



The **Brown Shipley Pension Portfolio** for Individuals

BROWN SHIPLEY
Private Banking

The Brown Shipley Pension Portfolio for Individuals

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What is the Brown Shipley Pension Portfolio?

The Brown Shipley Pension Portfolio (the “Portfolio”) is a suite of pension products designed for the radically different pensions rules introduced on 6 April 2006. This booklet describes how the Portfolio operates for Individuals, where there is no sponsoring employer. Brown Shipley also offer a corporate version of the Portfolio – if you wish to receive details of this, please contact us. (Appendix 3 makes useful comparisons between the two).

Why Choose the **Brown Shipley Pension Portfolio?**

Just as you have choices in your working life, so you have them when planning for your retirement. For discerning individuals who have accumulated pension benefits, there are options that extend beyond taking your pension in the form of an annuity.

The Brown Shipley Pension Portfolio gives a structure that will enable you to take full advantage of these choices both now and as your circumstances change.

It is very likely that your pension fund will be one of your largest assets during your lifetime. We understand that you will want to know:

- where your fund is invested
- who is managing the assets
- how your fund is performing
- what charges you are incurring
- what options there are for you on retirement

At Brown Shipley you will receive an independent and very personal service that can put you at the heart of the control of your pension scheme.

The decisions you take are not once and for all: it is likely that your circumstances may change in retirement. As your situation alters so your Portfolio can be adapted to meet your needs.

Put simply, you can decide (within limits and with our expert help and advice) how to invest your fund's assets and when to draw benefits. There can also be major inheritance tax advantages which should not be ignored.

It is a pension plan that is designed to last you for life. It gives you:

- choice
- flexibility
- involvement
- personal service

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Your **Brown Shipley** Pension Portfolio - **Features**

For those nearing or at the time when they wish to draw benefits the Brown Shipley Pension Portfolio provides the flexibility to help you maximise the options that are now available.

The Portfolio can also be used for longer-term savings and as an important part of wider wealth management planning. It is designed for anyone who prefers truly personal service – a hallmark of Brown Shipley.

Product Features

Within generous limits you can enjoy:

- ease of transfer of existing benefits including 'protected rights' from other pension plans into your Brown Shipley Pension Portfolio
- 25% of your fund as a tax-free lump sum
- taking your income at any time between age 50* and 75 (earlier in some circumstances)

Other Features

- if you die before taking benefits your fund can be passed to your dependants free of inheritance tax
- full tax relief on further contributions up to the age of 75
- regular contributions can be made or you can make occasional, ad hoc payments when appropriate
- where investments grow, they are free of capital gains tax
- investment income (other than from shares or trading) accumulates free of income tax
- funds are protected from creditors

Brown Shipley offers a very personal service. As a client you will be looked after by one of our experienced Private Client Managers.

In the first instance we will discuss whether the Brown Shipley Pension Portfolio is right for you. If you decide to proceed we will carry out all administration, act as your pensions adviser and assist with your investment choices.

You should understand that the tax reliefs referred to in this guide are those available under current legislation, which may change, and their availability and value depend on individual circumstances.

Our Service

- our expert pensions advice, based on over 30 years' experience of managing similar arrangements
- Brown Shipley's bespoke investment management service
- regular reporting and valuations of your fund and at least one personal review with you, each year
- clear and known fees unlike the charging structure of some pension plans
- the security of dealing with Brown Shipley, part of a significant European banking group

* Minimum age from 2010 is 55.

Your Investments Under Your Control

The Brown Shipley Pension Portfolio allows you considerable investment freedom and a real say in the investment strategy of your fund.

Brown Shipley is able to provide expert advice on a wide range of investment options designed to suit your personal circumstances both now and as they change.

- quoted stocks and shares
- bonds
- gilts
- cash

Note: A list of acceptable investments is shown in Appendix 1.

Please note that Brown Shipley does not permit the appointment of investment managers either additional to, or instead of, Brown Shipley.

Investment Management

Professional management of the highest calibre is paramount and Brown Shipley's discretionary management service provides professional expertise to agree and execute an appropriate investment strategy.

