will buy Investments to put you in the position that you would have been in if we had carried out your Instruction correctly; or
- we will pay the CMS the difference between the price that should have been paid for the Investment, and the price that you actually paid.

9. Settlement and Charges

- 9.1 We may charge fees and commissions according to our published rates as set out in the charges tariff which may be amended from time to time. We may also charge for any expenses an Affiliate incurs while administering the Account. These fees or commissions will be deducted from the CMS.
- 9.2 If you give us an Instruction to deal using our website, then online commission rates will be charged. If you give us an Instruction to deal by telephone, including any deals outside the market parameters for online dealing, telephone commission rates will be charged.
- 9.3 You must make sure that the CMS does not become overdrawn and that there are sufficient Funds available in the CMS to cover payments including fees or settlement costs when they are due.
- 9.4 You agree to indemnify BSL against any claim in the event the CMS becomes overdrawn, save to the extent this has arisen as a result of the negligence, wilful default or fraud of BSL. If the CMS does not have sufficient funds for the transactions or to pay our charges on time, we reserve the right to:
- deduct the monies owing to us from the sale of Investments held in the Account;
 - sell the Investments subject to the FSA Rules, and if the sale proceeds are not enough to meet our charges, you agree to promptly deposit such funds into the CMS at our

request in order to meet any liability or debt existing on your Account; and

- apply payments from Funds realised on the sale of Investments in any order we want. We may use them to cover fees and costs before we use the remainder (if any) to discharge the interest owed to us, our charges and/or the amount owed to us for any transactions.

9.5 If the overdrawn position still remains outstanding for more than 5 Business Days from the settlement date, we may apply additional charges as set out in the charges tariff.

9.6 Government stamp duty, stamp duty reserve tax (SDRT), VAT and any other applicable taxes will be charged at the prevailing rates. If these rates change, we will apply the new rates straight away. We will not normally write to you to inform you of any change.

9.7 We can change our charges as long as we give you at least 30 days' notice. We may notify you by post, e-mail or by our website.

9.8 We are a member of the LSE but not of any other stock exchange so we may have to deal with an agent. Any charges incurred by dealing with an agent will be shown on contract notes along with our dealing commission.

10. Agents

We may employ and continue to use agents or Affiliates to provide some or all of our Services. We will only do this if we are reasonably satisfied they are competent.

11. Your Funds

- 11.1 We will work out interest daily on Funds in the CMS at our 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.
- 11.2 We will hold Funds on your behalf for use in the Service.
- 11.3 We will deal with the Funds in accordance with the FSA's Client Money Rules. When we hold money in a client bank account in the UK, this account will be with our Affiliate, Barclays Bank PLC.
- 11.4 Interest is not payable on any amounts received by us before the funds have cleared and we have opened the Account.
- 11.5 We reserve the right to reclaim from the Account any payment or Investment to which you are not entitled to because it has been provided or transferred in error.
- 11.6 We may debit fees properly due and payable from, and deposit dividend income to, the CMS.

12. Restrictions

- 12.1 We will not act as principal unless it is in your and our interests to do so. If we act as principal you will be notified at the time of dealing.
- 12.2 We will not provide stock market or tax advice. The decision to buy, sell, hold and monitor Investments will be your responsibility.
- 12.3 Once we have received your Instruction 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.
- 12.4 We may receive remuneration from fund managers when you deal in unit trusts and OEICs and other forms of UK funds. Where we receive this, we will tell you about it on the contract note.
- 12.5 We may keep any share of any commission paid as a result of transactions we carry out for you including transactions made through an Affiliate or third party. Please ask if you would like details of commission we have kept.

