



BY POST

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Our Ref 20\23222335.1\SL\638674.07001

Mr Robert Graves
Chairman of the Association of Member-Directed
Pension Schemes
Rowanmoor House
46-50 Castle Street
SALISBURY
SP1 3TS

20 May 2010

Dear Sir

SCHEME PENSION

Thank you very much for your instructions on this matter. We are very pleased to have this opportunity of working with you.

We enclose a copy of our Standard Terms and Conditions of Business which, together with the terms of this letter ("Letter of Engagement"), apply to the provision of services by Pinsent Masons LLP to the Association of Member-Directed Pension Schemes.

If you have any queries, please contact Simon Laight. Otherwise we would be grateful if you would sign a copy of this letter and return it to us for our records.

1. CLIENT

The client for this matter is the Association of Member-Directed Pension Schemes. Our bills on this matter will always be addressed to the Association of Member-Directed Pension Schemes.

2. SUMMARY OF SERVICES

You have asked us to provide a note of advice on the interpretation of paragraph 2(4)(b) of Schedule 28, Finance Act 2004 in light of comments made by HMRC that the provision only applies to schemes where more than one scheme pension is in payment.

Pinsent Masons LLP

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Pinsent Masons LLP is a limited liability partnership registered in England & Wales (registered number: OC333653) and regulated by the Solicitors Regulation Authority. The word 'partner', used in relation to the LLP, refers to a member of the LLP or an employee or consultant of the LLP or any affiliated firm who is a lawyer with equivalent standing and qualifications. A list of the members of the LLP, and of those non-members who are designated as partners, is displayed at the LLP's registered office: CityPoint, One Ropemaker Street, London EC2Y 9AH, United Kingdom.



3. **TIMETABLE**

We would expect a matter of this nature to be completed in approximately three weeks.

4. **YOUR TEAM FOR THIS MATTER**

As discussed, we will always seek to ensure that work is done at the most appropriate level of seniority.

Your team at Pinsent Masons LLP for this matter will be as follows:

Name	Status/Group Contact details	Responsibility	Hourly Rate (excluding VAT) £
Simon Laight	Client Partner - Pensions DDI: 0121 260 4058 simon.laight@pinsentmasons.com	Overall responsibility for managing our relationship with you	£390
Mike Kemp	Associate - Pensions DD: 0121 260 4030 michael.kemp@pinsentmasons.com	Day-to-day responsibility for this matter	£270
James Ellis	Trainee - Pensions DD: 0121 335 2905 james.ellis@pinsentmasons.com	Responsible for providing background research	£145

5. **OUR FEES**

Our charges are based on our standard hourly rates, plus VAT and disbursements. We have set out in the table above the current hourly rates for the key members of the team who will be providing advice to you on this matter.

Further details on our charges are set out in our Standard Terms and Conditions of Business.

We will invoice you on completion of the matter.

6. **COSTS**

We estimate that the likely costs that will be incurred will be approximately £1,000 (plus VAT and disbursements). This is our best estimate based on our current understanding of the matter and our experience of the amount of work that is usually involved. It is generally acknowledged that forecasting costs is an imprecise art and, whilst we take every care, our estimate is not a fixed price quotation. If during the course of a matter it seems likely that the costs estimate will be exceeded (or it is exceeded) and/or the scope of our services changes, we will discuss this with you as soon as we reasonably can.

The estimate we have given you relates only to the work which is summarised in Paragraph 2.



7. **EXPENSES**

In addition to our fees, out-of-pocket expenses (disbursements) are also payable. Details of general disbursements are set out in our Standard Terms and Conditions of Business and a full copy of our disbursements policy is available on request.

In relation to this matter we do not anticipate that there will be any significant disbursements.

8. **OUR LIABILITY**

The total liability of Pinsent Masons LLP for any claim in respect of services provided to you (whether in contract, negligence or otherwise) shall in no circumstances exceed £3 million.

Further terms relating to our liability can be found in our Standard Terms and Conditions of Business.

