Mattioli Woods plc

FAMILY SIPP | TERMS AND CONDITIONS

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1 INTRODUCTION

These *terms and conditions* use special expressions, shown in italics and 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 Client Agreement 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 Client Agreement

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 32. 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 32.3.

We have the right to vary the Client Agreement and these *terms and conditions* in accordance with section 16.1 and section 29 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 plc 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 Each *member* over age 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.

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 *scheme pension* (*dependants* only) or *income withdrawal* (see sections 20 and 21). *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* may arrange regular or one-off contributions to *your individual fund*.

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

6.4 Contributions over the limit that are eligible for tax relief should not be paid into *your individual fund*. *We* will tell *you* if *you* are likely to be affected by the limit set by *HMRC* for tax relief on contributions.

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 6.10) which *we* had claimed on the excess contribution.

6.5 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*).

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

6.7 *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 29.1.

6.8 Single contributions can be paid

6.8.1 by cheque,

or, subject to *our* prior agreement,

6.8.2 by direct credit.

6.9 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.

6.10 *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*.

6.11 *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.

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

6.13 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 a *scheme pension* or an *income withdrawal fund* into the *scheme*. If *you* have any pension arrangements that are suitable for transfer into the *scheme*, please contact *your* 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 29.1.

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 scheme pension fund* or 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 *scheme pension* or *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 9.5, *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*. Any additional tax charge resulting from a failure to pay a *scheme pension* payment within *HMRC* requirements will be met from the relevant *scheme pension fund* or, subject to *our* agreement, from any other account relating to *your individual fund*.

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*.

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 *DFMs* 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 dated 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 Client Agreement 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 Client Agreement.

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 Client Agreement for *your individual fund* does not permit borrowings, before *you* can proceed with a transaction *you* must contact *us* to agree to a new Client Agreement.

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 Client Agreement for more details.

15.4 If *you* receive a *scheme pension*, *you* will also get a yearly statement. This will provide details of the payments made from the *scheme*. *We* will review the level of *scheme pension* and its suitability. If any amendments are necessary, *we* will contact *you*.

15.5 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 Client Agreement, 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 Client Agreement.

We may review and amend *our* Client Agreement as explained in section 29.

We will normally increase *our* charges on 31 May each year in accordance with the terms described in the Client Agreement. *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 scheme pension* or *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 Client Agreement, 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 26 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 30).

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 21.

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 retirement benefits must be tested against an allowance called the lifetime allowance, set by *HMRC*. Where the lifetime allowance is exceeded, there will be a tax charge. *We* will deduct the tax charge due from the retirement benefits being taken and pass this to *HMRC*. For further details of the circumstances in which this tax charge may arise, please contact *us*.

18.4 The options for taking benefits from *your individual fund* are:

18.4.1 When *you* start to take retirement income through *scheme pension* or *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 25% of the prevailing standard lifetime allowance** (a limit set by legislation: *we* will tell *you* if *you* are affected by this limit). 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 a *scheme pension* – see section 20, and/or

c) choose *income withdrawal* – see section 21.

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 a *scheme pension* (see section 20) or the *income withdrawal* basis (see section 21).

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 SCHEME PENSION OPTION

20.1 Subject to *our* agreement, you have the option of drawing an income from the *scheme*, as a *scheme pension*, instead of buying a *lifetime annuity* or taking *income withdrawal*.

The *scheme pension* option is also available where income has been taken initially as *income withdrawal*.

20.2 If *you* choose to take a *scheme pension* on any part of *your individual fund* already being used for *income withdrawal*, no further tax-free lump sum is allowed (as the tax-free lump sum applied when *you* started the *income withdrawal*), but otherwise, *you* can take a tax-free lump sum (as described in section 18.4.1).

20.3 *We* will require *you* to complete, and return to *us*, certain paperwork (which *we* will supply) before *you* can start *scheme pension*. This paperwork includes an agreement that

20.3.1 the part of *your individual fund* to be used for *scheme pension* should be exchanged for (become) a *scheme pension fund*, and that

20.3.2 *your scheme pension fund* will be used to pay *you* a pension for life, subject to the value of *your individual fund* being sufficient to meet the commitment throughout *your* lifetime and within any rules set by *HMRC*.

We may also ask *you* to complete a health questionnaire. The details from *your* health questionnaire (and any supplementary information which *we* may ask *you* or *your* doctor to provide) will allow *us* to calculate a level of *scheme pension* more specific to *your* circumstances.