13. Your Responsibilities

- 13.1 You must inform us immediately of any changes to your information, including any address we have registered for correspondence purposes and your email address. If you have appointed a User, you must inform them immediately of any changes to your information.
- Your User must then notify us of these changes.
- 13.2 It is your responsibility to notify us of a change of personal circumstances that results in you becoming a US national or resident. Please get in touch with our Client Service team for details.
- 13.3 Please check that the information on contract notes, statements and other Communications are correct and let us know as soon as possible if they are not. If we notice that there is an error in the documentation that we have sent to you in relation to your Instruction, we will re-issue correct documentation. You agree to return the original incorrect documentation to us if we ask for it, and any overpayments must be repaid promptly.
- 13.4 If your circumstances change and you are no longer eligible for the Service for any reason you must inform us.
- 13.5 You agree not to reproduce, re-transmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the Data (unless we have agreed in writing that you could) and not use the Data, or our website, for any unlawful purpose.
- 13.6 You are personally 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, including our employees.

- 13.7 We are 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.
- 13.8 You agree to let us know immediately 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. We will suspend your access to the Service until your new Security Codes have been set up and communicated to you.
- 13.9 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 us.
- 13.10 You agree to let us know as soon as possible if you:
- do not receive confirmation by post that we have carried out your dealing instruction within 3 Business Days of you placing them; or
 - receive confirmation of a deal which you did not place.
- 13.11 You personally agree to indemnify BSL against all reasonable costs, claims, expenses, demands and losses that BSL may suffer or incur in performing their duties under these terms and conditions, except to the extent that the same arises from the negligence, wilful default or fraud of BSL. This indemnity will remain in place notwithstanding the closing of the Account. Nothing in this Agreement will exclude any obligations which BSL may have which the law does not permit to be excluded.
- ## 14. Keeping Us Informed
- 14.1 Unless the Agreement provides otherwise you can send us a Communication by post, fax, e-mail or telephone using the contact details set out below: Barclays Stockbrokers Tay House 300 Bath Street Glasgow G2 4LH Telephone: 0845 601 7788 Fax: 0845 605 2143 or such other contact details as we may notify you of in the future.
- 14.2 If you send us a Communication that you feel is important, please check with us that we have received it. This will ensure we are aware of any Communication that has not reached us.
- 14.3 Please get in touch with our Client Service team if you have a complaint.

A leaflet outlining our complaints handling procedure is available on request.

We are covered by the Financial Ombudsman Service.

15. Keeping You Informed

15.1 When we deal on your behalf you will receive a transaction confirmation detailing the order executed. Such confirmations will be sent to you no later than:

- (a) the first working day after execution; or
- (b) the first working day after we receive confirmation from a third party who has executed the order.

This confirmation in the form of a contract note will show the amount receivable or payable on the settlement date, including charges. Please check that the information on the contract note is correct and let us know as soon as possible if it is not.

15.2 We will provide you with a valuation of your assets in each periodic statement. The periodic statement will be despatched at least every 6 months.

15.3 We will send Communications to you and your User (where applicable) using one of the following methods:

- in writing (ie by post, fax or e-mail);
- verbally by telephone; or
- by posting the Communication onto the website.

15.4 When sending Communications to you we will use the permanent postal or e-mail address or telephone number you have given on the application form or to any other postal or e-mail address or telephone number that you may have subsequently notified us of.

15.5 We will assume that you have received a Communication from us:

- 2 days after we post it to you, if it is sent to you by post;
- immediately upon sending, if it is sent to you by fax;
- when it is received by your internet service provider, if it is sent to you by e-mail; or
- when it is posted onto the Service website.

15.6 You can choose to receive e-mail acknowledgements when there are any status changes on your orders. We will send these to the e-mail address we hold for you, unless you nominate a different e-mail address when you place, amend or re-submit your order.

15.7 At least once a year we will send you or your User (where applicable) a statement that lists:

- what Investments are held in the Portfolio;
- what Investments have been bought and sold since your last statement; and
- the current value of the Investments (using mid-market prices).

Where statements are sent to a User, the User is responsible for sending copies on to you. These statements will not include any measurement of performance. The statements are based on trading activity, up to and including the Business Day before the date of issue. Also you can view this information via the Service website at any time or ask us for an up-to-date statement at any time.

