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1 INTRODUCTION

These terms and conditions use special expressions and are defined in the glossary at the end.

These terms and conditions describe the operation of the scheme. Your signed application to join or take benefits from the scheme confirms your agreement to these terms and conditions, the fees set out in the Fee Menu and the rules. The terms and conditions, together with the documents listed immediately below, form the basis of a legally binding agreement between us and you:

- any application form(s) that you have signed or that have been signed on your behalf
- the Fee Menu

If there is any conflict between these terms and conditions and the documents listed above, these terms and conditions will take precedence.

We do not accept liability for certain aspects of the operation of the scheme, nor do the provider or the independent trustee accept liability for these aspects – see section 31. Further, you promise to be responsible for and pay any losses, costs and expenses incurred by us, the provider and the independent trustee, in respect of certain aspects of the operation of the scheme as described in section 31.3.

We have the right to vary the Fee Menu and these terms and conditions in accordance with section 16.1 and section 28 respectively. Any changes will be incorporated in updated versions of this booklet, which will be posted on our website: www.mattioliwoods.com.

In addition to the documents that form the legally binding agreement, the Key Features and other personalised statements provide important information about the scheme.

You can ask us for copies of these documents.

Please keep the terms and conditions and any other materials that you get in relation to the scheme in a safe place for future reference.

If you have any questions about these terms and conditions, or if you would like to obtain a copy of a document or form referred to, please contact us at:

By mail: Mattioli Woods Limited
1 New Walk Place
Leicester
LE1 6RU

Telephone number: 0116 240 8700

Email: info@mattioliwoods.com

Fax number: 0116 240 8701

2 THE SCHEME

- 2.1 The scheme is established by the provider and governed by the rules. The legally binding agreement between you and us referred to in section 1 imposes conditions and restrictions on the operation of the scheme. If there is any conflict between that agreement and the rules, the rules prevail. You can ask us for a copy of the rules.
- 2.2 We are responsible for operating and administering the scheme on behalf of the provider.
- 2.3 When an individual becomes a member, an individual fund will be set up on their behalf. All contributions and transfer payments invested in the scheme on a member's behalf will be applied to your individual fund.
- 2.4 Under the rules governing the scheme the trustees have full powers, rights, privileges and discretions. All sections covered in these terms and conditions are subject to the trustees' approval and discretion.

3 OWNERSHIP

- 3.1 For multi trustee schemes, each member over the age of 18 will normally be appointed as an individual trustee to act with the independent trustee in relation to your individual fund.

The individual trustee and the independent trustee together are the legal owners of all the assets relating to your individual fund. We pay the benefits from the individual fund in accordance with the rules and the agreement referred to in section 1.

For a sole trustee scheme, the independent trustee is the legal owners of all the assets in relation to your individual fund. We pay the benefits from the individual fund in accordance with the rules and the agreement referred to in section 1.

- 3.2 However, in relation to assets that are held in respect of you, we shall invest and appoint investment managers in accordance with (and only in accordance with) your direction, subject to the conditions set out in sections 10 and 11.

4 MEMBERSHIP

- 4.1 Anyone may apply to become a member.
- 4.2 A parent or legal guardian may apply for membership on behalf of their child under the age of 18. Until the child reaches the age of 18, we will act on the instructions of the parent or legal guardian in relation to the child's individual fund. Once the child reaches the age of 18, they will have full authority to give instructions in relation to their individual fund, provided that they accept these terms and conditions.

4.3 Any eligible dependants, nominees or successors in respect of whom an entitlement to benefits arises may participate in the scheme as dependants, nominees or successors by applying to take benefits in the form of income withdrawal (see section 20). We have the right to decline such an application where the eligible dependant, nominee or successor is not habitually resident i.e. does not normally live in the UK and/or this would in, our opinion,

4.3.1 likely lead to an unauthorised payment, which attracts tax charges or

4.3.2 would limit or restrict in any way our ability to administer the scheme.

4.4 We do not currently require a minimum initial investment, but we reserve the right to introduce a minimum requirement in future.

5 COMMUNICATION

5.1 Any instructions from you to us must be in writing, by email or facsimile and be submitted directly to us. Instructions include, but are not limited to, notices, application forms, benefit options and nominations and directions in relation to investments.

Instructions are not effective until actually received by us at the address set out in section 1.

5.2 We will normally communicate with you in writing.

5.3 The exceptions to section 5.1 are:

5.3.1 where we agree that instructions in relation to the ongoing transactions by any DFM should be submitted to that DFM (see section 11) in accordance with the separate terms and conditions governing the operation of those services;

5.3.2 where we agree that instructions

- to place a buy, sell or switch transaction in relation to funds linked to any investment product held by your individual fund, or
- to trade assets and investments using any agreed share dealing facility should be submitted to the provider of the investment product or share dealing facility in accordance with the separate terms and conditions governing that product or facility;

5.3.3 where we give notice that instructions should be submitted to any other relevant third party;

5.3.4 where you wish to give urgent instructions relating to the buying or selling of investments, in which case you can send a copy of your instruction by email or facsimile, provided that the original is posted to us as soon as possible. These instructions must be identifiable by including the scheme's full name and your

details.

5.4 You authorise us, the provider and the independent trustee

- to rely on, and treat as fully authorised and binding on you, any decision or instruction which purports to have been given by you without further enquiry by us, and
- to accept such an agreement as genuine, without the need for further investigation as to the authority or identity of the person giving, or purporting to give, such an agreement provided the instructions have been received in good faith and without negligence.

6 CONTRIBUTIONS

6.1 Contributions may be made in respect of members. No contributions may be made in respect of dependants, nominees or successors.

