

Barnett Waddingham

BW SIPP LLP

General Terms and Conditions of Business

BWsmartSIPP

(Barnett Waddingham Self-Invested Personal Pension)

The Terms and Conditions of Business of BWsmartSIPP ("the Terms") should be read in conjunction with the accompanying Terms and Conditions documentation provided by Selftrade.

BWsmartSIPP is a section within the Barnett Waddingham Self-Invested Personal Pension ("BWSIPP"). BWSIPP is registered with HM Revenue & Customs as a self-invested personal pension scheme; its purpose is to provide pension benefits to individuals. A Trust Deed and Rules ("the Rules") govern the BWSIPP; you may obtain a copy by contacting BW SIPP LLP at 163 West George Street, Glasgow, G2 2JJ, tel no 0141 243 4400 or e-mail glasgow.sipp@barnett-waddingham.co.uk.

These Terms apply to all services provided to BWsmartSIPP members by BW SIPP Trustees Limited ("the Trustees"), and BW SIPP LLP ("the Administrator").

These Terms are in addition to the Rules and the Rules will take priority over these Terms in the event of a dispute or conflict. These Terms will be effective upon receipt of a properly and fully completed Application Form and associated documentation that are acceptable to the Trustees.

BW SIPP LLP is authorised and regulated by the Financial Services Authority.

1. Applications

All applications will be made on the forms supplied by BW SIPP LLP. BW SIPP LLP reserves the right to decline any application, pension contribution or transfer amount from another provider.

2. Investment advice

BW SIPP LLP and BW SIPP Trustees Limited will not give investment or financial advice to the member and they do not act as investment manager to the member.

Investment advice is as defined by the Financial Services and Market Act 2000 unless otherwise stated.

For avoidance of doubt BW SIPP LLP is unable to provide any advice in relation to:

- The suitability of the BWsmartSIPP for an individual
- The level of contributions that should be paid to a BWsmartSIPP
- Whether existing pension benefits should be transferred to the BWsmartSIPP
- Whether to purchase an annuity or elect for income withdrawal

- Tax or financial services matters
- The appropriateness of particular investments to be held within a BWsmartSIPP

The value of funds can go down as well as up. Past performance is not a guide to the future. The benefits payable from BWsmartSIPP will depend mainly on:

- The net investment performance of the investments selected
- The cost of converting the pension fund into pension benefits and the type and nature of the pension benefits selected
- The amount and timing of contributions made
- The charges made in BWsmartSIPP by BW SIPP LLP and Selftrade

3. Investment funds

Investments can only be made using the Selftrade platform. This will be on a direct offer basis and no advice will be given by BW SIPP LLP.

Investments will be held in a Selftrade SIPP Dealing account and BWsmartSIPP members will be able to operate the account via the internet or by telephoning Selftrade.



The Selftrade SIPP Dealing accounts will be held in trust in accordance with FSA rules.

The available investment funds provided by Selftrade will be limited to those allowed for self-invested personal pensions by HM Revenue & Customs (HMRC).

No contingent liability investments will be available through this service.

BW SIPP LLP will not be liable to members for any depreciation in the value of investments arranged within BWsmartSIPP.

Investing in a self-invested personal pension does not give the member an automatic entitlement to the Financial Services Compensation Scheme (but see below and also Selftrade's Terms and Conditions).

4. Fees, charges and commissions

BW SIPP LLP will receive a share of the commission income that Selftrade will receive for the Collective Investments they offer. On an ongoing basis, the costs incurred by BW SIPP LLP, for setting up and administering BWsmartSIPP, will normally be met from their share of this income.

If however the initial investment is less than £50,000, BW SIPP LLP will charge a set up fee currently £290 plus VAT.

If the value of the member's investment in Selftrade's Collective Investments drops below £50,000 at any point in a relevant year, BW SIPP LLP reserves the right to charge a fee for the following year, currently £290 plus VAT. This is in addition to any income paid by Selftrade to BW SIPP LLP. Details of the Collective Investments that Selftrade offer can be found on the Selftrade website www.selftrade.co.uk.

Please note that the investments selected have their own charges to consider. Further details of these can be found in the Selftrade Terms and Conditions.

If there is a set up fee it will be met from the member's initial investment before it is transferred to the Selftrade SIPP Dealing account. Any subsequent fees can be paid by the member or can be met from cash held in either the BWsmartSIPP bank account or the Selftrade SIPP Dealing account. Otherwise the member's Selftrade investments will be realised to meet the fees.