15.8 You acknowledge that, from time to time, we are entitled to change the terms on which we provide the Service. If we want to change the terms of this Agreement, we will inform you in writing. Any change will apply from the date advised.

We will normally give you 30 days notice of any change.

Notice may have to be shorter to protect security or in other circumstances beyond our control. After you have received notice your continued use of the Service after the expiry of the 30 day period is acceptance of the change (but remember, you always have the right to end your use of this Service).

15.9 If you place an order via the Service:

- using our Quote & Deal facility, you will receive an electronic deal confirmation immediately; or
- using other types of order eg Limit Order, At Best Order, you will receive 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 as described in 15.1.

15.10 We do not accept responsibility for any documents (including cheques and share certificates) which go missing in transit to and from our offices (save to the extent this arises as a result of our negligence, wilful default or fraud), and with the exception of any share certificates that we send to you.

16. Circumstances Beyond Our Control

16.1 We will not be liable if we fail, interrupt or delay in performing our duties under this Agreement because of a breakdown, failure or malfunction of any telecommunication or computer services or systems (internally or externally) or equipment or software save to the extent you suffer any loss by reason of our negligence, wilful default or fraud or any other event not reasonably within our 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 industrial disputes, 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).

- 16.2 We provide you with Data through the Service. We try to ensure that the Data that we provide is accurate and up-to-date.

You are personally responsible for evaluating the Data and for any decisions that you make as a result. Where we source the Data from third parties, be aware that the views expressed are not ours but those of the third party concerned. We try to ensure that those sources of Data are reputable. However, we do not endorse those views. We do not provide any guarantees about the accuracy of the Data that third parties provide and we do not accept any responsibility for any loss or damage that you suffer in connection with them.

- 16.3 We will not be held responsible for any errors, failures, delays or distortions in the transmission of information or Instructions, either from you to us, or from us to you and we will not be responsible for the failure of security of such transactions save to the extent you suffer any loss by reason of our negligence, wilful default or fraud.
- 16.4 Neither we nor our Nominee will be responsible for any claims, loss or liability in connection with this Agreement, including when acting in accordance with your Instruction, except where a liability is incurred as a result of our own negligence, wilful default or fraud or that of our Nominee or Affiliates.
- 16.5 You may purchase products or services of third party providers through the Service. We do not endorse these products or services and it is your responsibility to review the terms and risks of the product or service disclosed by the third party provider. If in doubt about the suitability of a product or service you should consult an Independent Financial Advisor.

17. General

- 17.1 We participate in the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. The FSCS provides compensation in certain circumstances where an FSA authorised firm is unable to meet its liability to clients. Under the FSCS payments to investors who are eligible claimants are limited to 100 per cent of the first £50,000 for cash deposits held and a limit of £50,000 for investments held.

- 17.2 The FSA reviews these limits from time to time. The amounts are currently in force at the date of publication.

- 17.3 Please note that client money or assets held outside of the UK will not be covered by the FSCS in the event of a failure by the Bank. Alternative compensation schemes may operate in the country where the applicable Bank or custodian is located.

- 17.4 Further information about the scheme and those who are eligible claimants under the scheme may be obtained from your Client Services contact or from the Financial Services Compensation Scheme, 7th Floor, Lloyd Chambers, 1 Portsoken Street, London, E1 8BN (Tel: +44 (0)20 7892 7300 and Facsimile: +44 (0)20 7892 7301).

- 17.5 If we enter into liquidation, receivership or administration:

- Funds we hold are protected under the FSA Client Money Rules;
- Investments we hold are protected under the FSA Custody Rules; and
- any amounts that we owe you will still remain due and owing to you.

- 17.6 We are part of a global financial institution. Future developments in the structure or operation of our group's businesses may result in us needing to change the provider of a part or all of the Service to one of our Affiliates. We will be entitled to make such a change (as long as we reasonably consider the Affiliate capable of providing a 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 Service will be acceptance of it (but remember you always have the right to end your use of this Service).