6.2 You are responsible for ensuring that all contributions are within the allowable limits for tax relief.

6.3 You may arrange regular or one-off contributions to your individual fund.

6.4 Your personal contributions qualify for tax relief if you meet the conditions set out in the Finance Act.

6.5 Contributions over the limit that are eligible for tax relief should not be paid into your individual fund.

If you do pay over the qualifying limit for tax relief, you may ask us to refund the excess contributions to you or to whoever paid the contributions on your behalf. The refund to you would be the lower of the excess contribution or the value of the part of your individual fund attributable to that excess contribution. In addition, HMRC will require us to repay the full amount of the basic rate tax relief (see section 6.11) which we had claimed on the excess contribution.

6.6 If contributions are paid which lead to the annual allowance and money purchase annual allowance under the Finance Act being exceeded, you will be responsible for paying the annual allowance tax charge arising. The excess contribution paid in these circumstances must remain in your individual fund (invested until benefits are to be paid as set out in these terms and conditions).

6.7 Contributions can continue even after you take retirement benefits, but any contributions paid after your 75th birthday, do not currently qualify for tax relief.

6.8 We do not impose minimum contribution levels. However, we reserve the right to introduce a minimum and, if we do, we will alter these terms and conditions as described in section 28.1.

6.9 Single contributions can be paid

6.9.1 by cheque,

or, subject to our prior agreement,

6.9.2 by direct credit.

- 6.10 Regular contributions can be paid by cheque, standing order or direct debit.

We will not issue any reminders if an expected regular personal contribution is not paid.

- 6.11 We will act as the collecting agent for all contributions and will pass monies, including basic-rate tax relief on member contributions, to the audit account.

We will claim basic-rate tax relief from HMRC on any contributions made by you or on your behalf paid as a personal contribution, for investment in your individual fund via the audit account, when HMRC pay the tax to us.

- 6.12 You may claim higher rate tax relief (or the intermediate, higher or top rate of tax relief if you are a Scottish resident) through your self-assessment tax return. Tax relief on personal contributions paid on behalf of a minor is attributable to the minor as opposed to the person who actually pays the contribution.

- 6.13 Your employer may also pay contributions on your behalf. An employer should claim tax relief as a business expense on any employer contributions.

- 6.14 Where the contribution is in the form of shares which you acquired on exercising a right under a Save As You Earn option scheme (as defined in Section 516 Income Tax Employment and Pensions Act 2003, or subsequent legislation), or from a share incentive plan (as defined in Section 488 Income Tax Employment and Pensions Act 2003, or subsequent legislation), the value given to the contribution for tax relief purposes is the market value at the date on which the shares are transferred to the scheme.

7 TRANSFER PAYMENTS INTO THE SCHEME

- 7.1 Subject to section 7.2, HMRC's requirements and our prior consent, you may transfer your benefits under another registered pension scheme to this scheme (provided it is not a public sector defined benefit scheme).

- 7.2 It is also possible to transfer the value of an income withdrawal fund into the scheme. You or your Independent Financial Adviser (who will need to be independent from the scheme and authorised by the Financial Conduct Authority) will be responsible for initiating and co-coordinating the processing of all transfers from other registered pension schemes. If you have any pension arrangements that are suitable for transfer into the scheme, you will need to discuss the possible benefits of transferring with your Independent Financial Adviser.

- 7.3 Transfer payments may be arranged as a cash transfer (by cheque or direct credit), or by a transfer of assets, or a combination of both, from the other scheme. A transfer of assets is subject to:

7.3.1 the assets being a permitted investment in accordance with 10.1;

7.3.2 our prior consent;

7.3.3 us having obtained a current open market valuation of the assets (the cost of which, if any, being met when we are asked for payment in accordance with section 16, irrespective of whether or not the transfer is actually completed);

7.3.4 full ownership of the assets being passed to the trustees; and

7.3.5 satisfying HMRC's requirements.

- 7.4 We do not impose a minimum on transfer values. However, we reserve the right to introduce a minimum and, if we do, we will alter these terms and conditions as described in section 28.1.

8 TRANSFER PAYMENTS OUT OF THE SCHEME

- 8.1 You may request a transfer of the value of any benefits under your individual fund to another registered pension scheme or overseas pension scheme allowed by HMRC rules. You would need to check that the proposed scheme is willing to accept the transfer.

8.2 If you are not transferring out your whole individual fund, you must tell us which assets are to be sold or cashed in before we can arrange the transfer.

8.3 Costs may be incurred for cashing in assets and making the transfer out (for example, by the DFM or product provider).

8.4 It may be possible to make a transfer payment to another pension arrangement 'in specie' i.e. the assets are not sold but, instead, are re-registered in the name of the trustee of the new pension scheme. With an 'in specie' transfer, costs may be incurred during the re-registration process.

8.5 With both cash and 'in specie' transfers, costs may also be incurred if we require a current open market valuation of the assets.

8.6 The costs (irrespective of whether or not the transfer out proceeds) will be met, in accordance with section 16, prior to any transfer taking place. Payment of a transfer value may be delayed if there is a delay in receiving payment.

8.7 Subject to the requirements of the Finance Act you may transfer the whole of your income withdrawal fund at any time to another registered pension scheme that is

willing to accept it. You should get advice from an appropriately qualified financial adviser before considering a transfer.

9 AUDIT ACCOUNT

9.1 We will operate an interest-bearing bank account with a nominated provider, which will be known as the audit account for the purposes of your individual fund. Contributions and payments into your individual fund and payments out of your individual fund will be via the audit account, unless we agree otherwise.

9.2 You may ask us to open other bank accounts with other account providers that you choose for the purposes of your individual fund.

Assets relating to your individual fund in the audit account and in any other account or investment will be held jointly in the name of the independent trustee and your name, if you are appointed individual trustee.

9.3 All monies available for investment will be held in the audit account unless and until we receive investment instructions from you.

9.4 We recommend a minimum balance of £1,000 to be held on the audit account to ensure sufficient funds for small payments and scheme liabilities. You are responsible for ensuring the minimum balance is maintained on the audit account, although we will monitor the balance periodically and notify you if this has fallen below the recommended level.

9.5 Interest is paid on cleared funds held in the audit account. The level of interest is calculated by reference to the Bank of England Base Rate, subject to a minimum rate of no less than zero. You can also ask us for details of the current interest rate basis.