The Brown Shipley Investment Policy Committee provides a central focus for all our investment research, market analysis and investment strategies. The discipline and consistency this produces means that all our Investment Directors and Managers have access to the same recommendations on sector weighting and stock selection from which to build an individual's bespoke portfolio.

For your Portfolio to be effective, active management and investment expertise are needed. This may result in charges being higher than for a personal pension or stakeholder plan.

Other Investments

Included in the list of acceptable investments is commercial property, but not residential property.

Whilst Brown Shipley does not advise on the merits of commercial property we do assist with ensuring that all requirements are met (see our Property Guide).

Subject to certain conditions, the trustee of the Portfolio is able to take out borrowings in order to acquire a property.

Investment Risks

The value of investments, and the income from them, may fall as well as rise, and you may not recover the amount of your original investment. Where investments are denominated in a currency other than sterling, changes in rates of exchange may have an adverse or favourable effect on the value, price or income of the investments. It should be remembered that with any type of investment past performance is not necessarily a guide to future performance.

It should be remembered that commercial property can take longer to sell than expected and, indeed, may prove unsaleable. The price obtained for a property may be less than the most recent valuation placed on it.

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Your Benefit Options

You can begin drawing benefits at any time between age 50* and age 75 whether or not you have retired.

One way to draw income from your personal pension, is to use the entire fund to buy an annuity from an insurance company.

Alternatively, you can retain part or all of your fund and take drawings from it.

The choices you have essentially involve:

- when you wish to take benefits
- how much tax-free cash you wish to take
- whether you still envisage earning (say on a consultancy basis) after taking benefits
- how you see your income needs changing during retirement
- what provision you wish to make for your dependants from your pension fund
- your attitude to risk

Tax-Free Cash

Up to 25% of the value of your fund may normally be taken as a tax-free cash sum.

Your fund less any tax-free cash sum will be available for your pension using one or a combination of the options listed opposite.

Annuities

Annuities can be purchased with some or all of your fund if you so wish. They provide the security of a known income stream. However, once purchased they cannot be changed if your personal or financial situation alters. However, annuity rates may become less attractive, if annuity purchase is deferred.

Drawing Benefits

The flexibility of the Brown Shipley Pension Portfolio allows anyone from age 50* to take withdrawals out of their personal pension fund without having to buy an annuity. You may wish to do this if:

- you find annuity rates unfavourable
- you wish to vary the amount of pension you draw to match expenditure
- you want your money to remain invested in the tax-efficient environment of your plan whilst it is not needed as income
- you want more control over the benefits that can be paid in the event of your death
- you are comfortable with the ongoing investment risk and possibility of worsening annuity rates

* From 2010 the minimum age at which benefits can be taken will be 55.

Your Benefit **Options** (continued)

Pensions, whether taken as an annuity or by withdrawals, are liable to income tax as earned income.

Taking withdrawals may erode the capital value of the fund, especially if investment returns are poor and a high level of income is taken; this could result in a lower income when the annuity is actually purchased. When maximum withdrawals are to be taken, high income withdrawals may not be sustainable during the deferral period.

Inheritance Tax

The Brown Shipley Pension Portfolio can be useful in inheritance tax (IHT) planning.

You can nominate beneficiaries to receive a lump sum on your death before age 75. Although in law the trustee of the Portfolio must use its discretion, it is guided by the nomination in making payments (see also page 8 regarding Protected Rights).

Provided that the trustee exercises its discretion and distributes the death benefits within two years of becoming aware of your death, IHT would not normally be charged on this amount of the distribution. On death after your pension has commenced any lump sum payable would be liable to tax of 35%.

The process for dealing with death benefits from protected rights is slightly different: please see page 8. Protected rights may also enjoy less favourable IHT treatment.

The tax reliefs referred to in this guide are those available under current legislation, which may change, and their availability and value depend on individual circumstances.

The Brown Shipley Pension Portfolio for Individuals

Protected Rights

These are benefits built up (by 'contracting out') in place of those which would have been paid under the earnings-related element of the state pension scheme.

The Brown Shipley Pension Portfolio is able to accept transfers of protected rights from other registered pension schemes. It does not however offer the facility to receive direct contributions as a 'chosen scheme' for future contracting-out.