In the event that the commissions received are insufficient to meet BW SIPP LLP's costs, BW SIPP LLP reserves the right to charge additional fees as published from time to time.

BW SIPP LLP reserve the right to amend the level of fee and circumstances for charging it, from time to time, and as notified, where it is necessary and we have good reasons for so doing. Members will be given at least 28 days notice of any change to the fee structure. BW SIPP LLP will not charge a fee without providing a prior invoice.

5. Complaints

Complaints should be made in writing addressed to the Compliance Officer, BW SIPP LLP, Cheapside House, 138 Cheapside, London, EC2V 6BW.

Members may refer their complaint to the Pensions Ombudsman if they are not satisfied with the response received from BW SIPP LLP.

If a member's complaint is in respect of the investment funds on the Selftrade platform, the member may be able to complain to the Financial Ombudsman Service.

6. Cancellation

Cancellation rights apply upon the setting up of a BWsmartSIPP. See the BWsmartSIPP Key Features document for further information. Please also refer to the Selftrade Terms and Conditions documentation about cancellation rights under the Selftrade SIPP Dealing Account.

7. Termination and variation

Members may at any time join the main section of BWSIPP and become subject to the main section's terms and conditions.

The provisions contained within these Terms and Conditions shall remain applicable until the payment of a transfer, death benefit or annuity purchase is made and membership ceases, or until the member joins the main section of BWSIPP.

Appropriate deductions will be made from the member's Selftrade Dealing account in respect of any outstanding charges at that time.

BW SIPP LLP reserves the right to modify any part of this document at any time, where it is necessary and we have good reasons for so doing. At least 28 days prior notice will be given of any changes made to these Terms.

8. Money laundering

BW SIPP LLP are able to approach third parties to verify the identity of a member of the BWsmartSIPP section of BWSIPP or any other person supplying funds for investment in respect of the member.

If further information or documentation is required for this purpose, applications or payments may be delayed until verification of identity has been completed satisfactorily.

9. Bank Account

On initial receipt, monies will be deposited in the BW SIPP LLP client account set up for the BWsmartSIPP members. BW SIPP LLP will be the authorised signatory for the account. No interest is payable to the member from this account.

The BW SIPP LLP client account is set up with Bank of Scotland plc. BW SIPP LLP reserves the right at any time to review the bank with which the account is held.

10. Language

All correspondence will be in English. In the event of disputes, the law of England and Wales will apply. Full details of the binding contract between the parties are contained in the Trust and other relevant documentation.

11. BW SIPP Trustees Limited

BW SIPP Trustees Limited is a non trading company owned by Barnett Waddingham LLP set up to act as a trustee to BWSIPP. Establishing a trust normally keeps pension assets outside of a member's personal estates in the event of a member's death.

BW SIPP Trustees Limited is not regulated under the Financial Services and Markets Act 2000. BWSIPP is registered with HMRC under Part 4 of the Finance Act 2004. It is subject to the same legislation as other personal pensions or as required by law or any competent authority.

12. BW SIPP LLP

BW SIPP LLP is Operator and Administrator of the BWSIPP. It is a wholly owned subsidiary of Barnett Waddingham LLP. The main business of Barnett Waddingham LLP is the provision of actuarial consultancy services and pension scheme administration. BW SIPP LLP is authorised and regulated by the Financial Services Authority.

13. Selftrade

Selftrade is the trading name for Talos Securities Ltd, a wholly owned subsidiary of Boursorama, a European stockbroker. All investors in Selftrade are protected in the UK by the Financial Services Compensation Scheme as stated in the product terms and conditions. You may be entitled to compensation from the scheme if it cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000.

14. Data Protection Act 1998

BW SIPP LLP has a legal obligation and a legitimate interest in processing data relating to you, or any person whose data you have provided in connection with reversionary benefits, for the purpose of administering and operating BWsmartSIPP and paying benefits under it. This may include passing on this data to other third parties as may be necessary for the administration and operation of BWsmartSIPP or as required by law or any competent authority.

BW SIPP LLP is regarded as Data Controller for the purposes of the Data Protection Act 1998 in relation to the data processing referred to above.

15. Administration

BWSIPP is established under a Trust. In order to validate membership, a member will be asked to complete a BWsmartSIPP application form adhering to the Trust. The sole Trustee is BW SIPP Trustees Limited.

The member's BWsmartSIPP will be one arrangement unless BW SIPP Trustees Limited decide it should be split into two or more arrangements. It is initially treated as 1000 separate units with contributions and transfers divided equally between units where benefits have not been taken.