9. **MONEY LAUNDERING REGULATIONS**

The Money Laundering Regulations 2007 may require us to carry out certain due diligence procedures. We may need to ask for your assistance in meeting these obligations but we will endeavour to keep these requirements to a minimum.

10. **DATA PROTECTION**

We process personal data for purposes required by law (eg money laundering) and for commercial purposes (eg creditworthiness checks). We may also use personal data for providing legal services, administration, training and/or marketing and we may disclose it to our service providers and agents for these purposes.

We may retain personal data for marketing purposes, to contact you about our services, but you can choose not to receive such material at any time.

Our full privacy statement can be found on our website together with details about exercising your marketing preferences.

11. **REGULATORY INFORMATION**

We have set out on our website details of certain regulatory information which we are required to bring to your attention. This can be found at www.pinsentmasons.com (see Legal Notices).

Unless we have agreed with you otherwise, your continued instructions will be taken as acceptance of this letter and our Standard Terms and Conditions of Business in respect of this matter and for future matters.

Please do not hesitate to contact Simon Laight to discuss any aspect of this letter if you require any clarification.



We look forward to working with you.

Yours faithfully

Pinsent Masons LLP

Pinsent Masons LLP

Enclosure(s): Copy of letter
Standard Terms and Conditions of Business

We acknowledge receipt of this letter.

(Signature) *[Signature]*

Duly authorised for and on behalf of the Association of Member-Directed Pension Schemes

(Date) *25th May 2010*

All work carried out by Pinsent Masons LLP (also referred to as "we" or "us") for you as our client is subject to these Terms and Conditions of Business, except to the extent that changes are expressly agreed with you in writing.

We have set out on our website details of certain regulatory information which we are required to bring to your attention ("Regulatory Information"). This can be found at www.pinsentmasons.com (see Legal Notices). The Regulatory Information form part of, and is incorporated into the contract between you and Pinsent Masons LLP.

1. Pinsent Masons LLP

Pinsent Masons LLP is a limited liability partnership, registered under the Limited Liability Partnerships Act 2000, with registered number OC333653 and having its principal and registered office at CityPoint, One Ropemaker Street, London, EC2Y 9AH, United Kingdom. The telephone number at our principal office is +44 (0) 207 418 7000. Pinsent Masons LLP, and those of its lawyers who are admitted as solicitors in England and Wales, are regulated by the Solicitors Regulation Authority. Our Scottish qualified solicitors are regulated by the Law Society of Scotland.

Reference in these Terms and Conditions, our Letter of Engagement, or otherwise in the course of your dealings with us, to an individual being a "partner" means a member of Pinsent Masons LLP or an employee or consultant of Pinsent Masons LLP with equivalent status. It should not be construed as indicating that any relationship of partnership (within the meaning of the Partnership Act 1890) exists between all or any of the individuals so designated or between any individual and Pinsent Masons LLP.

2. Scope of our services

When you instruct us on a new matter we will send you a Letter of Engagement confirming your instructions and setting out the services which we will provide. Unless expressly agreed otherwise, our services will not include advice concerning the tax implications of any course of action or transaction, or advice on tax related issues generally.

3. Authority to give instructions

You should tell us, at the outset of a matter, who is properly authorised to give us instructions. Unless advised otherwise, we will assume that we are authorised to accept instructions from any person whom we reasonably believe to have your authority to give instructions to us (this will include, in the case of a body corporate, any of your directors, officers and employees) and that we may act on instructions given orally.

4. Fees and other charges

Our fees and charges will be calculated on the basis set out in our Letter of Engagement or as otherwise agreed with you.

Our hourly rates are subject to periodic review, normally on an annual (or sometimes bi-annual) basis. If, as a result of a review, our hourly rates are varied, we will notify you of the changes. The revised rates will take effect from the date of the notification or as otherwise agreed with you. Our hourly rates are also adjusted periodically to reflect the increase in seniority of the fee earners working on your matter.

