

Terms and Conditions



Contents

1. INTRODUCTION	3
2. UNDERSTANDING THIS DOCUMENT	5
3. THE @sipp SIPP	5
4. TRUSTEE	6
5. MEMBERSHIP; ANTI-MONEY LAUNDERING	6
6. FINANCIAL ADVISER	6
7. COMMUNICATION AND INSTRUCTIONS	7
8. CONTRIBUTIONS	8
9. TRANSFER PAYMENTS INTO THE SCHEME	10
10. TRANSFER PAYMENTS OUT OF THE SCHEME	11
11. DESIGNATED ACCOUNT	12
12. PERMITTED INVESTMENTS	13
13. INVESTMENT MANAGEMENT	16
14. CUSTODY OF INVESTMENTS	19
15. COMMERCIAL PROPERTY	16
16. BORROWING	22
17. STATEMENTS	23
18. OUR CHARGES	23
19. PAYMENT OF CHARGES AND OTHER SUMS DUE	24
20. PAYMENT OF ADVISER CHARGES	25
21. INSUFFICIENT CLEARED FUNDS	27
22. MEMBER'S BENEFITS	28
23. DRAWDOWN PENSION	30
24. BENEFITS FOLLOWING MEMBER'S DEATH	31
25. BENEFITS FOLLOWING BENEFICIARY'S DEATH	32
26. TAXATION AND LEVIES	33
27. COMPLAINTS & COMPENSATION	34
28. CHANGING THE TERMS AND CONDITIONS AND THE FEE/PERMITTED INVESTMENT SCHEDULES	35
29. TERMINATION	36
30. OTHER TERMS	37
31. RESPONSIBILITY AND LIABILITY	38
32. DEFINITIONS	41

1 Introduction

Please see section 2 on “Understanding this Document” and the “Definitions” in section 32 to help you follow the terms used in these *terms and conditions*.

These *terms and conditions* apply to @sipp SIPP products provided under the *scheme*, being the “Full SIPP”, the “Collective SIPP”, the “Solo SIPP+” and the “Solo SIPP”. The terms and conditions apply to all products unless otherwise stated. When read with the *permitted investment* schedule some options and provisions in the *terms and conditions* may not apply, and you should look at the permitted investment schedule first. The fee schedule also has provisions which depend on which SIPP product you have.

The *scheme member schedule* sets out which product has been established for you as the plan.

We have a legally binding agreement with you (referred to in the terms and conditions as the contract), which is formed by:

- The rules of the scheme (please see section 3 for more information on the rules and their overriding effect, and your opportunity to read the rules which we recommend you take)
- your application form(s) for the plan as accepted by us
- these terms and conditions
- the fee schedule
- the permitted investments schedule
- the scheme member schedule
- any subsequent documents we send to you confirming changes to the above documents.

In addition to the documents that form the legally binding agreement between you and us, the following documents provide important information which you should read: Key Features; Personalised Illustration and Member Pack; Service Level Standards; Property Guide; SIPP Unlisted Share Purchase Guide, Questionnaire and Member Declaration; and SIPP Third Party Loan Guide. You should look at our website regularly for updated versions of these documents and other guides – copies are available on request.

We will treat you as a retail client, which provides you with the highest level of protection under the Financial Conduct Authority rules.

Furthermore, in respect of your rights regarding the personal data we hold about you, you should read our *Privacy Information Notice* which can be found on our website.

We can change the terms and conditions, the fee schedule and the *permitted investments schedule* in the circumstances described in section 28.

The *scheme member schedule* may be amended from time to time by us to fit in with your circumstances in relation to the plan and the scheme and/or to be consistent with the *rules, terms and conditions, fee schedule* and *permitted investments schedule* as appropriate, including after any changes we are permitted to make to these other documents. Please check that the details on the *scheme member schedule* are complete, accurate and consistent with what you are expecting. If you think that there is a mistake, please contact us to discuss it.

The *rules* are also subject to change. Please see section 3 for more information on the *rules* and their overriding effect. A change to the *rules* would therefore affect the rest of the contract between you and us.

Statements in the *terms and conditions* and in any other document (whether or not part of the *contract* between you and us) which we issue about, or based on, the tax treatment of the *plan or scheme* (including investments, applications of the *individual fund*, payments to and from the *plan*, and tax reliefs and exemptions) are based on our understanding of the law as at the date expressly stated for such purpose in the document. Our understanding of the law and the law itself are subject to change without notice.

Reference to any statute includes regulations under it and any amendments to the statute or regulations.

Important

Please read the documents referred to above in this section 1 carefully. You can access a copy of the rules, the terms and conditions, the fee schedule and the permitted investments schedule and our other publications on our website or ask us for a copy.

We and the trustee limit our liability for specific aspects of the plan. You are responsible for paying our fees and our and the trustee's expenses and losses. More information is given on this in sections 18, 19 and 31. These liabilities are separate from any liabilities to a third party you may have undertaken or be responsible for.

We do not provide any investment or any other advice. You are responsible for selecting investments for your plan. We and the trustee are not responsible for selecting investments, their suitability for you, nor for monitoring investments or investment performance.

Your plan is based on the declarations you made to us and the information you disclosed to us on the application form. If at any time you think that there is a mistake or changes are needed, please contact us to discuss this.

We require you and others on your behalf to provide us with such accurate information that we may reasonably require in order to administer your plan and fulfil our obligations under the contract between you and us and our obligations under law. We are entitled to rely on any such information provided. If we discover that the information which has been given to us is not correct or is incomplete, then we can adjust your plan and the benefits under it to reflect what they would have been had the correct information been notified originally. You may have a further liability to us under section 31.

If you have any questions, please contact us on 0141 204 7950 or contact your financial adviser.

2 Understanding this Document

Expressions shown in italics are explained in section 32. “We”/”us”/”our” refers to @sipp Limited, acting as administrator of the *scheme*. “You”/ “your” refers to

- the individual named as member in the *scheme member schedule* and, where appropriate and after the *member’s* death, the *member’s* personal representatives or
- (where a *dependant* has applied to us to take a *drawdown pension*) such dependant for whom we have agreed to set up a *drawdown pension* facility.

Reference to any enactment includes reference to any statutory modification or re-enactment or any regulation made under it.

3 The @sipp SIPP

The scheme is established under trust and is governed by the rules. We are responsible for administering the scheme. In addition to the provisions of the rules, we impose conditions and restrictions on how the plan operates under the scheme, which are set out in the terms and conditions.

If there is any inconsistency between (i) the terms and conditions (including the fee schedule, the permitted investments schedule, and the scheme member schedule) or any application form described in section 1 and (ii) the rules, the rules will apply and override the rest of the contract between you and us.