9.6 No ongoing bank charges are currently made on the audit account whilst it is in credit. However, individual transactions (for example, receipt of monies in foreign currencies or electronic transfer) may attract charges. Charges may apply in the future, which would be met in accordance with section 16. We will require you to maintain a suitable cleared balance in the audit account at any time to cover all payments due from or in respect of your individual fund. These payments will include, but shall not be limited to:

9.6.1 any income withdrawal payments falling due which will cease or be delayed if there are insufficient cleared funds;

9.6.2 ongoing capital and interest repayments in connection with any borrowing; and

9.6.3 fees, charges or costs.

Overdrafts are not usually permitted on the audit account (or on any other account that we agree in connection with your individual fund).

9.7 If there is an insufficient cleared balance in the audit account to comply with the requirements of section 9.6, we will realise (cash in) assets in order to provide the necessary funds. The procedure for realising assets is set out in section 17. We, the provider and the independent trustee do not accept any liability whatsoever for any loss or any tax charge that may be incurred due to insufficient cleared funds being available in the audit account.

9.8 Where a DFM is appointed, cash may be held by the DFM or its nominees, subject to section 11. Cash held in this way may attract interest. Details of the appropriate prevailing interest rates can be obtained directly from the DFM upon request. For further details in relation to DFMs, please see section 11 and/or contact us.

9.9 Upon your request and subject to the independent trustee's approval, additional bank accounts can be opened in relation to your individual fund. However, all contribution and transfer payments must be made via the audit account.

9.10 Interest is currently payable tax free on your individual fund's cash held in the audit account. Outside of the interest paid to you, we retain some interest earned on the total cash deposits held in the audit accounts,, depending upon the base rate in force from time to time. We may change the rate of interest that is paid to the audit account as determined by the Mattioli Woods Treasury Committee. The current interest rates paid to the audit account and retained by us are available on our website mattioliwoods.com/client-banking and/or from us on request.

9.11 SIPP funds are held within a pooled treasury management arrangement across multiple FSCS-protected banking institutions to maximise deposit protection and optimise interest returns. Funds may be allocated and reallocated between banking partners at our discretion to achieve enhanced FSCS coverage and competitive interest rates. Individual account balances and client reporting remain unaffected by these arrangements. Interest earned is distributed between the SIPP and Mattioli Woods Limited as determined by the Mattioli Woods Treasury Committee. Details of current banking arrangements are available upon request. Full information regarding treasury management and interest retention can be found at mattioliwoods.com/client-banking.

10 INVESTMENTS

10.1 We will normally allow any investment that HMRC rules allow without attracting any unauthorised payment tax charges. You can ask us for details of permitted investments.

The type of investments permitted by HMRC may vary from time to time. However, in order to comply with HMRC's rules for authorised investments, certain restrictions apply. In particular, the scheme may not (directly or indirectly) engage in investment transactions with:

10.1.1 you or a person connected with you, e.g. a family member or a business partner, or

10.1.2 A company or firm in which you or a member of your family has an interest

unless any transactions are made on an arm's-length bargain terms basis i.e. on a basis consistent with a normal open market commercial transaction between two or more persons.

10.2 We have the right to decline to accept an investment into the scheme.

10.3 The sole purpose of a registered pension scheme must be the provision of retirement income or lump sums as specified in the Finance Act. The investment objectives of the scheme must have due regard to this.

10.4 Any investment instruction will only be carried out where there are sufficient cleared funds available to complete the transaction.

We, and any appointed third parties, have the right to decline to accept instructions, for example, where an instruction is received to purchase an asset which falls outside the range of permitted investments.

11 INVESTMENT MANAGEMENT

- 11.1 In the event that we and the provider act as investment managers in relation to investments under the scheme, you may appoint us to act as investment adviser. If you do not appoint us as investment adviser, or we refuse or resign from the appointment, we and the provider, will not accept any liability for the performance or choice of investments, or performance or choice of any investment manager where we were not involved in giving the advice that led to the selection of the investments.
- 11.2 You are responsible for deciding the manner in which your individual fund is invested. Any investment instruction must be submitted to us in accordance with section 5.
- 11.3 You may select an execution only dealing facility, for trading in stocks and share/securities, which will be governed by separate terms and conditions. It will be necessary for you to complete the relevant documentation provided by the facility provider and to agree to those terms and conditions.
- 11.4 Instead of deciding on investments yourself, you may appoint, with our agreement, one or more DFM's to manage all or part of your individual fund, on a discretionary basis. Such appointments must be notified to us. If a DFM has been appointed it will be necessary for you to complete the relevant documentation provided by the appointed DFM. The investment strategy will be set out in the documentation, which will also detail the terms and conditions under which the DFM will execute transactions in relation to the assets of the scheme managed by that DFM. These terms will be formally entered into by the trustees and us with the DFM. Please note that the DFM may have rights to compensation from or to take security over some or all of the assets of the scheme held by them in certain circumstances.
- 11.5 We will release the monies to the appointed DFM once the DFM has opened an account relating to your individual fund. The costs arising from the DFM's commissions, fees and disbursements relating to your individual fund will be borne by the investments under the control of the DFM relating to your individual fund.
- 11.6 Any DFM appointed will be able to provide full details of their charges.

12 STOCK CUSTODY

- 12.1 Permitted investments may be registered in the name of nominee companies used by any DFM appointed in accordance with section 11 or, subject to our agreement, such other third-party provider appointed by you.

- 12.2 The costs arising from fees and charges of any nominee or custodian relating to stock registration or custody and settlement shall be charged to the scheme in accordance with section 16.
- 12.3 In relation to any investment held in accordance with section 12.1 we are not responsible for providing any advice regarding the assets held in these arrangements. You should ensure that your DFM or nominee keeps you fully up to date on any matters which will affect your portfolio, including but not exclusive corporate actions and voting rights.