When we incur expenses and disbursements on your behalf you agree to reimburse us. These may include, for example, witness expenses, arbitrator or mediator fees, court fees, agents fees, stamp duty, search and investigation fees, document preparation and photocopying expenses, external conference call charges, courier, and guaranteed delivery expenses, travel, meals at meetings, subsistence and accommodation expenses. When incurring these charges we will aim for the lowest reasonably available cost. Additional costs that we incur on your behalf will be clearly identified in our invoices. Substantial or unusual expenses such as significant secretarial overtime or specialist IT services will be discussed and agreed with you in advance. A copy of our disbursements policy is available on request.

Any value added tax or other "local taxes" chargeable upon amounts invoiced by us is payable in addition to our fees and charges. We will deliver an appropriate VAT invoice to you. If you have arranged with a third party for the payment of our fees, the third party will not normally be entitled to recover any VAT element

and you will remain responsible to Pinsent Masons LLP for payment of our fees and charges.

5. Billing and payment terms

It is our standard practice to bill all outstanding fees and disbursements/expenses on a monthly basis unless otherwise agreed with you. A breakdown of any invoice will be provided on request.

If an invoice remains outstanding after 30 days from the date of delivery of the invoice, we reserve the right to (a) charge interest at the lower of 2.5% over the base rate of Barclays Bank Plc (as varied from time to time) or the rate then payable on judgment debts on any amount outstanding after 30 days from the date of delivery of the invoice until payment and (b) suspend work on all matters on which we are advising you and/or to terminate our retainer. In addition, all our invoices will become immediately due and payable.

Our invoices must be paid without any deduction or withholding on account of taxes or other charges. If you are required by law to make a deduction or withholding you must pay such additional amount as may be necessary to ensure that we receive payment of the full amount of our invoice.

In relation to our business in England & Wales, you may have a right to object to our fees and charges by making a complaint to the Legal Complaints Service or its successor body, the Office for Legal Complaints and/or by applying to the court for an assessment of the invoice under Part III of the Solicitors Act 1974.

6. Client money

Unless we agree otherwise with you, any money that Pinsent Masons LLP holds for you will be deposited in a client bank account with a clearing bank in accordance with the requirements of the Solicitors' Accounts Rules for the time being. We presently have client accounts with each of Barclays, HSBC, Lloyds TSB and Royal Bank of Scotland. If you have a preference as to which client account we use to deposit your moneys, please let us know. If we do not hear from you, we shall assume you have no preference as to which of those accounts we use.

We will not be responsible for any loss due to any mistake or failure by the relevant institution, or by reason of the insolvency of the relevant institution, and/or the loss by the relevant institution of any necessary licence, authorisation or permission required to carry on banking or deposit-taking activities under applicable law. "Insolvency" includes without limitation entering a voluntary arrangement for a composition of debts, the appointment of a liquidator or provisional liquidator, the making of a winding up order, the passing of a resolution for voluntary winding up, the appointment of an administrator or administrative receiver (or anything analogous to any such event under the laws of any applicable jurisdiction) and/or the inability or failure of the institution to pay its debts, including any balance on our client account(s), as they fall due and/or otherwise become payable for any reason.

Where a third party seeks to deposit money into our client bank account in connection with our work for you, we may need to satisfy anti-money laundering requirements in respect of the third party before the money can be accepted by us. We shall have no liability for any loss that may be caused as a result of a failure to supply information or documentation that we need to satisfy those requirements.

We may apply any money that Pinsent Masons LLP holds for you towards the discharge of our outstanding accounts, provided the money is not held for a specific purpose.

7. Electronic communication

Unless otherwise directed by you, we may correspond by means of electronic mail. We each agree to accept the risks of using electronic mail, including but not limited to the risks of viruses interception and unauthorised access.

We each agree to use commercially reasonable procedures to check for commonly known viruses in information sent and received electronically, but we recognise that such procedures cannot be a guarantee that transmissions will be virus free.

commercial purposes (eg creditworthiness checks). This is a short version of our privacy statement, which can be found in full at www.pinsentmasons.com together with details of exercising your marketing preferences.

