



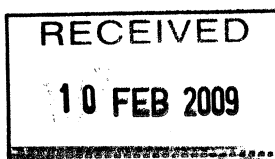
BY POST

STRICTLY PRIVATE AND CONFIDENTIAL

Our Ref 20\22335587.1\SR03\638674.07000

For the attention of Mr R Graves
Association of Member-Directed Pension
Schemes
C/O Suffolk Life
153 Princes Street
Ipswich
Suffolk
IP1 1GJ

5 February 2009



Dear Sirs

SUBMISSION TO HM TREASURY

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 of Business which, together with the terms of this letter ("Letter of Engagement"), apply to the provision of services by Pinsent Masons LLP to Association of Member-Directed Pension Schemes.

If you have any queries, please contact Simon Laight or Liz Hinchliffe. 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 Association of Member-Directed Pension Schemes ("**AMPS**").

2. **SUMMARY OF SERVICES**

You have asked us to advise on AMPS' submission to HM Treasury seeking relaxations in pension legislation affecting small self administered schemes and self invested personal pensions, as a way of stimulating the economy.

We understand that your objectives in relation to the work to be done are:

Pinsent Masons LLP

3 Colmore Circus Birmingham B4 6BH United Kingdom
T +44 (0)121 200 1050 F +44 (0)121 626 1040 DX 703167 Birmingham 12 www.pinsentmasons.com

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 has 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.

- to instigate legislative changes that will open up investment choices (within a limited range) for small self administered schemes and self invested personal pensions; and
- establish a communication process with Government, particularly HM Treasury, to help increase AMPS' standing as an industry representative body.

The next steps include preparing and submitting an "introductory" letter to HM Treasury based on the draft that you provided and providing a draft for a fuller report, setting out financial details to help strengthen the arguments in favour of the proposed legislative changes.

We have also agreed that the service will include

- participation in any meeting that HM Treasury agrees to as a result of the submission, and
- presenting to the AMPS membership on the aims and outcomes of the submission to Government.

Unless otherwise agreed, we will of course keep you regularly informed of developments as matters progress.

3. TIMETABLE

We would expect a matter of this nature to be completed in approximately one month, although this will be influenced by any response from HM Treasury.

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 (DDI and e-mail)	Hourly Rate (excluding VAT)
Simon Laight	Partner	0121 260 4058	£375
	Pensions	simon.laight@pinsentmasons.com	
Liz Hinchliffe	Technical Manager	0141 249 5434	£295
	Pensions	liz.hinchliffe@pinsentmasons.com	
Clare Moffat	Associate	0141 249 5410	£260
	Outsourcing, Technology and Commercial	clare.moffat@pinsentmasons.com	

We may involve colleagues in our Tax group and/or other departments, as appropriate, to give you the most time and cost efficient service and to cover related specialist areas.



Pinsent Masons

4. **OUR FEES**

Our charges are based on our standard hourly rates, plus VAT if applicable 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 of Business.

We will invoice you monthly.

We reserve the right to send you an interim invoice immediately prior to our year end 30 April.

5. **ESTIMATE OF COSTS**

We have agreed with you that on this matter we will charge you a fixed fee of £6,000 (plus VAT and disbursements).

The fixed fee that has been agreed with you relates only to the work which is summarised in Paragraph 2.

6. **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 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.

7. **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 £3,000,000.

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

8. **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.

9. **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.



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

Please do not hesitate to contact Simon Laight or Liz Hinchliffe 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 of Business

We acknowledge receipt of this letter.

(Signature) *R. Dravet*

Duly authorised for and on behalf of [*AMPS*]

(Date) *27 February 2009*

Yours faithfully

Pinsent Masons LLP

Pinsent Masons LLP
Standard Terms and Conditions of Business
From 1 March 2008



All work carried out by Pinsent Masons LLP 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.

1. Pinsent Masons LLP

Pinsent Masons LLP (also referred to as "we" or "us") is a limited liability partnership, registered under the Limited Liability Partnerships Act 2000, with registered number OC333653 and having its registered office at CityPoint, One Ropemaker Street, London, EC2Y 9AH, United Kingdom. Pinsent Masons LLP is regulated by the Solicitors Regulation Authority.

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 and 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 ("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.

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, international telephone and external conference call charges, courier, fax and guaranteed delivery expenses, travel, 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 full 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.

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 or a building society deposit account. We will not be responsible for any loss due to any mistake or failure by the relevant institution.

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.

8. Confidentiality and Disclosure

We will keep confidential information received from you while acting in connection with any matter unless:

- we have your authority to disclose it;
- we are required to disclose it by law;
- the information is in or comes into the public domain without any breach of confidentiality on the part of Pinsent Masons LLP;
- we are required to disclose it by the regulatory or fiscal authorities, in which case, to the extent that we are permitted to do so, we will endeavour to give you as much advance notice as possible of any such required disclosures.

