

Merchant Capital Income Plan: FTSE S&P Issue 1

JAN 2012



0.54% Monthly Income

Maximum 6 Year Return: Initial Capital + 38.88%

50% Capital Protection Barrier measured at Final Level only

Underlying Securities Issued by Barclays Bank plc

A "Capital at Risk" Plan

You could lose some or all of your investment



MERCHANT CAPITAL

merchant-capital.com

Important information before proceeding

Capitalised terms used in this brochure, which are not otherwise defined, are explained in the Terms and Conditions towards the end of the brochure. Words and expressions used in this brochure are used solely for the purposes of describing the Plan and may be different from those used in the prospectus for the underlying investment.

The Plan is available from 16 January 2012 to 25 January 2012 at the latest. This document is for distribution and use in the United Kingdom and the Channel Islands only. It may not be used for, or in connection with, and does not constitute any offer to, or solicitation by, any person in any other jurisdiction.

This brochure provides information that Merchant Capital believes is essential in understanding the potential risks and rewards of investing in this plan. It is therefore important that you read this brochure carefully, including the Terms and Conditions, to gain a full understanding of this plan. Merchant Capital do not offer investment advice, nor should the contents of this brochure be considered as investment advice. Merchant Capital therefore recommends that you seek financial advice before investing in this plan.

Payment of income and return of capital is subject to COUNTERPARTY RISK. However remote the likelihood of bankruptcy of an issuer might be, the risk will always exist. To reduce this risk, we suggest that structured products are used only as part of a broader portfolio and that investors diversify their structured product investments across a range of issuers.

Brochure Contents

How the Plan works (in brief)	2
The Plan, the Issuer and the Securities	3
Is this investment suitable for you?	4
Availability and Key Dates	5
Income & Capital Return Payments	6
Plan Key Features	7
Risk Factors	9
Questions you may have	10
About the Indices	12
About structured products	12
Terms and Conditions	13
Making your Application	18
Application Forms	19

THIS BROCHURE IS A FINANCIAL PROMOTION PURSUANT TO S. 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 AND HAS BEEN ISSUED AND APPROVED BY MERCHANT CAPITAL LIMITED, WHICH IS AUTHORISED AND REGULATED BY THE FINANCIAL SERVICES AUTHORITY.

Merchant Capital — who are we?

Merchant Capital is a financial services company based in the City of London which offers a broad range of corporate advisory and broking services together with private wealth management and institutional investment management services.

The team at Merchant Capital has been developing and offering structured products for a number of years and has nearly 200 plans currently in issue. Merchant Capital is authorised and regulated by the Financial Services Authority (whose address is: 25 The North Colonnade, Canary Wharf, London, E14 5HS).

Pritchard Stockbrokers Limited is the custodian of all Merchant Capital plans. Pritchard is a well-established private client investment management and stockbroking business with its head office in Bournemouth and ten branches throughout the UK.

How the Plan works (in brief)



*0.54% Monthly
Income*

- ★ The Merchant Capital Income Plan: FTSE S&P Issue 1 runs for 6 years and 3 weeks.
- ★ The Income is not dependent on the performance of the FTSE™ 100 Index and S&P 500 Index ("the Indices").
- ★ You will receive an income payment of 0.54% (paid gross) within 5 business days from the 27th day of each month for every month the Plan is held (27 February 2012 to 29 January 2018 inclusive). If any of the income payment dates do not fall on a Business Day, then the relevant income will be paid on the next Business Day.
- ★ You will receive your capital back in full, as long as both Indices are at or above 50% of their starting levels on 29 January 2018.
- ★ If the level of one of the Indices on 29 January 2018 is below its start level by more than 50%, your capital will not be repaid in full. In such a case, capital will be lost at a rate of 1% for each 1% the worst performing Index has fallen (see page 6 for an example).
- ★ Any capital protection and income payments offered by this Plan also depends on Barclays Bank plc remaining solvent. If it becomes insolvent they may be unable to repay your investment. This is known as Counterparty Risk. If this occurs, you may lose some or all of your money and you will not be entitled to compensation under the UK Financial Services Compensation Scheme. You are however covered by the UK Financial Services Compensation Scheme if Merchant Capital becomes insolvent (see the Risk Factors on page 9).
- ★ The Plan is designed to be held until the Maturity Date. If you cash in your investment in the Plan before the Maturity Date the sum you will receive could be substantially less than the amount you invested in the Plan.

**This is a "Capital at Risk" Plan.
You could lose some or all of your investment.**

The Plan, the Issuer and the Securities

Details of the Plan, explaining how it works and the risks involved, are included in this brochure which we hope you enjoy reading.

The Plan gives you the opportunity to invest in a structured product. The Plan is not a deposit or a cash product. Please refer to page 12 for more information on structured products. The money you invest in the Plan will be invested by Merchant Capital Limited into securities (the “Securities”) issued by Barclays Bank plc (the “Issuer”).

These Securities are specifically structured to match the investment objectives described in this brochure.

These Securities are a Medium Term Note which is a type of corporate bond. Effectively they are a loan to Barclays Bank plc which it is obliged to repay at maturity.

We consider the Issuer to be financially strong based on its independent credit rating by Standard & Poor’s (“S&P”) which has rated the Issuer as ‘A+’ as at 11 January 2012. Companies are rated AAA (Most Secure/Best) to D (Most Risky/Worst) by S&P. Based on this rating, S&P believes that Barclays Bank plc’s capacity to meet its financial commitments is strong, but somewhat susceptible to adverse economic conditions and changes in circumstances.

Credit ratings can be a useful way of comparing the credit risk associated with different plan providers and related investments. Credit ratings are assigned by independent companies known as rating agencies, are reviewed regularly and may change.

Further information on the Issuer and the Securities can be found in the relevant prospectus published by the Issuer in respect of the Securities. Copies of this prospectus are available on request from Merchant Capital Limited.

This document has not been reviewed, approved or otherwise endorsed by Barclays Bank plc or any of its affiliates. Neither Barclays Bank plc nor any of its affiliates makes any representation or warranty to any person, including without limitation, any potential investor and any member of the public regarding the advisability of investing in the product described herein or any return that may be obtained from investing in the product.

It is possible that the Issuer could go bankrupt or be unable to make payments due on the Securities. In this case, you may lose some or all of your investment. This is known as Counterparty Risk.

Is this investment suitable for you?

This investment may be suitable if:

- You understand that the return of your capital is linked to the performance of the Indices which may fall as well as rise.
- You understand that the return of your capital at maturity of the Plan on 19 February 2018 depends on the continuing solvency of the Issuer.
- You are comfortable with the fact that your capital may not be returned in full at the end of the term.
- You want your investment to provide income rather than capital growth.
- You can afford to leave your money invested in the Plan for the next 6 years 3 weeks.
- You understand that you may not be able to cash in your investment in the Plan, but if you can and do cash it in before the maturity date the sum you will get might not reflect the performance of the Indices to the date on which you cash in and you could receive less than the amount you invested in the Plan.
- You have £5,000 or more to invest.

This investment may not be suitable if:

- You do not want an investment where the return of your capital is linked to the performance of the Indices which may fall as well as rise.
- You do not feel comfortable with the fact that any income payment and the return of your capital at maturity of the Plan depends on the solvency of the Issuer.
- You cannot afford to risk your capital.
- You do not have other savings or investments that are easily accessible to cover emergencies.
- You want to add to this investment from time to time or at regular intervals.
- You do not feel comfortable that your investment will ultimately depend on the security of the Issuer of the underlying investments.
- You do not have at least £5,000 to invest.
- You are unsure how the Plan works.
- You require capital growth from your investment.

The factors above are not exhaustive. Merchant Capital Limited do not offer investment advice, nor should the contents of this brochure be considered as investment advice. We do not make any recommendations regarding investments and the information in this brochure does not constitute tax, legal or investment advice. If you require advice on the suitability of the Plan for your circumstances you should contact an independent financial adviser.

Merchant Capital Limited recommends that all customers seek financial advice before investing. If you do not currently have access to a financial adviser, Merchant Capital is in contact with a number of independent financial advisers who will be happy to assist you. Please phone 020 7332 2205 for further information.

Availability and Key Dates

Plan availability

- ★ **Direct investment** by individual or joint investors
- ★ **A Stocks and Shares ISA** for 2011/2012 (maximum of £10,680 ISA allowance for each investor)
- ★ **ISA transfers***
- ★ **Investment from SIPPs, SSASs, trustees** (including trustees of pension funds) **charities and companies**
- ★ **The minimum investment** is £5,000 and maximum is £2 million except as specified (NB. This minimum does not apply to amounts re-invested from maturing plans administered by Merchant Capital Limited)

Key Dates

ISA Transfers	23 January 2012
Direct investments	27 January 2012
New 2011/12 ISA Applications	27 January 2012
Initial Level	The close of business level of the Indices on 27 January 2012
Final Level	The close of business level of the Indices on 29 January 2018
Maturity Date	19 February 2018

*From 6 April 2008 you have been able to transfer an existing cash ISA to a Stocks & Shares ISA.

Income & Capital Return Payments

Examples of potential income payments

CAPITAL INVESTED	MONTHLY INCOME
£5,000	£ 27
£ 10,000	£ 54
£ 50,000	£ 270
£ 100,000	£ 540
£ 150,000	£ 810
£ 200,000	£ 1080

Potential Capital Return at Maturity

INITIAL INVESTMENT	FINAL LEVEL OF WORST PERFORMING INDEX	RETURN	EXPLANATION
£ 10,000	Equal to or above Initial Level	£ 10,000	Initial Capital
£ 10,000	Initial Level -25%	£ 10,000	Initial Capital
£ 10,000	Initial Level -50%	£ 10,000	Initial Capital
£ 10,000	Initial Level -51%	£ 4,900	£ 10,000 - (10,000 × 51%)
£ 10,000	Initial Level -75%	£ 2,500	£ 10,000 - (10,000 × 75%)

Important Note — The tables are not exhaustive and the Indices may move outside the range of the illustrated examples. Your Capital Return is not fully protected and there is a risk of capital loss. Risk Factors are set out on Page 9. The overall return could be less than your original investment.

The performance of the Indices will be measured with reference to the Initial Level, which is taken at the close of business on 27 January 2012 and the Final Level which will be taken at the close of business on 29 January 2018 (in each case, subject to potential adjustment in accordance with the terms of the Securities).

