

BARCLAYS WEALTH

Terms and Conditions

Terms and Conditions

Section A – Important information

1. The terms of the Agreement between you and us

The Agreement

These Barclays Wealth Terms and Conditions, together with:

- (a) the Application Form and Additional Terms signed by you;
- (b) any further Terms and Conditions agreed in writing in relation to the services covered by the Application Form and Additional Terms (including any forms or appointment of bankers); and
- (c) any information on our charges, commissions, tariffs and interest rates,

form a legal agreement (the "Agreement") defining our relationship with you in relation to the services you select by signing the Application Form and Additional Terms.

If these Barclays Wealth Terms and Conditions are inconsistent with any of the terms outlined in the documents listed in points (a) to (c) above, the terms contained within those documents listed in (a) to (c) above will prevail.

When the Agreement comes into effect

The Agreement comes into effect for the selected service when we start providing it.

These Terms and Conditions, and the Application Form and Additional Terms, apply only to services provided by Barclays Wealth, the wealth management division of Barclays, operated through Barclays Bank PLC and its subsidiaries.

Each time you sign the Application Form and Additional Terms to receive services from a Barclays Wealth Company, there will be a

separate Agreement between you and that company for that service. Each service is provided separately.

The law favours written agreements, so it is important that you read carefully the documents setting out the Agreement, to ensure that they contain everything that you want, and nothing to which you are not prepared to agree. You should ensure that you have been provided with all the documents setting out the Agreement, and keep a copy of these in a safe place for future reference. If you have any queries or concerns, please contact us (for contact details, please refer to your Application Form and Additional Terms, or to Paragraph 43).

Which sections of these Terms and Conditions apply to you?

These Terms and Conditions contain:

Section A – Important information

Section B – Instructions and other communications

Section C – Banking accounts

Section D – The investment services we provide

Section E – General

Section F – Definitions and interpretation

Which parts of these Terms and Conditions apply to you?	Section(s)
Relevant for all clients	A, B, E and F
Relevant if you ask us to provide a Banking Account to you	C
Relevant if you ask us to provide Investment Services (only relevant in jurisdictions where we are regulated to provide Investment Services)	D

Please note: Not all products and services are available in all Barclays Wealth locations.

Additional information

Depending on where we provide you with services under the Agreement, we may have to classify you according to any applicable Financial Services Regulations (as defined in Section F). Further details, to the extent relevant to you, may be provided in your Application Form and Additional Terms.

Meaning of words and expressions

The definitions section (see Section F) sets out the meaning of certain words used in the Agreement. Also, in the Agreement:

- (a) “we”, “us” and “our” mean the Barclays Wealth Company which provides the service to you (as specified in the Application Form and Additional Terms signed by you);
- (b) “Barclays Group” means the Barclays Wealth Companies, their parent companies, and any companies they or their parent companies totally or partly own at any time; and
- (c) “you” and “your” mean any person entering the Agreement with us and, where applicable, their duly authorised representatives, legal personal representatives and successors.

If you enter the Agreement as a joint account holder, it is important that you understand the legal consequences. Paragraph 32 concerns joint accounts. If you have any doubts in relation to joint accounts or any aspect of the Agreement, you should take legal advice.

Section B – Instructions and other communications

2. Giving instructions

How can you give instructions?

- 2.1 You can give us instructions relating to the services covered by the Agreement:
 - (a) in writing; or
 - (b) verbally (by telephone and/or in person),
unless we otherwise agree with you in writing (including in your Application Form and Additional Terms) or we tell you that instructions can only be given in a particular way for a certain account or service.
- 2.2 For a certain account or service, we may accept instructions for transactions by fax. If so, this may be stated in your Application Form and Additional Terms and/or will be otherwise agreed in writing with you. You may be required to complete a facsimile indemnity where your account or service allows, and you wish to provide, instructions by fax.
- 2.3 For a certain account or service, we may accept instructions for transactions electronically (for example, email, internet banking). If so, this may be stated in your Application Form and Additional Terms and/or will be otherwise agreed in writing with you. You may be required to complete an electronic communications indemnity where your account or service allows, and you wish to provide, instructions electronically.

When are your instructions deemed effective?

- 2.4 Instructions are effective when we receive them. Where you give verbal instructions, we will acknowledge them verbally. Otherwise, we will acknowledge instructions by acting on them.
- 2.5 If you give an instruction by telephone, fax or electronically, we can ask you to confirm it in writing. You must confirm your instruction as soon as possible to avoid any delay in our acting on it.

2.6 Generally, we cannot change or stop an instruction you give by telephone, fax or electronically (except in certain limited circumstances we will tell you about) because we start processing instructions when we receive them. If we are able to cancel your instructions, we may make a charge.

- 2.7 We can act on instructions:
- (a) given in a document that we reasonably believe bears your original signature(s) or that of any person notified by you to us as authorised to give instructions on your behalf; or
 - (b) which appear to be from you or an authorised person notified by you to us as authorised to give instructions on your behalf, provided that:
 - (i) we follow any applicable security procedures established in accordance with the Agreement; or
 - (ii) if you have not set up security procedures, we believe in good faith that the instruction is from you or any such person and there are no circumstances we are, or should reasonably be, aware of that cast significant doubt on the identity of the person giving the instruction.

Where instructions are given by anyone notified to us as being authorised to give instructions on your behalf, we can continue to act on their instructions until we receive written notice from you that they are no longer authorised. We reserve the right to take additional security measures before acting on instructions from time to time. As long as we have followed your instructions correctly, we can deduct the amount of any payment from your account. We may rely on any information quoted in an instruction as correct except in the event of an obvious error.

2.8 We may apply financial and other limits to telephone, fax and computer instructions from time to time. We may vary these limits at any time. We will tell you if your transaction exceeds any of the limits.

When may we refuse to act on an instruction?

- 2.9 We may refuse to act on any instruction if we reasonably:
- (a) believe it might cause us to break a law, regulation, code or other duty which applies to us;
 - (b) believe you may be unable to promptly settle any relevant transaction or if any set dealing limit would be exceeded;
 - (c) believe it was not given by you or on your behalf;
 - (d) consider it insufficiently clear; or
 - (e) believe that carrying out the instruction may damage our reputation.

We will take reasonable steps to notify you in these circumstances.

Security procedures

- 2.10 We may ask you to set up procedures to authenticate instructions given before you make your first transaction, or any time after. We recommend establishing security procedures; if you do not, it is difficult for us to know the identity of a person giving instructions.
- 2.11 Keeping Security Information secret is essential to help prevent fraud and protect your Assets. You must not disclose any Security Information to anyone unless you know who they are and why they need it (which must be for a good reason). You must take all reasonable care to prevent unauthorised or fraudulent use of your Security Information by others. You must keep your Security Information secret at all times. If you know or suspect that someone knows your Security Information or is impersonating you, you must

immediately telephone us (please refer to Paragraph 43, which sets out the general contact details for each Barclays Wealth Company, or refer to your Application Form and Additional Terms for contact details). Until then, you will be liable for all transactions as long as they were entered into on instructions in accordance with Paragraph 2.7.

3. Other communications

Communications between you and us (other than instructions) in relation to the services contemplated by the Agreement.

3.1 You may contact us in relation to the services contemplated by the Agreement by any of the means listed below, any other manner permitted by your Application Form and Additional Terms, or as otherwise agreed in writing with you:

- (a) in writing;
- (b) verbally (by telephone or in person); or
- (c) by fax or electronically.

You should use the address, telephone, fax number(s) and email address(es) provided in your Application Form and Additional Terms, or as notified to you. General contact details for Barclays Wealth Companies are set out at Paragraph 43. We may also contact and send documents to you in the ways set out in this Paragraph as long as we do so in accordance with any other relevant Paragraph (for example, Paragraph 30 "Your information").

3.2 You must ensure we have your current contact details. If your details change, please contact us in accordance with this Paragraph 3. We are required to continue forwarding information to you at the last known contact address we have for you. If you do not inform us promptly of a change to your details, the security of your information could be put at risk.

When are your communications deemed effective?

3.3 Your communications under this Paragraph 3 are only effective when we receive them.

How we will communicate with you

3.4 We will contact you in relation to the business contemplated by the Agreement using the latest:

- (a) address;
- (b) fax number;
- (c) telephone number (including mobile phone number); or
- (d) email address, provided by you.

3.5 We may also communicate with you by posting notices and information on one of our websites where we consider it appropriate to do so in the context of our relationship with you in accordance with Financial Services Regulations.

3.6 We and other members of the Barclays Group may email and/or text you with information about products and services (including those of others) which may be of interest to you. Where this method of contacting you is available, it may be indicated in your Application Form and Additional Terms or otherwise agreed with you. You may be requested to consent to this contact when signing your Application Form and Additional Terms.

3.7 All statements of account and notices we give you in writing will be sent by post (unless stated otherwise in these Terms and Conditions, any Application Form and Additional Terms, or otherwise agreed) and will be considered received by you no later than four Working Days after despatch if sent to an address within the jurisdiction in which we provide services to you under the Agreement, or 10 days after despatch if sent to an address outside the jurisdiction in which we provide services to you under the Agreement.

- 3.8 We may leave messages for you to contact us on an answering or fax machine, or with the person answering the telephone, unless you tell us not to.
- 3.9 We may record and monitor telephone calls so we can check instructions and to assist us in meeting our service standards.
- 3.10 You should check any confirmation statement, account or statement we give you and contact us promptly if you think it is not consistent with your instructions or there is any inaccuracy.

4. Electronic instructions and other communications

- 4.1 There is no guarantee that the electronic communications detailed in Paragraphs 2 and 3 will be secure, virus free or successfully delivered. We are not liable if, due to circumstances beyond our reasonable control, electronic communications are intercepted, delayed, corrupted, not received, or received by persons other than the intended addressee(s). However, where we think this has happened with an electronic communication from you, we will try to confirm the communication with you. For security, legitimate business purposes and to maintain service standards, we may monitor internet communications, including emails we send or receive, and any website we use. Where we offer computer banking services, procedures for this will be set out in the user guidance we will give you, including electronic help texts. You must follow these procedures when using the service.

Section C – Banking Accounts

Where you establish a Banking Account, the terms set out in this Section C apply. Your Application Form and Additional Terms will indicate the Barclays Wealth Company providing the service to you.

5. Security

- 5.1 The care of your cheques, debit cards, PINs and other Security Information is essential to help prevent fraud and protect your account(s). You must take all reasonable steps to keep them secret at all times. In particular:
 - (a) keep your debit cards or cheque guarantee cards separate from any cheques;
 - (b) never allow any other person to use your debit cards, with or without the PIN;
 - (c) memorise your PIN and any other Security Information and destroy any notification from us containing it;
 - (d) never write down or record your PIN or any other Security Information;
 - (e) never give your account information, or any other Security Information, to anyone unless you know who they are and why they need it;
 - (f) keep all statements, receipts and other information about your account(s) containing your personal details, PINs, security tokens, code words etc. in a safe place, and dispose of them carefully (for example, by shredding them); and
 - (g) any security-related device must be kept physically secure, which includes making sure that security details are not kept in any form (including by a browser or any other software) in such a way that anyone using the same device can go through the security procedures using stored details;
 - (h) change your PIN frequently.

- 5.2 You must tell us as soon as you can if:
- (a) your debit card is lost, stolen or otherwise may be misused;
 - (b) you think someone else knows your PIN or code word;
 - (c) you think someone else knows any of your other Security Information or is impersonating you;
 - (d) any account statement or cheque book includes an item which appears to be incorrect;
 - (e) you become aware of any delay in receiving your card and/or PIN; or
 - (f) you become aware of or believe there is an error or other irregularity in relation to the operation of your account.
- 5.3 Notification under Paragraphs 5.2(a) and 5.2(b) should be given to the Barclays Wealth Company providing the banking service to you. Please refer to Paragraph 43, or your Application Form and Additional Terms, for contact details. Notification under the remainder of Paragraph 5.2 should be provided directly in accordance with Paragraph 3, or by notifying your Relationship Manager or other Barclays Wealth contact (a summary of contact details for Barclays Wealth Companies is set out at Paragraph 43). In either case, we may require you to provide written confirmation within seven days.
- 5.4 You are not liable for any unauthorised transactions on your account(s) that occur after you notify us in accordance with Paragraph 5.2. We will be responsible for any Losses to your account as a result of any unauthorised transaction unless you have acted fraudulently or without reasonable care (for example, by not telling us as soon as you can that you suspect someone else may know your Security Information), including failing to follow the procedures in Paragraphs 5.1 and 5.2. We will refund to your account(s) any amount deducted. We will have no further liability to you. You must give us all information you have regarding the loss, theft or misuse of your debit card, or the disclosure of your PIN and any other Security Information that we may request to assist us. You also agree to give this information to the police should we consider it necessary, or allow us to do so. Once a debit card is reported as lost, stolen or otherwise liable to misuse, you must not subsequently try to use it. If it is later found or comes back into your possession, it must be cut into at least four pieces and returned to the address shown on your Application Form and Additional Terms.
- 5.5 We will do all that we reasonably can to prevent a breach of security, that may result in unauthorised access to your accounts and the information we hold about you. As long as you have not breached Paragraphs 5.1 and 5.2, we will accept liability for any loss or damage to you resulting from any breach of security of our systems.
- 5.6 Unless we can show you have acted fraudulently or without reasonable care, your liability for misuse of your debit card is limited as follows:
- (a) if someone else uses your debit card before you tell us it has been lost or stolen or that someone else knows your PIN, the most you will be liable for is £50;
 - (b) if someone else uses your debit card details without your permission and your debit card was not lost or stolen, you will not be liable for any loss;
 - (c) if someone else uses your debit card details without your permission for a transaction where the cardholder does not need to be present, you will not be liable for any loss; and
 - (d) if your debit card is used before you receive it, you will not be liable for any loss.

6. Use of debit cards

- 6.1 You must ensure all debit cards are signed immediately on receipt and that you comply with any instructions we give regarding their use and safekeeping.
- 6.2 Debit cards must only be used:
- (a) during the period of validity embossed on their front;
 - (b) within the credit balance and any undrawn facility on the relevant account (and, in deciding whether this threshold has been exceeded, we may take into account all relevant factors, including the usual pattern of payments in respect of the account, the amount of any transactions not yet debited, and any authorisation given in respect of other transactions); and
 - (c) in accordance with any specific requirements applying to a debit card as advised when you applied for that debit card.
- 6.3 Where we consider it necessary, we may, without notice:
- (a) refuse to authorise a payment using your debit card;
 - (b) cancel or suspend the right to use your debit card, entirely or in respect of specific functions; or
 - (c) refuse to replace any card, without affecting any of your outstanding obligations under the Agreement.
- We accept no responsibility if we do not authorise a payment (where we have a good reason), if a debit card is not accepted in payment, or for any loss or damage resulting from the way in which either decision is communicated to you.
- 6.4 Debit cards are our property and must be returned on request to us or any person acting for us. We may reissue debit cards from time to time, for use in accordance with the Agreement.
- 6.5 Where you use a debit card to make cash withdrawals, a handling charge may be

added to the amount of the cash withdrawal, as well as a fee for any foreign exchange conversion.