- 17.7 BSL is authorised and regulated by the Financial Services Authority (FSA) (registration number 124247). BSL's main business is the provision of execution only, dealing and custody services.

- 17.8 The only language in which this Agreement is supplied is English and we will only communicate with you in English during the course of this Agreement.

18. Conflicts of Interest

- 18.1 The complexity and size of our business, our position within the wider Barclays Group, and our reliance on third parties at various points can occasionally lead to situations where our interests and/or those of our staff conflict with your interests. Equally, your interests may occasionally compete with those of other clients.
- 18.2 Where we are aware or made aware that we are faced with a situation of competing interests, we will undertake all reasonable steps to protect your interests and ensure your

fair treatment, in line with the duties we owe you as our client. To this effect, we have a framework in place to handle conflicts of interest, such that we act with an appropriate degree of independence from our own interests when transacting with you or dealing on your behalf.

- 18.3 Where we are not satisfied that our arrangements to handle conflicts are sufficient to prevent a conflict from potentially harming your interests, we will:

- (a) disclose the nature and source of the conflict to you; and
- (b) if appropriate, obtain your permission to proceed with the service.

- 18.4 On request, we will provide you with further information on how we handle conflicts of interest.

- 18.5 We will ensure that transactions we enter on your behalf are on terms that are not materially less favourable to you than if no potential conflict had existed. Neither we nor any member of the Barclays Group will account to you 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 our fees except where this is required by the FSA Rules.

- 18.6 We or other members of the Barclays Group may receive, retain or share commissions or other benefits relating to certain categories of investments (for example mutual funds or structured products) that we provide through the Service. Further details about such arrangements may be available in the Investment literature and/or on the BSL website and on request.

- 18.7 When conducting business for you, we may receive from or pay to a third party commissions or other benefits in relation to that business. For any such commissions or benefits, we 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.

- 18.8 For any business where you are introduced by a third party, we may have made a payment to the introducer or pay ongoing commissions. The basis of such payments will be made available to you on request.

- 18.9 You agree that neither the relationship between you and us nor any other service that we provide to you will give rise to any duties on our part or that of our associates that would prevent us or our associates undertaking normal business activity except where it would not be permitted under the rules of the FSA.

- 18.10 We and our associates provide a range of services and may possess information of a confidential or non-public nature which we are under a duty not to disclose or use for our own benefit or anyone else. We will therefore be unable to

use this information on your behalf or disclose it to you. In providing our services, we are not obliged to disclose or take into consideration any information, fact or matter where:

- (a) it has not come to the actual attention of the individual making the recommendation to you or acting on your behalf whether or not it has come to the attention of any other person;
- (b) the 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) it is held solely in a division of us or the Barclays Group in a manner that precludes its publication outside that division.

19. Ending Your Use of the Service and this Agreement

Initial cancellation period

- 19.1 You have a right to cancel your use of the Service within 14 calendar days from the date when we have accepted your correctly completed application.

Cancellation will relieve you from all other duties and obligations arising from the Agreement and you will not incur any cancellation fee, charge or penalty.

Either you (not your User) or BSL can close the Account. These terms and conditions as varied, if appropriate, will continue until such time as the Account is closed.

- 19.2 If you want to cancel, you need to send us notification of this in writing to Barclays Stockbrokers Limited, Tay House, 300 Bath Street, Glasgow G2 4LH. If you do not exercise the right to cancel, the Agreement will remain in effect until otherwise terminated in accordance with this Agreement. If you cancel your use of the Service and instruct us to sell the Investments within the Account, they will be sold at the prevailing market price.

Proceeds will be held in the CMS pending instruction from you. Please note that the amount paid may be reduced by any market loss during the period when you make your initial Investment and up until your Investment is sold.