You will receive a full return of your original capital at maturity (19 February 2018) as long as on the Final Level date, the worst performing Index has not fallen by more than 50% from its Initial Level.

You will receive a reduced Capital Return if one of the Indices has dropped by more than 50% from its Initial Level on 29 January 2018. In this event the reduction will be at the rate of 1% for each 1% the worst performing Index has fallen.

Plan Key Features

*All of the information on this page can be found in greater detail elsewhere in this brochure. This page is a summary provided for your quick reference

- ★ Your subscription will secure an investment in the Merchant Capital Income Plan: FTSE S&P Issue 1.
- ★ On 27 January 2012 the Plan will acquire securities issued by Barclays Bank plc.
- ★ The Plan is linked to the performance of the FTSE™ 100 Index and S&P 500 Index.
- ★ Monthly income payments of 0.54% will be made within 5 business days from the 27th day of each month for every month the Plan is held (27 February 2012 to 29 January 2018 inclusive).
- ★ The Initial Level of the Plan will be the level of the Indices at the close of business on 27 January 2012.
- ★ The Final Level of the Plan will be the level of the Indices at the close of business on 29 January 2018.
- ★ The level of your original capital to be returned will be dependent on the Final Level of the Indices.
- ★ Your capital will be returned in full if the Final Level of both Indices underlying the Plan are at or above 50% of their Initial Levels. Capital is at risk if the Final Level of any of the Indices is more than 50% below its Initial Level. Capital is lost on a 1%:1% basis.
- ★ There are no explicit charges on the Plan at any time, other than an administration fee for the sale of part or all of your investment prior to the Maturity Date. The fee for the sale of your investment before the Maturity Date is £225 + (VAT) which may increase by no more than the RPI in the future.
- ★ For arranging this Plan Merchant Capital will receive commission. Additionally, commission may be paid to a financial intermediary for introducing you to this investment. The details of any commission paid will be found in the covering letter that we will send to you on receipt of your application, along with your Notice of Right to Cancel. Payment of commission by Merchant Capital does not affect your original investment, nor returns quoted.



Risk Factors

Set out below are the principal risk factors associated with investing in the Plan.

What are the principal risk factors?

- Investing in the Plan puts your money at risk. You may lose some or all of your investment.
- The overall return on your investment in the Plan will depend on the performance of the Indices. Past performance is not an indication of future performance and should not be used to assess the future returns or the risks associated with your investment.
- Plan returns do not include any returns from dividend income or participation in corporate actions, as would be the case if you invested directly in the constituents of the FTSE™ 100 Index and/or S&P 500 Index which are the underlying Indices in this Plan. The Plan does not offer direct exposure to the Indices. Accordingly, the return on the Plan may, in some cases, be less than the return from a direct investment in the shares which make up the Indices.
- You may lose all of your investment if the Issuer becomes insolvent (this is known as Counterparty Risk). Money invested in the Plan will buy securities issued by the Issuer. If the Issuer becomes bankrupt or goes into administration or enters into any other insolvency process the payment to you of both your capital and any payment due will be affected.
- The financial strength and rating of the Issuer may change at any time.
- You may lose some or all of your investment should any of the Indices be lower than 50% of its Initial Level on the final observation date.
- Neither the Financial Services Compensation Scheme nor Merchant Capital Limited will pay compensation in the case of the insolvency of the Issuer. You will only be able to claim from the Financial Services Compensation Scheme if Merchant Capital Limited fails to meet its liability to you.
- The Plan does not protect you in the event of the failure or insolvency of the Issuer.
- Your circumstances could change, forcing you to cash in your investment in the Plan early. In this case the sum you will get back will be calculated as set out in the section entitled "Can I cash in my investment before Maturity?" on page 11 of this brochure and may be less than the amount you invested in the Plan.
- If you exercise the right to cancel after the securities have been purchased you may not get back your investment in full. Please refer to "What happens if I change my mind about investing?" on page 10 of this brochure for more information on your right to cancel.
- If you choose to make an ISA transfer into the Plan you may have to pay an exit charge to your current ISA provider and could lose some investment growth from your current ISA if the market rises while the transfer is being carried out.
- The levels and basis of taxation and reliefs from taxation can change at any time. The value of any tax reliefs and your liability to tax depend on individual circumstances. Tax assumptions are based on Merchant Capital Limited's understanding of current legislation and practice, which may change in the future.

Questions you may have

What is my commitment?

To invest until the maturity date as stipulated in 'Availability and Key Dates'. At Maturity, you will have the option of (i) having the proceeds of your investment in the Plan paid out to you; or (ii) transferring to another plan manager; or (iii) reinvesting your maturity proceeds into a new plan offered by Merchant Capital Limited at that time.

What happens to my capital?

Your money will be used by Merchant Capital Limited to purchase Securities issued by Barclays Bank plc which is rated 'A+' by Standard & Poor's, an independent credit rating agency.

The Securities are a structured product combining a range of financial instruments in order to provide exactly the returns explained in this brochure. You should only consider investing in the Plan if you are prepared to accept risk to your capital and, as the Plan is designed to be held for the full investment period, you do not require access to your money during the investment term.

What is the tax treatment of a direct investment in the Plan?

If you invest directly in the Plan then it is our understanding that under current legislation any income will be subject to income tax assessment in the year received. The amount of tax payable will depend on your individual tax position and rates of income tax and allowances at that time and individuals should check with their tax adviser before investing.

Investors who are corporations, trustees, SIPPs, SSAs, charities etc. should also check with their tax adviser before investing.

What are the benefits of investing via an ISA?

UK tax resident investors can enjoy any income from the Plan completely free of tax by investing via an ISA for the 2011/12 tax year or by transferring an existing ISA investment to the Plan. The Merchant Capital Income Plan: FTSE S&P Issue 1 can only be held as a Stocks and Shares ISA.

The maximum ISA investment limit for 2011/2012 is £10,680 per person. You can invest between £5,000 and £10,680 in the Plan and enjoy any income from the Plan tax free under current tax legislation. Full details will be shown on the transaction statement we will send you within 10 Business Days of the investment date.

For ISA transfers there is no limit on the value you can invest in the Plan by the transfer of the value(s) of your investment in existing stock and shares or cash ISAs held currently with another ISA Manager(s) (subject to a maximum of £2 million).

What happens if I change my mind about investing?

Within 5 business days of accepting your application we will send you a 'notice of the right to cancel'. From the time you receive this notice you will have 14 days to change your mind and cancel your application. If we receive your request to cancel after we have purchased the Securities you may receive back less than your original investment if the value of the Securities has declined. If you do not cancel your application within the 14 days period mentioned above and later decide that you no longer want to invest in the Plan, you will need to cash in your investment in the Plan as explained in the section "Can I cash in my investment before Maturity?" on page 11.

What information will you give me about my investment?

We will send you an acknowledgement within 5 business days of acceptance of your application. Within 10 business days following settlement of the investment in the Securities we will send you a statement showing the Securities purchased as a result of your investment in the Plan. After this, we will issue a six-monthly statement and valuation of your investment, unless you specifically request a statement every 3 months.

What will happen to my investment if I die?

We will deal with your investment(s) in the Plan in line with the instructions of your personal representatives. The investment may be transferred to your beneficiaries at no cost or cashed in for which a charge will be made (see "Can I cash in my investment before Maturity?" on page 11). ISA investments will lose their ISA status.

How much will any advice cost?

If you receive advice from an independent adviser, he or she will give you details about the cost. If you are not receiving any advice, we may still pay an introducing independent adviser commission. Any commission paid by us will not affect the returns quoted in this brochure. Details of any commission will be provided in the letter accompanying your 'notice of the right to cancel' that you will be sent within 5 Business Days of your application form being accepted.

What are the charges?

There are no initial charges or ongoing charges levied on your investment in the Plan. We will buy the Securities from the Issuer and we will receive a commission that covers all the Plan Manager's administration costs and the cost of any commission we pay to authorised financial advisers. Details of this commission will be provided in the letter accompanying your 'notice of the right to cancel'.

There will be a charge if you decide to cash in your investment in the Plan or transfer your ISA investment to another plan manager before Maturity as explained in "Can I cash in my investment before Maturity?" below.

Can I cash in my investment before Maturity?

Yes, but before you do so you should remember that the Plan is designed to run for the full investment term. While Barclays Bank plc intends, under normal market conditions, to indicate prices for the Securities on a daily basis there can be no assurance that any prices will be indicated. If you do decide to cash in your investment in the Plan early you should write to us with instructions to sell the Securities held for you in the Plan and to send the net proceeds to you or in the case of investment through an ISA to another ISA Manager. For ISA transfers, we will then await instruction from your ISA Manager to action the transfer. This will be your responsibility. We will usually be able to complete your instructions within 28 days. The value of your investment in the Plan will be determined by the price at which we can sell the Securities held for you in the Plan. This price will depend on a number of factors, including prevailing interest rates, the performance of the Index and the limited secondary market in the Securities. As a result the amount that you will receive, if you cash in your investment in the Plan early, may be lower than the capital you originally invested in the Plan. There will also be an administration charge of £225 (+ VAT) which may increase by no more than the Retail Price Index (RPI) in the future.

Can I transfer my ISA to a new ISA Manager?

Yes, you can ask us to transfer your ISA to another ISA Manager at any time. If you decide to do so during the term of the Plan (i.e. before Maturity) we will sell the Securities we hold for you in the Plan on the terms outlined in "Can I cash in my investment before Maturity?" above.

Transfers to another ISA Manager before Maturity will incur an administration charge of £225 (+ VAT), which may increase by no more than RPI in the future. If you transfer the proceeds of your investment in the Plan at maturity to another ISA Manager there will not be an administration charge.

What do I do if I am not happy with the way you are dealing with my plan?

We have set ourselves high standards of customer care but if you are unhappy with the service you have received please let us know and we will endeavour to rectify the situation as quickly as possible. If we do not deal with your concerns you may make a complaint. We have a written complaints procedure and we can provide a copy of this at any time. If you are not satisfied with how we address your complaint, you can refer it to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR. The Financial Ombudsman Service allows disputes to be resolved quickly and with minimum formality by an independent person. Making a complaint to the Financial Ombudsman Service will not affect your right to take legal action. Please refer to Sections 19a and 19b of the Terms and Conditions for information regarding the Financial Services Compensation Scheme.

Will you advise me whether the Plan is suitable for me?