13 COMMERCIAL PROPERTY

- 13.1 In our capacity as independent trustee, administrator and provider, we, will not give advice, nor accept any liability for the performance or choice of property investment in relation to the scheme.
- 13.2 All commercial property relating to your individual fund will be held and any associated borrowing will be made in the name of the trustees.
- 13.3 When purchasing or selling any commercial property, the trustees will jointly instruct, or appoint only approved third parties. This will include surveyors, environmental specialists, solicitors, insurance consultants, property administrators and property managers.
- 13.4 The fees arising from the appointed third parties relating to your individual fund, together with all associated costs and expenses arising from the ongoing administration and compliance with relevant legislation in respect of commercial property, including litigation, relating to your individual fund will be charged to your individual fund and met in accordance with section 16.
- 13.5 We have the right to instruct the trustees to sell a commercial property at any time if a particular risk or liability (statutory or otherwise) occurs that affects the commercial property or the land surrounding it. For example, if legislation changes so that the property is no longer treated by HMRC rules as commercial property or the property is subject to revised environmental requirements.
- 13.6 You can ask us for further information about investment in commercial property.
- 13.7 Subject to section 17.1.2, acquisition and disposal of commercial property will require your instructions as set out in section 5.
- 13.8 If the current Fee Menu for your individual fund does not permit commercial property investments, before you can proceed with a transaction you must contact us to agree to a new Fee Menu.

14 BORROWING

- 14.1 The maximum amount that the scheme can borrow is set by HMRC and is currently limited to 50% of the 'net market value' of your individual fund immediately before the borrowing takes place.

'Net market value' has the meaning given by Section 278 of the Finance Act and any subsequent legislation. The value of any asset being purchased using the borrowing must therefore not be taken into account in calculating the borrowing limit unless, exceptionally, the asset was already held in your individual fund before the borrowing takes place, e.g. a re-mortgage. We will take into account any existing borrowing when calculating the limits.

- 14.2 Subject to section 14.1, any borrowing may be further restricted in accordance with the terms and conditions offered by the lender. For example, a lender may not be willing to lend the maximum otherwise permitted in respect of minors or where there are benefits in payment.
- 14.3 All borrowing must be arranged in the name of the trustees.
- 14.4 Neither we, the provider nor the independent trustee takes responsibility for finding a willing third-party lender, but we may be able to facilitate a third-party lender that could be used.
- 14.5 When we confirm that the borrowing is acceptable, we will instruct the trustees to sign the lender's loan documentation on behalf of the scheme.
- 14.6 Certain lenders may require the scheme to maintain a suitable cleared balance in the audit account (or in another account relating to your individual fund) to cover ongoing capital and interest repayments. This will vary from lender to lender. If there are insufficient cleared funds to cover ongoing capital and interest repayments, we will realise (cash in) assets in order to provide the necessary funds. The procedure for realising assets is set out in section 17.
- 14.7 All borrowing must be repaid in accordance with the terms and conditions of the lender's loan documentation (for example on completion of the sale of a commercial property).
- 14.8 It will be necessary to review the level of borrowing available if your individual fund is to be fully encashed as a consequence of you:
- 14.8.1 dying;
- 14.8.2 transferring out;
- 14.8.3 becoming subject to a Pension Sharing Order.
- In certain circumstances, this may require the borrowing to be wholly or partially repaid.

- 14.9 We will comply with the terms and conditions offered by the lender.

- 14.10 If the current Fee Menu for your individual fund does not permit borrowings, before you can proceed with a transaction you must contact us to agree to a new Fee Menu.

15 STATEMENTS

- 15.1 You will generally receive regular statements in respect of the audit account and from any other bank that you/we appoint (see section 9.1). The frequency of statements in respect of any other accounts relating to your individual fund will depend on the arrangements you agree with the operator of the account.
- 15.2 You must agree with the DFM (if one is appointed) how often investment updates are issued, including transaction details and a portfolio valuation during the period.
- 15.3 We will arrange to send you a yearly statement covering investments relating to your individual fund. This will give details of all investments relating to your individual fund although (due to issues of timing and costs in obtaining valuations) this may not be a current valuation. If you ask us for a current valuation, the cost (if any) of obtaining this will be charged in accordance with section 16. If you require an additional summary of investments at any time, we will apply an additional charge for each and every statement. This additional charge shall be met in accordance with section 16. Please refer to the Fee Menu for more details.
- 15.4 If you receive income withdrawals, we will give you separate details of the income payments made from your individual fund.

16 CHARGES

16.1 Amount of charges

The Fee Menu, available on request, sets out the charges that may become payable to us. The charges that will actually become payable will depend on the investments you select, the benefits you take and any administrative or other requests you make. Additional services outside our normal administration activities will be charged on a 'time-cost' basis (hourly rates for the service) as set out in the Fee Menu.

We may review and amend our Fee Menu as explained in section 28.

We will normally increase our charges on 31 May each year in accordance with the terms described in the Fee Menu. We will not give you any notice of the changes following the review that we carry out each year.

All charges quoted are exclusive of any VAT, stamp duty and other applicable taxes and/or duties, which, if payable, are in addition.

16.2 Payment of charges and other sums due

All charges and other sums due in respect of your individual fund or from you personally under these terms and conditions must be paid out of funds held in the audit account, or from any other account that we agree. You are responsible for ensuring that there are sufficient funds available in good time to pay charges or any other sums due under these terms and conditions, although we will warn you if there are insufficient funds in any account relating to your individual fund. If there is not enough money in any bank account in respect of your individual fund to meet charges or other amounts as they fall due, we may cover the shortfall by arranging the sale of investments held within your individual fund. If there is more than one type of investment in your individual fund, we will normally follow the process set out in section 17.1.

Important: If any shortfall remains after the sale of all investments held within your individual fund, you will be personally responsible for paying the outstanding charges or other sums due to us.