Termination and suspension by BSL

- 19.3 Either party may terminate this Agreement at any time by giving the other 30 days notice in writing. Any notice to terminate will commence on the date the notice is received by the party (this will usually be 2 business days after the notice is sent) or any date advised in the notice.
- 19.4 In certain circumstances, we may give you less than 30 days notice in writing or may terminate this Agreement immediately. The notice to terminate will indicate whether this clause 19.4 shall apply to any termination of the Service. We will only terminate the Agreement in such a manner if

we believe it is reasonable to do so, for example where you have breached the terms of this Agreement or we have a reasonable suspicion that the Funds have originated from an unlawful source.

- 19.5 We may suspend your use of the Service at any time by giving you written notice. It is our endeavour to provide you with 30 days notice of this, however, on occasion, for example for technical, legal or regulatory reasons a shorter period may be necessary, which may be unavoidable and beyond our control.

General

- 19.6 Ending your use of the Service and termination of this Agreement will not affect:

- Instructions you have already given (which will be processed in the usual way); or
- any rights or obligations arising prior to the termination of this Agreement.

- 19.7 The Agreement cannot end until all transactions underway are complete.

- 19.8 All monies owing to us will be payable immediately.

- 19.9 If we are still owed money at the time you want to end your use of the Service, and there is not enough money in the Account to repay us fully, we may sell some of the Investments in your Portfolio and retain the sale proceeds.

- 19.10 We will send you a valuation of the Account as at the date the Agreement ends.

20. User Access

- 20.1 By signing this Agreement you may (subject to our approval) grant permission to a User to allow them to view the Account, receive Communications from us, give Instructions and Communications, provide Instructions regarding corporate actions and make changes to your details. However, only you can make deposits to or withdrawals from the CMS.
- 20.2 Once you have granted permission to a User to give Instructions on the Account, we will only accept dealing instructions from this individual or trustee. You will have online read only access to the Account.
- 20.3 We are entitled to treat any Instructions and Communications given by this User as genuine and duly authorised. We are entitled to treat Instructions and Communications from them as though they have come from you. You are personally responsible for the actions of the User, and for ensuring that the User complies with this Agreement and all of the obligations which apply to you.

- 20.4 You must give us at least 14 days written notice if you want to withdraw the appointment of a User. We will send you written confirmation when we receive your notice. The appointment of a User will be withdrawn on the date we confirm with you in writing, or earlier at our discretion. From that date we may accept Instructions from you, in accordance with this Agreement.

21. Regulation and Law

- 21.1 This Agreement shall be governed by and construed in accordance with the laws of England and Wales. The parties to this Agreement agree that courts anywhere in the United Kingdom (subject to clause 21.2) shall have exclusive jurisdiction to settle any dispute which may arise in connection with this Agreement including its creation, validity, effect, interpretation or performance and for such purposes irrevocably submit to the jurisdiction of courts anywhere in the United Kingdom.

- 21.2 The agreement of the parties at clause 21.1 is concluded for our benefit alone. We retain the right to bring proceedings against you at our absolute discretion in the courts of any other country which may have jurisdiction to whose jurisdiction you irrevocably submit.

- 21.3 You agree to the service of legal process or any other documents in connection with proceedings in any court by the registered mailing of copies thereof to your last address shown in our records or in any other manner permitted by the laws of England and Wales, the law of the place of service or the law of the jurisdiction where proceedings are instituted.

- 21.4 Where there is any inconsistency between our duties under this Agreement and any Relevant Law, we shall be permitted to act so as to comply with the Relevant Law and that shall not be treated as a breach of this Agreement.

- 21.5 Nothing in this Agreement will exclude or restrict any liability or duty which may be owed to you or any liability incurred in respect of a breach by BSL of the Financial Services and Markets Act 2000 or the regulatory system established under it including the rules of the FSA.

- 21.6 No waiver by us of any breach of this Agreement will be construed as a waiver of any subsequent breach of the same or any other provision.