The product designers at Merchant Capital Limited do not give you any advice as to whether the Plan is suitable for your own specific circumstances. If you do need such advice, or guidance on tax, you should consult an independent financial adviser for financial advice and/or a tax adviser. Merchant Capital Limited recommend that all customers seek financial advice before investing. If you do not currently have access to a financial adviser, Merchant Capital Limited are in contact with a number of independent financial advisers who will be happy to assist you. Please phone 020 7332 2205 for assistance.

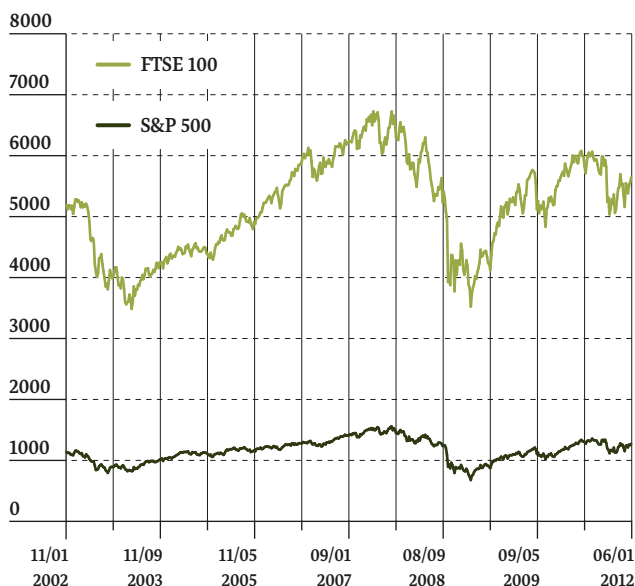
What if I have other questions?

You are advised to contact your independent financial adviser or to contact Merchant Capital Limited on 020 7332 2205.

About the Indices

FTSE™ 100 Index

A share index of the 100 largest UK-domiciled blue chip companies listed on the London Stock Exchange. Its performance is dependent upon the performance of those companies within the Index. The Index began on 3 January 1984 with a base level of 1000. FTSE™ 100 companies represent 84.35% of the UK's market capitalisation and are all traded on the London Stock Exchange.



SOURCE: Bloomberg, 12 January 2012. You should bear in mind that past performance is not a guide to performance in the future.

INDEX DISCLAIMER: The Plan is not in any way sponsored, sold or promoted by any relevant stock market, relevant index, related exchange, index sponsor, and no warranty or representation whatsoever, express or implied, is made either as to the results to be obtained from the use of the relevant stock market and/or the figure at which the relevant stock market, relevant index or related exchange stands at any particular time on any particular day or otherwise. Neither Index sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the relevant stock market, relevant index or related exchange and shall not be under any obligation to advise any person of any error therein.

S&P 500 Index

The S&P 500 Index has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The index has over US\$ 5.58 trillion benchmarked, with the index assets comprising approximately US\$ 1.31 trillion of this total. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities.

About structured products

All stock market related investments involve a degree of risk, as their value can go down as well as up. Some investments, such as this Plan are known as 'structured products' because they change the risk and the return that can normally be expected from an investment in the stock market. To do so they invest in securities which are called derivative products because their return is linked to or "derived from" the performance of the stock market.

The structured products which do not offer full capital security are called 'capital-at-risk' investments. They offer either enhanced income or growth prospects, whilst putting conditions on how or whether your capital will be repaid when the investment matures. This Plan is a "capital-at-risk" product.

However remote the likelihood of bankruptcy of an issuer might be, the risk will always exist. To reduce this risk, we suggest that structured products are used only as part of a broader portfolio and that investors diversify their structured product investments across a range of issuers.

Should you require further information about structured products and capital-at-risk products please contact your independent financial adviser. You could also visit www.moneymadeclear.fsa.gov.uk.

Terms and Conditions

These Terms and Conditions apply to the Merchant Capital Income Plan: FTSE S&P Issue 1 (“the Plan”) which must be read in conjunction with the Application Form.

1. Definitions

Application Form — the relevant form that must be correctly completed by You, for the Plan Manager to set up Your investment in the Plan.

Brochure — pages 1 to 20 in this entire document.

Business Day — any day other than a Saturday, Sunday, bank holiday or other UK public holiday.

Calculation Agent — Barclays Bank plc.

Capital at Risk — you could lose some and up to all of your investment in this plan.

Capital Return — the return at maturity of some or all of your original investment.

Direct Investment — any investment in the Plan that is not an ISA.

Extraordinary Event — an extraordinary event as determined by the Calculation Agent (acting in good faith and in a commercially reasonable manner) in accordance with the terms and conditions of the Securities.

Final Level — the level of the Indices as at the close of business on 29 January 2018.

FSA — the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS.

Indices/Underlyings — the FTSE™ 100 Index and S&P 500 Index.

Initial Level — the level of the Indices at the close of business on 27 January 2012.

ISA — an Individual Savings Account set up by the Plan Manager in line with these Terms and the Regulations.

ISA Manager — Pritchard Stockbrokers Limited, the firm which manages and operates an ISA scheme.

Issuer — the issuer of the underlying securities, in this case Barclays Bank plc.

Market Disruption Event — a market disruption event as determined by the Calculation Agent (acting in good faith and in a commercially reasonable manner) in accordance with the terms and conditions of the Securities.

Maturity/Maturity Date — the date on which Merchant Capital Limited or the plan manager will be in position to return the maturity amount.

Plan — the investment product described in the Brochure which is made up of Securities and cash that the Plan Manager handles for You.

Plan Manager — Merchant Capital Limited, in its capacity as manager and operator of the Plan.

Pritchard — Pritchard Stockbrokers Limited, authorised and regulated by the FSA, is a well established private stockbroking firm contracted by Merchant Capital Limited to provide administration, settlement and custody services in relation to its plan management business.

Prospectus — the relevant prospectus relating to the Securities published by the Issuer, copies of which are available on request from the Plan Manager.

Regulations — ISA Regulations in force for the time being. If there is any conflict between the Regulations and these Terms, the Regulations will apply.

Rules — the rules of the FSA with which Merchant Capital Limited must comply. If there is any conflict between the Rules and these Terms the Rules will apply.

Scheduled Trading Day — means a day on which the London Stock Exchange or other relevant exchange and the London International Financial Futures and Options Exchange (LIFFE) are scheduled to be open for trading for their respective regular trading sessions.

Securities — the underlying qualifying investments issued pursuant to the relevant Prospectus and purchased by the Plan Manager for the Plan to provide the income payments and Capital Return (if any) set out in the Brochure.

Subscription — any amount paid by You into the Plan.

Terms — these terms and conditions.

Underlyings/Indices — FTSE™ 100 Index and S&P 500 Index.

We, Us, Our — Merchant Capital Limited, authorised and regulated by the FSA, or Our representative.

You, Your — the investment holder(s) named on the Application Form.

2. Services We provide

a. We will be responsible for buying and selling all Securities. We will purchase the Securities from the Issuer on terms that are at least as favourable as those that We can obtain when dealing via an intermediary who specialises in buying and selling securities on behalf of others. If You cash in Your investment in the Plan early, We will sell the Securities which are held for You in the Plan either directly or via an intermediary on the best terms reasonably available at the time.

b. There may be times when We, or one of Our clients, have some kind of interest in the transaction that is being carried out. If this happens, or We become aware that Our interest or that of Our other clients conflicts with Your interest We will tell You, and ask Your permission, before any transaction is carried out.

c. We have a culture whereby We manage conflicts of interest fairly. To achieve this We have identified potential conflicts which may arise in the course of providing services to Our clients, apportioned responsibility for conflict management to appropriate personnel and put in place a policy to manage any conflicts and ensure that transactions are effected on terms which are not materially less favourable to You than if the conflict or potential conflict had not existed and We keep a record of any conflicts and Our systems and procedures to manage potential conflicts effectively. The potential areas of conflict cover such instances as personal dealings, commissions, fees, security of information, commercial

interests and fair dealing. Further details are available on request.

d. For Your security and for training and monitoring purposes telephone conversations may be recorded.

3. Your Application

a. Under these Terms We may accept a completed Application Form and Subscription from You. We have the right to reject an Application Form for any reason.

b. You must invest in an ISA with Your own cash or by transferring cash from an existing ISA. Transfers of existing ISAs will normally be arranged with the existing ISA Manager. Once the ISA has been transferred and received by Us, these Terms will apply to Your ISA.

c. By completing the Application Form, You instruct Us to choose and buy at Our discretion Securities that have been designed to provide the benefits of the Plan as described in the Brochure.

d. If We have to cancel or void Your ISA under the Regulations, You authorise Us to hold Your Securities outside the ISA as a Direct Investment. In such an event these Terms will continue to apply to Your investment in the Plan as a Direct Investment and none of the tax benefits of an ISA will apply to Your investment in the Plan. If We have to void Your ISA because You are not eligible to apply for the ISA We have the right to deduct any costs or expenses We reasonably incur in voiding Your ISA and transferring Your investment in the Plan to a Direct Investment.

e. If Your investment in the Plan is an ISA and You live in the UK, You will not, under current tax rules, have to pay UK income tax or UK capital gains tax on any income payments or capital growth You make from Your investment in the Plan but any losses on Your investment in the Plan will be ignored for the purposes of UK capital gains tax.

f. If Your investment in the Plan is a Direct Investment You may, depending on Your circumstances, have to pay tax on any income payments You receive.

g. We will ensure that any person to whom We delegate any of Our functions or responsibilities under these Terms is competent to carry out those functions and responsibilities and We will review them regularly in order to ensure that the functions

and responsibilities delegated are carried out to the standard that could reasonably be expected from persons carrying out these types of functions or responsibilities.

h. The taxation statements in Conditions 3d, 3e and 3f are based on Our understanding of current tax legislation, regulation and practice. Such tax legislation, regulation and practice are subject to change in the future and nothing in this Brochure constitutes tax advice.

i. You confirm that You have had the opportunity to take independent tax advice in respect of the Plan and that You are not relying on any communication (written or oral) from Merchant Capital Limited in their capacity as Plan Manager.

4. Client Classification

In order to ensure that all investors receive the appropriate level of regulatory protection, based on their knowledge and experience We undertake a classification of all of Our clients. Unless otherwise agreed with You in writing, all Our clients will be treated as 'Retail Clients' and as such will benefit from the highest level of regulatory protection. Clients who could fall outside this classification include: regulated or authorised entities, public bodies that deal with debt, institutional investors, international or supranational financial organisations and large undertakings that meet certain size requirements. Clients who meet these criteria should notify Us in advance. These clients will be treated as 'Professional Clients' and benefit from a lower degree of regulatory protection unless they specifically request to be classified as 'Retail Clients' and qualify as such.