Death benefits and your nominations

In most respects, benefits arising from protected rights are similar to those from the rest of the fund. The main difference relates to the payment of death benefits. If you are survived by a spouse or civil partner then your fund must be used to provide a pension (as an annuity or by withdrawals) for your spouse/partner. If you are not survived by a spouse/partner, a lump sum can be paid.

The nomination of beneficiaries to receive death benefits arising from protected rights represents an instruction, rather than a request, to the scheme trustee. Hence the trustee must follow the nomination. This means that it is vital to keep the nomination up to date. IHT may be payable on the lump sum. Your nomination applies to the part of your fund which does not relate to Protected Rights, and to the Protected Rights fund only in the event that you are not survived by your spouse/civil partner.

Any protected rights element of your fund must at all times be separately identifiable. Brown Shipley will ensure that this is the case.

About Brown Shipley

Brown Shipley is a leading private bank. A private bank and its clients have a uniquely personal relationship.

At heart this is based on the traditional values of service, integrity and professionalism. These enable our clients to trust their assets and financial transactions to us with complete confidence.

As part of a Europe-wide network, our private client service covers the whole spectrum of investment and wealth management, personal banking, and IHT planning services and is backed by the resources of one of Europe's leading banking groups.

Our Private Client Managers provide the key point of contact and, in addition all the other specialist services that go into looking after our clients' assets.

Brown Shipley is a member of the network of private banks known as KBL European Private Bankers. This group is dedicated to offering private client wealth management through its exclusive private banking, fund management and investment services.

KBL European Private Bankers operates in leading European countries and is backed by the resources of its parent KBC Group NV, one of Europe's largest financial companies employing over 60,000 people and serving around 12 million customers.

Fees and Charges

The Brown Shipley Pension Portfolio offers a fair and clearly visible fee-based charging structure.

Fees are quoted in advance and usually consist of the following:

- initial fee on setting up your scheme
- annual scheme management fee
- investment management fees

Other fees and charges may be incurred but will be agreed with you in advance and in writing as appropriate. They are most likely to arise in the following areas:

- property purchase, sale and administration
- pension fund withdrawal and pension payments

A schedule of charges can be found at Appendix 2.

The Brown Shipley Pension Portfolio for Individuals

Terms and Conditions

The Brown Shipley Pension Portfolio (“Portfolio”) is the name for the self-invested pension products offered by Brown Shipley & Co. Limited (“Brown Shipley”). These Terms and Conditions relate to the individual (non-occupational) version of the Portfolio.

Purpose

The purpose of the Portfolio is to enable eligible individuals to save for their retirement in a flexible, tax efficient way. By signing the Application Form, you are agreeing to accept the terms set out in this booklet and in the trust deed and rules (“the Terms”).

Eligibility

The Portfolio is open to all UK residents.

Starting your Portfolio

In order to start your Portfolio you need to complete an Application Form and either pay a contribution or transfer assets from another registered pension scheme. Unless we have agreed with you to the contrary you will have a 30 day right to cancel your Portfolio (see “Cancellation Rights” section below).

Scheme Constitution

The Portfolio is a non-occupational registered pension scheme under the Finance Act 2004. It is constituted by means of a trust deed and rules, a copy of which is available on request. The trust was established by Brown Shipley and the trustee and administrator is Brown Shipley. As a registered scheme, it offers valuable tax advantages.

Brown Shipley is authorised and regulated by the Financial Services Authority (25 The North Colonnade, Canary Wharf, London E14 5HS) under FSA Registered No. 124548 and the Portfolio is a regulated product.

Contributions

Tax relief will be available for individual contributions up to the age of 75 based upon the higher of £3,600 per annum or 100% of relevant UK earnings, up to the annual allowance for that year.

You pay your contributions net of basic rate tax which we will recover on your behalf. You may reclaim higher rate tax through your tax return.

Employers may contribute without limit up to the age of 75 but corporation tax relief is determined by the Inspector of Taxes and contributions made in excess of the annual allowance (see over) will be treated as a benefit-in-kind, with a tax charge of 40% on you.