17 REALISATION OF ASSETS

17.1 Where there are insufficient cleared funds in any bank account relating to the general fund to meet payments that are due to or from your individual fund, we will carry out the following procedure:

17.1.1 we will ask you to provide additional contributions (where appropriate) or instructions to sell assets (or a combination of both) to provide sufficient funds. The instructions to sell assets must specify the assets we should sell, and the order in which we should sell them;

17.1.2 if we do not receive additional contributions and/or instructions to sell assets that would together provide sufficient cleared funds within one month (or such longer period as we allow) of our request, we reserve the right to arrange for assets to be sold in the following order:

- a) any cash held on deposit with another bank or licensed deposit taker;
- b) any assets held through a DFM (last appointed DFM contacted first);
- c) stocks and shares, on a last in, first out basis;
- d) investment trusts/unit trusts/OEICs on a last in, first out basis;
- e) trustee investment policies/bonds on a last in, first out basis;
- f) any other asset (excluding commercial property) not included above on a last in, first out basis; then
- g) commercial property on a last in, first out basis.

By joining the scheme, or applying for dependant's, nominee's or successor's income withdrawal, you agree and accept that in these circumstances you authorise us to sell assets in the order set out above.

17.2 We may make a charge to the scheme on a 'time-cost' basis (hourly rates for the service) as set out in the Fee Menu, for coordinating the sale of assets under section 17.1.2 and will deduct this charge from your individual fund. This is in addition to other parties' costs incurred in valuing and selling the assets.

17.3 We will write to you as soon as practicable to confirm the intention to sell assets and the order in which we will do this. We will also write to confirm details after the assets have been sold and the amount of any charge made.

17.4 In some circumstances, it may be necessary to sell or cash in assets at whatever price is available at the time. This may result in the cashing in of assets when the relevant market is depressed. Assets may have to be cashed in:

17.4.1 to provide a lump sum death benefit (see section 25 for details of the time limits on payment of lump sum death benefits);

17.4.2 to facilitate other benefit payments; or

17.4.3 on implementing the scheme wind up provisions (as described in section 29).

17.5 As an alternative to cashing in assets in accordance with section 17.4, it may be possible to settle the transaction by a transfer of assets.

17.6 Cashing in any investment will be governed by the terms and conditions of that investment. Such terms and conditions may include a right for the investment provider to delay the cashing in.

18 MEMBER'S RETIREMENT

This section applies to *member's* retirement benefit only

18.1 As part of the process to join the scheme, we require you to choose a retirement date – the date when you intend to take retirement benefits.

This date must be on or after your 55th birthday, or such later date as may be your minimum pension age.

In addition, some people have a right to a special early normal retirement age in terms of HMRC rules which applied before 6 April 2006. We will confirm any such early normal retirement age if you qualify for this.

You may change your chosen retirement date (within the range allowed by HMRC rules), but if you do so you must inform us. You do not need to retire to take benefits.

Even if you do not have a right to a special early normal retirement age, you may still be able to access benefits before age 55, if you are in ill health. If you are in ill health, please ask us for details.

Contributions can continue to your individual fund even after you take retirement benefits in terms of sections 19 and 20.

- 18.2 Before you can take retirement benefits, there must be sufficient cleared money in the audit account relating to your individual fund. To achieve this, assets may need to be realised (cashed in or sold) under the procedure set out in section 17. Some assets (for example, property) may take longer to realise than others. This could delay benefit payment. Alternatively, there is the option to make payment by way of an in-specie transfer of an asset.
- 18.3 The value of the individual fund being used to provide lump sum benefits must be tested against either the lump sum allowance and/or the lump sum death benefit allowance.
- 18.4 The options for taking benefits from your individual fund are:
- 18.4.1 When you start to take retirement income through income withdrawal, or by moving straight to 'open market option' (see section 19.1) you can opt to take part of the benefit as a tax-free lump sum. Normally, the maximum tax-free lump sum will be 25% of the value of the part of your individual fund being used to provide retirement benefit, **subject to available lump sum allowance**. However, if you have higher tax-free lump sum rights in respect of benefits earned before 6 April 2006, it may be possible to take more than 25% as a tax-free lump sum.
- 18.4.2 With the balance of your individual fund (after the tax-free lump sum) you may:
- a) buy a lifetime annuity – see section 19, or subject to our agreement,
 - b) choose income withdrawal – see section 20.

19 LIFETIME ANNUITY OPTION

- 19.1 A lifetime annuity pays an income for the rest of an individual's life. There are different ways in which a lifetime annuity can be paid. Please ask us for more details if you are interested in this option.

The rules allow you to purchase a lifetime annuity with an insurance company using the value of the whole or part of your individual fund. This is known as the open market option.

The lifetime annuity option is also available where income has been taken initially as income withdrawal basis (see section 20).

- 19.2 We require the appropriate documentation to be completed before a lifetime annuity is purchased. You must agree the relevant amount to be transferred to the insurance company to buy the lifetime annuity contract, and that you have no further interest in the individual fund in respect of the amount used to buy the lifetime annuity.

20 INCOME WITHDRAWAL

- 20.1 You may draw an income, as income withdrawal, from your individual fund instead of buying a lifetime annuity. You can start income withdrawal at any time from your 55th birthday.
- 20.2 You may choose for income withdrawals to be paid on a monthly, quarterly, half-yearly or yearly basis. We will require you to complete, and return to us, certain paperwork (which we will supply) before you can start income withdrawals.
- 20.3 Unless otherwise agreed between you and the provider, you may choose to take any level of income which may be imposed by the Finance Act from time to time, after taking a tax-free lump sum, or you can choose not to take any income. You may also increase, reduce and/ or ask us for an extra one-off income withdrawal, within these limits. If you ask for a change in the level of income withdrawal, a charge will be incurred. Please refer to the Fee Menu for details of this charge.
- 20.4 Where you continue to take income as capped drawdown after 6 April 2015, we must review the income withdrawal limit at least every three years in accordance with HMRC's requirements until your 75th birthday and then every year after your 75th birthday. We will tell you the new maximum level that will apply until the next scheduled review date. However, you can convert your fund to flexi-access drawdown at any point by notification to the provider.