5. Basis of dealing

a. We, or Pritchard, may choose and instruct brokers or dealers to buy, sell and deal in Securities for Your Plan or We may do so ourselves as licensed dealers or brokers.

b. We may keep all commissions or profits arising from those transactions. Your Plan will be debited immediately as soon as We buy the securities on Your behalf. We do not have to account for any interest earned pending settlements i.e. interest earned on cash held while We are waiting to pay for Securities We have bought or pay You for Securities We have sold.

c. The amount(s) We commit to invest in Securities to be held in Your Plan will

not extend beyond the amount of cash and investments placed by You under Our control.

d. We will be acting as Your agent in arranging to buy these Securities.

e. We may combine Your order with orders of other clients when processing them. If this results in Us getting a number of transactions at different prices, all clients involved in the transactions will pay or receive the same average price. If You ask Us to, We will provide details of how We work out the average price.

f. If, for any reason, We are unable to purchase securities to fulfil the commitments set out in the brochure Your Subscription will be returned to You.

g. In the event of the Issuer becoming unable to meet its obligations to repay the amounts due You could lose some, or all, of Your Subscription.

6. Your right to change Your mind

a. Within 5 business days of accepting your application we will send you a 'notice of the right to cancel'. From the time you receive this notice you will have 14 days to change your mind and cancel your application.

b. If We have bought Securities before We receive Your completed cancellation request the amount You will receive may be less than the amount of Your Subscription, if the price at which We sell the Securities is less than the price paid for them.

c. If You cancel an ISA transfer application and do not tell Us at that time the name of another Plan Manager You want to transfer the investment to We will sell Your investment and send the sales proceeds to You. This means that the ISA status of the investment will no longer apply.

7. Cash held

a. You must invest at least £5,000 in the Plan and may invest up to £2 million. This minimum does not apply in the case of Re-investments.

b. Money and investments are controlled by Us and held on Your behalf by Pritchard, who also act as the ISA Plan Manager.

c. Pritchard hold all money belonging to clients in a separate client account, which is identified as a trust account. All clients'

money is separated from the funds belonging to Pritchard.

d. Pritchard hold Your Subscription in a client account until We make a payment on Your behalf to purchase the Securities to be held in the Plan on Your behalf. At the Maturity Date, or if We sell the Securities before the Maturity Date, Pritchard will hold the proceeds in the client account, pending Your instruction to either reinvest the proceeds in a new plan with Us or pay the proceeds to You, or transfer the proceeds to a new ISA Manager.

e. We will invest money held for You in Pritchard's client account in Securities to be held in the Plan for You in line with the requirements of the Regulations (if applicable) and the Rules.

f. Pritchard will inform You periodically if they hold cash within an ISA pending reinvestment. If such cash is held for a long period HM Revenue and Customs could void the ISA status of Your investment in the Plan.

g. Pritchard shall continue to treat funds allocated to investors in the Plan which remain unclaimed after the Maturity Date of the Plan as client money, in accordance with the Rules, for a period of six years. You consent to any money held in a client account by Pritchard for You for more than six years being released and no longer treated as client money by Pritchard in accordance with the client money Rules.

8. The Plan Investments

a. All Securities allocated to Your Plan will be registered in the name of, and kept in the custody of, Prism Nominees Limited (a wholly-owned subsidiary of Pritchard). Prism Nominees Limited is not itself authorised under the Financial Services and Markets Act 2000, but Pritchard accepts responsibility for its acts and omissions. Merchant Capital Limited will have recourse to Pritchard on Your behalf.

b. Pritchard will not lend documents of title to the Securities to any other person and money may not be borrowed by You or on Your behalf against the Securities or these documents of title.

c. You will be the beneficial owner of the Securities and of any cash held in the Plan.

d. Unless You tell Us otherwise, We may (if the Regulations allow) make

arrangements, when appropriate, to use the voting rights of Your Securities.

e. The value of the Securities and of Your investment in the Plan may fall as well as rise due to market movements and where applicable, exchange rate fluctuations.

f. Prior to the Maturity Date of the Plan We will contact You to explain the various options available to You at that time.

9. Charges

a. Other than described in Conditions 9b, 9c, 9d & 9e We will not deduct any charges, fees or expenses from the Plan. The terms under which We will purchase the underlying securities on Your behalf include the provision for Us to receive payment from the Issuer. The payment received by Us will be used to pay the costs associated with the establishment of Your Plan and ongoing administrative costs and is taken into account in the way in which Plan benefits are structured and does not therefore have any affect on the calculation of any capital growth, income or capital return described in the Brochure.

b. We will receive a commission from the Issuer in respect of Our relationship with them. From this amount We pay all the costs incurred in marketing the Plan, including the production of brochures, commissions to financial advisers etc and the remainder is set aside for the ongoing administration of Your Plan. Fees and commissions are not expected to exceed 4.14%. The actual commission figure will be detailed in the cover letter of your 'notice of right to cancel'. These costs and the commission We receive from the Issuer have already been taken into account in the development of the Plan and, other than when You cash in Your investment in the Plan early (or transfer Your ISA investment in the Plan to another ISA Manager before the Maturity Date), there are no charges associated with Your investment in the Plan and any payments from the Plan will be in accordance with the description contained on page 6 of the Brochure.

c. If You cash in Your investment in the Plan before the Maturity Date as set out in Condition 12 there will be an administration charge of £225 (+ VAT), which may increase by no more than RPI in the future.

d. If Your investment in the Plan is via an ISA and You transfer its value to another ISA Manager before the Maturity Date, as set out in Condition 11 there will be an

administration charge of £225 (+ VAT), which may increase by no more than RPI in the future.

e. We reserve the right to charge an administration fee of up to 1% (+ VAT) of the maturity value of your Plan on any monies held on your behalf that have not been claimed or re-invested within six months of the Maturity Date of your Plan.

f. We reserve the right to increase the charges set out in Conditions 9c & 9d in line with rises in the Retail Prices Index.

10. Keeping You informed

a. We will send You an acknowledgement of Your Application Form within five Business Days of acceptance of your application.

b. We will send You an initial transaction statement, setting out details of the Securities purchased for You as a result of Your investment in the Plan and details of commission.

c. We will give You a report and valuation of Your investment in the Plan at 6 monthly intervals (unless you specifically request a statement every 3 months), as set out in the Brochure and at any other specific event throughout the life of the Plan.

d. If You ask, You will receive any information issued to holders of the Securities.

e. At all times You, or Your nominated agent, can ask to see all entries in Our records relating to any transactions relating to Your investment in the Plan. We will maintain these records for at least six years after the transaction date.

f. All information and correspondence may be provided in electronic format via email and/or web services. We may offer alternative media for information and correspondence from time to time.

g. All information, correspondence, and communication between Us will be in English.

h. We will write to You at the address provided on Your Application Form or such other address as You may subsequently notify to Us in writing. Please therefore remember to tell Us promptly if Your address changes.

11. ISA Transfers

- a.** If Your investment in the Plan is in an ISA, You have the right to transfer Your ISA to another ISA Manager at any time.
- b.** You must make any request to transfer Your ISA in writing.
- c.** If You elect to transfer prior to the Maturity Date the sale of the Securities You hold will be carried out as described in Conditions 12a & 12b. The charges outlined in Condition 9d will be deducted from the sale proceeds before payment to the new ISA Manager.
- d.** All transfers will be subject to the Regulations.

12. Cashing in Your investment in the Plan before the Maturity Date

- a.** You may cash in Your investment in the Plan at any time by giving Us Your written instructions. This will not affect any transactions We have already started to carry out. You will be charged an administration charge of £225 (+ VAT), which may increase by no more than RPI in the future. We will sell the Securities held in the Plan on our pre-defined dates of the 15th and 30th of each month (if surrendered in February dates will be 15th and 28th), or the next business day in the event of either date falling on a weekend or public holiday after receipt of Your instruction and pay the net proceeds to You. We will aim to carry out this procedure within 28 days.
- b.** The value of Your investment will be determined by the market price of the Securities held in the Plan for You on the date of sale. The price may reflect the limited market in the Securities.
- c.** Prior to cashing in Your investment in the Plan or transferring its value to another plan manager You should consider that the Plan is designed to be held for the full investment term.
- d.** Once You cash in Your investment in the Plan We will not carry out any transactions, except to allow Us to return the proceeds of the sale of the Securities or other qualifying investments to You, or as specifically requested by You and subject to new terms and conditions.

13. Termination

- a.** The agreement between You and Us under these Terms will be terminated either on the Maturity Date, or if You transfer Your ISA in accordance with Condition 11 or if You cash in Your investment in the Plan early in Accordance with Condition 12.
- b.** If the agreement between You and Us under these Terms terminates on the Maturity Date, We will return the capital to which You are entitled as explained at pages 2 and 6 of the Brochure.
- 14. Death**
- a.** In the event of Your death during the term of the Plan We will act on the instructions of Your personal representatives. If they elect to do so they are able to re-register the ownership of the Plan to maintain it to the Maturity Date.

- b.** If Your personal representatives elect to encash the Plan, the charge outlined in Condition 9c will apply.

- c.** If Your Plan is an ISA it will cease to be exempt from tax from the date of death.

15. Prevention of Money Laundering

- a.** All transactions relating to this Plan are covered by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 (as amended from time to time) and the guidance notes provided by the Joint Money Laundering Steering Group.
- b.** To enable Us to comply with the UK Money Laundering requirements and the Rules We may carry out electronic checks on Your identity prior to buying or selling Securities for You. It might be necessary for Us to request, and for You to provide, further information as part of this process, such as proof of identity and evidence of address.
- c.** If We are unable to verify Your identity within a reasonable time it may be necessary to freeze Your investment in the Plan until satisfactory evidence of identity has been obtained.

16. Providing information to HM Revenue and Customs

- a.** You authorise Us to give HM Revenue and Customs all relevant details of Your

investment in the Plan, which they may reasonably ask for at any time.

- b.** We will tell You if the ISA has or will become invalid.

17. Communications and unwanted calls

- a.** We will usually only communicate with and report to You in writing.
- b.** You give Us permission to communicate by e-mail or to phone You if We need to do so but only at a reasonable hour.