- 6.6 We make no commitment that facilities and benefits to which you have access by the use of your debit card, but which do not remain part of the Agreement, will continue indefinitely. These facilities or benefits may be withdrawn or varied at any time.
- ## **7. Credits to and payments out of your banking account**
- 7.1 We will accept items payable to you for crediting to the account specified in the relevant payment instruction. We may specify the types of payment accepted for specific accounts and shall be entitled to refuse to accept certain items for payment.
- 7.2 If we receive instructions and credits for an account before the relevant cut-off time on any Working Day, we will process them on that day or the date specified in your instructions. Instructions and credits received after the cut-off time or on a non-Working Day will be processed on the next Working Day. The cut-off time is the latest time each day that we can make payments or transfers from an account. If you ask us, we will tell you the cut-off times applicable to instructions for your account.
- 7.3 We may return instructions and credit for an account if:
- (a) we believe that by complying with the instruction we might break a law, regulation, code or other duty which applies to us or any of our Associates; or
 - (b) we reasonably believe that complying with the instruction or receiving the credit may damage our reputation.
- 7.4 We may refuse to make any payment if you do not have enough money in the relevant account at the close of the Working Day before the payment is due to be made. In

deciding whether you have enough money, we take account of any authorised card transactions, any overdraft limit, any cheques we are treating as cleared, any instructions to make payments and regular payments that have not yet been paid from the account concerned. We will tell you if you can make payments from your account against cheques which are not cleared. We do not have to take account of regular credits or any amounts received after we have decided not to make the payment.

- 7.5 If you make a payment from an account without giving the notice required for that account, we may make a charge or reduce the interest payable on the account.
- 7.6 Unless we agree with you otherwise when you give us an instruction to make a payment, we will decide how the payment will be sent.

Cheques and the Central Clearing Cycle

- 7.7 The clearing cycle for cheques and automated payments is the time taken for payments to or from your account to be added or deducted. Further information about the clearing cycle will be provided to you separately, or on request.
- 7.8 Your statement balance may show credits when we receive them even if they include cheques which are not “cleared”. However, we can still return the cheque unpaid (for example, if there is a lack of funds in the payer’s account).
- 7.9 If any cheque you have paid in is returned to us unpaid or any electronic or other payment you have received is recalled, we will debit your account with the amount of that payment, whether or not it goes overdrawn and even if we allowed you to make a payment or to take cash against that item. You may incur charges and interest on any overdrawn amount.

- 7.10 You must complete cheques so they are not easy to alter (including putting a line through unused space) and you must not put a date on your cheques which is after the date you sign. If you do, we are not liable for any loss to you as a result of us paying a cheque before the date you have put on it.
- 7.11 We may pay a cheque even if it is not presented to us for payment within six months of the date on the cheque. We may return any such cheque unpaid, but you must instruct us to stop payment of the original cheque if you issue a duplicate.
- 7.12 You can stop a cheque before it is presented to us for payment unless it has been guaranteed. We may charge you for stopping a cheque.

Debit card payments

- 7.13 Debit card transactions may take two or three Working Days to be debited to your account. On each Working Day, you will make one payment to us of the full amount falling due for payment in respect of all debit card transactions processed since the previous Working Day and we will collect that payment by debiting the relevant account by that amount. All transactions will be shown on your bank statement. Your liability to make these payments will not be discharged by any of the events described at Paragraph 35.
- 7.14 We will only credit you with a refund in respect of a transaction entered into using your debit card if we receive a refund voucher or other similar refund verification. No claim by you against a third party in respect of any such transaction will be the subject of a claim against us.

International payments

- 7.15 Unless we agree with you otherwise, to make an international payment we may have to send payments through another paying bank and, if this is the case, we will use a paying bank that is either chosen:
- (a) by us; or
 - (b) by a bank in the country the payment is being sent to and/or in the country whose national currency is being sent.
- 7.16 If we have to make an international payment through another bank, we will give you an indication of the date on which the payment should be received by that bank. This does not mean that the person the payment is being sent to will receive the payment on that day. This will depend on the banking practice of the country concerned. The person receiving the payment may also have to pay charges to the other bank. Any value quoted by us is the value on the date on which funds will be available to the correspondent bank.
- 7.17 In making an international payment, we are acting for you. You must comply with any relevant local laws, and you will reimburse us for any Losses we incur as a result of acting for you and to reimburse us all costs and expenses we incur except where we are negligent.
- 7.18 An international payment will be sent in the currency of the destination country unless you tell us otherwise.
- 7.19 The liability of any member of the Barclays Group for any loss, injury or damage resulting from any failure, delay or error in respect of an international payment instruction shall be limited to interest calculated at the rate and/or in the manner provided under applicable law or regulations governing international payments by persons generally (or, in the absence of such law or regulations, to interest at Barclays Bank Base Rate for the time being in force) and shall be calculated from the end of the 5th Working Day (or

any other date we specifically agree with you) following the date we accept your instructions to the date the funds are credited to the beneficiary's bank.

- 7.20 Provided:
- (a) you have not made an error in giving us instructions in respect of an international payment; and
 - (b) any loss is not caused by any correspondent bank chosen by you or the beneficiary's bank,
- if the payment is not credited to the beneficiary's bank account, we shall refund you with the amount of the payment, our charges and interest calculated at the rate laid down by applicable regulations on the amount of the payment for the period from the date of your instructions until the date the refund is made.
- 7.21 When giving us an instruction in respect of an international payment, if you fail to provide, or provide inaccurate SWIFTBIC or IBAN information, we reserve the right to levy an additional charge to cover additional administration. Any additional charge will be notified to you.
- 7.22 Unless otherwise stated, to use an agreed forward exchange contract or to debit a currency account, in the case of a foreign exchange transaction, the rate of exchange applied to the payment will be that used by us on the date of processing.
- 7.23 For international payment instructions given using an online channel, a foreign exchange contract will automatically be booked in respect of payment over a certain amount, and if the payment does not for any reason proceed, you will be liable to us for any loss we incur in respect of the foreign exchange contract we had concluded on your behalf.

Mistaken payments

- 7.24 We will correct any payments or credits we make to or from your account by mistake as soon as possible after you tell us about

them or we notice them. We may debit your account with the amount of any mistaken payment, whether or not your account goes overdrawn or uses your Reserve and even if we allowed you to make a payment or to take cash against that item. You may incur charges and interest on any overdrawn amount or for use of your Reserve. In the event that we cannot recover a payment we make by mistake to your account by debiting your account we may use other methods to recover such mistaken payment (for example, pursuing a claim through the court system). We may also take such actions where we are requested to do so (for example, under the Faster Payments system as a result of our obligations to other financial institutions).

8. Credit interest and charges

8.1 Where we agree to pay interest:

- (a) unless we tell you otherwise, we normally work out interest on a daily basis on the amount of the cleared balance on each account at the end of each day. Credit interest will only be paid on the balance we treat as cleared, unless we tell you otherwise. Interest is paid in accordance with the published tariff or as agreed with you. Your account may contain a non-interest bearing minimum; if this is the case, we will tell you about this in advance;
- (b) to calculate interest, we generally treat a cheque as cleared when you pay it in to us in the expectation that it will clear. However, as explained in Paragraphs 7.8 and 7.9, there will be a corresponding debit if the cheque is not actually paid;
- (c) we may offer a range of deposit accounts where the return is based on the movement in an underlying equity market, foreign exchange market or other variable rather than on traditional interest rates. We will advise you of the specific terms,

- currency and method of calculating the return in each case;
- (d) unless we tell you otherwise, interest will be credited to your account(s) in arrears either quarterly or half-yearly depending on the type of account and as advised by us;
- (e) we will deduct tax on interest before we pay it to you unless we can pay interest without deducting tax under any applicable legislation; and
- (f) there may be other taxes or costs that are not paid through us or imposed by us that you have to pay in connection with your account. We will inform you if these charges are applicable to you.

8.2 We shall be entitled to charge you fees whenever you use any of the services we make available to your account(s) from time to time. You will be given details of our fees for using these services (including overdraft services, as explained in Paragraph 9) either when you open your account and/or from time to time. We may charge a fee if the balance on your account falls below any non-interest earning balance that you are required to maintain under the terms of your account. We may vary the interest rates and fees for our services from time to time in accordance with Paragraph 31.

9. Borrowing from us

- 9.1 We can make available borrowing services as part of our current account services, namely an overdraft and/or a Reserve. It is entirely within our discretion whether we agree to make those services available. When we do, we will be entitled to charge you fees and interest for using them. These fees and interest rates, as well as the other terms upon which our borrowing services are made available to you, may be set out in detail in the Additional Terms.
- 9.2 If you think that you will from time to time need to make use of our borrowing services, you should request us to set up

- an overdraft on your current account in advance. If we agree to your request (subject to status and at our discretion), we will provide you with an overdraft up to an agreed limit. We will tell you the limit of the overdraft we are making available to you and the fees (if any) which you must pay for this service, as well as the interest rate that applies to the amount of any overdraft that you use from time to time. We will confirm these details to you in writing.
- 9.3 In addition to, or instead of, an overdraft agreed in accordance with Paragraph 9.2 we may (subject to status and at our discretion) provide you in advance with a borrowing service on your current account called a Reserve. We will tell you the limit of your Reserve and the fees and interest rate (if any) that apply for using your Reserve. We will confirm these details to you in writing.
- 9.4 If you make any payment using your current account that would, if paid, cause you to exceed any overdraft and/or Reserve that we have agreed with you or (if you do not have an overdraft and/or Reserve) that would cause your current account to go overdrawn, then we will decline to honour the payment (a Returned Transaction) unless it is a Guaranteed Transaction. You will be charged a Returned Transaction Fee or Guaranteed Transaction Fee (as appropriate) for each such payment.
- 9.5 Unless we have specifically agreed otherwise with you, we may demand the repayment of, or reduction in, your overdraft and/or Reserve at any time. Wherever possible, we will give you notice, however, we may do so without notice. Until you repay us in full we will charge interest and fees (as applicable) both before and after any court order in our favour for repayment.
- 9.6 You authorise us to debit any account with us in any currency to reduce or repay any amounts you may owe us on any account (including on card accounts you hold with us, and any other amounts you may owe us), either in your name or jointly with anyone else. We will tell you if we do this.
- 9.7 If your banking account is overdrawn and you have incurred any fees or charges, when a credit is paid into such an overdrawn account the overdrawn balance will be repaid in the following order: **First**; the balance of any outstanding fees or charges that have been incurred (and that we have notified you of pursuant to Paragraph 11 below); and **Second**; the remaining overdrawn balance. This order of priority only applies if your account is in an overdrawn position. You should be aware that the way in which payments are allocated can make a significant difference to the amount of interest you will pay until the balance is cleared completely.
- 10. Statements**
- 10.1 We will provide statements showing all amounts added to or taken from your account since the previous statement. You should check your statement carefully and tell us as soon as possible if it includes something which appears to you to be wrong or not made in accordance with your instructions.
- 10.2 We will correct any entries we made by mistake on your account statement as soon as possible after you tell us about them or we notice them.
- 10.3 We may put messages on your statements to tell you about changes to the Agreement.
- 11. Charges for standard Banking Account services**
- 11.1 Unless otherwise agreed, and before we take interest or charges for standard banking account services (including, where applicable, charges for cheque processing, direct debits, standing orders and debit card transactions within the same country as the jurisdiction where we provide

services to you under the Agreement, but not including Default Sum Fees as defined by the Consumer Credit Act 2006) from your banking account, we will give you at least 14 days' notice of how much we will take. We will cancel any bank charges charged due to a mistake.

- 11.2 For the avoidance of doubt we may take Default Sum Fees from your banking account immediately from the time you incur such fees without notice to you.
- 11.3 From February 2009 Paragraphs 11.1 and 11.2 above will cease to apply and Paragraph 11.4 below will take immediate effect without further notice. For the avoidance of doubt Paragraph 11.4 will not come into effect until February 2009.
- 11.4 Before we take interest or charges for standard banking account services (including, where applicable, charges for cheque processing, direct debits, standing orders and debit card transactions within the same country as the jurisdiction where we provide services to you under the Agreement, and Default Sum Fees) from your banking account, we will notify you of our intention to take such charges in your next periodic statement. Such fees and charges will be taken from your banking account within 21 (twenty one) days of the date that your statement notifying you of such fees and charges is issued. We will cancel any bank charges charged due to a mistake.

12. Special conditions relating to foreign currency accounts, cheques drawn abroad, foreign currency cheques

- 12.1 Foreign currency standing to your credit may be held for us:
 - (a) in a bank we choose in the country of that currency and subject to any local practices (including Working Days) and laws. You are responsible for any exchange rate risk; or
 - (b) in a Banking Account.

- 12.2 Notice periods for withdrawals may vary according to the currency. Details are available upon request. In most cases, transfer of funds held in any foreign currency require two Working Days' notice.
- 12.3 When we convert foreign currency, we will do so at the exchange rate on the next Working Day, subject to our standard commission on foreign currency conversions (the rate of commission will vary by reference to the size and nature of the transaction concerned), which we will deduct from your account. The timing of debits and credits to your account depends on the currencies involved.
- 12.4 We may accept cheques and other items from outside the jurisdiction in which we provide services to you under the Agreement, on terms available on request. You authorise us at your expense to take all steps we consider necessary to arrange for payment to you of any cheques payable abroad that are received for payment into your account. If any cheques are returned unpaid for any reason, we will debit your account even if the return takes place after we have advised you of payment of the cheque. Negotiation and collection of cheques shall be subject to the current International Chamber of Commerce Uniform Rules for Collections.
- 12.5 Where you enter into a transaction using a debit card in a currency other than the currency of the jurisdiction in which we provide services to you under the Agreement, we will convert the amount of that payment into the relevant currency and debit it to the relevant account.
- 12.6 You are responsible to us for any costs we incur in obtaining repayment of overdrawn balances. You must repay overdrafts or Reserves in freely convertible and transferable funds in the relevant currency, at such banks as we may specify.

13. Special conditions relating to banking by computer

- 13.1 Where we offer banking by computer, we will take reasonable care to ensure the security of, and prevent unauthorised access to, our computer banking services.
- 13.2 You must:
- (a) ensure your computer and modem comply with the standards and requirements we tell you from time to time;
 - (b) carry out your own regular virus checks;
 - (c) follow the procedures and instructions in the user guidance that we give you from time to time;
 - (d) not attempt to change any software provided by us;
 - (e) not copy or allow any third party to use or copy any software provided by us without our consent; and
 - (f) tell us as soon as you can if you become aware of any failure, delay, malfunction or error in the sending or receiving of instructions or any suspected fraud.
- 13.3 If you use our computer banking service outside the jurisdiction in which we provide services to you under the Agreement, you do so at your own risk, as it may constitute an offence in that country.
- 13.4 The records we maintain of any instructions you give us by computer will be final evidence of your instructions and of the time they were given except where there is an obvious mistake.
- 13.5 You are responsible if, when you use our computer banking service, you give us incorrect instructions or mistakenly instruct us to make the same payment more than once.

Section D – The investment services we provide

The terms contained in Section D are only applicable in jurisdictions where the Barclays Wealth Company is regulated to provide Investment Services.

Irrespective of the investment service provided to you under the Agreement, if you specifically instruct us to effect transactions without receiving advice from us on the merits of the transaction, such transaction will be effected on an execution-only basis and Paragraph 17 will apply.

14. Discretionary Investment Management Service

- 14.1 Where you select our Discretionary Investment Management Service, we will undertake an assessment of your personal and financial circumstances and will agree the applicable Investment Strategy. We will manage the Assets allocated to each Investment Strategy you select, with a view to achieving the agreed Investment Objective; this is subject to any restrictions in the Investment Strategy or which otherwise apply to the provision of our services under the Agreement. To allow us to do that, you grant us full authority, at our sole discretion and without reference to you, to enter any kind of transaction or arrangement for your account and to invest, on your behalf, in any type of investments or assets (including Regulated and Unregulated Mutual Funds). If we decide to invest in a Mutual Fund for you, we have absolute discretion when choosing the class of shares or units. This may not be the class which incurs the lowest Total Expense Ratio (TER).