The actuary *we* appoint will calculate the amount of the *scheme pension* that can be supported by the amount of *your individual fund* to be applied for *scheme pension*. *You* can ask *us* for details of the method that the actuary uses for this purpose.

20.4 Terms for *scheme pension* payments

You can choose to have a *scheme pension* paid

20.4.1 on a half-yearly or yearly basis (or on such other payment frequency which we may agree).

20.4.2 as a 'single life', 'level pension' or as a 'single life, increasing pension':

a) single life, level – this provides a pension

which is intended to remain at the same level each year ceasing on *your* death; or

b) single life, increasing – this provides a pension which will start at a lower level than the corresponding single life level pension and gradually increase at an agreed rate of up to 5% per year.

20.4.3 for a fixed period of up to ten years (which must be agreed with *us* when *you* start *scheme pension*). This means that, if *you* die during that period, the pension payments will continue to the end of the period. This may have the effect of reducing the starting level of the *scheme pension*. The level of *scheme pension* that could be paid for the fixed period will not be guaranteed since the level of *scheme pension* could be reduced as a result of a review (as described in section 20.5).

20.5 *We* will occasionally review the sustainability of the level of *your scheme pension* being paid against *your scheme pension fund* at the time. *We* will complete the reviews every three years. At each review, *we* will assess the funds needed to maintain the level of *your scheme pension* on agreed terms for *scheme pension* payments (as described in section 20.4). If *we* consider that the level should be altered, *we* will confirm the new level of *scheme pension* to *you*.

20.6 *We* may, at *our* absolute discretion, secure the liability for any *scheme pension* outside the *scheme*, by buying an annuity with all or part of *your scheme pension fund* on the terms that *we* agree with the pension provider. If *we* decide to do this, *we* will let *you* know before *we* do this and may allow *you* to choose the insurance company.

20.7 Subject to rules set by *HMRC*, *you* can transfer the value of *your scheme pension* at any time to another *registered pension scheme* willing to accept the transfer.

21 INCOME WITHDRAWAL

21.1 *You* may draw an income, as *income withdrawal*, from *your individual fund* instead of buying a *lifetime annuity* or taking a *scheme pension*. You can start *income withdrawal* at any time from *your* 55th birthday.

21.2 *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*.

21.3 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 Client Agreement for details of this charge.

21.4 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.

22 BENEFITS FOLLOWING A MEMBER'S DEATH

22.1 If *you* die, any remaining *individual fund* will be applied in the following order:

22.1.1 first, allocated to provide pension income in accordance with section 23 for any *eligible dependants*, or *nominees* that *you* specify to *us*; and

22.1.2 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 26. If *you* die after *your* 75th birthday any lump sum payment will be subject to the relevant tax charges.

22.1.3 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.

22.2 If *you* die while receiving *scheme pension*, the remaining balance of *your scheme pension fund* will be distributed in the following order:

22.2.1 first,

if *you* chose that the *scheme pension* should be paid for a specified period of up to ten years, and *you* die within that period, *your scheme pension* will, subject to the review process described in section 20.5, continue to the end of that period.

Unless *you* assign the continuing payments in *your* Will, *we* will choose, at *our* discretion, the

recipient(s) for the continuing *scheme pension*. However, *you* can complete an Expression of Wish form (available from *us* on request) to inform *us* of *your* wishes on recipients for the continuing *scheme pension*. *We* will take *your* wishes into account, but *we* are not bound by them. (When the *scheme pension* stops at the end of the fixed period, any remaining *scheme pension fund* will be used to provide pension for *your* eligible dependant(s) as set out in section 22.2.2b). If no eligible dependant(s) can be traced, the provisions of section 22.2.2a) and 22.2.3 will apply;

22.2.2 second,

a) payment of a lump sum in accordance with section 26 under *HMRC's* annuity protection rules (as detailed in the *Finance Act*). This payment is calculated as: 20 times the initial yearly amount of *your scheme pension* then less the amount *of* scheme *pension* payments made up to the time of *your* death, but subject to a maximum of the value of the remaining *scheme pension fund* at the time of *your* death (the value of any remaining *scheme pension* will be paid in accordance with section 22.2.3.) and/or

b) allocation to provide a pension in accordance with section 23 for an *eligible dependant you* chose and confirmed to *us*. If *your* chosen *eligible dependant* died before *you*, or at the time of *your* death, no longer qualifies as an *eligible dependant*, the remainder of *your scheme pension fund* will be divided up amongst any other eligible dependants *you* specified to *us*, and in the proportions you specified. If there are no remaining *eligible dependants*, the provisions of section 22.2.3 will apply.