You can also ask us to review the income withdrawal limit on an anniversary earlier than any scheduled three-year review date. Following such an early review, the new income withdrawal limit then applies from the anniversary date used in the review calculation for the next three years or until the next anniversary following your 75th birthday if earlier.

Please refer to us if you require further information.

21 BENEFITS FOLLOWING A MEMBER'S DEATH

- 21.1 If you die, any remaining individual fund will be applied in the following order:
- 21.1.1 first, allocated to provide pension income in accordance with section 22 for any eligible dependants, or nominees that you specify to us; and
 - 21.1.2 second, if no specified eligible dependant or nominee survives you, or if you do not give us any instructions for allocation to provide pension income, paid as a lump sum death benefit in accordance with section 25. If you die after your 75th birthday any lump sum payment will be subject to the relevant tax charges.
 - 21.1.3 third, where there is no surviving eligible dependant or nominee, paid as a lump sum to any charity or charities that you specify to us, or if you did not give us any instructions, to your estate, or a charity or charities that we choose.
- 21.2 Any instructions to us to provide pensions for dependants or nominees must specify the dependant(s) or nominee(s) you want to benefit, and the proportion of the individual fund that you would like to be used for each. We will supply a standard form on request for this purpose. You can amend these instructions at any time, to take account of any changes in circumstances. You should update us, in writing, with any amendments to your instructions.

22 DEPENDANT'S OR NOMINEE'S PENSION

- 22.1 Where you confirmed to us that any part of your individual fund should be allocated to provide pension income in accordance with this section, each specified eligible dependant (or nominee in the case of income withdrawal) must decide how the part of the individual fund allocated to them should be used to:
- 22.1.1 buy a lifetime annuity in their name (see section 19);
 - 22.1.2 apply to take income withdrawal (see section 20).
- If the eligible dependant or nominee applies for income withdrawal, this must be done in writing using our prescribed application form, which includes the eligible dependant's or nominee's agreement to the terms and conditions.
- 22.2 If any eligible dependant or nominee fails to decide which option should be used for pension income within three months of being asked to do so (or such longer period as we may at our discretion decide), we may instigate the purchase of a lifetime annuity for that person, from an insurance company that we choose.

23 BENEFITS FOLLOWING THE DEATH OF DEPENDANT OR NOMINEE

- 23.1 If a dependant or nominee dies while taking income through income withdrawal, the dependant's or nominee's income withdrawal fund will be paid as follows:
- 23.1.1 applied to provide income withdrawal for a successor nominated by the dependant or nominee pursuant to the Finance Act.
 - 23.1.2 as a lump sum, after deduction of any tax charge in accordance with section 25.
 - 23.1.3 as a lump sum to any charity or charities that the dependant or nominee specifies to us.

24 BENEFITS FOLLOWING THE DEATH OF A SUCCESSOR

- 24.1 If a successor dies while taking income through income withdrawal, the successor's income withdrawal fund will be paid as follows:
- 24.1.1 applied to provide income withdrawal for a successor nominated by the successor pursuant to the Finance Act.
 - 24.1.2 as a lump sum, after deduction of any tax charge in accordance with section 25.
 - 24.1.3 as a lump sum to any charity or charities that the successor specifies to us.

25 LUMP SUM DEATH BENEFITS

- 25.1 Any part of your individual fund to be paid as lump sum death benefit in accordance with the rules will be paid as follows: we will choose, at our discretion, the recipient(s) for the lump sum death benefit (from the range of possible beneficiaries defined in the rules), and the share to each beneficiary.

You can complete an Expression of Wish form to inform us of your wishes on recipients and shares for lump sum death benefits. We will take your wishes into account, but we are not bound by them. If you have established an individual trust in respect of the lump sum that would be payable under the scheme, you should ensure that you send us a copy of any such trust as soon as it is established, and confirm the share of your individual fund that you wish to be paid to the trust.

- 25.2 Any payment out of an uncrystallised fund or income withdrawal fund in accordance with this section is subject to the following:

If the member dies before age 75, any uncrystallised funds it must be paid within two years of the date we first received notification of your death, or the date we could have first reasonably been expected to have known if earlier.

If payment is not made within the two-year period, it will be taxed at the recipient's marginal rate of income tax; and

- 25.2.1 The value of the uncrystallised fund if paid as a lump sum and any funds from an income withdrawal fund taken out after 06 April 2024 will need to be tested against the lump sum death benefit allowance (LSDBA). Where the LSDBA is exceeded and benefits are paid as a lump sum, there will be a tax charge. We will pay any such lump sum death benefit without deduction of the tax charge. If the aggregate lump sum death payments exceed the LSDBA, HMRC will contact the beneficiaries to collect any tax.
- 25.2.2 If a dependant, nominee or successor dies before age 75, any funds paid as a lump sum to a subsequent successor, that had not previously been tested against the original member's lifetime allowance or LSDBA will be tested against the deceased dependant, nominee or successor's LSDBA.
- 25.3 As the law currently stands where a member, dependant, nominee or successor dies post age 75, death benefit payments will be subject to tax charges.

26 TAXATION OF INCOME PAYMENTS

- 26.1 If you are receiving income payments from the scheme, the income you receive will be taxed under the Pay As You Earn system. Where we have taken reasonable steps to identify your correct tax code, we will not be liable for any loss whatsoever you incur as a result of the use of an incorrect tax code.
- 26.2 If you are receiving income payments from the scheme, we will provide you with a P60 at the end of each tax year showing the gross income paid, tax code used and details of any tax deducted.

27 COMPLAINTS AND COMPENSATION

- 27.1 Should you wish to register a complaint in relation to the operation of the scheme, you should do this verbally or in writing, addressed to us. We have the right to telephone you, or someone else nominated by you, to discuss any administrative aspects without having been expressly invited by you to do so.
- 27.2 If you are not satisfied with any aspect of the service that you have received from us, we have a formal complaints procedure, a copy of which is available on request.

