

Our ref WSD/K216/SSAS/T301/RLK
Your ref
Telephone 01737 375724
Date 10 January 2011



PRIVATE & CONFIDENTIAL
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Dear John

Mead House Limited Pension Scheme - T301/RLK

I refer to your letter dated 2 December.

Firstly, I'd like to clarify the position regarding our annual administration charge. Our last invoice was raised on 29 January 2009, covering the year from 1 January to 31 December 2009. Legal & General was removed from our role as Corporate Trustee/Scheme Administrator on 20 November 2009, at which point our usual services ceased. However, we recognise that in these situations there is a handover period where we have a duty to continue to act, albeit with no ongoing requirement to provide our full range of services.

Whilst you were keen for the handover to be finalised by 31 December 2009, I considered a more reasonable timescale (based on our experience taking over Schemes from other providers) for the handover was to 31 March 2010. I wrote to you by email on 12 April 2010 to confirm that we would not raise any additional charges for the period from 1 January to 31 March 2010. I also explained that we'd have no alternative but to charge for the time spent from 1 April 2010 if the handover was not finalised by 30 April 2010. This was then confirmed, again by email, on 6 May 2010.

So, I too am surprised that we have still not been able to finalise the transfer of your Scheme to Pension Practitioner, as more than a year has now passed since Legal & General was formally removed from our role.

I also agree that this should be a relatively straightforward exercise - we have indeed provided Pension Practitioner with full details of our records, including the investments held by the Scheme and copies of all share certificates (they now hold all of the originals). The time that we have spent, and which you are now being charged for, has mainly been to correct the documentation (once it was finally received) to re-register the various share-holdings. We have also spent time banking all the dividends that we are still receiving whilst the shares are being re-registered - 22 separate cheques during the year ending 31 December 2010 - and keep you informed of all share offers/rights issues etc.

As requested, I will arrange copies of the accounting information to 31 December 2010 to be provided, together with a full list of shareholdings. Please note, however, that we are no longer responsible for preparing full records relating to the Scheme's accounts.

On a separate point, I note that we've not been asked to confirm the value of the Scheme's cash balances we are holding at any time during 2010 - presumably these have been taken into account when the yearly review of yours and Kath's Alternatively Secured Pension limits were carried out in May and August?

So, although I can confirm that no error was made when calculating the hours we've worked from 1 March 2010, I appreciate that the timecost charge of £3,000 for 9 months of last year is the same level as the annual fee that we charged when we were providing our full range of services.

On that basis, I'm prepared to reduce the fee to £2,250 plus VAT. However, I'm aware that the increase in the VAT rate to 20% will now result in a higher amount being deducted from the Scheme's account. To ensure that the Scheme's not in a worse position than it would have been if the fee had been deducted at the end of last year, I'll further reduce the fee to £2,200 plus VAT.

Although this resolves the fee for our work during 2010, it does not address the matter of our ongoing involvement. Please can you let me know when Pension Practitioner expects all of the outstanding formalities to be finalised? According to our records, there are still various shareholdings that need to be re-registered and Legal & General's name must be removed from the Land Registry title. Friends Provident will also have to be informed of the change in Trustees to update their records held for Stephen's policy. Once these have been completed to our satisfaction, the balance held in the Scheme's Bank of Scotland account will be transferred and the account closed.

For the avoidance of doubt, Legal & General will continue to charge for the work we are undertaking, based on the hours we record, until such time as the handover is complete.

Yours sincerely



Becky Karry (Miss)