18. Liability

- a.** We will carry out the duties described in these Terms using all reasonable care and skill, but We will only be liable to You for:
- Our negligence, wilful default or fraud, or that of Pritchard or any employees of Pritchard in the performance of Our obligations under these Terms; or
 - breaking these terms or a Financial Services Authority rule or the Regulations.

We will not be liable to You for any act or fraud by any person, firm or company through or with whom transactions are carried out on Our behalf (other than Pritchard and its employees).

- b.** We will not be liable or have any responsibility of any kind for any loss or damage You suffer as a result of any failure, interruption or delay in carrying out Our obligations resulting from:

- Breakdown or failure of any telecommunications or computer service;
- Failure of people other than Us and Pritchard to carry out their obligations;
- Acts of governments or international authorities;
- Any other event or circumstance that is not reasonably within Our control when We have made all reasonable efforts to minimise the consequences of such events.

- c.** If a Market Disruption Event, or any adjustment event relating to the Index (or Indices) as determined by the Calculation Agent occurs, the Calculation Agent may make necessary adjustments to the terms of the investments in their sole and absolute discretion, acting in good faith and in a

commercially reasonable manner. This may include termination of the investments.

Market Disruption Events include but are not limited to the calculation or publication of the level of the Index (or Indices) by the index sponsor on a Scheduled Trading Day being disrupted, altered or delayed or a disruption occurring to the London Stock Exchange, and/or the LIFFE.

Adjustment events relating to the Index (or Indices) include, but are not limited to, either index being replaced by a successor Index, a material modification in the formula or method of calculating the Index (or Indices), a permanent cancellation of the Index (or Indices), a correction of the Index (or Indices) level which has already been utilised by the Calculation Agent or either Index Sponsor's failure to calculate and announce the Index level.

Examples of adjustments that may need to be made include, but are not limited to: postponing taking the level of the Index (Indices) on the date which such event occurs, using a reasonable alternative method of calculating or estimating the value of the Index (Indices), terminating the investments by giving prior notice.

d. By completing the declaration on the Application Form You will be bound by these Terms. Therefore, We recommend for Your own benefit and protection that You should read these Terms carefully before signing the Application Form. If there is anything that You do not understand, please contact Your financial adviser or Merchant Capital Limited on 020 7332 2200.

19. Protecting Your investment in the Plan

a. We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if We cannot meet Our obligations towards You. This would depend on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £50,000 so the maximum compensation is £50,000. You can get more information about compensation arrangements from the Financial Services Compensation Scheme (www.fscs.org.uk).

b. If the performance of the investments does not match the illustrated benefits, You will not, for that reason alone, be entitled to any compensation under the Financial

Services Compensation Scheme. Furthermore, if the Issuer becomes insolvent You will not be entitled to compensation under the Scheme for that reason alone.

c. You may complain about any aspect of the service You receive from Us to the Compliance Officer at the address shown on the back page of the Brochure. If You ask, We will send You written details of how We will address Your complaint. If You are not happy with how We have addressed the issue, You can complain to the Financial Ombudsman Service at South Quay Plaza II, 183 Marsh Wall, London E14 9SR. Making a complaint will not affect Your right to take legal action.

d. We maintain insurance cover to indemnify clients against (among other things) any of Our employees dishonestly or fraudulently using funds or securities or other qualifying investments.

20. Governing law

These Terms and any non-contractual obligations arising from or in connection with them will be governed by the laws of England and will come into force when We receive Your signed Application Form.

21. Enforcement

a. Should any of these Terms be held to be unenforceable the validity and enforceability of the remaining provisions shall not be affected and the unenforceable provision will be replaced by an enforceable provision which comes closest to the intention underlying the unenforceable provision and which is of similar economic effect and does not worsen Your position.

b. Our failure to enforce any provision of these Terms will not constitute a waiver of Our right to subsequently enforce such provision or any other provision of these Terms. None of Our employees, officers or agents may verbally alter, modify or waive any provision of these Terms.

22. Data Protection statement

a. We may hold personal and financial information on computer and manual systems and use this to:

- Handle and service Your investment in the Plan; and
- Put together statistics for assessment and analysis of the services We provide and of the Plan.

b. We may make Your personal and financial information available:

- To Pritchard;
 - To Your financial adviser by e-mail or other means, including a secure internet service;
 - As We are obliged to under the requirements of any law, regulation or court order that We must follow;
 - To You if You ask (for a fee).
- c.** We or Pritchard may contact You by mail, phone or e-mail with products or services that may interest You, unless You have ticked the appropriate box on the Application Form.

Making your Application

Before you invest in the Plan

Before you decide to invest in the Plan you should make sure you understand all the information in this brochure.

Merchant Capital Limited recommends that all customers seek financial advice before investing. If you do not currently have access to a financial adviser, Merchant Capital Limited have contacts with a number of independent financial advisers who will be happy to assist you. Please phone 020 7332 2205 for assistance.

Remember, the information in this brochure does not constitute tax, legal or investment advice and neither Merchant Capital Limited in their capacity as Plan Manager has provided any such advice.

Once you are satisfied that you would like to invest in the Plan you should complete the appropriate Application Form following the instructions provided.

Please indicate if you have received financial advice on the appropriate form. **If you have not received advice please ensure you answer all of the appropriateness questions. If you do not, we are unable to determine whether the Plan is appropriate for you and we may reject your application.**

Types of Application:

Direct

To be used for new 2011/2012 ISAs and direct investments, including those for joint investments and investments for children under the age of 18.

Re-Investment

To be used where you already hold a matured Merchant Capital / Keydata Investment Services / Dawnay Day Quantum / Arc Capital & Income plan that Merchant Capital now administer. There is no minimum investment on a Re-investment Application.

ISA Transfer

To be used for ISA Transfers.

Pension

To be used where you are investing through a Pension or are a Trustee of a Pension.

Company/Trust

To be used where you are investing through a Charity, Company, Partnership or Trust.

If you require further information please call 020 7332 2205 or visit our website (www.merchant-capital.com) to obtain the appropriate application form.

Payments

All cheques should be made payable to:

Pritchard Stockbrokers Limited Client Account

All bank transfers should be sent to the following account details:

Account Name: Pritchard Stockbrokers Limited Client Account

Sort Code: 56-00-35

Account Number: 28320557

Application Form

Please return this form and a cheque made payable to Pritchard Stockbrokers Limited Client Account to Merchant Capital Limited, 7th Floor, Aldermary House, 10-15 Queen Street, London, EC4N 1TX.

Alternatively, if you would prefer to pay by bank transfer tick here

For extra applications, simply photocopy this form or download from our website at www.merchant-capital.com.

Please complete this form using BLOCK CAPITALS and black ink.

Bank transfer details:

Account Name: **Pritchard Stockbrokers Limited Client Account**

Bank: **Natwest Bank**

Sort Code: **56-00-35** Account Number: **28320557**

Please quote your name in the reference.

1. Personal Details

(ISA investments are not available as a joint investment - each applicant must complete the separate application.)

Title (Mr, Mrs, Miss, Ms, Other):

Surname:

Full first names:

Permanent address:

Postcode:

Date of birth:

Nationality:

E-mail address:

Telephone (day):

Telephone (evening):

National Insurance (NI) number (required for all ISA investments):

You should be able to find your NI number on a payslip, form P45 or P60, letter from HMRC or the DSS or pension order book.

! **Joint applications for DIRECT INVESTMENT only.**
Please fill in the details of the joint applicant:

Title (Mr, Mrs, Miss, Ms, Other):

Surname:

Full first names:

Permanent address:

Postcode:

Date of birth:

Nationality:

E-mail address:

Telephone (day):

Telephone (evening):

! **DIRECT INVESTMENT only on behalf of a child (under 18).**
Please complete the child's name here:

Full Name:

Date of birth:

2. Investment

Direct Investment (minimum £5,000):

ISA investment 2011/12:

(Minimum £5,000 / Maximum £10,680 for all investors)

Total:

If you are opting to pay by cheque, please make it payable to Pritchard Stockbrokers Limited Client Account. If you are sending a building society cheque please ensure your building society include your name as the reference.

3. Account details for income payments

Bank/Building Society:

Account name:

Sort Code: Account No.:

Reference or Roll Number:

4. Password (Optional)

For security purposes, please supply a password so we can provide information over the phone or give you access to our web-based services:

5. Appropriateness

Have you received financial advice relating to this investment: Yes No

If you answered 'YES' please proceed to Section 6, Data Protection, otherwise please answer the following questions before proceeding to Section 6. If you do not answer these additional questions, we will not be able to determine if this investment is appropriate for you.

The following questions are only to be answered if you have not received financial advice.

1. Have you previously invested through Merchant Capital Limited or Arc Capital & Income plc or in a plan managed by Keydata Investment Services Limited Yes No

If yes please give plan number(s)/ client reference number (in the case of Keydata):

2. Please indicate below how often you have made the decision to invest in the following investments in the past 5 years

Stocks and Shares number Unit Trusts/OEICs number

An investment where the capital and returns are variable and based upon the performance of underlying securities. e.g. Equities, Indices, Corporate Bonds

number

A similar structured product where you might get back less than you originally invested

number

Other (please indicate)

number

3. Please circle your purpose for investing in this product:

Tax status Saving for a specific purpose Supplement income
Investment for growth Investment for income

Other (please indicate)

4. Please circle your annual income

(Combined Salary and/or Pension and/or Investments):

Below £25K £26-50K £51-75K £76-100K £101-150K £151-200K Above £200K

5. Please circle your employment status and indicate your occupation:

Employed Self-employed Retired Not working Other

Occupation

6. Do you understand that movements in the

Underlying(s) will influence the return you receive and that you will be putting your capital at risk, meaning that you could get back less than you invested? Yes No

7. Please indicate the approximate percentage of your investment portfolio that will be held in this product.

8. Please indicate the approximate percentage of your investment portfolio held in structured products.

9. You have read and understood pages 3 & 9 which refers to Counterparty Risk and understand that should the Issuer, fail to meet its obligations to pay us the amount due from the Securities, you may not receive back your investment or be entitled to any compensation.

 Yes No

10. You have read and understood "Is this investment suitable for you?" on page 4 of the brochure together with the Risk Factors on page 9.

 Yes No

If you have answered NO to any of the above questions, and still wish to proceed with this investment Merchant Capital Limited strongly recommends that you consult with a Financial Adviser before proceeding. If you do not currently have access to a Financial Adviser, Merchant Capital Limited are in contact with a number of independent financial advisers who will be happy to assist you. Please phone 020 7332 2205 for assistance.