If there is any inconsistency between (i) the terms and conditions and (ii) the fee schedule, permitted investments schedule, scheme member schedule or any application form described in section 1, then the terms and conditions will apply and override these other documents.

Where your plan consists of more than one arrangement, the individual fund attributable to each will be administered according to the terms and conditions and the rules as appropriate and subject to Finance Act requirements.

You can access a copy of the rules on our website or ask us for a copy. It might be necessary to change the provisions of the scheme’s rules to meet or take reasonable account of any changes to law or regulation affecting the scheme or for any other reason the rules or the law permit. We will provide notice to you of any significant changes as required by law.

The scheme is a registered pension scheme under the Finance Act.

4 Trustee

The assets in your *plan* are held by the *trustee* or by nominees or custodians or other third parties on its behalf according to section 14.

For investment matters, we direct the *trustee* to act only according to your investment instructions (or investment instructions from persons we have agreed can provide instructions on your behalf) where we have given our consent to the proposed investment.

5 Membership; Anti-Money Laundering

Membership of the *scheme*, and the payment of contributions and/or the making of transfers to your *plan* at any time, are all dependent upon our first being satisfied that our obligations under anti-money laundering legislation have been met. As part of this, we need to satisfy ourselves as to your identity and may also need to check on the origin of funds which we are to receive or have received. In conducting our checks, we may use third party online systems or databases to make checks on your identity and address, and may make such other inquiries which are reasonable to meet our obligations.

Where a *member* is under age 18, we will act on the instructions of the parent or legal guardian in relation to the child's *plan*. Once the child reaches age 18, he or she will have full authority to give instructions in relation to his/her *plan*, provided that he/she accepts these *terms and conditions*.

6 Financial Adviser

You may appoint a *financial adviser* when you apply for the *plan* or (for a *dependant*) when you apply to take *drawdown pension* under the *plan*, or at any later time. We recommend that you have an appointed *financial adviser* for as long as you have an interest in the *plan*.

We will accept instructions from the *financial adviser* only if they are in relation to the investment of your *plan* (and you have authorised us to do this) or they are in relation to the payment of an *adviser charge* being reduced or stopped.

We will treat any *financial adviser* notified to us in writing by you as continuing to be appointed by and authorised to act for you unless and until we receive notice from you or the *financial adviser* that the appointment is to end. At this point or at any later time, you may appoint and notify us of a replacement *financial adviser* as being authorised to act for you.

You may appoint a *discretionary fund manager* as well as or instead of a *financial adviser* (see section 13.8).

7 Communication & Instructions

7.1 Our communications to you

Our formal communications to you will be provided in writing (including by email or via secure internet portal), either through your *financial adviser* (normally, and only where you have authorised us to do this) or direct to you. Such a communication may refer to a document on our website, but a written copy will be available on request without charge.

If we send a communication via your *financial adviser*, you are treated as having received it when the *financial adviser* receives it (or is deemed to have received it). If we send a communication direct to you, we will send it to your last known postal address or address for electronic communications according to our records.

Whether sent to you or your *financial adviser*, any communication sent by post will be deemed to have been received on the expiry of the third day after the day of posting, and any communication sent electronically will be deemed to have been received on it being sent by us.

We may telephone you at any reasonable time to discuss your *plan* without having been expressly invited by you to do so. Oral statements by us or the *trustee* cannot be relied upon unless confirmed by us in writing.

All communications by us will be in English.

7.2 Your instructions

Instructions to us about your *plan*, whether they relate to contributions, transfer payments, benefits, payment of *adviser charges* or your investment instructions, must be:

- given in writing in English and signed by you, or signed by your *financial adviser* if its instruction is in relation to investments or if it is in relation to the reduction or cessation of payment of the *adviser charge*
- submitted to us through your *financial adviser* or (if we have received written notice direct from you or the *financial adviser* that the *financial adviser's* appointment is to end and you have not yet appointed a replacement *financial adviser*) direct to us
- identifiable by including your *plan's* full name and your *member* number
- actually received before they are effective, at the following address: @sipp Limited, 6th Floor, Mercantile Building, 53 Bothwell Street, Glasgow, G2 6TS.

We can agree with you or give you notice that instructions:

- should be submitted to a relevant third party instead of to us. For example we can agree with you that your investment instructions should be submitted direct to a *discretionary fund manager* or to the provider of an execution only dealing facility or provider of an investment product, in accordance with the separate *terms and conditions* governing those services or investment products

- where to be given to us about urgent buying or selling of investments, can be given by telephone or email, in whichever event you must submit the original written instruction to us as soon as possible. Where instructions are to be submitted to a third party, the procedures for such alternative means of communication will depend on the third party's terms of business.

"Instructions" include notices, decisions, application forms, benefit options and nominations and investment decisions or directions. You authorise us and the *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 or your agent without further enquiry by us
- to accept such a decision or instruction as genuine, without the need for further investigation as to the authority or identity of the person giving it, or purporting to give it, provided the instructions have been received in good faith and without negligence.

We may decline to accept or act upon any communication which we reasonably believe to be unclear or not to have been issued in accordance with the *contract* between you and us or if we reasonably consider that compliance with such communication would not be reasonably practicable or would give rise to a breach of the *terms and conditions* or the *rules* or any applicable law or regulation. In such circumstances we will use our reasonable endeavours to tell you promptly.

We deem any communication received by us after noon on a business day for us, or received on a day which is not a business day for us, to have been received by us on the next business day for us. The same approach may be applied by us if the day of receipt is a bank holiday, local holiday or non-business day for financial purposes.

You should note that for the purposes of dealing in or managing investments, specific deadlines may be imposed by third parties over which we have no control. You or your *financial adviser* should check what the deadlines are with us or with the relevant third party as appropriate according to the investment or investment management or dealing *arrangement* in question.

8 Contributions

8.1 Who can pay contributions

As a *member* you can contribute to your *plan*. Contributions can be regular or one-off. We accept contributions from you, from someone else on your behalf (eg. from a spouse, partner, parent, grandparent etc.) and from your employer. Contributions can continue after you take retirement benefits in the form of a *lifetime annuity*, *drawdown pension* or uncrystallised funds pension lump sum, although restrictions apply if you take flexi-access drawdown or uncrystallised funds pension lump sum – see section 23.3.

Please see section 8.3 in regard to tax relief, and your obligation to advise us if contributions will not be eligible for tax relief to be claimed by us on them from HMRC, and for our consent to be given to contributions if they will not be eligible for tax relief.

Currently we do not impose any minimum or maximum limits on the amount you can contribute or transfer-in (see section 9) to the *plan*, although there is however a limit on contributions for which you can get tax relief.