- 21.7 A person who is not a party to this Agreement (other than a successor in title, a permitted assignee) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

- 21.8 Each party agrees to comply with its obligations pursuant to Anti-Money Laundering Legislation.

21.9 In the event that a Regulator or government body undertakes a review or investigates any part of the Scheme or the Agreement, the parties will keep each other advised of progress and the final outcome provided such disclosure is permitted by applicable law or regulation.

21.10 Each party will promptly provide the other Party with any information reasonably requested by the other Party which is in their possession or control, or ought reasonably to be in its possession or control, for the purpose of complying with applicable law, statutory and regulatory rules and requirements. This includes certified copies of client due diligence documentation when requested including passport, utility bills, bank statements or other acceptable documentation.

Schedule A: Information on how Barclays Wealth executes Client orders & the execution venues that we use

Introduction

Before we undertake any deals in Investments for you, it is important that you understand how Barclays Wealth will execute such transactions. The following information is designed to provide you with a general understanding of our 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, Barclays Wealth 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, Barclays Wealth will route its order to the counterparty which provides the most competitive overall pricing. For some smaller orders, Barclays Wealth is able to use automatic execution technology which will source the best bid and offer from a range of bond dealers.

Collective Investment Schemes

Barclays Wealth will usually trade either directly with the fund manager on negotiated terms not generally available to individual clients.

Over-The-Counter Products

Over-the-counter products are dealt with either directly between Barclays Wealth 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 Barclays Wealth as principal at the price agreed. For such deals the onus is on the 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 Barclays Wealth 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; and
- iii) for some more standardised products, Barclays Wealth will usually select a 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.

Barclays Wealth 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:

London Stock Exchange – All markets

- i) The PLUS Market
- ii) 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 the 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 Barclays Wealth'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, Barclays Wealth takes reasonable care to deal with reputable firms with which it has generally maintained an ongoing dealing relationship.

Significant reliance is placed by Barclays Wealth on the following forms of Off Exchange Trading when relevant to the service provided to its client: 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 iv) Over-The-Counter Derivatives Off Exchange Trading, which 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 we currently provide to you, and we 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 to fluctuate either in a favourable or unfavourable manner.

Taxation

The tax treatment of an investment for our 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 circumstances change, or if you are uncertain about any aspect of how an investment might relate to the Scheme's 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, any amounts repaid may take a significant amount of time to obtain.

Structured Products

Structured Products is the generic phrase for securities which provide economic exposure to a wide range of asset classes using a structured approach. This may include providing capital protection such that an investor will not have economic exposure to performance of the underlying assets below a certain level.

This also includes products where the potential return from your investment may be different to that normally expected from the underlying assets, but where your capital may be at risk. These are sometimes known as Structured Capital At Risk Products or SCARPs.

Similar to bonds and debt instruments, most structured products strategies are exposed to the credit rating of the product issuer, meaning that repayment could be at risk if the issuer is not able to repay the sums due under the terms of the product. However some products may include a guarantee to mitigate these potential credit risks.

Investors should understand both the nature of the underlying assets and extent of their economic exposure to those assets. In some cases structured products may offer high income or a high level of participation to the capital growth experienced by the underlying assets. These products generally do not incorporate capital protection, and any that is provided is dependent on a financial index or basket of indices meeting certain conditions during the product life (such as a minimum value). Such products generally include leverage, and their value can be subject to sudden and large falls if the conditions which dis-apply protection arise.

Investors should review product termsheets and other literature carefully for details of any factors which might impact on how the payoff from a product may change with different economic or market conditions. In particular where the payoff from a product incorporates conditional protection, if the protection barrier is breached the capital value of an investment will be exposed to the full risk of the underlying assets.

Investors should be aware that the product terms described only apply to investors who invest at launch and who hold the product

until final maturity. Early redemption or secondary market purchase could result in a capital loss, even where the product terms protect or guarantee return of the nominal amount purchased.