6. Data Protection

You authorise Us to hold and process the information supplied on the application form as a data controller for the purposes of the Data Protection Act 1998. We may hold and process information for the administration of this and any future application, for the operation of your investment and for marketing goods and services from any member of the Merchant House Group and its contractors ("the Group"). You authorise the transfer of your information to any member of the Group for these purposes.

If you do not want your information to be used by other members of the Group, please tick this box:

You authorise the disclosure of your information concerning your investment to an Independent Financial Adviser acting on your behalf.

You are entitled to request details of the information we hold upon payment of a fee and require us to correct any inaccuracies in that personal data.

7. Declaration and authority

! I confirm that I am a UK resident for tax purposes:

I confirm that I am a resident of the Channel Islands for tax purposes:

I declare that I am 18 years of age or over. I confirm adherence to the requirements contained in the Terms and Conditions.

I declare that:

- All subscriptions made belong to me;
- If applying to subscribe to a Stocks and Shares ISA for 2011/2012 I have not subscribed and will not subscribe to another ISA in the same year.
- I authorise Pritchard Stockbrokers Limited:
 - to hold my cash subscription, investments, ISA investments, interest and other rights or proceeds in respect of those investments and any cash or other proceeds;
 - to make on my behalf any claims to relief from tax in respect of ISA investments

I have read and understood the relevant Plan brochure and Terms & Conditions and accept the terms under which the investments will be managed. I declare that this application form has been completed to the best of my knowledge and belief. I understand that the producers of this brochure have not provided advice on this investment and confirm that I either do not require such advice or have received advice on this investment from an independent financial adviser.

Signed:

Joint signature:
(for direct investments only)

Print name:

Print name:

Date:

Date:

If you are opting to pay by cheque, please make it payable to **Pritchard Stockbrokers Limited Client Account** and return it together with your completed and signed application form to your financial adviser or to: Merchant Capital Limited, 7th Floor, Aldermary House, 10-15 Queen Street, London, EC4N 1TX.

Financial Adviser Information

Name of company:

Network (if applicable):

FSA/GFSC/JFSC No:

Name of adviser:

Application receipt confirmation email address:

Commission

I, the financial adviser, wish to take the following commission on this investment:

- Full Commission
- Partial Commission Amount to be rebated to client (in %
(partial rebate to client) of total investment amount:
- %
- No Commission (full rebate to client)
- I am a fee based financial adviser and take no Commission

If no option is selected, we assume full commission is to be taken.

Verification of Identity

I, as the financial adviser, confirm that I have conducted the necessary suitability and deemed the client appropriate for this investment. I also confirm that I have carried out the appropriate identity checks and that copies of the documentary evidence are available on request. I have seen the original documents and any that require a signature have been signed.

Signed:

Re-Investment Application

Merchant Capital Income Plan: FTSE S&P Issue 1

Please return this form to Merchant Capital Limited, 7th Floor, Aldermary House, 10-15 Queen Street, London, EC4N 1TX.

For extra applications, simply photocopy this form or download from our website at www.merchant-capital.com.

Please complete this form using BLOCK CAPITALS and black ink.

1. Investment

Maturing Plan name:

Maturing Plan number:

Maturing Plan value: £

Full re-investment:

Partial re-investment:

Client Name:

Joint Client Name:

If **partial re-investment** please indicate the split below:

Amount to be reinvested (Direct): £

Amount to be reinvested (ISA): £

Amount to be cashed in: £

If you would like to **add to the amount to be invested** please indicate below.

I would like to top up my investment with the following amount:

Direct: £

2011/12 ISA: £

Total investment (re-investment plus any top up): £

If **partial re-investment** is taking place then please indicate your bank details below:

Account Number:

Sort Code:

Account name:

Bank name:

2. Account details for income payments

Bank/Building Society:

Account name:

Sort Code: Account No.:

Reference or Roll Number:

3. Contact Details

Permanent address:
Postcode:

E-mail address:

Telephone (day):

Telephone (evening):

Date of birth:

Where the maturing plan is a joint investment, and the second joint investor's address is different from the other investor, please fill in the appropriate section below:

Permanent address:
Postcode:

E-mail address:

Telephone (day):

Telephone (evening):

Date of birth:

4. Appropriateness

Have you received financial advice relating to this investment: Yes No

If you answered 'YES' please proceed to Section 5, data protection, otherwise please answer the following questions before proceeding to Section 5. If you do not answer these additional questions, we will not be able to determine if this investment is appropriate for you.

The following questions are only to be answered if you have not received financial advice.

1. Please indicate below how often (if relevant) you have made the decision to invest in the following investments in the past 5 years

Stocks and Shares number Unit Trusts/OEICs number

An investment where the capital and returns are variable and based upon the performance of underlying securities, e.g. Equities, Indices, Corporate Bonds number

A similar structured product where you might get back less than you originally invested number

Other (please indicate) number

2. Please circle your purpose for investing in this product:

Tax status Saving for a specific purpose Supplement income
Investment for growth Investment for income

Other (please indicate)

3. Please circle your annual income (Combined Salary and/or Pension and/or Investments):

Below £25K £26-50K £51-75K £76-100K £101-150K £151-200K Above £200K

Please turn over →

4. Please circle your employment status and indicate your occupation:

Employed Self-employed Retired Not working Other

Occupation

5. Do you understand that movements in the Underlying(s) will influence the return you receive and that you will be putting your capital at risk, meaning that you could get back less than you invested? Yes No

6. Please indicate the approximate percentage of your investment portfolio that will be held in this product.

7. Please indicate the approximate percentage of your investment portfolio held in structured products.

8. You have read and understood pages 3 & 9 which refers to Counterparty Risk and understand that should the Issuer fail to meet its obligations to pay us the amount due from the Securities, you may not receive back your investment or be entitled to any compensation. Yes No

9. You have read and understood "Is this investment suitable for you?" on page 4 of the brochure together with the Risk Factors on page 9. Yes No

If you have answered NO to any of the above questions, and still wish to proceed with this investment Merchant Capital Limited strongly recommends that you consult with a Financial Adviser before proceeding. If you do not currently have access to a Financial Adviser, Merchant Capital Limited are in contact with a number of independent financial advisers who will be happy to assist you. Please phone 020 7332 2205 for assistance.

5. Data Protection

You authorise Us to hold and process the information supplied on the application form as a data controller for the purposes of the Data Protection Act 1998. We may hold and process information for the administration of this and any future application, for the operation of your investment and for marketing goods and services from any member of the Merchant House Group or its contractors ("the Group"). You authorise the transfer of your information to any member of the Group for these purposes.

If you do not want your information to be used by other members of the Group, please tick this box:

You authorise the disclosure of your information concerning your investment to an Independent Financial Adviser acting on your behalf.

You are entitled to request details of the information we hold upon payment of a fee and require us to correct any inaccuracies in that personal data.

6. Declaration and authority

! I confirm that I am a UK resident for tax purposes:

I confirm that I am a resident of the Channel Islands for tax purposes:

I declare that I am 18 years of age or over. I confirm adherence to the requirements contained in the Terms and Conditions.

I declare that:

- All subscriptions made belong to me;
- I authorise Pritchard Stockbrokers Limited:
 - to hold my cash subscription, investments, ISA investments, interest and other rights or proceeds in respect of those investments and any cash or other proceeds;
 - to make on my behalf any claims to relief from tax in respect of ISA investments

I have read and understood the relevant Plan brochure and Terms & Conditions and accept the terms under which the investments will be managed. I declare that this application form has been completed to the best of my knowledge and belief. I understand that the producers of this brochure have not provided advice on this investment and confirm that I either do not require such advice or have received advice on this investment from an independent financial adviser.

Signed:

Print name:

Date: --

Joint signature: (for direct investments only)

Print name:

Date: --

When you have completed and signed this form please return it to your financial adviser or to: Merchant Capital Limited, 7th Floor, Aldermary House, 10-15 Queen Street, London, EC4N 1TX.

Financial Adviser Information

Name of company:

Network (if applicable):

FSA/GFSC/JFSC No:

Name of adviser:

Application receipt confirmation email address:

Commission

I, the financial adviser, wish to take the following commission on this investment:

Full Commission

Partial Commission (partial rebate to client) Amount to be rebated to client (in % of total investment amount: %)

No Commission (full rebate to client)

I am a fee based financial adviser and take no Commission

If no option is selected, we assume full commission is to be taken.

Verification of Identity

I, as the financial adviser, confirm that I have conducted the necessary suitability and deemed the client appropriate for this investment. I also confirm that I have carried out the appropriate identity checks and that copies of the documentary evidence are available on request. I have seen the original documents and any that require a signature have been signed.

Signed:

ISA Transfer Application Form

Merchant Capital Income Plan: FTSE S&P Issue 1

Please return this form to Merchant Capital Limited, 7th Floor, Aldermay House, 10-15 Queen Street, London, EC4N 1TX.

For extra applications, simply photocopy this form or download from our website at www.merchant-capital.com.

Please complete this form using BLOCK CAPITALS and black ink.

1. Personal Details

ISA investments are not available as a joint investment - each applicant must complete the separate application.

Title (Mr, Mrs, Miss, Ms, Other):

Surname:

Full first names:

Permanent address:

Postcode:

Date of birth: -

Nationality:

E-mail address:

Telephone (day):

Telephone (evening):

National Insurance (NI) number (required for all ISA investments):

You should be able to find your NI number on a payslip, form P45 or P60, letter from HMRC or the DSS or pension order book.

2. Investment

I wish to apply to subscribe the following amount as an ISA investment by way of a transfer from my existing ISA provider detailed overleaf: £

3. Account details for income payments

Bank/Building Society:

Account name:

Sort Code: Account No.:

Reference or Roll Number:

4. Password (Optional)

For security purposes, please supply a password so we can provide information over the phone or give you access to our web-based services:

5. Appropriateness

Have you received financial advice relating to this investment: Yes No

If you answered 'YES' please proceed to Section 6, Data Protection, otherwise please answer the following questions before proceeding to Section 6. If you do not answer these additional questions, we will not be able to determine if this investment is appropriate for you.

The following questions are only to be answered if you have not received financial advice.