15. Non-Discretionary Investment Management Service

- 15.1 Where you select our Non-Discretionary Investment Management Service, we will give you investment recommendations which we reasonably consider are consistent with the agreed Investment Objective; this is subject to any restrictions in the Investment Strategy or which otherwise apply to the provision of our services under the Agreement.
- 15.2 All decisions on whether to invest in, hold or dispose of any asset are yours. We will only enter into transactions as you instruct. Where you do not follow our recommendations, we take no responsibility for the outcome. Where Assets held in connection with any Investment Strategy are assets that were not acquired on our advice or were retained against our advice, we will make recommendations we reasonably consider are consistent with seeking to achieve the relevant Investment Objective. However, you accept that not following our recommendations may reduce the likelihood of achieving the Investment Objective and agree that our responsibility for achieving it will be qualified accordingly.
- 15.3 We will keep your portfolio under review, to ensure your portfolio assets remain invested in a manner that is consistent with your chosen Investment Strategy. We will make any necessary strategic or stock selection recommendations to you when we believe you should make changes to the contents of your portfolio. A formal portfolio review, which will reconfirm our portfolio mandate and review agreed investment activity, will be conducted at least once every year.
- 15.4 We may recommend investments in Unregulated Mutual Funds. Where we recommend investment in a Packaged Product, our selection will be made from the whole of the market for products of that sort.

- 15.5 You may instruct us to enter any kind of transaction or arrangement for your account and to invest in any types of investments or other assets (including, but not limited to, Regulated and Unregulated Mutual Funds) for you.
- 15.6 When we advise you to invest in Regulated Mutual Funds, you are able to receive a copy of the Simplified Prospectus or Key Features Document for that fund. Please contact your Relationship Manager or other Barclays Wealth contact to request that this documentation is sent to you should you wish to receive this in relation to such transactions in Regulated Mutual Funds.
- 15.7 We will make all reasonable efforts to contact you using the agreed channels when we want to make an investment recommendation. However, we are not liable where we try but are unable to contact you.

16. Advisory Service

- 16.1 When you request it, we will advise you on the range of transactions and investments (including Regulated and Unregulated Mutual Funds). We have no ongoing obligation to advise you on, or to monitor, any individual investment or portfolio of investments held with us or otherwise. We may, but are not obliged to, inform you of investment opportunities and give advice on them if you request it. Where we advise on investment in Packaged Products, the Application Form and Additional Terms will inform you whether selection may be made from the whole of the market for products of that sort or whether it is made on some other basis. Following our advice, you may instruct us to enter into a transaction or arrangement for you, including in Regulated and Unregulated Mutual Funds.

17. Execution-only Dealing Service

- 17.1 We will execute orders in relation to the types of investments or other assets specified in the Application Form and Additional Terms (including Regulated and Unregulated Mutual Funds) for you in accordance with your instructions. We will not advise you on the merits of a transaction and we are not obliged to ensure the transaction is suitable for you. Since we will not provide you with any personal recommendations, you may not benefit from the protection (if any) offered by Financial Services Regulations on the suitability of a transaction or other course of action for you.
- 17.2 Where we enter into a transaction to acquire Regulated Mutual Funds for you, we are able to provide you with the relevant Simplified Prospectus or Key Features Document. You should tell us if you want to receive this information for each transaction you undertake. If you do not, we will not routinely give you copies of the Simplified Prospectus or Key Features Document.
- 17.3 All decisions on whether to invest in, hold or dispose of any asset or to enter into any agreement resulting from our Non-Discretionary Investment Management or Advisory Services, or effected through our Execution-only Dealing Service, under the Agreement are yours. We will only enter into transactions as you instruct.

18. Investment research and analysis we provide

- 18.1 If we give you information on investments or markets such as research recommendations, market trends, investment analysis or commentary on the performance of selected companies, this should not be viewed as a personal recommendation or advice. You should seek advice in relation to any investment mentioned if you wish to deal in that investment. We are not obliged to send the

information to you before or at the same time as it is made available to our staff, other clients or other people. We are not obliged to consider this information when giving advice or dealing for you.

19. Dealing on your behalf and settlement

- 19.1 When we execute transactions on your behalf, we will normally be required to provide best execution, and, in doing so, we will comply with our execution policy. A summary of our execution arrangements, including information about the execution venues we use (in accordance with Paragraph 19.5), is available in Schedule A. These arrangements will be reviewed and updated as necessary. When we make a material change to these arrangements, we will notify you. A material change for the purpose of this Paragraph 19 is defined as a wide ranging change to the venues and processes used by us when executing deals and a change to the execution factors.
- 19.2 When you place an order to deal, or we decide in our discretion to deal on your behalf, we will do so promptly and to your best advantage. We may execute deals for you as your agent and/or as principal, including in investments issued by Barclays Bank PLC or another member of the Barclays Group. We may also rely on a third party broker to execute your order on our behalf. Neither the relationship between you and us as described in the Agreement, nor any other service that we provide to you, shall give rise to any fiduciary or equitable duties on our part or that of our Associates that would prevent us or our Associates doing business of the sort indicated above and otherwise with or for other Associates and clients.
- 19.3 We may execute deals on your behalf outside of a regulated market or Multilateral Trading Facility (MTF). We will do so when we believe it is in your best interest to transact in this way. Reasons for

doing so may include, but are not limited to, improvements to the pricing or liquidity conditions that can be expected from trading in this way in the investment concerned.

- 19.4 Please note that we may, in some circumstances, accept specific dealing instructions from you. If we agree to execute in accordance with such instructions, it may not be possible for us to obtain the best result that would otherwise be available to you at the time of dealing using our own dealing process. In providing a specific execution instruction to us, the dealing terms you receive may be adversely affected.
- 19.5 When we execute an order for you, we will consider a number of factors in deciding where to route your order for execution. These factors may include total consideration payable (inclusive of deductions relating to third party brokerage or other external costs), yield, speed of execution, likelihood of execution and settlement, the size and nature of your order and any potential market impact that may be caused by executing your order. We will generally execute transactions with reference to the best total consideration identified and available to us at the point of dealing, unless there is a reason why it is not in your best interest to do so.
- 19.6 The relative importance of the execution factors may vary from deal to deal depending on the circumstances of the trade and the prevailing market conditions. When we execute your deal via our electronic dealing systems, we will automatically poll the known dealers used by Barclays Wealth to identify the best available terms. In the event that an order cannot be executed automatically, it will be dealt manually by our dealing professionals, who will consider the circumstances of each deal and decide on the appropriate course of action. For the

avoidance of doubt, this may include the prioritisation of another execution factor (such as speed or certainty of execution among others) over the best market price when it is in your best interest to do so.

- 19.7 We may place reliance on third party brokers to execute transactions when we act as agent on your behalf. When we do so, we will take reasonable steps to ensure that the dealing arrangements of the parties we use are sufficient to provide appropriate execution quality, having regard to our own execution arrangements where relevant. When passing orders for execution to a broker outside the EEA, you should note that brokerage standards in such markets may not be equivalent to those in the EEA. In markets outside the EEA, we will take reasonable care to identify that the brokers used provide an appropriate quality of execution in the context of the arrangements available in the market in question.
- 19.8 Subject to Paragraphs 19.1 to 19.7, when we place or execute orders on your instructions, or in the provision of our Discretionary Investment Management Services, we may:
- (a) deal for you on such markets and exchanges and with or through any counterparties as we think fit;
 - (b) take, or omit to take, steps (including refusing to place an order) as we, in our sole discretion, believe are necessary to comply with the constitutions, by-laws, rules, regulations, customs, usages, rulings, interpretations and proper market practice of any such market or exchange, and any applicable laws;
 - (c) negotiate and execute sub-accounts with third parties (including clearing brokers and, where relevant, contracts of life insurance) on your behalf; and
 - (d) otherwise act as we alone consider to be appropriate.

- 19.9 When we deal for you, we may combine your order with our own orders and orders of other clients if we believe that aggregation can generally be expected to work to the advantage of all parties concerned. However, on some occasions, aggregation may disadvantage you. When we combine orders or when an order cannot be executed as a single transaction, we may execute it in a series of deals and confirm to you the aggregate of these at an average price. We may allow brokers who deal on your behalf to combine deals with their own and their clients' deals, subject to applicable laws and regulations.
- 19.10 When we combine your order with another, we will allocate the transaction in accordance with our allocation process. When the combined order cannot be filled, we will generally allocate to all participants on a pro rata basis, unless it may not be in your interest to receive a reduced allocation (for example, if we are of the view that the deal is not economic when considered against dealing costs), or we are otherwise unable to do so by force of regulation or law.
- 19.11 If you place a limit order in respect of a share admitted to trading on a regulated market with us, and we are not immediately able to execute at the relevant price, we will publish the amount of stock and price available in order to increase its chances of execution. We will not publish orders which are large in scale as defined by Financial Services Regulations (if there is no such definition in the jurisdiction in which we provide services to you, the definition used by the Financial Services Authority in the United Kingdom shall apply). When you place a deal with us, you may choose to instruct us not to publish unexecuted limit orders.

Settlement

- 19.12 You are responsible for paying for each transaction we execute for you, whether by payment of the purchase price, delivery of the relevant assets, or otherwise as the relevant market requires. Except as agreed with us, you must pay for any investments we purchase for you on or before the settlement time. All payments for assets purchased or otherwise, must be made in immediately available funds to the account we designate. Your payment must be made without set-off, counterclaim or deduction. If you make any withholding or deduction, you must pay additional amounts to ensure we receive the full amount due without the withholding or deduction. If you fail to deliver investments or meet your obligations, you will reimburse us for all resulting Losses we incur.
- 19.13 Delivery or payment by the other party to any transaction we place or execute as your agent will be at your entire risk. Our obligation to deliver assets to you or to account to you or any other person on your behalf for the proceeds of sale of any assets is conditional on our receipt of the relevant assets or sale proceeds from the other party to the transaction. You must make any payment and/or deliver any cash or other assets on or before the due date:
- (a) to maintain or supplement any deposit or margin in respect of any transaction entered into between us or by us for you under the Agreement; and
 - (b) to meet any other call for further funds made under the terms of any investment made for you or agreed between us against foreign exchange fluctuations.
- 19.14 Where we enter into a Contingent Liability Transaction for you, you must transfer to us any additional assets on our request as are required to provide margin for that transaction ("Margin"). The amount of

Margin needed depends, among other things, on the market price from time to time of the Margin already provided and the value of rights under the Contingent Liability Transaction. You are not entitled to the return of any Margin without our consent, which we will not unreasonably withhold. We may grant any pledge or security interest over any Assets or other assets transferred to us under this Paragraph 19. We may deposit them with, or transfer them to, any counterparty, exchange or clearing house with or through whom we effect a Contingent Liability Transaction for you. Such Margin will be subject to any applicable rules or regulations of any relevant exchange or clearing house. If you fail to provide Margin for a particular transaction, we will close out the relevant position within a period of five Working Days. We will notify you if and when a Margin or other threshold is breached.

19.15 We may deduct any amount required to discharge your obligations under Paragraphs 19.12 or 19.13 from any account you hold with us or other members of the Barclays Group (for services provided under the Agreement or otherwise).

19.16 We may, at our discretion and on any terms as we agree (including as to debit interest), lend you funds by way of overdraft or Reserve or otherwise to settle transactions effected for you when purchase monies are payable before the proceeds of sale of other Assets are received.

19.17 Unless we expressly agree with you to the contrary, we will not knowingly sell securities for you that you do not own, or cannot deliver to the market on a timely basis. You undertake not to instruct us to do so. If you do, we may, but will not be obliged to, buy stock to settle that obligation and you will reimburse us for all resulting Losses we incur.

20. Matters relevant to specific types of investment

20.1 When we provide you with an investment service, it is important that you understand the nature and risks involved. In Schedule B, we set out information on some of the general risks of investing and the nature and risks of particular types of investments. Please ensure that you take time to read and understand this information. Further information about the products that are relevant to the service you receive from Barclays Wealth will be included in the Application Form and Additional Terms for any services we provide to you. If you wish to discuss any aspect of these risk disclosures in further detail, please contact your Relationship Manager or other Barclays Wealth contact for further details (please refer to Paragraph 43 for contact details for each Barclays Wealth Company).

20.2 **Underwriting/sub-underwriting commitments:** unless the Agreement states otherwise, we may recommend or enter into transactions on your behalf that commit you to underwriting, sub-underwriting or similar obligations in connection with a new issue, rights issue, takeover or other similar transaction.

20.3 **Stabilisation:** unless the Agreement states otherwise, we may recommend or deal for you in securities, the price of which has been influenced by measures taken to stabilise it. This is particularly the case where new issues are concerned. You should read carefully the explanation in Schedule C.

20.4 **Stock lending:** we may from time to time agree with you that we will engage in stock lending transactions in respect of your Assets, and full details of the transactions will be set out in any such agreement. You are advised to obtain professional tax advice before engaging in stock lending, since this could affect your

tax position. We do not provide tax advice. Normally, where your Assets are used in a stock lending transaction, you will cease to own them (although you will have a right to acquire equivalent Assets at a later date or their cash or redemption value). You will not usually have any voting rights nor will you be directly entitled to dividends or other rights attaching to those Assets, although the borrower will normally be required to account to you for the amount of the benefit you would otherwise have received. Because you no longer own the Assets, unless you have received collateral, your right to the return of the Assets is subject to the risk of the insolvency of, or breach of contract by, the borrower.

21. Custody Services

Custody Services generally

- 21.1 Where indicated in the Application Form and Additional Terms or otherwise agreed, we will provide you with our Custody Service and the provisions of this Paragraph 21 will apply. In providing our Custody Service, we are responsible for the safekeeping of your Assets (including dealing with any cash), the settlement on your behalf of any transactions we effect under the Agreement, collecting income, the presentation for redemption or payment of any securities that are redeemed or called, and otherwise administering the Assets. We will take the steps set out in this Paragraph 21 to ensure the protection of your Assets.
- 21.2 We may employ agents (including members of the Barclays Group) to perform administrative, custodial and ancillary services to assist us in providing the services referred to in Paragraph 21.1 and may authorise them to do the same. Our liability for all matters delegated to a member of the Barclays Group will be unaffected by the delegation. In all other cases, we will exercise reasonable skill and care in selecting, using and monitoring any

agents (including sub-custodians) appointed, but will not otherwise be liable for their acts or omissions, except to the extent your Losses result from our negligence, wilful default or fraud.

- 21.3 We will keep records that make it clear that your investments are held on your behalf and do not belong to us. Where investments in our custody are held by a nominee or sub-custodian, we will take reasonable steps to ensure that the records of the relevant entity make it clear that the investments are held by or on our behalf for you and that they do not belong to us or any such nominee or sub-custodian. The purpose of this is to make clear in the event of the failure of any such entity that the investments are held on behalf of third parties and are not available to creditors of that entity if it fails. However, it cannot be guaranteed that there would be no loss of investments in the event of such a failure. Where your Assets are held by a nominee or sub-custodian outside the jurisdiction in which we provide services to you under the Agreement, it may not be possible under the applicable law for your Assets to be separately identifiable from the assets of the nominee or sub-custodian or from our assets and, accordingly, there may be a greater risk of loss in the event of a failure of any such nominee or sub-custodian.
- 21.4 Where we consider it appropriate and in accordance with applicable regulatory requirements, your Assets (other than bearer stocks and other non-registrable investments) will be registered in the name of a nominee or a sub-custodian we appoint and held directly or indirectly to our order. Registration in the name of a nominee or sub-custodian may mean you lose incentives and shareholder benefits attaching to investments. We or any sub-custodian we appoint will hold any documents of title (including bearer stocks).