If you are not happy with our response to your complaint, you may have the right to refer it to the Money and Pensions Service ('MaPS'), the Pensions Ombudsman ('PO') or the Financial Ombudsman Service ('FOS').

MaPS was set up by the Government, bringing together three respected bodies of financial guidance into one organisation, providing information and guidance on pensions to help a pension scheme member who has a problem, complaint or dispute with their pension scheme.

FOS and PO are both independent statutory bodies that investigate and adjudicate on disputes between pension schemes and members, but only after you have complained to us and tried to resolve the dispute using our complaints procedure. We will tell you about any ombudsman referral rights you may have.

MaPS contact details:

120 Holborn
London
EC1N 2TD
Telephone: 0800 138 7777

PO contact details:

The Office of the Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU
Telephone: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk

FOS contact details:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Telephone: 0800 0234567

27.3 Compensation

The Financial Services Compensation Scheme (FSCS) is a scheme that provides limited compensation for customers who might otherwise lose out if a company regulated in the UK by the Financial Conduct Authority is unable to pay claims against it.

Investments in your individual fund may be covered by the FSCS. Where compensation is available in respect of an investment in your individual fund, we will make the claim on your behalf.

FSCS contact details:

Financial Services Compensation Scheme
10th Floor
Beaufort House
15 St Botolph Street
London
EC3A 7QU
Tel: 0800 678 1100
www.fscs.org.uk

Please ask us if you have any questions about the FSCS or the protection it provides.

28 VARIATIONS TO THE TERMS AND CONDITIONS

- 28.1 We reserve the right to amend or supplement the terms and conditions from time to time on giving 30 days' written notice (or such other period allowed or required by law) to you. We will send such written notice to the last address you gave us. The changes notified in this way will be effective from the date stated in the written notice.

During the notice period, if you are unhappy with the proposed amendment or supplementary terms and conditions that we provide, we will not increase the transfer out fees and charges and you will be free to transfer your individual fund to another registered pension scheme (subject to the existing transfer out fees and charges). For the avoidance of doubt, any fees and charges involved in cashing in or selling assets will be at the rates applicable at the time of realisation and/ or encashment, as appropriate.

- 28.2 We will only alter the terms and conditions for the following valid reasons:

28.2.1 relevant changes in pensions, tax or other relevant UK or European legislation;

28.2.2 relevant changes in the reporting requirements or regulatory regime;

28.2.3 changes in how the London Stock Exchange or other different investment markets may work which may impact on the scheme;

28.2.4 changes in investment/share dealing or administration which may impact on the scheme;

28.2.5 to correct manifest errors or other issues outside our control and avoid cross-subsidy between individual funds where the charges for any service is, in our opinion, no longer reasonable;

28.2.6 changes in ownership of our business or how it operates;

28.2.7 changes in our services;

28.2.8 changes to the services provided by third parties appointed under the scheme;

28.2.9 appointment by us of alternative third parties to provide services under the scheme;

28.2.10 any other reasonable issues outside our control.

29 WINDING UP OF THE SCHEME

- 29.1 The terms and conditions shall continue until your individual fund has been extinguished by the payment of a transfer value to another registered pension scheme or the provision of pension/death benefits outside or the scheme is wound up in accordance with the rules.

- 29.2 On wind up, we will apply the assets of your individual fund as set out in the rules. On wind up, no fees or charges already paid shall be refunded and those due shall remain so and will include any charges associated with undertaking any transaction necessary to wind up the scheme. On wind up, the obligations of payment of charges in section 16 and the provisions in section 30 shall continue in full.

- 29.3 Wind up will be without prejudice to the completion of transactions already initiated. The trustees are authorised to continue to operate the audit account and any other accounts relating to your individual fund to our order and direction for the purposes of receiving monies, paying benefits and paying any expenses or charges due to us, the provider, the independent trustee or other parties.

30 ADDITIONAL INFORMATION

- 30.1 We undertake not to disclose personal information coming into our possession at any time during the life of the scheme, except where expressly authorised to do so, or where required to do so by law.

- 30.2 The tax reliefs referred to in the terms and conditions are those available under current legislation, which may change. The value of the tax reliefs depend on individual circumstances.

- 30.3 Notwithstanding anything to the contrary in the terms and conditions, only those options described in the terms and conditions will be made available under the scheme unless we notify you in writing to the contrary.

- 30.4 We may decide to change the provisions of the scheme's rules to meet with any changes to law or regulation affecting the scheme. We will provide notice to you of any changes which are needed to meet such requirements, or for any other reason.

- 30.5 Any notice we serve in relation to the scheme will be sent to your last known address for correspondence according to our records. Any such notice sent by post will be deemed to have been received by you within three working days.

- 30.6 You need to tell us as soon as you move to another address.

- 30.7 We have the right to delay calculation of any amount due under the scheme until we have received satisfactory proof of ownership. Similarly, the exercise of rights conferred by the scheme and payment of any benefit is subject to the satisfactory proof of ownership.

- 30.8 We and you have a free choice about the law that can apply to the scheme. We propose to choose the law of England and Wales and, by agreeing to these terms and conditions, you agree that the law of England and Wales applies to the scheme.

- 30.9 Subject to 30.10, nothing in the terms and conditions expressly or impliedly confers any right on any third party to enforce any of its provisions under the Contracts (Rights of Third Parties) Act 1999. For the purpose of this section, a third party is any party which is not us, the provider or the independent trustee.
- 30.10 We, the provider, the independent trustee and you can enforce the terms and conditions.
- 30.11 These terms and conditions will only apply provided they are not held by a relevant court or decided by the Financial Conduct Authority to be unfair contract terms or reasonably considered by us to be unfair contract terms. If a term is held, viewed or considered to be unfair it will, as far as possible, still apply but without any part of it which could cause it to be held, viewed or considered unfair.
- 30.12 For the purposes of section 17 only, where you are unable to act due to serious ill health, physical or mental incapacity, we may at our sole discretion require medical advice to that effect (the cost of which will be met from your individual fund). Subject to such medical advice, we may accept the directions of any legally authorised party acting on your behalf. We, the provider and the independent trustee will not be liable for any or all losses, costs, actions, proceedings, claims and demands which may be incurred by or brought or made against any or all of us or them arising directly or indirectly from us or them having acted in good faith (as described in this section).