1. Have you previously invested through Merchant Capital Limited or Arc Capital & Income plc or in a plan managed by Keydata Investment Services Limited Yes No

If yes please give plan number(s)/ client reference number (in the case of Keydata):

2. Please indicate below how often you have made the decision to invest in the following investments in the past 5 years

Stocks and Shares number Unit Trusts/OEICs number

An investment where the capital and returns are variable and based upon the performance of underlying securities. e.g. Equities, Indices, Corporate Bonds number

A similar structured product where you might get back less than you originally invested number

Other (please indicate) number

3. Please circle your purpose for investing in this product:

Tax status Saving for a specific purpose Supplement income Investment for growth Investment for income

Other (please indicate)

4. Please circle your annual income (Combined Salary and/or Pension and/or Investments):

Below £25K £26-50K £51-75K £76-100K £101-150K £151-200K Above £200K

5. Please circle your employment status and indicate your occupation:

Employed Self-employed Retired Not working Other Occupation

6. Do you understand that movements in the Underlying(s) will influence the return you receive and that you will be putting your capital at risk, meaning that you could get back less than you invested? Yes No

7. Please indicate the approximate percentage of your investment portfolio that will be held in this product.

8. Please indicate the approximate percentage of your investment portfolio held in structured products.

9. You have read and understood pages 3 & 9 which refers to Counterparty Risk and understand that should the Issuer fail to meet its obligations to pay us the amount due from the Securities, you may not receive back your investment or be entitled to any compensation. Yes No

10. You have read and understood "Is this investment suitable for you?" on page 4 of the brochure together with the Risk Factors on page 9. Yes No

Please turn over →

If you have answered NO to any of the above questions, and still wish to proceed with this investment Merchant Capital Limited strongly recommends that you consult with a Financial Adviser before proceeding. If you do not currently have access to a Financial Adviser, Merchant Capital Limited are in contact with a number of independent financial advisers who will be happy to assist you. Please phone 020 7332 2205 for assistance.

6. Data Protection

You authorise Us to hold and process the information supplied on the application form as a data controller for the purposes of the Data Protection Act 1998. We may hold and process information for the administration of this and any future application, for the operation of your investment and for marketing goods and services from any member of the Merchant House Group or its contractors ("the Group"). You authorise the transfer of your information to any member of the Group for these purposes.

If you do not want your information to be used by other members of the Group, please tick this box:

You authorise the disclosure of your information concerning your investment to an Independent Financial Adviser acting on your behalf.

You are entitled to request details of the information we hold upon payment of a fee and require us to correct any inaccuracies in that personal data.

7. Declaration and authority

 I confirm that I am a UK resident for tax purposes:

I confirm that I am a resident of the Channel Islands for tax purposes:

I declare that I am 18 years of age or over. I confirm adherence to the requirements contained in the Terms and Conditions.

I declare that:

1. All subscriptions made belong to me;
2. I authorise Pritchard Stockbrokers Limited:
 - (a) to hold my direct investments, ISA investments, interest and other rights or proceeds in respect of those investments and any cash or other proceeds;
 - (b) to make on my behalf any claims to relief from tax in respect of ISA investments

I have read and understood the relevant Plan brochure and Terms & Conditions and accept the terms under which the investments will be managed. I declare that this application form has been completed to the best of my knowledge and belief. I understand that the producers of this brochure have not provided advice on this investment and confirm that I either do not require such advice or have received advice on this investment from an independent financial adviser.

Signed:

Print name:

Date: - -

When you have completed and signed this form please return it to your financial adviser or to: Merchant Capital Limited, 7th Floor, Aldermary House, 10-15 Queen Street, London, EC4N 1TX in the pre-paid envelope enclosed.

Financial Adviser Information

Name of company:

Network (if applicable):

FSA/GFSC/JFSC No:

Name of adviser:

Application receipt confirmation email address:

Commission

I, the financial adviser, wish to take the following commission on this investment:

- Full Commission
- Partial Commission (partial rebate to client) Amount to be rebated to client (in % of total investment amount: %)

No Commission (full rebate to client)

I am a fee based financial adviser and take no Commission

If no option is selected, we assume full commission is to be taken.

Verification of Identity

I, as the financial adviser, confirm that I have conducted the necessary suitability and deemed the client appropriate for this investment. I also confirm that I have carried out the appropriate identity checks and that copies of the documentary evidence are available on request. I have seen the original documents and any that require a signature have been signed.

Signed:

ISA Transfer Application Form

Existing ISA transfer request

I confirm that I wish to transfer my existing ISA

Title (Mr, Mrs, Miss, Ms, Other):

Surname:

Full first names:

Permanent address:

Postcode:

Name of existing ISA and address of the plan manager:

Plan manager's phone number:

Account number of the ISA:

Transfer value: Full Partial: £

Existing ISA plan manager instructions:

1. I instruct the manager of the ISA shown above to give you and Pritchard Stockbrokers Limited any information they may need for the plan, sell any ISA assets and send either a BACS payment directly to the client account of Pritchard Stockbrokers Limited, being Natwest Bank (Sort Code 56-00-35 Account Number 28320557) or a cheque made payable to **Pritchard Stockbrokers Limited Client Account** for the proceeds to Merchant Capital Limited, 7th Floor, Aldermay House, 10-15 Queen Street, London, EC4N 1TX in the pre-paid envelope enclosed. If there is a problem, please contact us on 020 7332 2218.

2. All dividends, interest and tax credits arising after the transfer should be made payable to me.

Signature:

Date: - -

Pension Application Form

Merchant Capital Income Plan: FTSE S&P Issue 1

Please return this form and a cheque made payable to Pritchard Stockbrokers Limited Client Account to Merchant Capital Limited, 7th Floor, Aldermary House, 10-15 Queen Street, London, EC4N 1TX.

Alternatively, if you would prefer to pay by bank transfer tick here

For extra applications, simply photocopy this form or download from our website at www.merchant-capital.com.

Please complete this form using BLOCK CAPITALS and black ink.

Bank transfer details:

Account Name: Pritchard Stockbrokers Limited Client Account

Bank: Natwest Bank

Sort Code: 56-00-35

Account Number: 28320557

Please quote your name in the reference.

1. Personal Details

Name of Scheme:

Name of Trustees/Administrators:

Address:

Postcode:

Contact name:

Contact telephone number:

Contact email:

Type of pension:

An occupational scheme which is not a small self-administered scheme

A small self administered scheme (SSAS)

A personal pension scheme

A self-invested personal pension scheme (SIPP)

Inland Revenue scheme reference number:

Any other relevant information:

2. Investment

I wish to apply to subscribe the following amount:

£

If you are opting to pay by cheque, please make your cheque payable to Pritchard Stockbrokers Limited Client Account. If you are sending a building society cheque please ensure your building society include your name as the reference.

3. Account details for income payments

Bank/Building Society:

Account name:

Sort Code:

Account No.:

Reference or Roll Number:

4. Password (Optional)

For security purposes, please supply a password so we can provide information over the phone or give you access to our web-based services:

5. Appropriateness

Have you received financial advice relating to this investment:

Yes No

If you answered 'YES' please proceed to Section 6, Authorised Signatories, otherwise please answer the following questions before proceeding to Section 6. If you do not answer these additional questions, we will not be able to determine if this investment is appropriate for you.

The following questions are only to be answered if you have not received financial advice.

1. Have you previously invested through Merchant Capital Limited or Arc Capital & Income plc or in a plan managed by Keydata Investment Services Limited

Yes No

If yes please give plan number(s)/ client reference number (in the case of Keydata):

2. Please indicate below how often you have made the decision to invest in the following investments in the past 5 years

Stocks and Shares number

Unit Trusts/OEICs number

An investment where the capital and returns are variable and based upon the performance of underlying securities. e.g. Equities, Indices, Corporate Bonds number

A similar structured product where you might get back less than you originally invested number

Other (please indicate) number

Please turn over →

3. Please circle your purpose for investing in this product:

Tax status Saving for a specific purpose Supplement income
Investment for growth Investment for income
Other (please indicate)

4. Please circle your annual income
(Combined Salary and/or Pension and/or Investments):

Below £25K £26-50K £51-75K £76-100K £101-150K £151-200K Above £200K

5. Please circle your employment status and indicate your occupation:

Employed Self-employed Retired Not working Other
Occupation

6. Do you understand that the movements in the Underlying(s) will influence the return you receive and that you will be putting your capital at risk, meaning that you could get back less than you invested? Yes No

7. Please indicate the approximate percentage of your investment portfolio that will be held in this product.

8. Please indicate the approximate percentage of your investment portfolio held in structured products.

9. You have read and understood pages 3 & 9 which refers to Counterparty Risk and understand that should the Issuer, fail to meet its obligations to pay us the amount due from the Securities, you may not receive back your investment or be entitled to any compensation. Yes No

10. You have read and understood "Is this investment suitable for you?" on page 4 of the brochure together with the Risk Factors on page 9. Yes No

If you have answered NO to any of the above questions and still wish to proceed with this investment you are recommended to consult with a Financial Adviser before proceeding. If you do not currently have access to a Financial Adviser, Merchant Capital Limited are in contact with a number of independent financial advisers who will be happy to assist you. Please phone 020 7332 2205 for assistance.

6. Authorised Signatories

The exercise of any options under the Terms and Conditions of the Plan or Deposit must be authorised by the requisite number of authorised signatories set out in the Scheme or, where a number is not stipulated, by at least one authorised signature. Please provide the names and sample signatures of all those who will be Authorised Signatories. If you require more than four, please continue on a separate sheet of paper. Where there is a change to the Authorised Signatories, please notify Pritchard Stockbrokers Limited, in writing giving the date of the change at Roddis House, Old Christchurch Road, Bournemouth, BH1 1LG. Merchant Capital Limited, and Pritchard Stockbrokers Limited, will be entitled to rely on any previous list until receipt of a replacement list.

Signed:

Date:

Name:

Capacity:

Signed:

Date:

Name:

Capacity:

Signed:

Date:

Name:

Capacity:

Signed:

Date:

Name:

Capacity:

Signing authority: Any one: Any two: Other: (please specify)

7. Data Protection

You authorise Us to hold and process the information supplied on the application form as a data controller for the purposes of the Data Protection Act 1998. We may hold and process information for the administration of this and any future application, for the operation of your investment and for marketing goods and services from any member of the Merchant House Group and its contractors ("the Group"). You authorise the transfer of your information to any member of the Group for these purposes.

If you do not want your information to be used by other members of the Group, please tick this box:

You authorise the disclosure of your information concerning your investment to an Independent Financial Adviser acting on your behalf.

You are entitled to request details of the information we hold upon payment of a fee and require us to correct any inaccuracies in that personal data.