We can introduce minimum or maximum limits or both by changing these *terms and conditions* under section 28.

Contributions will be allocated to your *plan* as notified by us to you.

8.2 How to pay

Regular contributions must be paid by standing order. Single contributions can be paid:

- by cheque, payable to "@sipp (Pension Trustees) Limited – [your surname and your *member* number]"
- by direct credit (i.e. using an electronic payment system such as BACS or CHAPS) or

You can stop and start your contributions at any time without penalty, although fees and expenses will continue to be incurred in respect of your *plan* whether or not you are contributing.

8.3 Tax relief

We will claim basic rate tax relief from HMRC on the contributions made by you or on your behalf. The basic rate tax relief will only be applied to your *plan* once HMRC pays the tax relief to us. You must tell us if you are not entitled to tax relief on all or part of the contributions. Any contributions over the tax relief limit can, with our agreement, still be paid into your *plan*, but no tax relief will be available on the excess. Any contributions made after you reach age 75 will not qualify for tax relief.

If you exceed the annual allowance under the *Finance Act*, there will usually be a tax charge on you. The annual allowance is the maximum amount of pension savings under UK tax-approved schemes you can accrue each year. You are responsible for notifying the local Inspector of Taxes if the annual allowance is exceeded. The annual allowance is separate from the limits on tax relief which can be claimed on contributions.

You should discuss your tax situation with your *financial adviser* or other adviser. We cannot provide advice on tax or other financial matters.

8.4 Pension input period

Any open pension input periods for annual allowance purposes under any *arrangement* that started before 8 July 2015 end on 8 July 2015. The subsequent pension input period for the *arrangement* is the period starting on 9 July 2015 and ending on 5 April 2016. Thereafter, pension input periods for the *arrangement* shall be the period beginning on the 6th April each year and ending on the following 5th April.

8.5 Refund of excess contributions

If you have paid pension contributions over the tax relief limit, we may on your request make a refund in respect of the excess. If we agree to make such a refund and provided that the refund would not be an *unauthorised payment*, we will refund the lower of the excess contribution and the value of the *individual fund* to which that

excess contribution has been applied. HMRC will require us to repay the full amount of the basic rate tax relief that we had claimed on the excess contribution. Any refund to you will be subject to your *individual fund* being sufficient to make first the required payment to HMRC.

We may request that the *trustee* dispose of assets within the *individual fund* if the *designated account* is not sufficient to meet the payment to HMRC and, as relevant, the refund to you. In such event we would normally cash in assets according to the provisions of section 21.2. We would however discuss with you or your *financial adviser* the order of encashment of assets before cashing in assets in this way.

Any investment loss or growth in respect of refunded contributions will be deemed to have occurred outside the *scheme*.

If you have taken benefits or transferred out of the *scheme* or your *individual fund* is for any other reason insufficient to make the required payment to HMRC, you will be liable for our fees and for our expenses and losses under section 31.2.

If contributions are paid which result in the annual allowance being exceeded, you cannot avoid the annual allowance charge simply by obtaining a refund of contributions from us.

9 Transfer Payments into the Scheme

9.1 Right to transfer in

With our agreement, a *member* can transfer benefits from another pension *scheme* to the *plan*, subject to applicable legislation.

It is your responsibility to ensure that a transfer of benefits is in your best interests. We recommend that you take advice from a suitably qualified *financial adviser*. We do not provide advice and our acceptance of any transfer is in no way an endorsement of the suitability for you of the transfer.

9.2 Beneficiaries in drawdown

With our agreement, any individual who has become entitled to *drawdown pension* on the death of a *member* under another *registered pension scheme* can transfer the entitlement into the *scheme* for the purpose of continuation of *drawdown pension*. If we accept the application, the individual is treated as a *beneficiary*.

It is the individual's responsibility to ensure that a transfer of benefits is in that person's best interests. We recommend that advice be taken from a suitably qualified *financial adviser*. We do not provide advice and our acceptance of any transfer is in no way an endorsement of the suitability for the individual of the transfer.

9.3 Making the transfer

Transfers-in can be made by cash payment (by cheque or direct credit) or transferring assets or a combination of both. A transfer of assets is subject to the conditions listed in section 8.6.

10 Transfer payments out of the scheme

You can transfer all or part of your *individual fund* to another *registered pension scheme* or overseas pension scheme if the transfer will not be an *unauthorised payment*. A partial transfer of the *individual fund* allocated for *drawdown pension* is not permitted. The transfer will be made as soon as reasonably practicable for us in accordance with the *contract* between you and us.

We will not make a transfer unless we are satisfied of the following:

- we have proper authority to make the transfer
- the statutory transfer conditions are satisfied
- we are in receipt of all the necessary documentation
- we have received all the accrued administration and other fees due to us
- all liabilities, costs and expenses attributable to your *individual fund* and your *plan* have been satisfied by your *individual fund* or by you and your responsibilities under section 31.2 met.

If you are transferring only part of your *individual fund*, you must tell us which assets are to be sold or cashed in before we can arrange the transfer.

In some circumstances it may be necessary for us to delay the requested transfer if we are unable to realise or transfer some of the investments, particularly property or other investments that cannot be converted to cash immediately. Such circumstances could lead to you having to defer transferring or taking your pension benefits. We will advise you if this is likely to be the case.

10.1 Costs of transfer

Costs might be incurred for selling assets and making the transfer out. These may be incurred, for example, by the *discretionary fund manager* or the provider of an execution only dealing facility or provider of an investment product, as well as by us, and a third party may charge a fee as well as its expenses. It might be possible to make a transfer payment to another pension scheme "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, or its custodian or *nominee*). With an in-specie transfer, fees and expenses will be incurred during the re-registration process.

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

A transfer out fee may be payable to us. Please refer to the *fee schedule* for details of any fee payable.

Payment of a transfer value might be delayed by us if there is a delay in us receiving the relevant invoice.

Irrespective of whether or not the transfer out proceeds, our expenses and any fee payable to us will be met in accordance with section 19 and prior to any transfer taking place. Third parties' expenses and fees will be recovered according to the terms of the facility or product.

11 Designated Account

11.1 Designated account

All money from your *plan* will be held in the bank account unless and until we receive investment instructions from you on which we have acted. A record is maintained, called the "*designated account*", of the money held in the bank account from your *plan* - by which we mean money attributable to contributions and transfer-in payments made to all of your arrangements under the *plan*. The account will be your main *plan* account through which all contributions, transfers, investments, borrowing and loans and interest and capital payments in respect of them, and benefit payments must be channelled for audit purposes.