- 21.5 Where Assets are securities which are uncertificated or are transferable by book entry transfer, we or our sub-custodian may use a securities depository, clearing or settlement system, account controller or other participant in the relevant system to hold and transfer the investments (or entitlements to them). The investments or entitlements will be separately identifiable from any investments or entitlements held in the same system for our account.
- 21.6 Where we consider it appropriate and in accordance with regulatory requirements, your Assets may be pooled with those of other clients (including other clients of sub-custodians) in an omnibus account. In that case, individual client entitlements may not be identifiable by separate certificates, or other physical documents of title, entries on the register or equivalent electronic records. If there is an irreconcilable shortfall following any default by us or our sub-custodian, you may not receive your full entitlement and may share in the shortfall pro-rata among our other clients or the sub-custodian's, other clients. This Paragraph 21.6 is for information purposes and is not intended to limit any claim you may have against us in respect of a default.
- 21.7 Where there is a corporate event or other matter which involves the exercise of rights (including voting, conversion and subscription rights) that arise in relation to your Assets:
- (a) we may deal with these matters if your Assets are held under the Discretionary Investment Management Service;
 - (b) if your Assets are held under the Non-Discretionary Investment Management Service, we will take reasonable steps to seek, and will only act on, your instructions in relation to those matters. If we cannot obtain your instructions, we will take the steps we reasonably consider are consistent with the agreed Investment Objective;
 - (c) if your Assets are held otherwise than as outlined in Paragraphs 21.7(a) or 21.7(b), we will take reasonable steps to seek and act on your instructions. If we cannot obtain your instructions, we will take no action and the market default position will apply; and
 - (d) subject to Paragraph 21.7(a), we will not seek your instructions or vote at Extraordinary or Annual General Meetings.
- In relation to proxy voting, which we may at our discretion undertake upon your specific request, we may charge you a fee which we will advise to you separately.
- 21.8 Where corporate events (such as partial redemptions) affect some but not all of the safe custody investments held in a pooled account, we will allocate the investments affected to particular clients in a fair and equitable manner as we consider appropriate (including pro rata allocation or an impartial lottery).
- 21.9 Where we become aware of any class action or group litigation proposed or taken which is relevant to any Assets, we are not obliged to tell you about it or take any other steps.
- 21.10 We will collect and receive all income, interest distributions and other payments in respect of your Assets. Where we also provide Discretionary or Non-Discretionary Investment Management Services, we will allocate them to the same Investment Strategy as that to which the relevant Assets are allocated. You authorise us to take any steps necessary to do so. If you are a US national or a non-US resident holding US Assets, we will endeavour to collect income under the appropriate reduced rate of withholding tax, provided that you complete any documentation as may be required under US laws and/or Financial Services Regulations in the jurisdiction in which we provide services to you under the Agreement.

21.11 Where your Assets are pooled with those of third parties, distribution of entitlements to any benefits or entitlements arising from corporate events will be allocated pro rata. Fractions of entitlements arising from this process will be rounded down to the nearest whole unit or share. The accumulated amount of any undistributed entitlements arising from this process will be sold and the proceeds allocated pro rata. However, where this would result in an allocation to you of less than such amount as we may designate from time to time, the amount will be accumulated with other similar amounts and dealt with as we shall determine (including by retention of such amounts or payment to a charity of our choice). Pooling may mean that where an allocation or share issue has rights weighted towards smaller investors, your allocation may be less than it otherwise would have been.

21.12 We may arrange for some of your Assets to be held outside the jurisdiction in which we provide services to you under the Agreement. In that case, different settlement, legal and regulatory systems will apply in such jurisdictions from those that apply in the jurisdiction in which we provide services to you under the Agreement. Different practices for the separate identification and segregation of clients' investments will also apply.

21.13 If we provide Custody Services to you under this Agreement, you may instruct us to hold Assets with another person. We do not accept responsibility for their acts or omissions and this will be at your own risk.

21.14 You cannot use Assets held with us as security for a loan without our prior written consent.

Cash comprised in your Assets – cash held as Client Money (as defined in Section F)

21.15 If you complete:

- (a) an Application Form and Additional Terms for Custody Services provided

- by a Barclays Wealth Company other than Barclays Bank PLC; or
- (b) an Application Form and Additional Terms with Barclays Bank PLC and it holds your money as Client Money with another Approved Bank or other third party with whom the money can be held (rather than in an account with itself as banker),

we will deal with your money in accordance with the Client Money Rules (as defined in Section F).

21.16 Unless otherwise agreed, our policy is that (except as set out in Paragraph 21.19): where we can do so, we will hold Client Money in a client account with Barclays Bank PLC or another member of the Barclays Group; where this is not possible, we will hold Client Money with an Approved Bank outside the jurisdiction in which we provide services to you under the Agreement (if this is a member of the Barclays Group, we notify you before your Client Money is held with that bank).

21.17 Your Client Money may be held outside the jurisdiction in which we provide services to you under the Agreement. In these circumstances, the legal and regulatory regime applying to the Approved Bank we use will be different from the regime in the jurisdiction in which we provide services to you under the Agreement. If the bank fails, and is thereby unable to repay all of its creditors, your Client Money may be treated differently than if it were held by a bank in the jurisdiction in which we provide services to you under the Agreement.

21.18 We may allow another person, such as an exchange, clearing house or intermediate broker, to hold or control your Client Money for the purposes of transactions for you through or with that other person, or to meet your obligation to provide collateral for a transaction (for example, an initial Margin requirement in connection with a derivatives transaction).

- 21.19 Where we consider it appropriate, we may also place your Client Money in a qualifying money market fund (which is a Mutual Fund which complies with the requirements of Financial Services Regulations in relation to the holding of Client Money). You must tell us if you do not want your money held in this way.
- 21.20 Where we effect an investment transaction on your behalf outside the jurisdiction in which we provide services to you under the Agreement, or income is paid on Assets outside the jurisdiction in which we provide services to you under the Agreement, your Client Money may have to pass through an overseas bank or an intermediate broker, a settlement agent or counterparty located outside the jurisdiction in which we provide services to you under the Agreement. The legal and regulatory regime applicable to that Client Money will be different from the regime of the jurisdiction in which we provide services to you under the Agreement. If there is a default, your position may be worse than in the jurisdiction in which we provide services to you under the Agreement, and the bank concerned may exercise a right of set-off or counterclaim in respect of money owed on any of our other accounts. Similar considerations apply to the use of intermediate brokers and settlement agents outside the EEA. Money may not be protected as effectively as it would be if held solely within the EEA.
- 21.21 We do not generally pay interest on Client Money. We are entitled to withdraw and pay ourselves any interest arising on the account in which it is held. However, interest will be paid where, in seeking to achieve your Investment Objective or otherwise implementing your instructions, we place Client Money on deposit in an interest bearing account with a financial institution (which may be a member of the Barclays Group). The interest payable in

these circumstances will depend on the size and term of the deposit. It will be based on the prevailing money market rate for deposits of a similar size and term.

- 21.22 Where we agree to pay interest on Client Money or on cash balances held by Barclays Bank PLC as banker, we will deduct tax on the interest unless permitted to pay gross under current legislation.
- 21.23 In the jurisdiction in which we provide services to you under the Agreement, Client Money Rules may differ. If this is the case it will be set out in the Application Form and Additional Terms (where applicable).

22. Client reporting

Transaction confirmation (contract note)

- 22.1 If you are a client of our Non-Discretionary Investment Management, Advisory or Execution-only Dealing Services, a confirmation statement will be despatched in accordance with your instructions, detailing each order dealt on your behalf. Such confirmation statement will be sent to you no later than:
- (a) the first Working Day after execution; or
 - (b) the first Working Day after we receive confirmation from a third party who has executed the order.
- 22.2 Should you require information about the status of any pending order, such information will be provided to you upon request.
- 22.3 If you purchase units or shares in a Mutual Fund and your orders are periodically executed as a series of orders, you will receive a confirmation statement at least once every six months detailing each order executed during that period.

Periodic valuation reports – Discretionary Investment Management Service

- 22.4 Unless we specifically agree with you otherwise, if you are a client of our Discretionary Investment Management

Service, we will provide you with a valuation report on a quarterly basis. Details of all transactions during the period will be included in this report, together with details of the Assets, liabilities and any cash on account at the end of the reporting period. In addition to the valuation report that we will provide, you may elect to receive confirmation statements on a transaction-by-transaction basis.

- 22.5 If your portfolio activity includes Contingent Liability Transactions (see Paragraphs 22.6 to 22.8), you will receive a valuation report on a monthly basis.

Contingent Liability Transactions

22.6 A Contingent Liability Transaction is one that involves any actual or potential liability for you that may exceed the cost of acquiring the investment.

- 22.7 If your portfolio contains an uncovered open position in a Contingent Liability Transaction, we will notify you of any Losses that exceed any predetermined threshold agreed with you. We will do so no later than:
- (a) the close of business on the Working Day in which the threshold was exceeded; or
 - (b) the close of business on the next Working Day, where the threshold is exceeded on a non-Working Day.

- 22.8 If there are derivatives or derivative related cash balances (for example, cash held to provide Margin or for anticipated transactions in derivatives) comprised in the Assets allocated to any Investment Strategy you select which involve potential contingent liability, you will receive a statement and valuation of all Assets held:
- (a) no later than one month after the Agreement commences; and
 - (b) periodically at the intervals stated in the Application Form and Additional Terms.

Client Assets statement

22.9 If we hold Assets on your behalf, you will receive a statement at least once a year detailing:

- (a) all investments and any money held by us in your account at the end of that period;
- (b) the extent to which your investments or money have been the subject of securities financing transactions (for example stock lending transactions); and
- (c) any benefit that has accrued to you by virtue of your participation in any securities financing transaction, and the basis upon which the benefit has accrued.

This information may be included within the valuation report that we routinely send to you.

Additional reporting

22.10 We may, in accordance with your Application Form and Additional Terms or otherwise, provide further client information, including specific information after the end of each tax year or when we start to provide services to you.

Valuations

22.11 We will provide you with a valuation of your Assets in each periodic statement. The valuation will be based on such market information as we reasonably consider appropriate and will be based on information from sources we reasonably believe are reliable. We accept no liability for Losses arising from inaccuracies in the data provided to us, except to the extent Losses are caused by our negligence in relying on it. Variations in market conditions will mean that the prices shown in the statements do not necessarily reflect realisable values at the time you receive a valuation.

Section E – General

23. Charges, interest and payment

- 23.1 We will charge fees and commissions for our services under the Agreement, pay credit interest, and charge debit interest, in accordance with our published tariffs or as otherwise agreed in writing. Copies of the published tariffs are available on request. We may vary any fees, commissions and, where applicable, interest payable, on the basis provided in Paragraph 31, and any changes will be advised to you accordingly.
- 23.2 You are liable for any costs we properly incur under the Agreement, including reasonable commissions, transfer and registration fees, taxes, stamp duties and other fiscal liabilities. In particular, we will pass on brokerage charges we incur for transactions effected for you. The charges will be indicated on the confirmation and periodic statement or otherwise in accordance with Financial Services Regulations (if there is no particular requirement in the jurisdiction in which we provide services to you, we will meet the requirements of the Financial Services Authority in the United Kingdom). When we effect deals for you, we may make a dealing charge as set out in our published tariffs or as we otherwise agree with you. We may pay a portion of the charge to a third party other than a member of the Barclays Group. We may also pay a portion of any dealing charges to a member of the Barclays Group.
- 23.3 We may pay interest or charge interest, fees and other charges under the Agreement by crediting the relevant account or by debiting any account you hold with us or any member of the Barclays Group.
- 23.4 We or other members of the Barclays Group may receive or retain commissions or other benefits relating to certain categories of investments (for example

Mutual Funds, life assurance contracts or structured products) that we recommend or purchase in providing our services. We will provide you with further details about such arrangements as they relate to particular services prior to providing you with these services and at any point thereafter, on request.

- 23.5 We will charge commission on foreign currency conversations that we transact with or for you. The rate of commission will vary depending on the size and nature of the transaction concerned.

24. Instructions to liquidate Assets and to pay cash

- 24.1 Where you instruct us to transfer cash to you or a third party, provided there are sufficient cleared funds in the relevant currency in your Assets or in a bank account you hold with us under the Agreement which are not needed to settle any transaction under the Agreement, we will process the instructions:
- (a) where it is received before the relevant cut-off time on a Working Day, on that day or on any later date specified in the instruction (or the next following Working Day if that later date is not a Working Day); or
 - (b) where it is received after the cut-off time on any given day or on a day that is not a Working Day, on the next following Working Day or on any later date specified in the instruction (or the next following Working Day if that later date is not a Working Day).
- We will, on request, advise you of the cut-off times for telephone and other instructions.
- 24.2 Where you instruct us to transfer cash to you or a third party and there are insufficient cleared funds in your Assets, or in a bank account you hold with us under the Agreement, to effect the transfer, or where the available funds are needed to

settle a transaction entered into on your behalf under the Agreement, we will take reasonable steps to promptly:

- (a) convert cash held in a bank account with us to the relevant currency; or
- (b) liquidate or, as applicable, convert Assets held on your behalf (in the case of Assets held in connection with our Discretionary or Non-Discretionary Investment Management Services, in respect of whichever Investment Strategy you specify or as we otherwise reasonably determine) to realise the amount required to make the transfer in full.

We will transfer the funds to you once sufficient cleared funds become available in the relevant currency or on a later date as you specify in your instructions (or, where that later date is not a Working Day, on the next following Working Day). If we must liquidate Assets in order to carry out your instructions, the price obtained for those Assets may be less advantageous to you than would otherwise be the case.

- 24.3 Where you instruct us to transfer any amount to you or a third party outside the jurisdiction in which we provide services to you under the Agreement, we will make the transfer to the bank account you notify and we will have no further liability in respect of that payment once we initiate the transfer. If you do not notify us of a bank to make or effect the payment, we will in our sole discretion appoint any bank of our choice to make the transfer in the country where the third party resides (the “Paying Bank”) to make the payment to the relevant third party and we will effect a transfer to that bank. We will exercise reasonable skill and care in the selection and use of any Paying Bank, but will not otherwise be liable for its acts and omissions. Any date for payment agreed by us is the date on which the funds will be available to the Paying Bank or, as

applicable, the bank notified by you. The ability of the bank to pay the third party on that date will depend on banking practice in the country concerned.

25. Distance Contract – cancellation rights

- 25.1 If the Agreement has been concluded without a face-to-face meeting between you and us, and if the person entering the Agreement is an individual, including individuals holding a joint account (rather than a corporate) (a “Distance Contract”) you may have a right to cancel the Agreement. Further details about the cancellation rights, if any, that may apply in the jurisdiction in which we provide services to you under the Agreement will, if applicable, be set out in the Application Form and Additional Terms.

26. Your obligations

- 26.1 You warrant and undertake:
- (a) that you have full power and authority to enter into and perform the Agreement and the transactions it contemplates and, where you have appointed us to provide Discretionary or Non-Discretionary Investment Management, Execution-only Dealing or Custody Services, to give us instructions in relation to the Assets;
 - (b) where you have appointed us to provide Custody Services, as at the date transferred to us or our sub-custodian or nominee, that the Assets are free from all liens and charges;
 - (c) where you have appointed us to provide Discretionary or Non-Discretionary Investment Management Services, that you will not deal in the Assets or authorise any other person to do so, and will not take or omit to take any step that will result in any lien or charge arising over the Assets;

- (d) that any information you have provided to us for the purposes of establishing the arrangements contemplated by the Agreement (including as to your status, residence and domicile for tax purposes) is complete and correct in all material respects; and
 - (e) where you are entering the Agreement as a trustee and you have appointed us to provide Discretionary or Non-Discretionary Investment Management Services, that:
 - (i) the relevant trust is not subject to any investment restrictions or, to the extent it is, that investment of the Assets in accordance with any selected Investment Strategy will not breach those restrictions;
 - (ii) the persons entering the Agreement have the full powers of a beneficial owner in relation to the Assets; and
 - (iii) you (to the extent required by us) have provided us with a copy of the current trust deed and a complete set of any other relevant documents that define the investment powers of the trust.
- 26.2 You will notify us promptly if there is any material change to any information referred to in Paragraph 26.1(d) and to provide any further information we reasonably request in order to enable us to perform the Agreement or comply with any applicable law or regulation. Failure to do so may adversely affect the quality of the service we are able to provide.
- 26.3 Except to the extent it results from our negligence, wilful default or fraud, or that of any member of the Barclays Group in carrying out functions delegated to it under the Agreement, you will indemnify us and members of the Barclays Group and keep us harmless against any Losses (including reasonable legal costs or other reasonable costs in connection with investigating and defending any claim or liability) resulting from your failure to comply with the Agreement or arising in connection with any action properly taken by us or by our agents under the Agreement.
- 26.4 To compensate us for the additional costs we have to pay if you breach the Agreement, we will charge the standard charges set out in the tariff applicable to the account or service and the amount of any other Losses and reasonable costs which we incur because of your breach of the Agreement. These include, but are not limited to, the cost of tracing you, notifying you of the breach, communicating with you about the breach, and enforcing payment of any amount due to us. You authorise us to deduct these amounts from any account you hold with us.
- 27. Our liability to you**
- 27.1 We will be liable to you for any Losses you may suffer in respect of our services under the Agreement, but only to the extent it results from our negligence, wilful default or fraud.
- 27.2 Where we provide Discretionary or Non-Discretionary Investment Management, or Advisory Services, you accept that we give no assurance that any Investment Objective will be achieved. We are not responsible if the Investment Objective for any Investment Strategy you select is not met, except to the extent it results from our negligence, wilful default or fraud.
- 27.3 We are not liable to you for any Losses you may suffer because of anything outside our reasonable control to prevent and the effect of which is beyond our reasonable control to avoid, including, but not limited to: the introduction of or any change to any law; currency restrictions, devaluations and fluctuations; acts of terrorism; war; civil unrest; acts of God; market conditions

affecting the execution or settlement of transactions or the value of assets; failure or breakdown in any machine or equipment not reasonably within our control; the failure of any relevant exchange or clearing house; and strikes and industrial disputes not reasonably within our control.