The annual allowance has been set by the Treasury for the next three years:

Tax Year	Annual allowance
2008/09	£235,000
2009/10	£245,000
2010/11	£255,000

Contributions may be paid on a regular basis by standing order or direct debit using the form at Appendix C of the Application Form or on an occasional basis by cheque or BACS electronic funds transfer. There is no requirement to pay any contribution. If contributions are to be paid there should be a minimum regular contribution of £1,000 (monthly) or a minimum occasional contribution of £15,000.

Brown Shipley reserves the right to change these minima from time to time in the future. There are no penalties if you suspend or terminate contributions.

All monies received on your behalf will be applied to your individually designated arrangement (“your arrangement”).

Pensions Advice and Investment Management

The principal roles of Brown Shipley are, where so instructed, to:

- advise you on the options available and their suitability for you
- arrange investments as agreed with you
- report to you at agreed intervals on the progress of your Portfolio
- manage some or all of your Portfolio
- transact purchases and sales of investments through the Stock Exchange

Please note that Brown Shipley does not permit the appointment of investment managers either additional to or instead of Brown Shipley.

Terms and Conditions (continued)

Retirement Benefits

Retirement benefits may begin to be taken at any time between age 50 (55 after 5 April 2010) and age 75 irrespective of whether or not you continue in employment or self-employment.

Tax-Free Cash Sum

Up to 25% of the value of the fund may be taken as a tax-free cash sum whether or not you then start drawing your pension.

Pension Benefits

At any time after reaching the minimum age, your fund less any tax-free cash sum may be applied to purchase pension benefits with an annuity provider. Such benefits can be on a level or an escalating basis and can be payable for your lifetime or a fixed term only or, if preferred, can continue thereafter to your spouse or dependant.

In order to ensure that the pension can be secured on the best terms available in the market, the annuity can be purchased from any provider.

Drawing Income

As an alternative to securing an annuity you could use pension fund withdrawal to draw capital directly from the fund which then remains invested.

The maximum level of withdrawal is set periodically by Government and depends upon investment conditions and your age. There is no minimum level until you reach 75.

Pensions, whether taken as an annuity or by withdrawals, are liable to income tax as earned income.

See "Cancellation Rights" section below.

Death Benefits

Before taking benefits

On death, before taking your benefits, your fund may be payable as a lump sum. The dispersal of the benefit is normally at the discretion of the trustee although the trustee will be guided by a nomination which has been made by you.

Alternatively the fund may be used to provide a pension for your surviving spouse or dependants.

Lump sum benefits are free of tax if within the then lifetime allowance (see opposite).

Once benefits have commenced

On death, after you have begun taking benefits and before purchasing an annuity, the following benefits can be provided.

On death, before age 75, your fund may be payable as a lump sum. The dispersal of the benefit is at the discretion of the trustee although the trustee will be guided by any nomination which has been made by you.

Alternatively the fund may be used to provide a pension for your surviving spouse or dependants.

Lump sum benefits are subject to a tax charge at 35% but are exempt from IHT.

On death, at or after age 75, the fund must be used to provide a pension for your surviving spouse or dependants. If there is no such surviving person then it can be paid free of tax to charity. Alternatively, it may be credited to another member of the Portfolio chosen by you or be paid out, at the discretion of the trustee, to a beneficiary of yours. In the latter cases, IHT and additional tax will be payable on the fund value.

Protected Rights

For protected rights funds, if you are survived by a spouse or civil partner, your fund must be used to provide a pension for that spouse/partner. If you are not survived by a spouse/partner, a lump sum will be payable. If you make a nomination of who should receive the lump sum, then this nomination will be binding on the trustee. If you do not make a nomination, the lump sum will be paid to your estate. The lump sum from protected rights may not be exempt from IHT.

Lifetime Allowance

There is a limit on the total value of the pension benefits that you can accumulate during your lifetime with the benefit of the tax advantages described in this booklet. This is known as "the lifetime allowance".

The lifetime allowance has been set by the Treasury for the next three years:

Tax Year	Lifetime allowance
2008/09	£1,650,000
2009/10	£1,750,000
2010/11	£1,800,000

The lifetime allowance relevant to you will be that applicable in the year when you begin drawing benefits.

If the total value of your pension benefits from all sources exceeds the lifetime allowance then the excess can be taken as a lump sum subject to a one-off tax charge of 55%.