All money in your *plan* that is not invested must be held in a bank account(s) of our choosing. The bank account(s) that we choose will pool money from the plans of other members and dependants. To the extent permitted by FCA *rules* we may hold such money on a fixed term deposit or in a notice account.

The rates of interest (if any) payable on a credit balance in your *designated account* will be shown in the *fee schedule*. No overdraft facility exists.

Currently, no charges are made in relation to the normal operation of the bank account. This might change in the future if there are changes to our *arrangement* with the bank and we will notify you if this occurs. Non standard transactions can attract charges (for example, receipt of money in foreign currencies or electronic transfer). Any bank charges attributable to your *plan* will be met in accordance with section 19.

As the bank account is a pooled account, in the event that a default by the bank causes any unreconciled shortfall in the money held in the pooled account, your *plan* will share proportionately in that shortfall. You may be able to claim against the Financial Services Compensation Scheme. Further details of the *scheme* are set out in 27.2. We will not be responsible for the default of a bank.

If a *discretionary fund manager* is appointed or an execution only dealing facility is used, cash might be held by that manager or provider of the facility or its nominees or custodians. Cash held in this way might attract interest. Details of the appropriate prevailing interest rates can be obtained on request from the manager or provider which will also be able to give you the appropriate risk statements.

11.2 Minimum balance in designated account

We do not require you to maintain in the *designated account* a minimum cleared balance,

You are responsible for any liability (including any tax charge) incurred by us or by the *trustee* due to insufficient cleared funds being available in the *designated account*.

12 Permitted Investments

12.1

The investments, and investment management or investment dealing arrangements (including the number of them), that we permit for your *plan* are set out in the *permitted investments schedule* as applicable to the current SIPP product which you hold as your *plan*. The *permitted investments schedule* may also set out some other conditions which we impose on investments.

The provisions of the *permitted investments schedule* are however subject to the *terms and conditions*, noting in particular sections 12, 13, 15 and 16. Investment of the *individual fund* is also subject to the *rules* including any restrictions in them.

12.2

We can change the *permitted investments schedule* in accordance with section 28 and changes may vary according to the particular SIPP products we offer. We will not however notify you every time we change the *permitted investments schedule* and therefore it is your responsibility, along with your *financial adviser*, to check that any proposed investment is listed within the latest *permitted investments schedule* for the SIPP product you have when making decisions about new or existing investments. All changes to the *permitted investments schedule* will be publicised on our website and implementation of them may be immediate or deferred according to section 28. You or your *financial adviser* may contact us directly for guidance on what investments are currently permitted by us.

12.3

In all cases, we require you to hold at the commencement of your *plan* sufficient investments (which we consider are readily realisable) to meet the total of our SIPP set up fee and 3 years' of our SIPP annual fee, and to retain in such investments sufficient to meet the first 3 payments of the annual fee as they fall due. If the cleared balance in the *designated account* is insufficient to meet such fees when they fall due, we can cover the shortfall by arranging for the sale of investments held within your *plan* under the procedure described in section 21 but may give such priority to the sale of these investments as we determine.

12.4

We do not make any recommendation of a discretionary investment manager or the provider of an execution only dealing facility and we do not receive any inducement or remuneration from them.

12.5

You may elect in writing to us to convert your *plan* to another SIPP product available from us and mentioned in section 1. Such conversions will be effective from the next anniversary of the commencement date of your *plan*. This may involve disposal of some investments in the *individual fund* and/or change to your use of discretionary investment managers or execution only dealing facilities. We will require that all liabilities and potential liabilities in respect of investments/investment managers/investment dealing facilities not permitted for your chosen new product type be dealt with in a manner which in our opinion protects our position and that of the *trustee*. On confirmation from us in writing that your *plan* has been converted, the restrictions on investment will be those applicable to the new product chosen and the *fee schedule* will also apply according to the new product type. Our fees will from the date of change be determined on the new basis of your *plan*.

12.6

Your attention is drawn in particular to section 13 regarding the need for our consent to investments, investment management or investment dealing arrangements, and other applications of your *individual fund*. These restrictions apply to all SIPP products.

12.7

All investments must meet the requirements for maintaining in our reasonable opinion the security of the *scheme's* tax status under the *Finance Act* as a *registered pension scheme*, must not be an *unauthorised payment* if made, must not be taxable property for the purposes of registered pension schemes, and must be lawful. Your investment objective must have due regard to the overall objective of the *plan* to provide retirement and death benefits.

An investment must not result in the imposition of tax or other costs or liabilities which your *individual fund* will be unable to meet.

We only permit investment transactions (whether directly or indirectly) with:

- you or a person connected with you (e.g. a family *member* or a business partner) or
- a company or firm in which you or a *member* of your family has an interest

if the transactions are made on an arm's length basis, i.e. on commercial, open market terms.

12.8

If an investment within the *plan*:

- is at any time not permitted by the *permitted investments schedule* in force when the investment was made
- at any time does not meet our requirements in or does not comply with the provisions of section 12 and sections 15 and 16 as relevant, or does not comply with the requirement of the *rules*
- would at any time (were it to be a proposed investment) be one for which we could refuse an instruction under section 13.6

- was made in breach of the *contract* between you and us (or was made prior to the issue of the *terms and conditions* to you and in breach of the legal agreement existing between you and us or the *trustee* at the time the investment was made)
- was made in breach of the special terms (if any) attached to the giving of our consent to the investment or
- was made in breach of our agreement with a *discretionary fund manager*, or provider of an execution only dealing facility, or other third party provider of investment management or dealing facilities:

we can request that the *trustee* or relevant third party sell that investment after giving you 30 days' notice. A shorter period of notice or no notice will apply where in our reasonable opinion an earlier sale is required due to a requirement of law or regulation, or due to prejudice to the *scheme's* tax status under the *Finance Act* as a *registered pension scheme* or prejudice to the benefits in respect of *beneficiaries* in the *scheme* other than you.

We will not however require the sale of an investment under the foregoing power if this would only be on account of it no longer being permitted due to (1) a change we have made to the *permitted investments schedule* and/or (2) a change to any basis for refusal of our consent to a proposed investment (as published on our website) where such basis is not part of the *contract* between you and us (see last bullet in section 13.6).

Our fees and expenses in relation to the sale will be met in accordance with section 19.

A *discretionary fund manager*, or provider of an execution only dealing facility, or other third party provider of investment management or dealing facilities may however also have powers to force a sale of investments according to its terms of business in force from time to time on such conditions as it may impose under such terms. Such powers may include also power to close the investment account with it in respect of your *plan*. This may result in further fees and expenses for which we and the *trustee* will not be responsible.

12.9

We will request that the *trustee* sell such assets as we deem appropriate in order to allow the benefits on your death according to section 24 to be paid or set up.