Alternative Investments / Unregulated Funds

Alternative investments may be used by some clients to further diversify the investment risks present within their portfolio of assets. These investments are bespoke in nature and may involve unique or unusual risks as a result of providing alternative sources of return for a portfolio. It is important that you understand the properties of the type of assets before making such an investment.

Many alternative investments are structured as unregulated funds.

This means that standards of operation, administration and management are determined privately by the operator of the fund rather than by force of regulation.

It is important to understand that it may be difficult to liquidate or sell an investment of this type, or to identify an independently determined fair valuation for an interest in this kind of vehicle. In addition you may not be protected by certain regulatory protections or compensation schemes in the event that a scheme operator acts unlawfully and causes a loss to you when managing fund assets. Such risks can be mitigated through the performance of extensive due diligence prior to investment, or through investment via a professionally managed fund of funds.

Derivatives and Warrants

This category of investments covers a very broad range of financial instruments which can be used either for low cost risk management purposes, or for achieving speculative exposure to specific economic risks. Before investing or authorising another to invest in derivatives on your behalf you should take care to ensure you understand the following important aspects of those derivatives: i) the characteristics and risks/volatility of the asset(s) to which a contract is linked (the "underlying"); ii) any relevant market quote conventions, such as the lot size of a contract and the value attributed to movements in the value of the underlying; iii) the 'leveraged' exposure to price movements in the underlying, which significantly increases volatility; iv) the sums you are able to afford to risk before you may wish to closeout; v) how different investments in derivatives might interact with one another; vi) any ongoing responsibilities you may have during the life of the contract such as any requirements to post cash amounts as 'margin', and the potential consequences of failure to do so; vii) any action you may need to take in order to exercise or opt for settlement at or before expiry; and viii) the person that will be responsible for paying any sums owing to you either during the course of the contract or at maturity or expiry, and the likelihood that these sums will be repaid when they fall due.

If you are unsure of any of these or other aspects of a derivatives contract you are considering entering into, please consider your actions carefully and refer to a professional financial adviser as necessary.

Derivatives and Warrants can involve contingent liabilities

Contingent liability transactions, which are margined, may require investors to make a series of payments based on the market value of the underlying assets from time to time. If you trade in futures, contracts for differences or sell options, you may sustain a total loss of the margin you deposit prior to closeout. If the market moves against you, you may be called upon to pay a substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

Typical Derivatives Contracts:

Bought Options or Warrants

These contracts offer a time-limited right to subscribe for or to dispose of a defined amount of an asset in the future at a price specified now. An investor will pay an upfront premium to purchase the option to buy or sell ('exercise') the asset at a time ('expiry') and price ('strike') specified in the contract. The maximum potential loss in each case is the amount of the upfront premium paid. This premium is usually small in comparison to the value of the asset to be traded on expiry or exercise. It will be lost in its entirety if the option is exercised or reaches expiry when the price of the underlying is above the strike price of a bought put option or below the strike price of a bought call option. A relatively small movement in the price of the underlying security can therefore result in a disproportionately large movement, unfavourable or favourable, in the price of options or warrants.

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

Other risk factors associated with Derivatives:

Suspensions of Trading

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

Clearing House Protections

On many exchanges, the performance of a transaction is 'guaranteed' by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the

customer, and may not protect you another party defaults on its obligations to you. On request, we will be pleased to explain any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of an exchange.

Insolvency

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

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

Unless the Agreement states otherwise, we may, from time to time, recommend transactions in securities to you, or 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:

- (a) to be consulted before we carry out any such transaction on your behalf; or
- (b) 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:

- (a) limit the period when a Stabilisation Manager may stabilise a new issue;
- (b) fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and
- (c) 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 our brochure 'Disabled customers – making our services available'.

All of our literature can be provided in Braille, large print or audio tape on request, within a reasonable timescale, by calling 0845 601 7788 (via TextDirect if appropriate).

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Item Ref: BWL1647, August 2010.