From time to time we engage external organisations to audit client files. By instructing us you agree that your files may be audited. We will require the organisation to sign a confidentiality agreement in respect of information of which it becomes aware.

9. Conflicts

We have procedures designed to prevent our acting for one client in a matter where there is or could be, a conflict with the interest of another client for whom we are acting. If you are aware or become aware of a possible conflict of this type, please raise it immediately with us. If a conflict of this nature arises, then it will be up to us, taking account of legal constraints, professional rules and your and the other client's interests and wishes, to decide whether we should continue to act for both parties, for one only or for neither.

10. Intellectual Property Rights

You will have the full right and licence to use copies of materials we create for you for the particular purpose for which they were prepared. However, all copyright and other intellectual property rights in all documents, reports, written advice or other materials provided by us to you remains with us. If you wish to use copies of these materials for purposes other than those for which they were prepared, this will require our permission.

11. Storage of papers and documents

You agree that we may store documents and papers electronically.

After completing any matter on your behalf we are entitled to retain all your papers and documents while there is money owing to us for our charges and expenses. Subject to this we will retain our files of papers (except for any of your

papers which you ask to be returned to you) for a minimum of 6 years from the completion of the matter, after which they may be destroyed. We will not destroy documents you ask us to deposit in safe custody but we will make a charge to cover our costs.

We will not charge for retrieving papers or documents from storage in relation to continuing or new instructions for us to act on your behalf. However, in other circumstances we may make a charge based on time spent producing stored papers or documents to you or to another at your request. We may also charge for reviewing papers in order to comply with your instructions on storage.

12. Limitations and Exclusions of Liability

In addition to any other limitation agreed with you (and subject to professional rules), the liability of Pinsent Masons LLP, for any claim in respect of services provided to you (whether in contract, negligence or otherwise) shall be limited to the proportion of the total of all damage, including costs, which may be fairly attributed to Pinsent Masons LLP (having regard to any contribution to such loss or damage by any other person) in proceedings for a contribution under the Civil Liability (Contribution) Act 1978 in England and Wales, and Section 3 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1940 in Scotland.

You acknowledge and agree that no partner, consultant or employee of Pinsent Masons LLP shall have a liability to you for any loss or damage howsoever arising as a consequence of the acts or omissions of such partner, consultant or employee (including but not restricted to negligent acts or omissions) save in the case where loss or damage was caused by fraud, dishonesty, reckless disregard of professional obligations or wilful conduct on the part of such partner, consultant or employee. In such circumstances, Pinsent Masons LLP shall be liable to the same extent as it would have been in the absence of this exclusion, whether under section 6(4) of the Limited Liability Partnerships Act 2000 or otherwise.

You agree that you will inform us if you agree, or are asked to agree, to limit the liability of another of your advisers in connection with any matter in respect of which we are also instructed.

You also agree that the liability of Pinsent Masons LLP shall not be increased by any limitation, exclusion or restriction of liability you have agreed with any other adviser, or by your inability to recover from any adviser, or your decision not to recover from any adviser.

Any limitation on our liability shall not apply to any liability on our part for death, personal injury or fraud, or where such limitation is prohibited by law.

13. Instructions to Overseas Lawyers and Other Professionals

Should we need to instruct overseas lawyers or other professionals (expert witnesses, accountants, PR agencies, actuaries and so on) we do so, unless otherwise agreed, on your behalf and as your agent. They will be responsible to you for the quality and accuracy of the advice they provide and you will be directly responsible for payment of their fees and expenses. Before making any such appointment on your behalf, we will consult with you and seek your agreement to the appointment.

14. Data Protection

We are the data controller of personal information (personal data) relating to individuals who are either the named client or through whom we conduct our relationship with you. We may use such personal data for providing legal services, marketing, administration, and training, and we may disclose it to our service providers and agents for these purposes. We may retain it for marketing purposes, to contact you about our services, but you can choose not to receive such material at any time. We also process personal data for purposes required by law (e.g. money laundering) and for commercial purposes (e.g. 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.

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 those 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, those data; and
- provide appropriate training to personnel who process those data on our behalf

15. 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 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 the client's instructions is to confer a benefit upon such a person.

16. Resolving Complaints

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 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 Chairman, who can be contacted at Pinsent Masons LLP, CityPoint, One Ropemaker Street, London, EC2Y 9AH (and from where a copy of our complaints procedure is also available on request).

17. Termination

You can ask us to stop work on any matter at any time by writing to us. We can also cease work on any matter by writing to you, but we will only do this when there are good reasons for our ceasing to work on the matter. Charges and expenses properly incurred by us up to the date of termination will be payable by you.

18. 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.

19. 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.

20. Regulatory Information

We have set out on our website details of certain regulatory information which we need to bring to your attention ("Regulatory Information"). This can be found at www.pinsentmasons.com. The Regulatory Information forms part of and is incorporated into the contract between you and Pinsent Masons LLP. A hard copy of the Regulatory Information is available on request.

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. Subject to any alternative dispute resolution procedure 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.