12.10

Where the *trustee* has been unable to realise an investment or has been unable to realise it on reasonable terms, we may if we choose:

- request that the *trustee* transfer the investment in full or part satisfaction of any payment of benefits under the *plan* or
- require you to buy the investment from the *trustee* at a fair market value (minimum £1) and on an arms' length basis:

and you must do all things and execute all documents which we reasonably require to give effect to our rights under this provision.

13 Investment Management

13.1

You are responsible for selecting and giving us instructions about investments for your *plan*. You can do this yourself, using your own judgment or using advice from one or more advisers. Instructions can also be given to us on your behalf by your *financial adviser* (where you have given authority for this to us which we have accepted). Any investment instruction to us must be communicated in accordance with section 7.2. With our agreement and subject to any restrictions in the *permitted investments schedule* applicable to the particular SIPP product you hold including as to the number of such arrangements permitted, you may arrange:

- (subject to section 13.7) for investment decisions to be communicated to and executed through one or more providers of an execution only dealing facility and/or
- (subject to section 13.8) for one or more discretionary fund managers to make and implement decisions themselves about investments for you.

Our consent is needed for all investments and our requirements will be built in to the contractual arrangements under the arrangements just mentioned in the bullets. Please see section 13.6 on our right to refuse consent. If our consent to an investment is sought, we will respond as soon as is reasonably practicable and may seek such advice, make such checks and take all other such steps as we consider reasonable to allow us to make our decision. Please see section 13.3 regarding the costs associated with our consideration of a proposed investment.

13.2

Subject to section 13, and where the investment instruction is to be executed through us rather than a third party investment management or dealing *arrangement* mentioned above, we will carry out the investment instruction accepted by us as soon as reasonably practicable for us.

We and the *trustee* are not responsible for any market or price movements between your investment instruction being received by us and/or our consent being sought to an investment, and it being executed.

We and the *trustee* are not responsible for the execution of orders or instructions placed by you with a third party investment management or dealing *arrangement*.

13.3

All costs, expenses and fees associated with the proposed acquisition, acquisition, maintenance, administration and disposal of investments reasonably incurred by us or the *trustee* or any agent or third party acting for us and/or the *trustee* will be borne by your *individual fund* and will be met in accordance with section 19. We are entitled for such purposes to engage from time to time on such reasonable terms as we decide such legal and other professional advisers and managers and other third party service providers as we reasonably consider appropriate. A provider of an execution only facility or a *discretionary fund manager* will also have power to recover amounts from your *individual fund* - please see sections 13.7 and 13.8. You are also referred to "your responsibilities" in section 31.2.

13.4

If we have assets in respect of a contribution or transfer that subsequently fails to clear through the *scheme* bank account or assets the purchase price for which the *designated account* balance cannot meet, we may dispose of the assets without consulting you and section 21.2 will apply. You are also referred to "your responsibilities" in section 31.2.

13.5

While any right to cancel your *plan* or a transfer into it remains exercisable by you, we will retain cash payments received by us in the *designated account* and may choose not to accept investment instructions where the contribution or transfer received by us under section 8.6 or 9.3 is in the form of assets.

Where the contribution or transfer received by us under section 8.6 or 9.3 is in the form of assets and we receive a valid notice of cancellation of your *plan* signed by you, we may dispose of the assets without consulting you. We will not be liable if the cash value of the assets is less than the cost of acquiring the assets and we will be entitled to charge your *individual fund* in accordance with section 19 an amount to cover our costs. We will notify you of the costs incurred by us.

Where you waive the right to cancel, no cancellation period will apply and we will act on investment instructions according to section 13.

13.6 Our right to refuse

We can refuse consent to a proposed investment. The decision to refuse an investment proposal will not be exercised unreasonably and will normally be taken in order to (in our reasonable belief):

- ensure all investments are and will remain investments listed in the *permitted investment schedule*
- ensure all investments meet our requirements in and comply with the provisions of section 12, and sections 15 and 16 as relevant, comply with the requirements of the *rules*, and will continue to do so
- protect the *scheme* and us and the *trustee* from liability for *unauthorised payment* tax charges, taxable property charges, *scheme* sanction charges, tax surcharges, income tax, and capital gains tax
- prevent any action which might in our reasonable opinion prejudice the *scheme's* tax status under the *Finance Act* as *registered pension scheme*
- ensure no investment is held in the *scheme* that might, in our reasonable opinion, limit or restrict in any way our ability to administer the *scheme* or might in our reasonable opinion prejudice the benefits in respect of *beneficiaries* in the *scheme* other than you
- ensure a reasonable proportion of the *individual fund* is held as investments reasonably believed by us to be readily realisable, such power being exercisable (if at all) reasonably and only for the benefit of and in order to protect our and the *trustee's* position.

We may also refuse consent, acting reasonably:

- on any one or more grounds permitted by the *rules*
- according to any relevant conditions or on any one or more grounds specified in the *permitted investments schedule*
- according to any relevant conditions or on any one or more grounds specified in any document not forming part of the *contract* between you and us and which is published on our website at the time the request for our consent to the proposed investment is made (hard copy available on request).

Subject to the decision being reasonable, our decision to refuse an investment proposal is exercisable in our absolute discretion as we think fit.

Where our consent to an investment is granted, it may in our absolute discretion be subject to such reasonable special conditions attaching to it as are consistent with the above objectives and bases applying in relation to our power to refuse consent to an investment. This action by us will not prevent the operation of the *contract* according to its provisions.

Our decision shall be final and no appeal will be allowed.

Unless we otherwise agree, any investment instruction will only be carried out if there is enough cleared money available to complete the transaction in addition to the minimum balance requirement (if any) for the *designated account* described in section 11.2. Where the purchase of one investment is dependent on the sale of another, the subsequent purchase therefore cannot proceed until there is sufficient cleared money in the *designated account*.

13.7 Execution only dealing

Subject to any restrictions in the *permitted investment schedule* including with reference to the particular SIPP product you hold, you can select with our agreement an execution only dealing facility for buying and selling stocks and shares and funds. Such facility will be arranged by us on terms formally entered into by the *trustee* with the provider of the execution only dealing facility. We have discretion as to the terms of the agreement we enter into with the provider of the facility and these may include conditions as to the acquisition and disposal of investments reflecting some or all of our powers under sections 12 and 13. The agreement with the facility provider and its terms of business will be subject to amendment from time to time and may be subject to termination. The dealing facility will also be governed by separate *terms and conditions* binding on you. It will be necessary for you to complete the relevant documentation provided by us and the facility provider and to agree to those separate *terms and conditions*.