- 27.4 We are not liable in any circumstances for any Losses you may suffer that were not a reasonably foreseeable result of breach to both you and us when the Agreement was entered into.
- 27.5 We are not liable to you if we do not act on your instructions for any reason specified under Paragraphs 2.7 and/or 2.9 or if we otherwise fail to take any action which in our opinion is or would breach any applicable law or regulation.
- 27.6 Nothing in the Agreement will exclude or limit any duty or liability we may have to you under Financial Services Regulations or other applicable legislation.

28. Legal and tax

- 28.1 Unless we agree with you otherwise, you have sole responsibility for the management of your tax affairs, including making any applicable filings and payments and complying with any applicable laws and regulations in relation to taxation.
- 28.2 We may ask you questions about your personal tax position and we may explain the generic legal or tax position relating to our products or services. We do this to provide you with information on those products or services and to assist us in selecting which products or services may be appropriate for you. We are not legal or tax advisers and we do not provide legal or tax advice. We recommend that you obtain your own independent advice, tailored to your particular circumstances. You will not rely on the information provided by us as a substitute for taking your own independent advice.

29. Conflicts of interest and material interests

- 29.1 The complexity and size of our business, our position within the wider Barclays Group, and our reliance on third parties at various points can occasionally lead to situations where our interests and/or those of our staff conflict with your interests. Equally, your interests may occasionally compete with those of other clients.
- 29.2 Where we are aware, including made aware, that we are faced with a situation of competing interests, we will undertake all reasonable steps to protect your interests and ensure your fair treatment, in line with the duties we owe you as our client. To this effect, we have a framework in place to handle conflicts of interest, such that we act with an appropriate degree of independence from our own interests when transacting with you or dealing on your behalf. This framework comprises:
 - (a) a policy that specifies the requirements for staff to identify, prevent and manage conflicts of interest, including ongoing monitoring of the effectiveness of the arrangements designed to protect your interests in the face of conflicts;
 - (b) the active engagement of senior management in order to ensure our arrangements remain robust; and
 - (c) mandatory training sessions to familiarise all our staff with the relevant arrangements.
- 29.3 Where we are not satisfied that our arrangements to handle conflicts are sufficient to prevent a conflict from potentially harming your interests, we will:
 - (a) disclose the nature and source of the conflict to you; and
 - (b) if appropriate, obtain your permission to proceed with the service.
- 29.4 On request, we will provide you with further information on how we handle conflicts of interest.

- 29.5 We describe below some of the types of conflicts of interest that could arise so that you are able to understand them and consent to our acting nonetheless. Examples of such situations include:
- (a) where we or our Associates carry on business on behalf of other clients;
 - (b) where recommendations we make to you differ from advice or recommendations given to other clients by us or our Associates;
 - (c) where we deal on your behalf through an Associate or where an Associate is otherwise receiving an agent's commission;
 - (d) where we effect, arrange or give advice on transactions in which we or an Associate benefit from a commission, fee, mark-up or mark-down payable otherwise than by you and/or in respect of which we or an associate may also be remunerated by the counterparty to the transaction;
 - (e) where a deal or recommendation involves investments issued by us, an associate, a client or a client of an associate;
 - (f) where our Associates deal with you as principal for their own account or have a long or short position in securities that are held by you or in which we deal on your behalf;
 - (g) where we match your transaction with that of another client by acting on their behalf as agent as well as yours;
 - (h) executing a transaction or advising in circumstances where we have knowledge of other actual or potential transactions in the investment concerned;
 - (i) where we deal or recommend units in a Mutual Fund or investment trust company in respect of which we or our Associates are the trustee, investment manager or operator (or an adviser of the trustee, investment manager or operator) of the Mutual Fund or investment trust company or otherwise act in a similar capacity;
 - (j) where we or our Associates are involved in or act in respect of a new issue, rights issue, takeover or any other transaction or have any other relationship with an issuer of investments which is relevant to investments in which we deal on your behalf or make recommendations;
 - (k) where our officers or employees or those of our Associates act as officers or employees of issuers of investments in respect of which we deal on your behalf or make recommendations.
- 29.6 We will ensure that transactions into which we enter on your behalf are on terms that are not materially less favourable to you than if no potential conflict had existed. Neither we nor any other member of the Barclays Group will account to you for any profit, commission or remuneration made or received from or by reason of such transactions and these amounts will not be set-off against our fees except where this is required by Financial Services Regulations (if there is no such requirement in the jurisdiction in which we provide services to you, we will meet the requirements of the Financial Services Authority in the United Kingdom).
- 29.7 When conducting business for you, we may receive from or pay to a third party commissions or other benefits in relation to that business. For any such commissions or benefits, we will ensure that these arrangements provide for an enhancement of the service to which they relate and that they do not prevent us from acting in your best interests.
- 29.8 For any business where you are introduced by a third party, we may have made a payment to the introducer or pay ongoing

commissions. The basis of such payments will be made available to you on request.

- 29.9 When providing services to you, we are permitted to deal in investments with you as agent and/or principal, including dealing in investments issued by Barclays Bank PLC or another member of the Barclays Group. Neither the relationship between you and us as described in the Agreement, nor any other service that we provide to you, will give rise to any duties on our part or that of our Associates that would prevent us or our Associates doing business of the sort indicated in Paragraph 29.5 except where it would not be permitted under Financial Services Regulations (if there is no such requirement in the jurisdiction in which we provide services to you, we will meet the requirements of the Financial Services Authority in the United Kingdom).
- 29.10 We and our Associates provide a range of services and may possess information of a confidential or non-public nature which we are under a duty not to disclose or use for our own benefit or anyone else. We will therefore be unable to use this information on your behalf or disclose it to you. In providing our services under the Agreement, we are not obliged to disclose or take into consideration any information, fact or matter that:
- (a) has not come to the actual attention of the individual making the recommendation to you or acting on your behalf, whether or not it has come to the attention of any other person;
 - (b) disclosure of which would be a breach of a duty of confidentiality to any other person or result in a breach of any applicable law or regulation; or
 - (c) is held solely in a division of us or the Barclays Group in a manner that precludes its publication outside that division.

30. Your information

Using information about you

- 30.1 In order to provide you with products and services we need to collect, use, share and store personal and financial information about you ("your information"). This includes information which we:
- (a) obtain from you or third parties, such as employers, joint account holders, credit reference agencies (who may search the Electoral Register), fraud prevention agencies or other organisations when you apply for the Agreement or any other Barclays Group product or service, or which you or they give to us at any other time; or
 - (b) learn from the way in which the Agreement is administered and managed, from the transactions made such as the date, amount, currency and the name and type of supplier (for example, supermarket services, medical services, transactions in assets, retail services) and from the payments which are made to and from your account.
- 30.2 Where you provide personal and financial information about others (such as dependants, other family members and a joint account holder, where applicable) you confirm that you have their consent or are otherwise entitled to provide this information to us and for it to be used in accordance with the Agreement.
- 30.3 You authorise us to process and disclose your information relating to medical, health, lifestyle, ethnic background and criminal offences alleged or otherwise that is provided by you or that we obtain from third parties for the purposes of:
- (a) assessing and identifying products and services;

- (b) applying for a product of an insurance company/organisation;
 - (c) detecting and preventing crime (including without limitation fraud and money laundering);
 - (d) transferring your information in accordance with Paragraph 30.10(f); and
 - (e) otherwise meeting our obligations under the Agreement, including but not limited to this Paragraph 30.
- 30.4 We and other companies in the Barclays Group will use your information to manage your account(s), give you statements and provide our services and products, for assessment and analysis (including credit and/or behaviour scoring, market and product analysis), to prevent and detect fraud, money laundering and other crime, carry out regulatory checks and meet our obligations to any relevant regulatory authority, and to develop and improve our services to you and other clients and protect our interests.
- 30.5 We and other members of the Barclays Group may use your information to inform you by letter, telephone, text (or similar) messages, digital television, email and other electronic methods, about products and services (including those of others) which may be of interest to you. You may tell us at any time if you do not wish to receive marketing communications from us and/or other members of the Barclays Group by writing to us providing your full name, address and account details (please refer to Paragraph 43, or your Application Form and Additional Terms for contact details or inform your usual Barclays Wealth contact or Relationship Manager).
- 30.6 Where we and other members of the Barclays Group collect, use, share and store your information by way of electronic instructions and/or communications, such instructions and communications will be subject to Paragraph 4.1. Instructions and other communications that are not electronic will be subject to Paragraph 3.
- 30.7 We give your information to and receive information from credit reference agencies and fraud prevention agencies. We and other organisations may access and use this information to prevent and detect fraud, money laundering and other crimes and to make credit assessments. Examples of circumstances when your information or information relating to your partner or other members of your household may be shared include:
- (a) checking details on applications for products and services, and credit and credit-related, or other, facilities;
 - (b) managing credit and credit-related accounts or facilities;
 - (c) recovering debt;
 - (d) checking details on proposals and claims for all types of insurance;
 - (e) checking details of job applicants and employees; and
 - (f) making enquiries when you ask for any lending products or investment products and to assist in managing your account.
- 30.8 Information held about you by the credit reference agencies may already be linked to records relating to your partner or members of your household where a financial “association” has been created. Any enquiry we make at a credit reference agency may be assessed with reference to any “associated” records. Another person’s record will be “associated” with yours when:
- (a) you make a joint application;
 - (b) you advise us of a financial association with another person; or
 - (c) if the credit reference agencies have existing linked or “associate” records.
- This “association” will be taken into account in all future applications by either or both of you and shall continue until one of you applies to the credit reference agencies and is successful in filing a “disassociation”. We do not give information about savings accounts to credit reference agencies.

30.9 Credit reference agencies keep a record of our enquiries and may record, use and give out information we give them to other lenders, insurers and other organisations. If false or inaccurate information is provided or fraud is suspected details may be passed to fraud prevention and credit reference agencies. Law enforcement agencies may access and use this information. The information recorded by fraud prevention agencies may be accessed and used by organisations in a number of countries including the jurisdiction in which we provide services to you, the UK and in other countries. Please contact us if you want to receive details of the relevant fraud prevention agencies.

30.10 We may disclose information about you and the management of the Agreement to the following, wherever located:

- (a) other companies within the Barclays Group (that are subject to a similar duty of confidentiality);
- (b) our partners, and companies and organisations that provide services or assist us in reviewing your financial position, to process transactions in the exercise of our discretion under the Agreement where applicable or arising from recommendations made by us to you; for example, to obtain product quotes and recommend and complete a product purchase with a product provider;
- (c) companies and organisations providing a service to us or acting as our agents, including, but not limited to, sub-contractors (including their agents) and professional advisers, on the understanding that they will keep your information confidential;
- (d) companies and organisations that assist us to process transactions under the Agreement, including, but not limited to, executing trades on an exchange;

- (e) anyone to whom we may transfer our rights and/or obligations under the Agreement;
- (f) any third party as a result of any restructure, sale or acquisition of any company within the Barclays Group, provided that any recipient uses your information for the same purposes as it was originally supplied to us and/or used by us;
- (g) your advisers (including, but not limited to, accountants, lawyers or other professional advisers) where authorised by you;
- (h) your financial adviser or agent. Where transactions have been carried out through a financial adviser or agent, that person will be deemed to be your agent to whom full details of your information under the Agreement may be disclosed unless you advise us to the contrary in writing;
- (i) any person notified by you as authorised to give instructions or to use the service on your behalf for the purpose of managing and administering the service provided under the Agreement, to the extent reasonably necessary to enable us to perform the Agreement; and/or
- (j) where the Barclays Group has a duty to do so, or if law or regulation allows us to do so.

In order to make or receive payments, the details of the payment (including information relating to those involved in the payment) may be received from or sent to another jurisdiction, where it could be accessible by regulators and authorities in connection with their legitimate duties (for example, the prevention of crime). In instructing us to make payments, you agree to this on behalf of yourself and others involved in your payments.

- 30.11 Where we transfer your information to a service provider or agent in another country (including, without limitation, countries outside the EEA), we will make sure the service provider or agent agrees to apply the same levels of protection as we are required to apply to your information and to use your information in accordance with our instructions.
- 30.12 We will retain information about you after the termination of the Agreement or if your application is declined or abandoned for as long as permitted for legal, regulatory, fraud prevention, financial crime and legitimate businesses purposes.
- 30.13 You can ask for a copy of your information we hold about you by writing to us. A fee may be charged for this service as permitted by appropriate law or regulation.

European Savings Directive (ESD)

- 30.14 If you are an individual resident in a member state of the European Union or another jurisdiction which is subject to ESD, we are either obliged to:
- (a) pass certain information about any savings income payment we make to you to the relevant local tax authority for communication to the tax authority of your country of residence; or
 - (b) apply a withholding tax to any savings income payments made to you.
- Where we are obliged to pass on information about you, this information includes (but is not limited to) the amount of interest paid or credited, your name, address and country of residence. You may be required to provide us with further information regarding your identity and status. If this is the case, we will contact you. Further details of savings income information, rates of withholding tax and the territories which are subject to ESD are available on request.
- 30.15 If we or our agents cannot reasonably determine which part of your income is reportable and which part is not reportable

- under ESD, we or our agents will report and disclose all income without distinction.
- 30.16 Where we determine that you are not subject to ESD, we may reverse that determination at any time when further information comes to our attention that indicates that you are subject to the ESD and we will not be liable to you for any resulting loss.
- 30.17 We are not liable to you for any loss you may suffer if we make an incorrect determination as to whether or not you should be treated as being subject to ESD where the incorrect determination results from our reliance on incorrect information provided to us by you or any third party except to the extent caused by our gross negligence, wilful default or fraud.

31. Variations

- 31.1 We may amend the Agreement by giving written notice to you of the amendment. We will only make changes (including changes to applicable fees, commissions and interest) for good reason, including, but not limited to:
- (a) a proportionate response to changes in the Bank of England base rate or the central bank base rate in the jurisdiction in which we provide services to you under the Agreement, or any rate (including market rates or index) that is relevant to the business contemplated by the Agreement;
 - (b) reflecting legitimate increases or reductions in the cost of providing the services to you; and
 - (c) reflecting changes in law, regulatory requirements or ratings, or changes in accepted insolvency guidance and codes of practice which have as their objective consumer protection.
- 31.2 We may tell you about any changes by:
- (a) including details in your statements;
 - (b) sending you a separate written notice by post;

- (c) notifying you electronically (where we consider it appropriate to do so in the context of our relationship with you) of a website where you can access the information (such information and website will be available in English); or
- (d) any other means as agreed from time to time.