The administration services provided by BW SIPP LLP include the following:

- All documentation necessary to establish membership of BWSIPP
- Recovery of basic rate tax for all members
- Provision of certificates to support claims for tax relief on annual tax returns

- Annual statements showing the value of the investments held

All contributions and transfer values received will initially be paid into the BWsmartSIPP client bank account with Bank of Scotland plc. Once the funds have been cleared through the BWsmartSIPP client bank account and after any BW SIPP LLP fees have been deducted, BW SIPP LLP will transfer the balance to the Selftrade SIPP Dealing account. The transfer of monies to Selftrade will normally take place twice a month, on the 4th and 18th of each month, or the first working day following these dates, if later.

Each year a member will receive a statement confirming any contributions received. Members may need to submit this, together with the current value of their investments, to HMRC.

16. Contributions

The maximum tax relievable contribution that an applicant can pay gross in any year is 100% of relevant UK earnings up to the Annual Allowance (£225,000 as at 6 April 2007), or £3,600 if higher.

Members have flexibility over the amount of contributions paid to suit personal circumstances, subject to HMRC limits on tax relief.

If a member is employed, the member's employer may also make contributions on the member's behalf.

BWsmartSIPP will not accept future National Insurance rebates for contracting out on an on-going basis.

All contributions will initially be paid into the BWsmartSIPP client account with Bank of Scotland plc.

17. Tax relief on contributions

Under current law, a member's contributions are paid net of basic rate tax. BW SIPP LLP will reclaim from HMRC tax relief at the basic rate of tax. Any sum reclaimed will not be available for investment until it is received from HMRC, which will normally take between 6 and 11 weeks from the date of the member's contribution. Members are responsible for obtaining any higher rate relief to which they may be entitled.

Any contributions paid by any employer on a member's behalf should be paid gross.

Tax relief and treatment are subject to future statutory change.

18. Eligibility

To be eligible to join the BWsmartSIPP an applicant must be aged under 75 and be a UK resident (or a Crown servant).

19. Transfers

It is possible for transfers to be made from most UK tax registered pension schemes. BW SIPP LLP recommends that members obtain independent financial advice before deciding whether to proceed with a transfer from another pension scheme.

BWsmartSIPP is able to accept the pension rights which have built up in the past from being contracted-out under another pension arrangement (Protected Rights).



Transfers can be made from BWsmartSIPP to another registered pension arrangement and further details will be provided on request.

20. Retirement age

Benefits can be taken at any age between 50 and 75 and members do not have to stop working before benefits can be received. Members are recommended to obtain independent financial advice to decide how to withdraw benefits.

The minimum age at which benefits can be taken will increase to 55 with effect from 6 April 2010.

Certain occupations, and members who have had to retire early on incapacity grounds due to serious ill-health, are allowed by HMRC to take benefits before age 50.

21. Securing a pension income

A Member must use the value of his fund to secure a pension income, at the latest, by the time he reaches age 75. The amount of pension income received will depend on the size of the fund and the arrangements made in force at the time that benefits are secured.

Alternatively, the member may choose to join the main section of BWSIPP and draw an income from his fund. The member would become subject to the main section's terms and conditions. Please contact BW SIPP LLP for further details.

Due to the variety of options available we strongly recommend you take professional financial advice before deciding upon the most appropriate method of securing benefits.

22. Death benefits

If a member dies before taking any benefits the following options are available:

- The whole of the fund can be paid either as a cash sum tax free at the Trustees' discretion
- The fund can be used to provide a pension to a member's spouse/dependants

If the member has already purchased an annuity, the benefits payable will depend on the terms on which the annuity was purchased.

23. Expression of Wishes

To assist the Trustees in determining the beneficiaries of the benefits on a member's death it is important for the member to complete an "Expression of Wishes" form. This should be regularly reviewed and updated if personal circumstances change.

24. Liability

Whilst BW SIPP LLP will use reasonable endeavors to ensure the accuracy of information provided to it by third parties, BW SIPP LLP will only be liable for its own acts, errors or omissions and not those of others who provide services to BW SIPP LLP. Neither will it be liable for loss which arises from any acts, errors or omissions which are due to inaccuracy or deficiency in the information provided or caused to be provided by the member to BW SIPP LLP.

DECEMBER 2008



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G2 2JJ

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www.BWsipp.co.uk

BW SIPP LLP Registered in England & Wales No. OC322417

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