Personal data may be transferred to or be accessible from Pinsent Masons LLP's offices around the world in accordance with the applicable data protection rules on international data transfer for the purposes set out above.

We are a data processor acting on your behalf in respect of any other personal data supplied to us by you or on your behalf in the course of our relationship with you. In relation to such personal data, we will:-

- act only in accordance with your instructions in relation to the processing of that data;
- take appropriate organisational and technical measures against unauthorised or unlawful processing of those data and against accidental loss or destruction of, or damage to, that data; and
- provide appropriate training to personnel who process that data on our behalf.

You agree that we may disclose that we are acting for you in our marketing and similar materials and, if in the public domain, the matter on which we have acted or are acting for you. If the matter is not in the public domain, we may only disclose the matter for marketing purposes in a generic form (and without reference to you) unless otherwise agreed between us.

16. Rights of third parties

For the purposes of the Contracts (Rights of Third Parties) Act 1999, it is confirmed that our services are provided solely for the benefit of you as our client and our terms of engagement are enforceable only by you and us, and not by any third party.

Pinsent Masons LLP shall not be under any duty to, nor have any responsibility towards, any other person (including without limitation your holding company, subsidiaries, affiliates or third parties) in connection with any matter (unless that person is also a client of Pinsent Masons LLP in relation to it), even if the objective of your instructions is to confer a benefit upon that other person.

17. Resolving complaints and further information

We have an enviable record of providing high quality advice and excellent client care. However, we recognise that on occasion, things can go wrong. To raise a concern or to make a complaint, including a complaint about our fees and charges, please in the first instance raise it with your client partner.

We hope and expect to be able to reach a satisfactory solution with you. However, if you are still not satisfied, please ask to have the matter reviewed by our Senior Partner, who can be contacted at the address found at Paragraph 1 and a copy of our complaints procedure is also available on request.

If you are not satisfied with our response, then the Legal Complaints Service in England and Wales or the Scottish Legal Complaints Commission in Scotland, may help to resolve your complaint for you. Details of the services of those organisations and how to apply will be found at the following websites: www.legalcomplaints.org.uk and www.scottishlegalcomplaints.com.

Requests for further information about Pinsent Masons can also be addressed to our Senior Partner, whose address is at Paragraph 1.

17. Insurance

As required under the Solicitors' Indemnity Insurance Rules, Pinsent Masons LLP maintains professional indemnity insurance. That insurance is with Travelers Insurance Company Limited of Exchequer Court, 33 St Mary Axe, London EC3A 8AE, United Kingdom and covers our professional services worldwide.

18. Termination

You can ask us to stop work on any of your matters at any time by writing to us. We can also cease work on any of your matters by written notice, but we will only do this when there are good reasons for our ceasing to work on the matter. Such reasons include, but are not limited to circumstances where we may consider that:

- there is a credit risk to us; or
- there is a reputational risk to us; or
- a conflict of interest arises; or
- we are required by law to cease working for you.

Charges and expenses properly incurred by us in relation to your matter up to the date of termination will be payable by you.

19. Severance

If any provision of our agreement with you is invalid or unenforceable for any reason that shall not affect the remainder of our agreement with you.

20. Application and prevailing terms

These Terms and Conditions of Business supersede any earlier terms of business we may have agreed with you.

If there is a conflict between these Terms and Conditions of Business and any specific terms agreed with you in relation to an individual matter (for example, any terms set out in a Letter of Engagement), then the specific terms will prevail.

It may be necessary to amend these Terms and Conditions of Business from time to time. We will notify you of any such proposed changes and unless we hear from you to the contrary within 14 days following such notification, the amendments and/or new terms will come into effect from the end of that period.

21. Force majeure

It is understood and agreed that neither of us will be liable to the other for any delay or failure to fulfil obligations caused by circumstances outside our reasonable control.

22. Governing law and disputes

The contract between you and Pinsent Masons LLP is deemed to be made in England and is governed by English law. Unless any alternative dispute resolution procedure is agreed with you from time to time, any dispute between Pinsent Masons LLP and you shall be subject to the exclusive jurisdiction of the English courts.