31 LIABILITY AND INDEMNITY

- 31.1 By accepting the terms and conditions, you waive any and all claims or rights of action that you may otherwise have apart from claims and rights set out in these terms and conditions. This waiver extends to claims and rights of action at any time against any previous, current or future officers, employees, agents and sub-contractors of ours, or of any company within our group of companies, regarding any acts or omissions of such officers, employees, agents and sub-contractors in relation to your individual fund.
- 31.2 To the extent allowed by law and Financial Conduct Authority rules, we do not accept liability:
- 31.2.1 for any or all losses, costs, actions, proceedings, claims and demands which may be incurred by or brought or made against us arising directly or indirectly from us having acted in good faith pursuant to any purported instruction relating to benefit options or nominations and any purported investment directions;
- 31.2.2 to you or any other person entitled to benefit under the scheme for any loss that may be incurred as a result of any error by you as a direct result of our negligence, wilful default or fraud;
- 31.2.3 for any instruction or investment direction sent by you, or your representatives or

agents, but not received by us;

- 31.2.4 for any failure or delay in implementing any instruction or investment direction which is caused by circumstances beyond our reasonable control, including but not limited to acts of God, fires, strikes, terrorism, power failures, intervention by exchanges or regulators, court orders, failure or error of any equipment, telecommunications, intermediary, exchange, counterparty product provider or bank; and,
- 31.2.5 for default or any losses whatsoever caused by any third parties, nominees, other custodians, banks or authorised institutions which hold any assets including, but not limited to, insurance company unit-linked funds, stocks and shares, unit trusts, Open-Ended Investment Companies (OEICs) and investment trust companies and cash for the purpose of your individual fund.

- 31.3 In accepting the terms and conditions, you agree that you will be responsible to us for all reasonable costs, claims, expenses, tax charges, demands and losses whatsoever that we may suffer or incur in performing our duties under the terms and conditions or carrying out our lawful duties and responsibilities in relation to you and your individual fund. You will not, however, be responsible for any costs, claims, expenses, tax charges, demands and losses resulting directly from any negligence, wilful default or fraud committed by us or our employees.

32 GLOSSARY

The following words and expressions have the meanings as set out below:

audit account means the bank account described in section 9.

commercial property means any land or building that is zoned, designed or intended for use by businesses such as offices, retail, leisure and industrial developments but not 'residential property' for the purposes of the taxable property provisions as defined in paragraphs 7 to 10 of Schedule 29A of the Finance Act and any subsequent legislation.

dependant(s) means:

- an eligible dependant who has applied to take benefits, and has been accepted under section 4.3 (Membership) to receive benefits in the form of income withdrawal; or
- a person who has become entitled to income withdrawal on the death of a member under another registered pension scheme and who transfers that entitlement to the scheme in accordance with section 7.2 and has not subsequently died or left the scheme.

discretionary fund manager ('DFM') means an investment manager who has been given complete discretion to manage and invest all or part of your individual fund (see section 11).

eligible dependant(s) means, in relation to a member, a person falling within any of the following categories at the date of their death:

- the member's wife, husband or civil partner;
- any child of the member who has not reached the age of 23;
- any child of the member who has reached the age of 23 and in our opinion is financially dependent on the member, or who is in a mutually-dependent financial relationship with the member or is dependent on the member because of physical or mental impairment; or
- any other individual who in our opinion is financially dependent on the member, or who is in a mutually-dependent financial relationship with the member or is dependent on the member because of physical or mental impairment.

Finance Act means the Finance Act 2004 as amended from time to time and any subsequent relevant Finance Acts.

general fund means the collective individual funds of all members.

HMRC means Her Majesty's Revenue & Customs.

income withdrawal means income withdrawals direct from your individual fund. Please see section 20 for further details.

income withdrawal fund means any part of an individual fund which is designated as available for the provision of income withdrawal.

independent trustee means the professional trustee or its successor as appointed in accordance with the rules.

individual fund(s) means in relation to a member, eligible dependant, nominee or successor the aggregate of their (i) uncrystallised fund and (ii) income withdrawal fund.

individual trustee means the member appointed as a trustee, as described in section 3.1.

lifetime annuity means an annuity contract purchased from an insurance company, which provides an income for life.

member(s) means an individual who has been granted membership of the scheme under section 4 and who has not subsequently left the scheme.

minimum pension age means normal minimum pension age under the Finance Act.

minor(s) means an individual under the age of 18 years.

nominee(s) means anyone nominated by the member to receive benefits from the scheme pursuant to the Finance Act.

provider means the provider or operator, or any successor appointed for the time being in accordance with the rules.

registered pension scheme means a pension scheme registered under Part 4 of the Finance Act.

rules means the trust deed and rules that establish the scheme, as amended from time to time.

scheme means the self-invested personal pension scheme established by the rules.

scheme administrator means Mattioli Woods Limited or any successor appointed for the time being in accordance with the rules.

successor(s) means someone nominated by a dependant or nominee or successor of the member, or nominated by the scheme's administrator.

terms and conditions means the terms and conditions set out in this booklet, as amended from time to time.

trustees mean, jointly, the independent trustee and the individual trustee, if not a sole trustee scheme.

unauthorised payment means an unauthorised payment (as defined in Section 160(5) of the Finance Act), which attracts tax charges.

uncrystallised fund means, in relation to a member only, any part of your individual fund that has not been applied towards the provision of any benefit under the scheme.

we/us/our(s) means the scheme administrator.

you/your/yourself means a member, dependant, nominee or successor in the scheme as the context requires.