31.3 Changes in our interest rates will apply immediately, but we will tell you of the change within 30 days of the change becoming effective. In other cases:

- (a) we will give you at least 30 days' notice of any changes before conducting investment business with or for you on the amended terms, unless it is impracticable in the circumstances to do so; and
- (b) where you have a bank account with us, we will normally give you 30 days' notice of any changes.

However, we may introduce changes as soon as we give you notice if we consider they are necessary to take account of legal or regulatory requirements or if they are technical or procedural in nature and we reasonably believe they will help us to improve our service to you.

31.4 Except as provided in the Agreement, no provision of the Agreement will be deemed waived, altered, modified or amended unless we otherwise agree with you in writing.

31.5 Our failure to insist on you strictly complying with the Agreement or any act or omission on our part will not amount to a waiver of our rights under the Agreement.

32. Joint accounts and trustees

32.1 Where the Agreement is entered into between us and more than one person, as regards each person (except where we have agreed otherwise in writing):

- (a) their obligations and liabilities under the Agreement are joint and several (which means, for instance, that any one person can withdraw the entire

balance of a bank account and that, in the case of an overdraft or Reserve, each account holder is responsible for the repayment of the entire balance and not just a share of it);

- (b) they each have authority (as full as if they were the only person entering the Agreement) on behalf of the others to give or receive any instruction, notice, request or acknowledgement without notice to the others, including an instruction to liquidate and/or withdraw Assets from our management and/or close any banking account;
- (c) where separate instructions are given by two or more of them and they are in conflict, we are entitled to act on those instructions or delay acting on those instructions until the conflict has been resolved;
- (d) any such person may give us an effective and final discharge in respect of any of our obligations under the Agreement; and
- (e) on the death (or, as applicable, dissolution) of any one or more of them, the Agreement will not terminate and we may treat the survivor(s) as the only party(ies) to the Agreement as entitled to the Assets and/or any bank account, provided that we reserve the right to act on the instructions of the Legal Personal Representative (LPR) or liquidator of any such person who has died (or, as applicable, been dissolved) on our receiving proof of their authority.

32.2 We may:

- (a) contact and otherwise deal only with the account holder named first in our records subject to any legal requirements or unless you request otherwise; and

- (b) in our sole discretion require an instruction to be given by all or a number of the persons entering the Agreement before we take any action under the Agreement.

33. In the event of death

- 33.1 We need to receive notification of the death of any account holder or signatory in a form reasonably acceptable to us as soon as possible. We will require a registrar's copy death certificate in such circumstances.
- 33.2 With the exception of Paragraph 33.1, this Paragraph 33 only applies if you are a sole account holder (including where you are the sole surviving account holder following the death of a joint account holder). In the event of the death of a joint account holder (who is not the sole surviving joint account holder), you should refer to Paragraph 32.1 (e).
- 33.3 The Agreement will continue to bind your estate until terminated by your validly appointed LPR, or by us giving notice to your LPR, in accordance with Paragraph 35, subject to the following variations:
 - (a) we will deem your LPR to be party to the Agreement until it is terminated;
 - (b) from the date we receive notification of your death, if we hold any of your Assets in connection with investment management services provided under the Agreement, we will continue to hold those Assets, but we will not manage them; and
 - (c) from the date we receive notification of your death, we will not:
 - (i) carry out any further transactions for you other than those already in the course of completion;
 - (ii) provide advice to your LPR regarding the appropriateness, or otherwise, of the constituent investments comprising your interest in your Assets or market movements or any other matter; or

- (iii) unless incurred because of our negligence or wilful default, be responsible for any Losses your estate incurs, or your LPR incurs, because of us operating your account(s) in accordance with this Paragraph 33.

- 33.4 Once we receive the grant of representation for your estate (or such other formal appointment as applicable in your jurisdiction), we will carry out your LPR's instructions. Assets cannot be sold until any re-registration process is completed with any fees, charges and expenses owed to us accounted for. If we have not received any instructions after three months of our receipt of the grant of representation, we may re-register your holdings into your LPR's name. We will send the certificates to the registered correspondence address for your estate.
- 33.5 If your estate is too small to warrant a grant of representation, we may in our discretion accept an appropriate indemnity.
- 33.6 Notwithstanding anything in the Agreement, if the Agreement is not terminated within two years after the date of your death, we may take such action as we consider appropriate to close your account(s). Your estate or your LPR(s) will be liable for all costs associated with us taking this action, or considering taking action, except to the extent that costs arise because of our negligence, wilful default or fraud.

34. Security and set-off

- 34.1 Without prejudice to any other rights we may be entitled to exercise over your Assets, we may retain, transfer or sell any of your Assets so far as is necessary to enable us to settle any transactions entered into on your behalf under the Agreement and to pay any of your outstanding liabilities under or in connection with the Agreement, including any liability to us.
- 34.2 We may, subject to Financial Services Regulations, at any time apply or set-off

any deposits or other sums at any time due from us to you from any account you hold with us or any other members of the Barclays Group (regardless of the currency and whether contingent or unmaturing) for the payment of any liabilities, whether absolute or contingent, or due or to become due, which you may have to us under the Agreement or otherwise in connection with it, whether on your own or jointly with anyone else (and, if a joint account holder owes us a debt that is due, we and any other members of the Barclays Group may, subject to Financial Services Regulations, use all the funds in the joint account to satisfy the debt). If there is a genuine dispute as to the payment of any liability to us, you may require the disputed amount to be held in an escrow account pending resolution of the dispute.

34.3 Your Assets will be subject to a lien in our favour to the extent that any costs, Losses, claims or other amounts you are obliged to pay us under the Agreement, or in respect of which you are obliged to reimburse us, remain unpaid.

34.4 Your Assets may be subject to a lien in favour of any sub-custodian, nominee or agent appointed by us (or the sub-custodian, nominee or agent of any sub-custodian appointed by us) in accordance with the Agreement in respect of charges relating to the administration and safekeeping of such Assets or of any depositary or settlement system.

35. Termination

35.1 You may terminate the Agreement and close any account you hold with us, or terminate the provision of our services in relation to a specific Investment Strategy, by giving us reasonable notice in writing in accordance with Paragraph 3.1 (you may not use email for this purpose).

35.2 We may terminate the Agreement and close any account you hold with us, or

terminate the provision of our services in relation to a specific Investment Strategy, at any time by giving you at least 30 days' written notice.

35.3 We may terminate the Agreement or freeze any accounts without giving notice if we believe that:

- (a) continuing to provide the services under the Agreement would be assisting criminal activity;
- (b) continuing to provide the services becomes in breach of any applicable law or sanction;
- (c) you have provided us with any false information at any time;
- (d) it is inappropriate for a person authorised to give instructions on your account to operate it;
- (e) your behaviour means that it is inappropriate for us to maintain your account;
- (f) by maintaining your account, we may damage our reputation; or
- (g) you have been in a serious or persistent breach of the Agreement or any additional terms which apply to an account.

35.4 You will only be eligible to use the benefits and services provided to you under the Agreement subject to your status and after you have complied with any relevant eligibility criteria. Details of any applicable eligibility criteria may be set out in the Application Form and Additional Terms and may be varied by us, at our discretion, from time to time. If at any point in time you fail to meet these eligibility criteria, we reserve the right to terminate the Agreement, terminate the relevant service, or move you to an alternative service, without notice, where you meet the relevant eligibility criteria. This includes the situation where you are, or become, resident in a country or territory with legal or regulatory restrictions on our continuing to provide the relevant service to you.

- 35.5 On a termination where you have a Banking Account with us, we may choose not to close your account until you have returned any debit cards issued to you in connection with the account, any unused cheques and any computer banking software we have provided. You must repay any money you owe us, including the amount of any cheques, card transactions or other payment instructions you have made, which have not at the relevant time been taken out of your account.
- 35.6 Termination of the Agreement or of the provision of our services in relation to an Investment Strategy will not affect any contractual provisions intended to survive termination or any accrued rights, liabilities or existing commitments (including those in relation to any transactions entered into at the date of termination but unsettled, which will be completed expeditiously by us). Following termination, you will pay any additional expenses necessarily incurred by us or on our behalf in terminating the Agreement or for our services in respect of the relevant Investment Strategy. You will bear any Losses necessarily realised in settling or concluding outstanding obligations.
- 35.7 Where you hold investments, (including for example investments in hedge funds) which we reasonably believe are inappropriate for transfer, we will procure the sale or redemption of such holdings as soon as is reasonably practicable and will pay the net proceeds to you.
- 35.8 On a termination of the Agreement (other than a cancellation under Paragraph 25), you will pay our fees pro rata to the date of termination.
- 35.9 On termination of the Agreement, we will transfer your Assets to you, or sell any investments and pay the proceeds to you, in accordance with your instructions and in default of any such instructions we will take such reasonable steps as are necessary to return your Assets to you.

36. Complaints

- 36.1 We have procedures for handling client complaints fairly and promptly. If you have a complaint, you should contact us in accordance with the methods set out below or obtain a copy of our complaints handling procedures.
- **In person:** visit your local branch and speak to a member of staff. If you have a Relationship Manager, you can contact them on their direct phone number, by post or at their email address.
 - **By post, phone or email:** please refer to your Application Form and Additional Terms for these contact details.
- If you email us, we usually reply to you by email. However, if we need to refer to confidential information or enclose copies of important documents, we may contact you by post instead.
- Alternatively, where your complaint relates specifically to the service provided under the Agreement, you should contact the Barclays Wealth Company that provides the service to you (please refer to Paragraph 43 to for the contact details for the relevant Barclays Wealth Company, or refer to your Application Form and Additional Terms).
- If the complaint cannot be resolved to your satisfaction, you should ask for your complaint to be raised with the Chief Executive of Barclays Wealth.
- 36.2 If we are unable to resolve your complaint in a timely or satisfactory manner, and if you are an eligible complainant, you may be able to refer your complaint to the regulator of financial services in the jurisdiction in which we provide services to you under the Agreement and/or any separate body tasked with handling complaints with respect to financial services (for example, a financial services ombudsman). Please consult your Application Form and Additional Terms, or request further details from your usual Barclays Wealth contact.

36.3 The Financial Services Regulations may offer a scheme for compensating you if we are unable, or likely to be unable, to satisfy claims against us. If a scheme is offered, the Financial Services Regulations will specify who (if anyone) is eligible to receive compensation and in what circumstances, whether the situation is covered by any scheme and how much compensation can be paid. If a scheme is offered, the compensation payable may be subject to a maximum amount and different limits may apply depending on the service/product to which the claim relates. Further information about whether any protection is offered to you in the jurisdiction in which we provide services to you may be set out in the Additional Terms for the relevant product and/or service.

37. Assignment

37.1 You will not assign or otherwise transfer any of your rights or obligations under the Agreement without our prior written consent (which we will not unreasonably withhold). We may transfer our rights under the Agreement to any member of the Barclays Group without your further consent, provided that:

- (a) we have given you at least 30 calendar days' notice of the transfer (unless that is impracticable in the circumstances); and
- (b) you have not given notice terminating the Agreement under Paragraph 35 on a date before the date of transfer.

37.2 Where we propose to transfer a material part of our assets to a member of the Barclays Group, we may also transfer all of our rights, powers, obligations and liabilities under or in connection with the Agreement without your further consent, provided that:

- (a) we reasonably consider the member of the Barclays Group is capable of performing the Agreement;

- (b) we have given you at least 30 days' notice of the transfer (unless that is impracticable in the circumstances); and
- (c) you have not given notice terminating the Agreement under Paragraph 35 on a date before the date of transfer.

On the date specified in the notice, the member of the Barclays Group will acquire all the rights, powers, obligations and liabilities it would have had if it had been an original party to the Agreement in substitution for us, you will be released from any further obligation to us, and we will be released from any further obligation to you. For the purposes of giving you written notice under this Paragraph 37, if we are not reasonably able to serve written notice on you personally, we may instead give you notice by publishing a notice of the transfer in any newspaper of general circulation.

38. Delegation

38.1 We may delegate any of our functions and responsibilities under the Agreement to a member of the Barclays Group (with or without a power further to sub-delegate), provided that we reasonably consider it capable of discharging those functions and responsibilities. Our liability to you for the matters delegated will not be affected as a result. We will give you 30 Working Days' written notice of the delegation of any function that involves the exercise of our investment discretion on your behalf.

38.2 We may employ members of the Barclays Group and third parties to perform dealing and administrative services that are necessary to enable us to perform the Agreement without further notice or consent.

39. Law, jurisdiction and language

- 39.1 The Agreement and our relationship with you will be governed by, and construed in accordance with, the law applying in the jurisdiction in which we provide services to you under the Agreement (see your Application Form and Additional Terms for further details). The Agreement is supplied in English, and all communication between you and us will be in English.
- 39.2 The Courts of the jurisdiction in which we provide services to you under the Agreement (subject to Paragraph 39.3) have exclusive jurisdiction to settle any dispute arising in connection with the Agreement, including its creation, validity, effect, interpretation or performance, and, for such purposes, the parties irrevocably submit to the jurisdiction of the Courts of the jurisdiction in which we provide services to you under the Agreement (see your Application Form and Additional Terms for further details).
- 39.3 Paragraph 39.2 is for our benefit alone. We retain the right to bring proceedings against you in our absolute discretion in the Courts of any other country which may have jurisdiction, to whose jurisdiction you irrevocably submit.
- 39.4 Service of legal process or any other documents in connection with proceedings in any Court may be achieved by the registered mailing of copies to your last address shown in our records or in any other manner permitted by the law applying in the jurisdiction in which we provide services to you under the Agreement, the law of the place of service, or the law of the jurisdiction where proceedings are instituted.
- 39.5 To the extent there is any conflict between the Agreement and our duties under any applicable laws from time to time, (including the rules and regulations of the stock market in the jurisdiction in which we provide services to you under the

Agreement), we will be permitted to act in such manner as we reasonably consider necessary to comply with those laws and will not be treated as having breached the Agreement as a result.

40. Severability

- 40.1 Each provision of the Agreement is severable. To the extent that any provision is or becomes invalid, unenforceable or contrary to any applicable law, it will be given no effect and will be deemed not to be included in the Agreement, but without invalidating any of the remaining provisions of the Agreement.

41. Third party rights

- 41.1 A person who is not a party to the Agreement shall have no rights to enforce any of its terms.

42. Entire agreement

- 42.1 The Agreement sets out the entire agreement and understanding between you and us with respect to its subject matter. It supersedes all previous agreements and understandings between you and us with respect to its subject matter, which will cease to have any further force or effect on the effective date of the Agreement. This Paragraph will not exclude or limit any liability or remedy in respect of fraudulent misrepresentation.

43. Information about Barclays Wealth

- 43.1 These Barclays Wealth Terms and Conditions support the main business of the Barclays Wealth Companies, which is the provision of banking and investment services. Important information concerning these companies, and the business areas that operate within these companies, is set out below.

Barclays Wealth is the wealth management division of Barclays and operates through Barclays Bank PLC and its subsidiaries. Barclays Bank PLC is registered in England and authorised and regulated by the Financial Services Authority. Registered No: 1026167. The registered office is 1 Churchill Place, London E14 5HP.