22.2.3 third,

paid as a lump sum to any charity or charities that *you* specify to *us*.

22.3 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.

23 DEPENDANT'S OR NOMINEE'S PENSION

23.1 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:

23.1.1 buy a *lifetime annuity* in their name (see section 19);

23.1.2 apply for a *scheme pension* (*dependants* only) (see section 20);

23.1.3 apply to take *income withdrawal* (see section 21).

If the *eligible dependant* or *nominee* applies for *scheme pension* (*dependants* only) or *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*.

23.2 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.

24 BENEFITS FOLLOWING THE DEATH OF DEPENDANT OR NOMINEE

24.1 Where a dependant dies while taking *scheme pension*, the *dependant's scheme pension fund* will be applied:

24.1.1 first, in accordance with section 22.2.2b) for the benefit of any other eligible dependants of the member; and

24.1.2 second, in accordance with section 22.2.3.

24.2 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:

24.2.1 applied to provide *income withdrawal* for a *successor* nominated by the *dependant* or *nominee* pursuant to the *Finance Act*.

24.2.2 as a lump sum, after deduction of any tax charge in accordance with section 26.

24.2.3 as a lump sum to any charity or charities that the *dependant* or *nominee* specifies to *us*.

25 BENEFITS FOLLOWING THE DEATH OF A SUCCESSOR

25.1 If a *successor* dies while taking income through *income withdrawal*, the *successor's income withdrawal fund* will be paid as follows:

25.1.1 applied to provide *income withdrawal* for a *successor* nominated by the *successor* pursuant to the *Finance Act.*

25.1.2 as a lump sum, after deduction of any tax charge in accordance with section 26.

25.1.3 as a lump sum to any charity or charities that the *successor* specifies to *us*.

26 LUMP SUM DEATH BENEFITS

26.1 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.

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

26.2.1 If the *member, dependant, nominee* or *successor* dies before age 75 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

26.2.2 the value of the *uncrystallised fund* must be tested against an allowance called the lifetime allowance, set by *HMRC*. Where the lifetime allowance is exceeded, 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 lifetime allowance, *HMRC* will contact the beneficiaries to collect any tax.

26.3 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.

27 TAXATION OF INCOME PAYMENTS

27.1 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.

27.2 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.

28 COMPLAINTS AND COMPENSATION

28.1 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.

28.2 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.

28.3 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

28.4 **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.

29 VARIATIONS TO THE TERMS AND CONDITIONS

29.1 *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.

29.2 *We* will only alter the *terms and conditions* for the following valid reasons:

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

29.2.2 relevant changes in the reporting requirements or regulatory regime;

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

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

29.2.5 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;

29.2.6 changes in ownership of *our* business or how it operates;

29.2.7 changes in *our* services;

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

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

29.2.10 any other reasonable issues outside *our* control.

30 WINDING UP OF THE SCHEME

30.1 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*.

30.2 On wind up, *we* will apply the assets of *your individual fund* as set out in the *rules*.

30.3 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 31 shall continue in full.

30.4 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.

31 ADDITIONAL INFORMATION

31.1 *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.

31.2 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.

31.3 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.

31.4 *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.

31.5 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.

31.6 *You* need to tell *us* as soon as *you* move to another address.

31.7 *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.

31.8 *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*.

31.9 Subject to 31.10, 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*.

31.10 *We*, the *provider*, the *independent trustee* and *you* can enforce the *terms and conditions*.

31.11 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.

31.12 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).

32 LIABILITY AND INDEMNITY

32.1 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*.

32.2 To the extent allowed by law and Financial Conduct Authority rules, *we* do not accept liability:

32.2.1 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;

32.2.2 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, willful default or fraud;

32.2.3 for any instruction or investment direction sent by *you*, or *your* representatives or agents, but not received by *us*;

32.2.4 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,

32.2.5 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 Benefit Fund.

32.3 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.

33 GLOSSARY

The following words and expressions, which appear in italics, 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 *scheme pension;* 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 21 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 plc or any successor appointed for the time being in accordance with the *rules*.

scheme pension means the facility allowing *you* to exchange all or part of *your individual fund* for a promise, subject to conditions, to be paid a certain pension for life direct from the *scheme*.

scheme pension fund means any part of *your individual fund* that *we* determine from time to time attributable to the provision of *scheme pension(s)*.

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*.

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 s*cheme administrator*.

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

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