If, at 5 April 2006, you were entitled to pension benefits which had a total value which exceeded or might in future exceed the lifetime allowance, then you can register to protect those benefits from the 55% tax charge. In that case you should pay no further contributions or the protection might be lost.

Contracting out

The Brown Shipley Pension Portfolio can accept transfers of 'protected rights' arising from past contracting-out of the state second pension. It cannot however be used for future contracting out.

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Terms and Conditions (continued)

Transfers In

You may arrange for a transfer of benefits from other Registered Pension Schemes to the Scheme.

Transfer values may be received either in cash or assets, provided the assets fall within the guidelines in Appendix 1. See 'Cancellation Rights' section opposite.

Transfers Out

You may transfer the value of your Arrangement to another registered pension scheme at any time. If you transfer investments from your Arrangement, Brown Shipley may make a charge.

Bank Accounts

All monies relating to your Arrangement will be banked with Brown Shipley in a designated account.

The account will attract interest on credit balances at Brown Shipley's published rates. Overdrafts are not permitted.

No bank charges are currently made on the designated account. Payment or receipt of monies in foreign currencies may attract charges.

Brown Shipley bank accounts are subject to separate terms and conditions and we will provide you with a copy.

Investments

The Portfolio permits a very wide choice of investments, full details of which are set out in Appendix 1.

You will be able to determine the investment strategy and agree its implementation with the Trustee. If you wish to invest in stocks, shares or unit trusts, transactions will be carried out through Brown Shipley and Brown Shipley will be happy to advise on or manage such investments. If you wish to invest in commercial property, you may take whatever external advice you wish – Brown Shipley does not advise on property matters (see also our Property Guide). All investment costs will be met by your Arrangement.

The Trustee reserves the right to decline any investment instructions. The Trustee also reserves the right to require the disposal of any investment and does not accept liability for any loss suffered by your Arrangement as a result.

Stock Custody

Generally, assets in your Arrangement will be under the control of the Trustee who will arrange for them to be registered in the name of a nominee company determined by Brown Shipley.

Communications

Communications with Brown Shipley must be in writing and in English. Urgent communications may be made by telephone, email or facsimile but must be confirmed in writing, and posted to us by first class mail. We will act on verbal or faxed instructions, but are not responsible for instructions not received in writing and it is suggested that receipt of a facsimile is verified by telephoning your Private Client Manager.

Commercial Property

Please see our Property Guide for details.

Charges

Our current charges can be found in our Schedule of Charges in Appendix 2.

Any fee which is not collected on the due date remains due until such time as it is debited from the designated account or otherwise settled.

Cancellation Rights

The Portfolio is a product regulated by the Financial Services Authority. One of the consequences of this is that in certain circumstances you will have a statutory right to cancel decisions you have made. The circumstances are: setting up your Portfolio; transferring benefits to your Portfolio from other Registered Pension Schemes; and taking benefits for the first time by means of pension fund withdrawal. If you wish to retain this right when you enter into the Portfolio you will have a 30 day period in which to notify us of the cancellation. If you were to exercise the right to cancel, we would return all funds received and recover any funds paid out. You would be liable for losses resulting from the fall in investment values. To minimise the practical consequences for you and us, we will hold your fund on deposit and defer making any investments or paying any benefits until the period has expired.

You could choose to waive your statutory cancellation right on entering into the Portfolio. As a result, once the Portfolio had been finalised, you would not be able to reverse it. We would not then need to defer making any investments or paying any benefits.

You should note that, because of the difficulty (and, in some cases, impossibility) of returning funds to other Registered Pension Schemes, we will provide you with a 30 day right to withdraw before we will accept a transfer from such schemes. Similarly if you wish to take benefits for the first time by means of pension fund withdrawal, we will provide you with a 30 day right to withdraw before we make the first income payment.

Reporting

We will provide to you, at least once a year, a report setting out details of the investments held in your Portfolio. In addition, we will provide details of individual transactions within your Portfolio in a manner and at a time agreed with you.

Telephone Recording

Calls may be recorded.

Unsolicited Calls

We reserve the right to telephone you to discuss any administrative aspects without having been expressly invited by you to do so.