Barclays Private Bank is a division of Barclays Bank PLC.
Website: www.barclays.co.uk/privatebank

Barclays Stockbrokers is the group name for the businesses of: Barclays Stockbrokers Limited, a member of the London Stock Exchange and PLUS. Registered No: 1986161; Barclays Sharedealing, Registered No: 2092400; Barclays Bank Trust Company, Registered No: 920880. Registered VAT No: 243 8522 62. All companies are registered in England and the registered address is: 1 Churchill Place, London E14 5HP. All companies are authorised and regulated by the Financial Services Authority.
Website: www.stockbrokers.barclays.co.uk

Barclays Wealth Advisory Service business is carried on by Barclays Stockbrokers Limited, a member of the London Stock Exchange and PLUS. Registered No: 1986161. Registered in England and the registered address is: 1 Churchill Place, London E14 5HP. Authorised and regulated by the Financial Services Authority.
Website: www.barclayswealth.com

Barclays Wealth Intermediaries business is carried on the following legal entities: Barclays Bank PLC is registered in England and is authorised and regulated by the Financial Services Authority. Registered No: 1026167. Registered Office: 1 Churchill Place, London E14 5HP.

Barclays Bank PLC is licensed by the Isle of Man Financial Supervision Commission to conduct banking and investment business.

Barclays Bank PLC is regulated by the Jersey Financial Services Commission to carry on deposit-taking business under the Banking Business (Jersey) Law 1991 and for the conduct of investment business under the Financial Services (Jersey) Law 1998.

Barclays Bank PLC is licensed under the Banking Supervision (Bailiwick of Guernsey) Law 1994, as amended, and the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended.

Barclays Bank PLC. Registered in England. Registered No:1026167. Registered Office: 1 Churchill Place, London E14 5HP. Authorised by the Gibraltar Financial Services Commission to conduct banking and investment business in Gibraltar.

Barclays Bank PLC is authorised and regulated by the UK Financial Services Authority and is incorporated and registered in England. Registered No: 1026167. Registered Office: 1 Churchill Place, London E14 5HP, United Kingdom. Its members have limited liability. This document has been approved by Barclays Bank PLC. Singapore Company Registration No: F02302W.

Barclays Bank PLC is authorised by the Central Bank of Cyprus to conduct banking and investment business.

Barclays Bank PLC is registered with the Securities and Futures Commission in Hong Kong (CE No. AAJ160) and is authorised and regulated by the Hong Kong Monetary Authority. Main business address in Hong Kong: 42/F Citibank Tower, 3 Garden Road, Central, Hong Kong. The contents of this document have not been reviewed by any regulatory authority in Hong Kong.

Barclays Private Clients International Limited, part of the Barclays Group. Registered in the Isle of Man. Registered No: 5619. Registered Office:

Barclays House, Victoria Street. Douglas, Isle of Man, IM99 1AJ. Barclays Private Clients International Limited is licensed by the Isle of Man Financial Supervision Commission to conduct banking and investment business.

Barclays Private Clients International Limited is regulated by the Jersey Financial Services Commission to carry on deposit-taking business under the Banking Business (Jersey) Law 1991 and for the conduct of investment business under the Financial Services (Jersey) Law 1998. Barclays Private Clients International Limited is licensed under the Banking Supervision (Bailiwick of Guernsey) Law 1994, as amended, and the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended.

Barclays Private Clients International (Gibraltar) Limited, Registered in Gibraltar. Registered No: 39577. Registered Office: 84/90 Main Street, Gibraltar. Ultimate holding company: Barclays Bank PLC. Barclays Private Clients International (Gibraltar) Limited is regulated and authorised by the Gibraltar Financial Service Commission to conduct banking and investment business. Website: www.barclayswealth.com

Barclays Wealth International business is carried on by the following legal entities: Barclays Bank PLC is registered in England and is authorised and regulated by the Financial Services Authority. Registered No: 1026167. Registered Office: 1 Churchill Place, London E14 5HP.

Barclays Bank PLC is authorised by the Gibraltar Financial Services Commission to conduct banking and investment business in Gibraltar.

Barclays Private Clients International Limited, part of the Barclays Group. Registered in the Isle of Man. Registered No: 5619. Registered Office: Barclays House, Victoria Street. Douglas, Isle of Man, IM99 1AJ. Barclays Private Clients International Limited is licensed by the Isle of Man Financial Supervision Commission to conduct banking and investment business and is

registered with the Isle of Man Insurance and Pensions Authority in respect of general business.

Barclays Private Clients International Limited is licensed under the Banking Supervision (Bailiwick of Guernsey) Law 1994, as amended, and the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended.

Barclays Private Clients International Limited is regulated by the Jersey Financial Services Commission.

Barclays Private Clients International (Gibraltar) Limited, Registered in Gibraltar. Registered No: 39577. Registered Office: 84/90 Main Street, Gibraltar. Ultimate holding company: Barclays Bank PLC. Barclays Private Clients International (Gibraltar) Limited is regulated and authorised by the Gibraltar Financial Service Commission to conduct banking and investment business. Website: www.barclayswealth.com/international

Gerrard business is carried on by Gerrard Investment Management Limited and is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange. The company is registered in England and the Registered no. is 2752982. Gerrard Investment Management Limited is a subsidiary of Barclays Bank PLC. The registered office is 1 Churchill Place, London E14 5HP. Website: www.gerrard.com

Section F – Definitions and interpretation

1. Definitions

“Agreement” has the meaning set out in Section A;

“Application Form and Additional Terms” means the application form completed and signed by you requesting the provision of services from a Barclays Wealth Company which incorporates these Terms and Conditions and the Additional Terms;

“Approved Bank” is broadly a bank (such as a bank authorised to do business in the jurisdiction in which we provide services to you under the Agreement or the European Union) that satisfies the conditions, stipulated by the regulator of financial services in the jurisdiction in which we provide services to you under the Agreement, for it to be able to hold Client Money and undertake banking business;

“Assets” means the portfolio of assets (including uninvested cash) from time to time in respect of which we provide our Discretionary or Non-Discretionary Investment Management or Custody Services under the Agreement. Where the term is used in connection with the provision of our services as custodian, it will not include any assets for which you have appointed a third party custodian or any assets comprised in any Individual Savings Accounts (ISAs) of which we are the manager and which are identified in the investment management mandate or by reference to which you otherwise direct us in writing to provide our services under the Agreement;

“Associate” means a member of the Barclays Group;

“Banking Accounts” mean current or deposit accounts with a Barclays Wealth Bank;

“Barclays Group” means the Barclays Wealth Companies, their parent companies and any companies they or their parent companies totally or partly own at any time;

“Barclays Wealth” is the wealth management division of Barclays, operated through Barclays Bank PLC and its subsidiaries;

“Barclays Wealth Company” includes each of Barclays Bank PLC, Barclays Bank (Suisse) SA, Barclays Bank Trust Company Limited, Barclays International Fund Managers Limited, Barclays International Investments (Malta) Limited, Barclays Life Assurance Company Limited,

Barclays Private Bank & Trust Limited, Barclays Private Bank & Trust (Cayman) Limited, Barclays Private Bank & Trust (Isle of Man) Limited, Barclays Private Client International Limited, Barclays Private Client International (Gibraltar) Limited, Barclays Sharedealing, Barclays Stockbrokers Limited, Barclays Wealth Corporate Officers (Isle of Man) Limited, Barclays Wealth Fund Managers (Guernsey) Limited, Barclays Wealth Fund Managers (Isle of Man) Limited, Barclays Wealth Management Jersey Limited, Barclays Wealth Trustees (Isle of Man) Limited, Barclays Wealth Trustees (Jersey) Limited, Gerrard Investment Management Limited, Gerrard Financial Planning Limited, Walbrook Group Limited, Walbrook Investment Consultants Limited and any other company or companies designated to Barclays Wealth by the Barclays Group from time to time;

“Client Money” has the specific meaning given to ‘Client Money’ or ‘Customer Money’ (as the case may be) in Financial Services Regulations or legislation, which broadly means money of any currency not held in a bank account in your name which, in the course of carrying on the business contemplated by the Agreement, we hold in respect of any investment agreement entered into, or to be entered into with or for you (subject to certain exceptions identified in Financial Services Regulations concerning the treatment of clients’ money);

“Client Money Rules” means Financial Services Regulations and financial services legislation in the jurisdiction in which we provide services to you under the Agreement that concern the holding of Client Money;

“Contingent Liability Transaction” means a transaction involving a derivative under the terms of which you will or may be liable to make further payments (other than charges, commission and tax) when the transaction falls to be completed or on the earlier closing out of the transaction;

“EEA” means the European Economic Area;

“Electronic Communications” means communications by email and/or computer, including (where set out in the Application Form and Additional Terms or otherwise agreed with you) by internet, digital television, and any form of electronic message made by any type of electronic device;

“Faster Payments” means the faster payments service operated by APACS (Administration) Limited or CHAPS Clearing Company Limited as the case may be and which Barclays Wealth uses as appropriate;

“Financial Services Regulations” means the legal requirements on us, from time to time, governing the provision of financial services in the jurisdiction in which we provide services to you under the Agreement;

“Guaranteed Transaction” means a transaction that we cannot refuse, for example, a payment made by a guaranteed cheque;

“Guaranteed Transaction Fee” means a fee charged for each item (broadly, cheques, debit card payments, Direct Debits, or standing orders) which is paid because we cannot refuse to pay it (for example a guaranteed cheque) even though you have exceeded your authorised Reserve or overdraft amount;

“Investment Objective” means the investment objective and financial goals which help to determine the investments to be selected for each Investment Strategy;

“Investment Services” means Discretionary and Non-Discretionary Investment Management, Execution-only Dealing and Custody Services, all as specified in Section D;

“Investment Strategy” means each of the investment strategies or investment criteria agreed between you and us in the Application Form and Additional Terms (or as varied from time to time), which constitutes the investment management mandate;

“Key Features Document” is a document providing a summary of the key features of a product that is sometimes provided where someone acquires or enters into a Packaged Product;

“Losses” means all losses, costs, expenses, damages and liabilities;

“Mutual Fund” is a collective investment scheme which broadly consists of arrangements for the management of property of any description the purpose or effect of which is to enable participants in the arrangements to receive income or profits arising on the same, such as unit trusts;

“Packaged Product” means a (a) life policy; (b) unit in a regulated collective investment scheme; (c) interest in an investment trust savings scheme; (d) stakeholder pension scheme; (e) personal pension scheme; whether or not (in the case of (a), (b) or (c)) held within a wrapper and whether or not the packaged product is also a stakeholder product;

“PIN” means personal identification number;

“Regulated Mutual Funds” means Mutual Funds that can be marketed to the public generally in the jurisdiction in which we provide services to you under the Agreement;

“Reserve” means a borrowing service that we can provide in addition to or instead of an overdraft where we make additional funds available to you up to a pre-authorised limit to cover payments, for example when there are insufficient funds in your current account, or a transaction will cause you to exceed the limit of your overdraft;

“Returned Transaction Fee” means a fee charged for each item (broadly, cheques, debit card payments, Direct Debits, or standing orders) which is unpaid as a result of you exceeding your Reserve or overdraft amount;

“Security Information” means any security procedures, password, security keys, cards, personal identifier, codes, personal identification

numbers (PINs) or encryption device provided to or agreed with you for use in connection with the services to be provided under the Agreement;

“Simplified Prospectus” is broadly a document that is sometimes provided where someone acquires interests in certain categories of Regulated Mutual Fund;

“Total Expense Ratio (TER)” is a measurement of the total costs associated with managing and operating an investment fund such as a Mutual Fund. Total costs may include various fees including management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The TER is calculated by dividing the total cost of the fund by the fund’s total assets and is indicated as a percentage;

“Unregulated Mutual Fund” means a Mutual Fund that is not authorised for distribution to the public generally in the jurisdiction in which we provide services to you under the Agreement; and

“Working Day” means any day other than a Saturday, Sunday or bank holiday on which banks generally in London are open for the full range of banking business.

2. Interpretation

In the Agreement, unless the context requires otherwise:

- (a) a reference to any statute, statutory provision or regulation will be construed as a reference to the same as it may be amended, modified or re-enacted from time to time;
- (b) headings and titles are for convenience only and do not affect its interpretation;
- (c) the singular includes the plural and vice versa; and
- (d) words and expressions defined in Financial Services Regulations will have the same meaning in the Agreement.

Schedule A

Information on how Barclays Wealth executes client orders and the execution venues that we use.

Introduction

Before we undertake any deals in investments for you, it is important that you understand how Barclays Wealth will execute such transactions. The following information is designed to provide you with a general understanding of our typical dealing arrangements for different investment types (Part 1) and the execution venues that we use (Part 2). Please note that this information should not be seen as a prescriptive statement of how a particular order must be dealt.

Part 1 – Our typical dealing arrangements for different types of investment

Equities

For standard UK market orders, and in normal market conditions, Barclays Wealth will poll a variety of different execution venues, using automatic execution technology to identify the best terms available to it at the point of trading for the equity concerned. Other orders, including those relating to international equities, that cannot be executed automatically will be dealt manually with another regulated firm or via an MTF. This involves a manual search for reference trading prices via market data feeds or by comparing prices offered by other market participants.

When an appropriate counterparty is identified, the price is negotiated manually and executed on the best terms identified for the order in question. This may occur off-exchange.

Debt securities (aka “bonds”)

The debt market in some locations is not centrally organised, and for many non-government issues, is not a liquid market. In these circumstances the majority of debt issues

or “bonds” must be dealt manually in order to identify current traders in the security concerned. If liquidity is available and a price comparison made for the size of trade concerned, Barclays Wealth will route its order to the counterparty which provides the most competitive overall pricing. For some smaller orders, Barclays Wealth is able to use automatic execution technology which will source the best bid and offer from a range of bond dealers.

Collective Investment Schemes

Barclays Wealth will usually trade directly with the Fund Manager on negotiated terms not generally available to individual clients.

Over-the-Counter Products

Over-the-Counter products are dealt either directly between Barclays Wealth and its client, or may be sourced via a third party. The order routing process will depend both on the execution factors, and on the following:

- (a) a request for a price or quotation on any over-the-counter product will be traded by Barclays Wealth as principal at the price agreed. For such deals the onus is on a client to be comfortable with the dealing terms offered;
- (b) for bespoke, highly negotiated transactions or for those which may be highly original trading ideas or for which Barclays Wealth has a duty of confidentiality to the originating firm, it will route such orders exclusively to the originating firm since there will be no other available market liquidity within a reasonable timeframe, and
- (c) for some more standardised products, Barclays Wealth will usually select and price poll from a shortlist of dealing counterparties identified by it to be among the most competitive in the field concerned.

Part 2 – The execution venues that we use

Regulated markets

Regulated markets are subject to strict operating rules governed by the relevant regulatory body in each jurisdiction in which they operate.

Execution via a regulated market occurs in line with the rules of each exchange which are designed to protect market participants.

Barclays Wealth uses many regulated markets to execute client orders, however it places significant reliance on the following regulated markets when it executes deals on behalf of its clients:

- London Stock Exchange – all markets
- The PLUS Market
- New York Stock Exchange
- NASDAQ
- Euronext

Multilateral Trading Facilities (MTFs)

MTFs are privately operated order matching systems which act in a similar way to an order driven market. Similar to regulated markets, these execution venues are subject to regulatory standards determined and governed, in jurisdictions subject to the legislative powers of the European Union, by the requirements of the EU Markets in Financial Instruments Directive (MiFID), which became effective on 1 November 2007.

Despite being a relatively new type of execution venue, the use of MTFs is expected to increase, both generally and in terms of Barclays Wealth's reliance upon them.

Off-Exchange Trading with Regulated Firms

Off-Exchange Trading is the least regulated form of deal execution. While trading occurs outside of the regulations of the Regulated Markets or MTFs, we believe that executing off-exchange can result in enhanced terms for some deals. When dealing off-exchange on behalf of its clients, Barclays Wealth takes reasonable care to deal with reputable firms with which it has generally maintained an ongoing dealing relationship.

Significant reliance is placed by Barclays Wealth on the following forms of Off-Exchange Trading when relevant to the service provided to its client:

- (a) systematic internalisers, being firms who routinely offer prices on listed investments outside of a Regulated Market or MTF;
- (b) operators of Collective Investment Schemes; and
- (c) other authorised firms which trade in Debt Securities, and Over-the-Counter Derivatives.