Fees and expenses arising from the facility provider's services and dealings will be deducted from your *individual fund* held by that party according to the *terms and conditions* for the facility. The provider will be able to provide full details of its charges. Please note that the provider might have rights to compensation from or to take security over some or all of the assets of your *individual fund* held by them in certain circumstances (but not for its fees).

We will release cleared money to the facility provider once it has opened an account for the *scheme* relating to your *plan*.

You are not authorised to transfer money or assets away from the provider of the facility or its *nominee* or custodian (except in the usual course of dealing) and they may only be transferred to the *trustee* or as we may direct.

13.8 Discretionary fund management

Subject to any restrictions in the *permitted investment schedule* including with reference to the particular SIPP product you hold, you can appoint, with our agreement, one or more discretionary fund managers (DFMs) to manage all or part of your *individual fund* on a discretionary basis. Such appointments must be notified to us. If you wish a DFM to be 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 your *individual fund* managed by that DFM. These terms will be formally entered into by the *trustee* and us with the DFM. We have discretion as to the terms of the agreement we and the *trustee* enter into with the DFM and these may include conditions as to the acquisition and disposal of investments reflecting some or all of our powers under sections 12 and 13. The agreement with the DFM and its terms of business will be subject to amendment from time to time and may be subject to termination.

The costs arising from the DFM's commissions, fees and expenses relating to your *individual fund* will be borne by the investments under the control of the DFM relating to your *individual fund*. The DFM will be able to provide full details of its charges. Please note that the DFM might have rights to compensation from or to take security over some or all of the assets of your *individual fund* held by them in certain circumstances (but not for its fees).

We will release cleared money to the appointed DFM once the DFM has opened an account for the *scheme* relating to your *plan*.

You are not authorised to transfer money or assets away from the DFM (except in the usual course of dealing) and they may only be transferred to the *trustee* or as we may direct.

14 Custody of Investments

Permitted investments can be registered in the name of *nominee* companies or custodians used by the *trustee*, or (on behalf of the *trustee*) in the name of any *discretionary fund manager* or the provider of an execution only dealing facility or, subject to our agreement, such other third party provider selected by you or (on behalf of the *trustee*) nominees or custodians used by such parties.

The fees and expenses of any such service provider or *nominee* or custodian relating to registration of investments or custody and settlement will be charged to your *individual fund* in accordance with section 19.

We and the *trustee* will not be bound to exercise nor to direct any third party to exercise any voting or other rights in respect of any investment unless a direction to do so has been accepted by us. You can ask any appointed *discretionary fund manager* or the provider of an execution only dealing facility or other third party service provider or *nominee* or custodian about the approach they will take to voting or other rights.

15 Commercial Property

15.1 General

Section 15 only applies where your *plan* is described in the *scheme member schedule* as a "Full SIPP".

You can get further details in our Property Guide from our website.

Subject to section 21, the acquisition and disposal of *commercial property* will require your instructions as set out in section 7.

15.2 Property acquisition

This section 15 is subject to our power to refuse an investment instruction as stated in section 13.6 and the provisions of sections 12 and 13 generally.

You must complete the Property Questionnaire we have for the purpose if you wish an investment in *commercial property* to be considered. You should not make any commitment in relation to the proposed investment until our approval has been given. Any fees, expenses or liabilities incurred by you prior to our approval will be borne by you and not your *individual fund*. If we refuse approval for the investment, we will still charge a fee in accordance with section 18 and you will be responsible for expenses incurred by us including professional fees and environmental and property searches. These will be charged to your *individual fund* and met in accordance with section 19, although if the balance in the *designated account* is not adequate we may require you to pay the fee and expenses directly.

All *commercial property* in your *plan* will be held and any associated borrowing will be made in the name of the *trustee*.

Any investment in *commercial property* can only proceed if the *trustee's* and our liability under any loan, mortgage, lease or any other potential liability are limited in aggregate to the value of your *individual fund*. A clause to this effect will be included in legal documents and all parties would need to agree to it.

15.3 Ongoing administration

We will make decisions regarding the ongoing administration of the *commercial property* including the requirements on us or the *trustee* under the *contract* between you and us or in law, although wherever reasonably practicable (and the matter is reasonably considered by us to be significant and not urgent) this will be in consultation with you. We require appropriate insurance to be taken out, either by us, or by you to our reasonable satisfaction.

15.4 Property management

We require the appointment of a property manager by us or the *trustee* to help us and the *trustee* comply with duties under the *contract* between you and us and duties in law as holder of *commercial property* including as landlord. The terms of the appointment will be as required by us. The identity of the property manager will be as nominated by you and acceptable to us (such consent not to be unreasonably withheld), failing which within such reasonable period as we specify, the property manager will be determined by us.

15.5 Third party professionals

When purchasing or selling any *commercial property* and for the on-going administration of the investment, we will instruct or appoint only third parties approved by us. This will include surveyors, environmental specialists, solicitors, insurance consultants, property administrators and property managers. Such third parties will be appointed by us to act both for us and for you as a *member* of the *scheme*. If a potential or actual conflict of interest arises, we may insist on another party being appointed to act only for us.

The fees and expenses of appointed third parties and of the on-going administration, and compliance with relevant legislation, in respect of *commercial property* including litigation will be charged to your *individual fund* and met in accordance with section 19.

15.6 Rent reviews and lease renewals/terminations

The necessary documentation will be prepared by in-house legal department. You will be contacted in advance and have the opportunity to appoint a third party solicitor to prepare the necessary documentation instead. The fees and expenses will be charged to your *individual fund* and met in accordance with section 19.

15.7 Vacant property

Due to the additional risks and insurance covenants associated with vacant property, we will appoint an appropriate third party to undertake vacant site inspections, if the appointed property manager fails to provide regular inspection reports to our satisfaction. Inspections will be required every 21 days (in order to maintain buildings insurance cover) or every quarter in the case of bare land. The third party will recommend any actions required to maintain insurance cover and mitigate risks identified. We will then notify you of any required actions. The inspection costs and the related costs of implementing any actions will be charged to your *individual fund* and met in accordance with section 19. Inspections will continue until such time as your property or land becomes occupied.

16 Borrowing

You can arrange for your *individual fund* to borrow money for investment purposes (or any other purpose acceptable to us), if the requirements described below are met. This facility is only available and section 16 therefore only applies where your *plan* is described in the *scheme member schedule* as a "Full SIPP".

This section 16 is subject to our power to refuse an investment instruction as stated in section 13.6 and the provisions of sections 12 and 13 generally. For such purposes, borrowing will be treated as an "investment" to the extent we consider appropriate, with references to a required "sale" of an investment and similar expressions consequently being interpreted as repayment of all sums due under the borrowing in full or such variation of the terms of the borrowing as we reasonably determine at our discretion.