Terms and Conditions (continued)

Insurance

Brown Shipley maintains insurance against loss occasioned by error or omission, or loss occasioned by fraud and theft. The level of cover is reviewed from time to time to reflect the level of operational exposure.

Brown Shipley is a participant in the Financial Services Compensation Scheme which, subject to certain exceptions, provides limited compensation in respect of eligible liabilities if we are declared in default. Further information can be obtained from us or from the Financial Services Authority or the Financial Services Compensation Scheme.

Complaints

If you are dissatisfied with the service we have provided or feel you have suffered a loss as a result of our actions, you should write to:

The Compliance Manager
Brown, Shipley & Co. Limited
1 King Street
Manchester
M2 6AW

Upon receipt of your complaint we will let you know about our complaints procedure and what to do if you are not happy about the outcome. Subsequently, if eligible to do so, you may complain directly to the Financial Ombudsman Service.

Variation

The operation of the Portfolio may be varied from time to time. You will be notified in writing regarding any change which affects you.

Termination

Your Arrangement shall continue until:

- Terminated by you, giving us written instructions to make a transfer to another registered pension scheme. You should instruct us in writing to either transfer the investments comprised in your Arrangement to the other pension scheme or sell some or all of the investments and transfer the proceeds. We will endeavour to complete the transfer as quickly as possible but you should understand that it may take some time to be completed. We will be entitled to recover from your Arrangement all fees, costs, charges and expenses that have accrued, or have been incurred, to the date of termination together with any expenses, losses or charges subsequently incurred by us in settling or concluding your outstanding obligations and for transferring your investments to your new pension scheme. Termination will not affect any legal rights or obligations which have already arisen.
- All of the funds in your Arrangement have been utilised in the provision of pension, lump sum or death benefits.

Anti-money laundering

We are obliged under anti-money laundering legislation to obtain detailed information to verify your address and identity.

Please note that:

- (a) we are unable to provide services to you without the required information and related documents;
- (b) we may require additional information and documents from you (we will let you know what we require);
- (c) we may need to ask for further information once your account is opened;

You agree that we may make enquiries about you to a credit reference agency.

Indemnity

In accepting these Terms, you agree to indemnify us against all proceedings, actions, costs and expenses, claims, demands, losses, charges and/or other liabilities incurred by us, our agents, or any nominee as a consequence of:

- (a) any breach by you of these Terms;
- (b) the provision by us of services to you; and
- (c) our accepting instructions from you by facsimile or by email.

This indemnity shall not apply to the extent of any liability caused by breach of these Terms by us, our agents or any nominee, or the negligence or wilful default or fraud of us, our agents or any nominee.

Liability

Except in the case of negligence, fraud or wilful misconduct, we, our agents, officers and employees shall not be under any liability as a result of:

- (a) taking or omitting to take any action in relation or pursuant to these Terms;
- (b) failing to recognise false, forged or altered instructions or documents;
- (c) any type of special, consequential or indirect loss whatsoever (including, but not limited to, any loss of business, goodwill, opportunity or profit); or
- (d) your incapacity.

Brown Shipley reserves the right to decline to execute any transaction for you, for any reason whatsoever. We will not be liable to you if we refuse to carry out or allow any transactions. Any reports or advice issued by us are provided solely for your use and for the purpose for which our services are being provided, and we neither accept nor assume any responsibility or duty of care to any third party for such reliance.

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Terms and Conditions (continued)

We cannot accept responsibility for losses you may suffer as a result of our (or our agents, our nominees or others appointed by us) failing to comply with these Terms as a result of circumstances outside our or their reasonable control. These circumstances include, but are not limited to an act of God, fire, industrial disputes, failures in computerised or telephone systems or equipment, exchange restrictions, prohibition upon or suspension of means to effect payment, government or regulatory action or failures in external clearing systems.

Your Information

Brown Shipley is registered under the Data Protection Act 1998 and may process personal data relating to you, using computer systems or otherwise, in carrying out the services that we provide to you.