8. Declaration and authority

I/We, the Trustees/Authorised Parties of this Trust/Scheme, have read and accept the Terms and Conditions under which the investment will be managed, and request Merchant Capital Limited, to arrange for the purchase of the Plan(s) on our behalf, in accordance with the Plan brochure.

I/We declare that:

- 1. I/We have full power to invest in the Plan and have taken all necessary action to authorise the making of this application. The person(s) signing this application is/are authorised to do so on our behalf.
- 2. The Trust/Scheme are a registered pension scheme under Part 4 of the Finance Act 2004 (or an application has been made) and we undertake to advise Merchant Capital Limited immediately if it ceases to be a registered pension scheme or if its application for registration is withdrawn or refused.
- 3. I/We authorise the Board of the HMRC to tell Merchant Capital Limited if the Scheme is not granted exempt approval or if that approval is withdrawn.
- 4. I/We authorise Pritchard Stockbrokers to hold the cash subscription, investments, interest, dividends and other rights or proceeds in respect of those investments and any cash or other proceeds;

I/We have read and understood the relevant Plan brochure and Terms & Conditions and accept the terms under which the investments will be managed and I/We are not prohibited under the provisions or the terms of the Trust/Scheme from investing in this Plan. I/We declare that this application form has been completed to the best of my/our knowledge and belief. I/We understand that the producers of this brochure have not provided advice on this investment and confirm that I/We either do not require such advice or have received advice on this investment from an Independent Financial Adviser.

Signed for and on behalf of the Trustees of the Scheme:

Signed:

Print name:

Date: - -

Joint signature:

Print name:

Date: - -

When you have completed and signed this form please return it, together with your cheque **made payable to Pritchard Stockbrokers Limited Client Account**, to your financial adviser or to: Merchant Capital Limited, 7th Floor, Aldermary House, 10-15 Queen Street, London, EC4N 1TX.

Financial Adviser Information

Name of company:

Network (if applicable):

FSA/GFSC/JFSC No:

Name of adviser:

Application receipt confirmation email address:

Commission

I, the financial adviser, wish to take the following commission on this investment:

Full Commission

Partial Commission (partial rebate to client) Amount to be rebated to client (in % of total investment amount: %)

No Commission (full rebate to client)

I am a fee based financial adviser and take no Commission

If no option is selected, we assume full commission is to be taken.

Verification of Identity

I, as the financial adviser, confirm that I have conducted the necessary suitability and deemed the client appropriate for this investment. I also confirm that I have carried out the appropriate identity checks and that copies of the documentary evidence are available on request. I have seen the original documents and any that require a signature have been signed.

Signed:

Company/Trust Application Form

Merchant Capital Income Plan:
FTSE S&P Issue 1

Please return this form and a cheque made payable to Pritchard Stockbrokers Limited Client Account to Merchant Capital Limited, 7th Floor, Aldermay House, 10-15 Queen Street, London, EC4N 1TX.

Alternatively, if you would prefer to pay by bank transfer tick here

For extra applications, simply photocopy this form or download from our website at www.merchant-capital.com.

Please complete this form using BLOCK CAPITALS and black ink.

Bank transfer details:

Account Name: Pritchard Stockbrokers Limited Client Account

Bank: Natwest Bank

Sort Code: 56-00-35

Account Number: 28320557

Please quote your name in the reference.

1. Details

Trust, Company Partnership, Account Name:

Correspondence address:

Postcode:

Registered address (if different from above):

Postcode:

Type of Trust (if applicable) and name of Administrators:

Names of Beneficiaries:

Company's Registered Number:

2. Contact Details

Primary Contact / Trustee One

Name:

Address:

Postcode:

Title:

Telephone:

Email:

Contact / Trustee Two

Name:

Address:

Postcode:

Title:

Telephone:

Email:

Contact / Trustee Three

Name:

Address:

Postcode:

Title:

Telephone:

Email:

Contact / Trustee Four

Name:

Address:

Postcode:

Title:

Telephone:

Email:

Please turn over →

3. Investment

I wish to apply to subscribe the following amount:

If you are opting to pay by cheque, please make your cheque payable to Pritchard Stockbrokers Limited Client Account. If you are sending a building society cheque please ensure your building society include your name as the reference.

4. Account details for income payments

Bank/Building Society:	
Account name:	
Sort Code:	Account No.:
Reference or Roll Number:	

5. Password (Optional)

For security purposes, please supply a password so we can provide information over the phone or give you access to our web-based services:

6. Appropriateness

Have you received financial advice relating to this investment: Yes No

If you answered 'YES' please proceed to Section 7, Data Protection, otherwise please answer the following questions before proceeding to Section 7. If you do not answer these additional questions, we will not be able to determine if this investment is appropriate for you.

The following questions are only to be answered if you have not received financial advice.

1. Have you previously invested through Merchant Capital Limited or Arc Capital & Income plc or in a plan managed by Keydata Investment Services Limited Yes No

If yes please give plan number(s)/ client reference number (in the case of Keydata):

2. Please indicate below how often you have made the decision to invest in the following investments in the past 5 years

Stocks and Shares number Unit Trusts/OEICs number

An investment where the capital and returns are variable and based upon the performance of underlying securities. e.g. Equities, Indices, Corporate Bonds number

A similar structured product where you might get back less than you originally invested number

Other (please indicate) number

3. Please circle your purpose for investing in this product:

Tax status Saving for a specific purpose Supplement income
Investment for growth Investment for income

Other (please indicate)

4. Please circle your annual income (Combined Salary and/or Pension and/or Investments):
Below £25K £26-50K £51-75K £76-100K £101-150K £151-200K Above £200K

5. Please circle your employment status and indicate your occupation:
Employed Self-employed Retired Not working Other
Occupation

6. Do you understand that the movements in the Underlying(s) will influence the return you receive and that you will be putting your capital at risk, meaning that you could get back less than you invested? Yes No

7. Please indicate the approximate percentage of your investment portfolio that will be held in this product.

8. Please indicate the approximate percentage of your investment portfolio held in structured products.

9. You have read and understood pages 3 & 9 which refers to Counterparty Risk and understand that should the Issuer fail to meet its obligations to pay us the amount due from the Securities, you may not receive back your investment or be entitled to any compensation. Yes No

10. You have read and understood "Is this investment suitable for you?" on page 4 of the brochure together with the Risk Factors on page 9. Yes No

If you have answered NO to any of the above questions and still wish to proceed with this investment you are recommended to consult with a Financial Adviser before proceeding. If you do not currently have access to a Financial Adviser, Merchant Capital Limited are in contact with a number of independent financial advisers who will be happy to assist you. Please phone 020 7332 2205 for assistance.

7. Data Protection

You authorise Us to hold and process the information supplied on the application form as a data controller for the purposes of the Data Protection Act 1998. We may hold and process information for the administration of this and any future application, for the operation of your investment and for marketing goods and services from any member of the Merchant House Group and its contractors ("the Group"). You authorise the transfer of your information to any member of the Group for these purposes.

If you do not want your information to be used by other members of the Group, please tick this box:

You authorise the disclosure of your information concerning your investment to an Independent Financial Adviser acting on your behalf.

You are entitled to request details of the information we hold upon payment of a fee and require us to correct any inaccuracies in that personal data.

8. Declaration and authority

I/We, the Trustees/Authorised Signatories of this Trust/Company/Partnership, have read and accept the Terms and Conditions under which the investment will be managed, and request Merchant Capital Limited to arrange for the purchase of the Plan(s) on our behalf, in accordance with the Plan brochure.

I/We declare that:

- I/We have full power to invest in the Plan and have taken all necessary action to authorise the making of this application. The person(s) signing this application is authorised to do so on our behalf.
- I/We authorise the Board of the HMRC to tell Merchant Capital Limited if the Scheme is not granted exempt approval or if that approval is withdrawn.
- I/We authorise Pritchard Stockbrokers: to hold the cash subscription, investments, interest, dividends and other rights or proceeds in respect of those investments and any cash or other proceeds;

I/We declare that we are not prohibited under the terms of the Trust/Company/ Partnership from investing in this Plan and we are not, and are not acting on the behalf of a resident of the United States; and that we will not assist any person who is so resident to acquire securities in the Plan. Further we agree to inform you immediately should we become resident of the United States. I confirm adherence to the requirements contained in the Terms and Conditions.

I/We have read and understood the relevant Plan brochure and Terms & Conditions and accept the terms under which the investments will be managed. I/We declare that this application form has been completed to the best of my/our knowledge and belief. I/We understand that the producers of this brochure have not provided advice on this investment and confirm that I/We either do not require such advice or have received advice on this investment from an Independent Financial Adviser.

Signed Authorised Signatory:

Print name:

Date: - -

Signed Authorised Signatory:

Print name:

Date: - -

Signed Authorised Signatory:

Print name:

Date: - -

Signed Authorised Signatory:

Print name:

Date: - -

When you have completed and signed this form please return it, together with your cheque **made payable to Pritchard Stockbrokers Limited Client Account**, to your financial adviser or to: Merchant Capital Limited, 7th Floor, Aldermary House, 10-15 Queen Street, London EC4N 1TX.

Financial Adviser Information

Name of company:

Network (if applicable):

FSA/GFSC/JFSC No:

Name of adviser:

Application receipt confirmation email address:

Commission

I, the financial adviser, wish to take the following commission on this investment:

- Full Commission
- Partial Commission (partial rebate to client) Amount to be rebated to client (in % of total investment amount): %
- No Commission (full rebate to client)
- I am a fee based financial adviser and take no Commission

If no option is selected, we assume full commission is to be taken.

Verification of Identity

I, as the financial adviser, confirm that I have conducted the necessary suitability and deemed the client appropriate for this investment. I also confirm that I have carried out the appropriate identity checks and that copies of the documentary evidence are available on request. I have seen the original documents and any that require a signature have been signed.

Signed:

January 2012



Merchant Capital Limited
A Merchant House Group Company

7th Floor
Aldermary House
10-15 Queen Street
London EC4N 1TX

TEL: **020 7332 2205** *IFA enquiries*
020 7332 2200 *General enquiries*
FAX: 020 7332 2201

E-MAIL: info@merchant-capital.com
WEB: www.merchant-capital.com

Merchant Capital Limited is authorised & regulated
by the Financial Services Authority (Firm no. 220131).

Registered in England & Wales No. 4487961.

Registered office: 7th Floor, Aldermary House,
10-15 Queen Street, London EC4N 1TX

Merchant Capital Limited is a member of the