Off-Exchange Trading may be conducted (among other firms) with another member of the Barclays Group.

Schedule B

Investment risk warning notices

General risks

- (a) **Volatility of returns**

The value of investments and the amount of income derived from them may go down as well as up. All investments can be affected by a variety of factors, including macro-economic market conditions such as the interest or exchange rate environment, or other general political factors in addition to more company or investment specific factors.
- (b) **Liquidity and non-readily realisable securities**

Some investments may be very illiquid, meaning that they are infrequently traded, and hence it may be difficult to sell them on within a reasonable timeframe or at a price which reflects “fair” value. In extreme cases an investment may be non-readily realisable. In this case there may be no secondary market available, and it may be difficult to obtain any reliable independent information about the value and risks associated with such an investment.

- (c) **Investment leverage, or gearing**

Use of borrowing to invest increases both the volatility and the risk of an investment. This applies if a company has significant borrowings, or if an investment vehicle otherwise allows an investor to gain much greater economic exposure to an asset than is paid for at the point of sale. It also applies if an investor borrows money for the specific purpose of investing. The impact of leverage can be as follows:

 - (i) movements in the price of an investment leads to much greater volatility in the value of the leveraged position, and this could lead to sudden and large falls in value;
 - (ii) the impact of interest costs could lead to an increase in any rate of return required to break even; or
 - (iii) a client may receive back nothing at all if there are significantly large falls in the value of the investment.
- (d) **Foreign Exchange**

Investments denominated in foreign currencies open up additional risks related to the relevant exchange rate. Movements in exchange rates may cause the value of an investment to fluctuate either in a favourable or unfavourable manner.
- (e) **Taxation**

The tax treatment of an investment for individual clients is relevant only to the specific circumstances of each client. There can be no guarantee that the nature, basis or incidence of taxation may not change during the lifetime of an investment. This may cause potential current or future tax liabilities, and you should be aware of the tax treatment of any investment product before you decide to invest.

If your circumstances are changing, or if you are uncertain about any aspect of how an investment might relate to your own tax position, please seek professional tax advice.

Investment specific risks

Equity Securities and Equity Funds

Ownership of an equity security represents a direct stake in the company concerned. Such an investment will participate fully in the economic risk of the company and its value can therefore fall as well as rise. The price volatility of equity markets can change quickly, and cannot be assumed to follow historic trends. In adverse market conditions irrecoverable capital losses could be incurred. In the worst case, a company could fail and if this happens its equity can become worthless. These securities are commonly used by investors seeking longer term capital growth. Examples of typical company characteristics which could heighten equity investment risks are:

- (a) a low market capitalisation;
- (b) a product set that is undiversified or reliance on single markets as a major source of income;
- (c) a significant reliance on borrowing as a source of finance;
- (d) a significant level of fixed costs to pay, irrespective of output, production or turnover levels;
- (e) major income sources which are seasonal or “cyclical” in nature; and
- (f) companies trading primarily in emerging markets particularly during poor market conditions, or in countries where legal property rights may be difficult to enforce.

The equity of some smaller companies may trade in very small sums per share, and an investment into this kind of equity will usually involve a proportionately large difference between the market buying and selling price. The effect of this difference means that an immediate sale may realise significant losses.

Other smaller companies may not be subject to the rules of a listing authority. Such companies are likely to be high risk ventures and may have an unproven trading history or management team. These equity shares may not be readily sold, and it could be difficult to realise or to

value them independently due to the lack of a secondary trading market.

The risks involved in equity investment can often be managed through investment via diversified investment vehicles, or by investing directly in a wide range of different companies, industries, countries and currencies.

Debt Securities and Fixed Income Funds

The value of debt investments (or “bonds”) can generally be expected to be more stable than that of equity investments. However in some circumstances, particularly when interest rate expectations are changing, the value of most bonds is also volatile. The most common use of a bond is to provide a reliable yield, or source of income until maturity. For example the value of a bond can be adversely affected by a number of factors such as:

- (a) the issuer’s credit rating, which reflects their ability to repay the amounts payable when they fall due;
- (b) the market expectations about future interest and inflation rates;
- (c) amount of interest payable (the coupon);
- (d) the length of time until the debt falls due for repayment; or
- (e) the seniority of a bond within the capital structure of a company, and the quality of any security available.

The factors which are likely to have a major impact on the value of a bond are the perceived financial position of the issuer, and changes to market interest rate expectations. Bonds issued by major governments or supranational bodies tend to be lower risk investments, while the risks of other debt securities (such as those with emerging market or corporate issuers) can vary greatly. For example if an issuer is in financial difficulty, there is an increased risk that they may default on their repayment obligations. In this event, little or no capital may be recovered, any amounts repaid may take a significant amount of time to obtain.

Life Assurance Products

Life assurance bonds are a form of insurance contract which provide both an element of insurance in the case of the death of the covered person(s) in addition to having an ongoing value as an investment (as opposed to expiring worthless at the end of a defined period or term).

Life bonds are issued by insurance companies, and an investment will be subject to the ability of the insurance company to repay the sums owing to an investor when they fall due for payment. This means that the creditworthiness of the insurance company is important much in the same way for any other bond.

In some cases the returns available from a life bond are linked directly to a specific pool of assets held by the insurance company. In other cases the returns could be linked more generally to the profits of the company in general, which reduces the overall transparency of returns.

If you wish to invest in a life bond, you will be presented with specific information about the type of contract, its terms and more general information about the insurer and its financial strength. Please refer to this documentation for specific details about the policy and a more detailed description of the investment risks.

Structured Products

Structured products is the generic phrase for securities which provide economic exposure to a wide range of asset classes using a structured approach. This may include providing capital protection such that an investor will not have economic exposure to performance of the underlying assets below a certain level. This also includes products where the potential return from your investment may be different to that normally expected from the underlying assets, but where your capital may be at risk. These are sometimes known as Structured Capital At Risk Products or SCARPS.

Similar to bonds and debt instruments, most structured products strategies are exposed to the credit rating of the product issuer, meaning that repayment could be at risk if the issuer is not able to repay the sums due under the terms of the product. However some products may include a guarantee to mitigate these potential credit risks. Investors should be aware that the return of capital invested at the end of the investment period is not guaranteed and therefore investors may get back less than was originally invested.

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

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

Investors should be aware that the product terms described only apply to investors who invest at launch and who hold the product until final maturity. Investors should be aware that early redemption or secondary market purchase could result in a capital loss, even where the product terms protect or guarantee return of the

nominal amount purchased. These products may also not be readily realisable which means that it may be difficult to liquidate or sell a product of this type.

Investors in products which have either conditional or no capital protection should only invest in them if they are prepared to sustain a total or substantial loss of the money they have invested, plus any commission or other transaction charges.

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

Many alternative investments are structured as unregulated funds. This means that standards of operation, administration and management are determined privately by the operator of the fund rather than by force of regulation.

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

Investors should only invest in these products if they are prepared to sustain a total or substantial loss of the money they have invested, plus any commission or other transaction charges.

The phrase “alternative investments” can cover a very wide range of investment products, and the major classes of these products are set out below:

(a) **Hedge Funds**

Hedge funds are investments which, in contrast to conventional “long only” funds, will employ a wide variety of different trading strategies in order to produce returns. The type of strategies and investments envisaged by a hedge fund will be a key determinant of how risky the investment will be. Strategies may range from lower risk absolute return funds up to high risk or speculative funds which make use of extensive leverage in an attempt to make maximum gain from their investment strategy.

Investments undertaken by hedge funds may be narrowly based around a specific type of asset or trading strategy, and the returns experienced by investors in these funds may be adversely affected by very specific market or industry circumstances. It is therefore important to understand the type of strategy and investment to be used in any hedge fund prior to investment.

(b) **Private Equity and Private Equity Funds**

Private equity funds commonly invest in any form of equity or company that is not openly traded via a public investment exchange. The companies concerned will therefore raise finance privately and will not be subject to stringent listing rules or filing requirements as a result. This factor means that private equity funds may invest in a wide range of unlisted companies. They may be small start-up companies with little or no proven track record, and range up to firms which are of a significant size with a long and established trading history. A number of attributes of private equity investment give rise to unique risk factors such as:

- (i) non-transferable investments, or a long “lock up” period during which the investment cannot be sold. Even if a buyer is found, it may not be possible to sell and any sale which is permitted may not occur at a price which reflects fair value;
- (ii) the committed capital may be drawn down during a capital commitment period. Investors must be capable of making payments to satisfy the capital calls made throughout the commitment period;
- (iii) a focused portfolio of investments, which could lead to exposure to an undiversified economic exposure to the underlying assets;
- (iv) possible use of significant leverage or borrowing, which amplifies possible risks;
- (v) a possible lack of scrutiny or accountability of management to shareholders for decisions they make; and
- (vi) distributions are generally made in cash, however if a fund is unable to sell its interest in a private company, it may distribute minority interests in these companies to fund investors.

It is important that you are familiar with the type of assets and the terms of any fund you might contemplate direct or indirect investment in equity, debt or any other security issued by a private company.

- (c) **Property or Property Development Funds**
Investment in real property or property funds involves a number of risks particular to this class of asset. Notably fixed property is immovable and might not be easy to sell or to value independently. As a result of the illiquid nature of property it may take time to realise any investment made even when participating in a property fund. There is no guarantee that the underlying properties will remain occupied, or that they might not incur significant maintenance or restoration costs which may impact on the returns

available. All property is subject to local risks which may be unique in nature, which may be caused by factors such as the prevailing legal, economic, environmental or political circumstances.

Investors in property development funds face additional risks related to the successful completion of the development project both on time and according to budget. Even if a project is successfully completed, there is no guarantee that properties will either be sold or tenanted at the intended cost or timeframe.

Commercial property is also subject to risks related to the type of use associated with the property, and the prosperity of the local or national economy relevant to the tenants and their business.

Returns available from property funds may also be affected by leverage where borrowing is used to finance either construction or purchase.

- (d) **Commodities Linked Products**

Commodity based investments may be impacted by a variety of political, economic, environmental and seasonal factors. These relate to real world issues that impact either on demand or on the available supply of the commodity in question. Their value can fall as well as rise, and in some cases may be mean reverting in nature.

Investment into commodities is often achieved either via a structured product over a commodities index or basket of different commodities, or by using a commodity derivative. Please refer to the risk disclosures for each of these products for further information.

Derivatives and Warrants

This category of investments covers a very broad range of financial instruments which can be used either for low cost risk management purposes, or for achieving speculative exposure to specific economic risks. Before investing or authorising another to invest in derivatives on your behalf you should take care to ensure you understand the following important aspects of those derivatives:

- (a) the characteristics and risks/volatility of the asset(s) to which a contract is linked (the “underlying”);
- (b) any relevant market quote conventions, such as the lot size of a contract and the value attributed to movements in the value of the underlying;
- (c) the “leveraged” exposure to price movements in the underlying, which significantly increases volatility;
- (d) the sums you are able to afford to risk before you may wish to closeout;
- (e) how different investments in derivatives might interact with one another;
- (f) any ongoing responsibilities you may have during the life of the contract such as any requirements to post cash amounts as “Margin”, and the potential consequences of failure to do so;
- (g) any action you may need to take in order to exercise or opt for settlement at or before expiry; and
- (h) the person that will be responsible for paying any sums owing to you either during the course of the contract or at maturity or expiry, and the likelihood that these sums will be repaid when they fall due.

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

Derivatives and Warrants can involve contingent liabilities

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

Typical derivatives contracts

(a) Bought Options or Warrants

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

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

In the event that an investor buys an option on a futures contract, and later exercises this option, they will be exposed in the case of a call option to the risks of a long future, and in the case of a put option to the risks of a short future. The risks of futures are set out below.

(b) **“Written” or Sold Options**

Selling options involves significantly greater risk than buying options. This is because the seller of the option usually accepts a relatively small premium in return for the possible legal obligation to either buy or sell a much larger amount of an asset at exercise or expiry at a price determined now if the buyer chooses to exercise. The potential Losses involved in writing an option are therefore usually much greater than the initial premium received. This means they are contingent liability investments, which could require an investor to pay additional funds when the contract is exercised.

In the case of written call options, if you already own sufficient of the underlying Assets to deliver in the event of exercise, this may limit the potential risk involved.

An investor may be liable to post cash Margin payments during the life of a written options contract to cover potential Losses.

(c) **Futures or Forwards**

Transactions in Futures or Forwards differ as to legal obligation to either buy (“long”) or to sell (“short”) a specified amount of an asset at expiry at a price determined today. These transactions usually carry a high degree of risk, which arises because an investor is exposed to the movement of a proportionately large amount of the underlying in return for a small upfront payment. This can either work in the favour or against an investor, depending on the difference between the current market price of the underlying and the strike price defined in the contract.

For bought Futures or Forwards an investor will profit from rising market prices, and vice versa for sold futures or forwards. Please also note that the current price at which an asset can be traded in the futures market may differ from the price at which it can be bought or sold immediately at the time of dealing. This can work either in the favour or against the returns experienced by an investor.

Futures or forwards are contingent liability investments, meaning that you may be called upon to pay additional sums during the life of the contract and on maturity. It is very important that you understand the potential amounts you could be liable for, and are comfortable that you will be able to afford to pay such amounts when they fall due if required to do so.

(d) **Contracts for Difference**

Contracts for Difference are similar to futures or forwards. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a Contract for Difference carries the similar risks as investing in a future and you should be aware and understand the risk warnings set out in the above sections.

Some contracts for difference are known as swaps. Typical forms of this type of contract can be similar to an agreement to purchase or sell a series of options over an underlying asset or index at an average price specified today. Swaps and other contracts for difference are contingent liability investments, meaning that if the underlying price moves in an unfavourable direction an investor can be called on to pay additional cash on final settlement.

Other risk factors associated with derivatives Off-Exchange Derivatives

It may not always be apparent that a derivative is traded on or off-exchange. Some off-exchange products may be highly liquid, however many such products are not transferable and there is no exchange market on which to close out an existing position. It may not be possible to liquidate a position held in such a contract, or to accurately assess its value or exposure to risk.

Suspensions of Trading

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

Clearing House Protections

On many exchanges, the performance of a transaction is “guaranteed” by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the client, and may not protect you if another party defaults on its obligations to you. On request, we will be pleased to explain any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing.

There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of an exchange.

Collateral

If you deposit collateral as security with a firm, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral depending on whether you are trading on exchange, with the rules of that exchange (and the associated clearing house) applying, or trading off-exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited, and may have to accept payment in cash.

Insolvency

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

Schedule C

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

Unless the Agreement states otherwise, we may, from time to time, recommend transactions in securities to you, or carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise it.

You should read the explanation below carefully. This is designed to help you judge whether you wish your funds to be invested at all in such securities and, if you do, whether you wish:

- (a) to be consulted before we carry out any such transaction on your behalf; or
- (b) to authorise us to carry out any such transaction on your behalf without first having to consult you.

What is stabilisation?

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it.

Stabilisation can help to counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is carried out by a “stabilisation manager” (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilisation manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise have been during the period of stabilisation.

The stabilisation rules

- (a) limit the period when a stabilising manager may stabilise a new issue;
- (b) fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and
- (c) require him to disclose that he may be stabilising but not that he is actually doing so.

The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, or of the price at which they are prepared to buy the securities.

This item can be provided in Braille, large print or audio by calling 0800 400 100* (via TextDirect if appropriate)

*Lines are open 8am to 8pm UK time Monday to Friday and 9am to 5pm UK time Saturday and UK bank holidays. Calls to 0800 numbers are free if made from a UK landline. Other call costs may vary – please check with your telecoms provider.

Calls may be recorded so that we can monitor the quality of our service and for security purposes.

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