Brown Shipley will treat information relating to you as private and confidential during and after termination of our relationship. However, you agree that Brown Shipley may disclose details relating to you as follows:

- (a) to other members of the Brown Shipley group of companies, our agents and assigns;
- (b) where Brown Shipley's interests require disclosure for example to a credit reference agency for the purposes of assessing your credit rating and to establish your identity or to help prevent or detect fraud or other crimes;
- (c) to provide you with services;
- (d) as required by law or requested by any regulatory authority;
- (e) where there is a public duty to disclose;
- (f) where disclosure is made at your request or with your consent.

You are entitled to see certain personal records we hold about you, including personal records connected with your business. A fee will be charged for the provision of this information.

Notices

Any notices under these Terms must be given as follows:

- To us, by delivery or post at Brown, Shipley & Co. Limited, Founders Court, Lothbury, London EC2R 7HE, such notices effective on receipt; and
- To you, by delivery, post, facsimile or e-mail at the most recent address that you have supplied to us, such notices effective on receipt. We may ask you to confirm any change in address in writing.

All communications should be in English.

Assignment and delegation

We may transfer or delegate our rights and obligations under these Terms to any assigns and successors legally appointed. Any such transfer will not affect your rights under these Terms.

Prior to termination of your Arrangement, you may not transfer or assign your rights and obligations in relation to your account or transfer or assign any account or deposit to any third party without our prior written agreement, although they shall subsist and enure to the benefit of your successors.

General

If we choose not to exercise rights under these Terms we may still do so at a later date.

If any provision of these Terms is or becomes invalid or contravenes any relevant legislation or regulations the remaining provisions shall not become invalid.

Nothing in these Terms excludes terms and conditions implied by law save where any such implied terms are inconsistent with these terms in which case these Terms shall prevail.

Governing Law

These Terms shall be governed by and construed in accordance with English law and subject to the exclusive jurisdiction of the English courts.

Appendix 1: Acceptable Investments

The Brown Shipley Pension Portfolio offers considerable investment freedom and a list of permitted investments is shown below. This may vary from time to time.

Stocks/Shares/Derivatives

- Stocks and shares of companies (including investment trust companies) listed on any recognised stock exchange (including the Alternative Investment Market)
- Fixed interest securities issued by government or other bodies
- Debenture stock and other loan stock
- Warrants (equity)
- Permanent Interest Bearing Shares
- Convertible securities
- Unquoted securities (by individual agreement).

Unit Trusts/Collective Investments

- Any unit trust resident in the UK and authorised for the purposes of the Financial Services and Markets Act 2000
- Most 'tax exempt' unauthorised unit trusts within the UK
- Most unit trusts, resident outside the UK, that are either a recognised scheme or a designated scheme within the meaning of sections 264 and 270 of the Financial Services and Markets Act 2000
- Investment policies or unit linked funds of any UK insurance company or an insurance company within the EU appropriately authorised under EEC legislation
- Shares in an Open Ended Investment Company.

Property

- Commercial property (whether freehold or leasehold) within the UK
- Land including development land, farmland and forestry within the UK

Commercial property or land may be leased to a connected person on market terms.

Others

- Deposit accounts in any currency
- Loans to unconnected persons

Borrowing

- Maximum of 50% of net assets of your fund

Investments not permitted within the Brown Shipley Pension Portfolio

- Loans to a scheme member or connected person
- 'Pride in Possession' assets eg cars, yachts, fine wines etc
- Residential property
- Overseas commercial property

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Appendix 2: Brown Shipley Pension Portfolio for Individuals Schedule of Charges