16.1 Borrowing limits

The *Finance Act* limits the amount each *arrangement* in your *plan* can borrow. In addition, any borrowing might be further restricted in accordance with the *terms and conditions* offered by the lender.

16.2 Arrangements for borrowing

All borrowing must be arranged in the name of the *trustee*.

Neither we nor the *trustee* take responsibility for finding a willing third party lender.

When we confirm that the borrowing is acceptable, we will request that the *trustee* sign the lender's loan documentation on behalf of your *individual fund*.

We may instruct solicitors to act for us (and normally you also) in the same way as applies under section 15 in relation to an investment in *commercial property* even if the borrowing is not in connection with such an investment. All legal fees and other costs and expenses will be borne by your *individual fund* in accordance with section 19. If a potential or actual conflict of interest arises, we may insist on another party being appointed to act only for us.

The borrowed money is required first to be paid to the *designated account* in accordance with section 11.1 or, with our consent, to the appointed solicitor's client account.

16.3 Loan conditions

We will comply with the *terms and conditions* agreed by us with the lender.

Some lenders may require your *individual fund* to maintain a specified cleared balance in the *designated account* in order to cover ongoing capital and interest repayments. Regardless of any such lender's requirement, you are responsible for ensuring that there is enough cleared money available in good time to make the ongoing capital

and interest repayments. If there is not enough cleared money in the *designated account* to meet the repayments, we can cover the shortfall by arranging for the sale of investments held within your *individual fund* under the procedure described in section 21.

All repayments of interest or of capital to the lender are required to pass through the *designated account* in accordance with section 11.1.

17 Statements

You must agree with the *discretionary fund manager* (if one is appointed) how often investment updates are issued, including transaction details and a portfolio valuation during the period.

We will arrange to send you a yearly statement covering investments relating to your *plan* and a transaction statement in respect of the *designated account*. This will give details of all investments relating to your *plan* although (due to issues of timing and costs in obtaining valuations) this might not be a current valuation. If you ask us for a current valuation, our fee and our expenses of obtaining this will be met in accordance with section 19. If you require an additional summary (but not a valuation) of investments at any time, we can apply an additional charge for each and every statement (although currently we do not apply additional charges for this). Any additional charge will be met in accordance with section 19. Please refer to the *fee schedule* for more details. For any of the above, there may also be charges deducted by a third party from your *individual fund* which it holds.

18 Our Charges

We charge fees for administering your *plan*. In the event of death, we will treat each *beneficiary* as having a *plan* for charging purposes. Fees that apply for specific services by us are set out in the *fee schedule* and depend on the investments you select, the benefits you take and any administrative or other requests you make. Additional services outside the normal administration activities shown in the *fee schedule* will be charged on a "time/cost" basis using an hourly rate as set out in the *fee schedule*. Additional services will include any activity that the law or the *contract* between you and us require us to perform in respect of your *plan* and which are not covered by a specific fee in the *fee schedule*. For other additional services, we will notify you at the time if a charge on a "time/cost" applies to any request you make and will provide an estimate of the cost.

We will normally increase our fees, including our hourly rate, as stated in the *fee schedule* on 1 January each year in line with the latest annual rise (if any) in the Government's Average Weekly Earnings (AWE) measure according to the last such figure published by the Government before the 1 January in question. Where we have not so increased our charges to the full extent permitted on any 1 January this will not prevent us increasing charges under this provision on any other 1 January.

Separately from our power under the previous paragraph, we can under section 28 increase or change our fees in the *fee schedule* and introduce new fees by changing the *fee schedule*, and the *terms and conditions* if appropriate. Copies of our current *fee schedule* are available on our website or from us on request at any time.

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

In addition, any relevant costs and expenses specified in the *fee schedule* will be due, and our other costs and expenses (and those of the *trustee*) will be charged subject to the *contract* between you and us.

The above fees, costs and expenses will be met in accordance with section 19.

19 Payment of Charges and Other Sums Due

Our annual administration fee is payable in advance and will be automatically deducted directly from your *individual fund* on or soon after you taking out the *plan* and on or soon after each anniversary of you taking out the *plan*.

Our other fees, and all charges, costs and expenses and other sums due under the *contract* to us or the *trustee* or the *scheme* in respect of the *plan* (including those expressed as being met in accordance with section 19 or equivalent expressions), will be automatically deducted directly from your *individual fund* when they become payable as set out in the *fee schedule* or the *terms and conditions* or when such amounts are incurred or paid by us or the *trustee* or the *scheme*.

All charges and other sums due from your *individual fund* must be paid out of funds held in the *designated account*. You are responsible for ensuring that there is enough cleared money available in the *designated account* in good time to pay all the sums which are due to be met from it. If there is not enough cleared money in the *designated account*, we can cover the shortfall by arranging for the sale of investments held within your *plan* under the procedure described in section 21.

Where however part of your *individual fund* is held by a *discretionary fund manager* or provider of an execution only dealing facility, or other investment product or facility offered by a third party and selected by you with our agreement, fees and other sums may be deducted by that third party from the *individual fund* held by it or its custodian or *nominee* according to the third party's terms of business or product terms. Such fees and other sums due to it will not be met from the *designated account* except with our and your prior agreement of such means of settlement.

Where such amounts are to be deducted from the *designated account* they will be treated for the purposes of facilitating payment as though they had arisen under the *contract* between you and us and were due to us. You are referred to sections 13.7 and 13.8.

Important

You are personally responsible for paying the outstanding charges and other sums due under the *contract* between you and us except to the extent that such charges and other sums are in fact recovered by us under section 19 and, as necessary, the procedure in section 21. You are also referred to "your responsibilities" in section 31.2.

20 Payment of Adviser Charges

20.1 Adviser charge

The charges that you agree to pay your *financial adviser* are a matter between you and your *financial adviser*. However, we may agree on your instruction to facilitate the payment of *adviser charges* by deduction of them from your *individual fund* and payment on your behalf to your *financial adviser*. This is not a payment for any services provided by your *financial adviser* to us. We do not charge for the facilitation service. The payment of an *adviser charge* is in addition to our charges.

20.2 Timing of deduction

Any *adviser charges* relating to contributions or transfer-in payments are deducted from your *individual fund* upon receipt of the relevant contribution or transfer-in payment.

Any *adviser charges* relating to investment of or decisions about your *individual fund* are deducted from your *individual fund* after the investment or decision has been arranged. For example, an *adviser charge* for pension advice when a *member* designates funds available for *drawdown pension* are deducted after the *member* has allocated funds for *drawdown pension*.

Please see section 20.6 regarding the need for money to be available in the *designated account* to make payment of the *adviser charges*.