Set-up fee	£2,500	Annual fee	£1,967.40pa
<p>Payable on receipt of first funds into the Trustee Bank Account. The set-up fee covers the following:</p> <ul style="list-style-type: none"> • Full advice on the suitability of the Portfolio for you, and transfers from your existing pension arrangements (except any required transfer analysis reports from third parties, which will be charged at cost) • All documentation required to establish the Portfolio • Creation of member records • Opening of a Trustee Bank Account • Arrangement of any transfers into the Portfolio. <p>Additional services</p> <p>There are additional services that we may, from time to time, be requested by you to provide. In all cases, additional charges will apply and these will be discussed with you at the appropriate time. Please note that Brown Shipley will not commence any additional work without your prior written consent and written agreement to our charges.</p> <p>The main areas where we are asked to provide additional services are:</p> <ul style="list-style-type: none"> • Investment management • Income withdrawal/pension payment • Property acquisition, disposal and administration • Non-routine valuations • Pension sharing on divorce <p>Important information</p> <ul style="list-style-type: none"> • All fees are subject to VAT, where applicable • All fees will be deducted from the Portfolio bank account. Details will be included in the asset report which we will send to you at least once a year • Fees will be collected in accordance with the timings noted above, or for additional fees, on completion of the work, where applicable • Brown Shipley reserves the right to charge a proportionate fee for any work undertaken on an aborted or pending transaction 		<p>Payable half-yearly in advance on 5 April and 5 October with a proportionate payment in any initial or final period. The annual fee covers the following:</p> <ul style="list-style-type: none"> • Collecting contributions and claiming basic rate tax relief due • Reclaiming any tax paid on investments • Annual member statement • Half-yearly reporting and valuation • Annual review and advice meeting at a Brown Shipley office • Routine reporting to HM Revenue and Customs • Data Protection compliance. • Arrangement of any further transfers into the Portfolio • Payment of death benefits • Payment of Tax Free Cash. <ul style="list-style-type: none"> • Brown Shipley will consider a joint property purchase only where all parties have a Portfolio and even in these circumstances we reserve the right to decline the transaction • Our fees are reviewed annually and any changes take effect from 1 April each year. You will be given three months' notice of any changes. 	

Appendix 3: Comparison – Individual or Corporate Portfolios

Definitions

Individual Portfolio The Brown Shipley Pension Portfolio for Individuals described in this booklet

Corporate Portfolio The Brown Shipley Pension Portfolio for Directors described in our separate booklet.

1. Availability

Any UK resident can enter into an Individual Portfolio. Only an employer can set up a Corporate Portfolio (usually for owner/directors). Thus, if you are not employed by an employer who is prepared to set up a Corporate Portfolio for Directors, your option is an Individual Portfolio. If, on the other hand, you have an employer who is prepared to set up a Corporate Portfolio, then you have a choice. The following points highlight the differences.

2. Investments

Both arrangements have great investment flexibility. However, a Corporate Portfolio has one advantage which may be highly significant. It can grant loans of up to 50% of the net asset value to the sponsoring employer, even if the employer is controlled by the members of the Corporate Portfolio. An Individual Portfolio cannot make such loans.

3. Employer involvement

To set up a Corporate Portfolio involves the employer in establishing a pension trust for its own directors and appointing the trustees to administer it. The employer will usually have the power to change those trustees. An Individual Portfolio is a direct relationship between the member and Brown Shipley and does not involve the employer (except, probably, in paying contributions on behalf of the member).

4. Member control

If there is to be only one member then there is little practical difference in the relationship between the

member and Brown Shipley. If there is likely to be more than one member either initially or in the future then there are practical differences. With a Corporate Portfolio, all the members will be trustees and will be responsible for making decisions (e.g. regarding investment) jointly. With the Individual Portfolio each member will (in conjunction with Brown Shipley) make his/her own decisions.

5. Joint investments

If there is to be more than one member and it is wished to make joint investments (e.g. a property) then this can be achieved more easily through a Corporate Portfolio.

6. Reallocation of assets

It is sometimes wished to reallocate assets amongst members, particularly following the death of a member, or to hold funds temporarily in an unallocated fund. This is more easily achieved with a Corporate Portfolio.

7. Costs/Fees

In an Individual Portfolio, the member is solely responsible for all the costs. Where these include VAT then the fund will bear the additional cost of VAT. It is usual for Corporate Portfolio fees to be borne by the employer, and it is assumed they are registered for VAT and costs will therefore be net as well as deductible for Corporation Tax purposes. There is no P11D benefit to the members in a Corporate Portfolio when fees are paid by the employer. If Individual Portfolio fees were paid by the member's employer they would be included on their P11D. Basic administration costs and fees for pension advice will be largely similar but with a Corporate Portfolio with more than one member there will therefore be a lower "cost per member" albeit in the hands of the employer.

8. Protected Rights

These cannot be included in a Corporate Portfolio.

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