20.3 Changes to the rate of adviser charges

We will stop or reduce the payment of *adviser charges* if instructed by you. We will act on the instructions of your *financial adviser* regarding *adviser charges* only if your *financial adviser* is asking us to reduce or stop paying any *adviser charge*. We will not extend or increase *adviser charges* without your instruction. We may however stop payment in accordance with section 20.6.

20.4 Making Payment

Adviser charges will be paid to the order of your *financial adviser* and once due, payment will be credited to your *financial adviser* on dates agreed between us and your *financial adviser*.

If after reasonable efforts on our part, we have been unable to make payments of any *adviser charge* to your *financial adviser*, we will stop deducting *adviser charges* and notify you of our action. *Adviser charges* that have already been deducted but not yet paid to your *financial adviser* will be re-credited to your *individual fund*.

If we receive an *adviser charge* refund from your *financial adviser*, we will not be able to return it to you in cash. We will, however, credit the *adviser charge* to your *individual fund*.

We accept no responsibility for monitoring any payment or non-payment of an *adviser charge* out of an investment held in your *individual fund* if the *adviser charge* is to be paid to your *financial adviser* by a third party.

20.5 Cancellation

When you take out your *plan*, you have a 30 day period during which you can change your mind by cancelling your *plan*. If you decide to cancel your *plan* during the cancellation period, we will not reclaim any *adviser charges* already paid to your *financial adviser* – the same would also apply to the exercise by you of any other cancellation right we may notify to you after the *plan* has been set up. Please note however section 20.8.

20.6 Our right to stop paying an adviser charge

We can stop or reduce the payment of all or part of an *adviser charge* if:

- we no longer have a business relationship with your *financial adviser*
- we reasonably believe that the payment of the *adviser charge* would be in breach of any relevant laws or regulations
- we reasonably believe that your *financial adviser* was not appropriately authorised by the Financial Conduct Authority or exempt from authorisation under the Financial Services and Markets Act 2000 or any replacement regulator at the time of providing you with advice or services in relation to your *plan*
- your *financial adviser* ceases to trade
- we believe your *financial adviser* is insolvent
- we terminate our services to facilitate *adviser charges*
- the payment exceeds the maximum amount of *adviser charge* that we are prepared to facilitate, as set by us from time to time or
- we can no longer facilitate an *adviser charge* due to changes in the *plan*.

We will endeavour to notify you as soon as possible of the action we have taken.

Adviser charges that have already been deducted but not yet paid will be re-credited to your *individual fund*.

If there is not enough money in the *designated account* to pay an *adviser charge* in full, we can make a partial payment to the extent possible. Please note however section 20.8.

20.7 Information about adviser charges

We will provide you with written confirmation when we set up the arrangements to pay the *adviser charges* you have instructed us to pay to your *financial adviser* or if the *adviser charges* are varied or stopped. We will not normally send you confirmation of the actual payments of *adviser charges* made by us. You should check the information that we provide to you and bring to our attention any errors or omissions you believe exist.

20.8 Your continuing responsibility for adviser charges

If an *adviser charge* is stopped, reduced, unpaid or is re-credited to your *individual fund* or if you exercise a cancellation right notified by us, you might remain liable to reimburse your *financial adviser*. You should check the terms of your agreement or *arrangement* with your *financial adviser*.

20.9 Value added tax (VAT)

We expect that most *adviser charges* relating to your *individual fund* will not be subject to VAT. We will treat all instructions from you to pay *adviser charges* as including any VAT applicable at the rate prevailing at the time of the payment of the *adviser charge* and taking into account any changes to the rate of VAT howsoever occurring. We will not update any existing ongoing *adviser charges* to account for new VAT rates.

21 Insufficient Cleared Funds

21.1 Single DFM appointment

If there is not enough cleared money in the *designated account* to meet benefits or other payments due from your *individual fund*, and you have appointed a single DFM to manage your investments, we will ask your DFM to sell assets to raise sufficient funds.

21.2 Request for contributions or disinvestment instructions

Where 21.1 does not apply and there is not enough cleared money in the *designated account* to meet benefits or other payments due from your *individual fund*, we will ask you for either or both of

- additional contributions
- instructions to sell assets from your *plan*. The instructions must specify the assets we should sell and the order in which we should sell them and must be signed by you.

21.3 Default disinvestment strategy

We will take reasonable measures to arrange for assets to be sold or cash to be recalled to the extent necessary to provide enough cleared money, if within 14 days we do not receive enough additional contributions or instructions to sell. We will seek to realise assets for cash in the following order, provided that we may vary the order in such reasonable manner as we determine if any investment(s) are not (or are reasonably believed by us not to be) readily realisable.

- any cash held on deposit with another bank or licensed deposit taker
- any assets held through a *discretionary fund manager* or execution only dealing facility (last one appointed contacted first)
- stocks and shares, on a last-in, first-out basis
- investment trusts/unit trusts/open-ended investment companies (OEICs) on a last-in, first-out basis
- *trustee* investment policies/bonds on a last-in, first-out basis
- any other asset (excluding *commercial property*) not included above on a last-in, first-out basis
- *commercial property* on a last-in, first-out basis.

We apply a charge for coordinating the sale of assets under the priority order above and will deduct this charge from your *plan* in accordance with section 19. This is in addition to other parties' charges incurred in valuing and selling the assets and other costs of sale. Our charge will be on a "time/cost" basis (i.e. hourly rates for the service), as set out in the *fee schedule*, and in addition to our out of pocket expenses.

We will write to you as soon as practicable to confirm our 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 our and third parties' fees and the expenses.

In some circumstances, it can be necessary to sell an asset at whatever price is available at the time. This can result in selling assets when the relevant market is depressed.

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

Important

You are personally responsible for paying the outstanding charges and other sums due under the *contract* between you and us except to the extent that such charges and other sums are in fact recovered by us under section 19 and, as necessary, the procedure in section 21. You are also referred to "your responsibilities" in section 31.2.

21.4 Unable to act

For the purpose of section 21 only, we will accept the instruction of any legally authorised party acting on your behalf if we receive medical advice (commissioned by and addressed to us) that you are unable to act due to serious ill-health, physical or mental incapacity. The cost of obtaining the medical advice will be met from your *individual fund* in accordance with section 19.

22 Member's Benefits

22.1 Intended retirement age

When you applied for the *plan* you chose a retirement age, which is the age you intend to take retirement benefits. You do not need to actually retire to take benefits. You can change your chosen retirement age by telling us in writing. If you wish to make your retirement date earlier, you should first check the *terms and conditions* of any investment product within your *plan*. Some investment products apply penalties for cashing in earlier than expected and some investments may be difficult to sell or cash in early or quickly.

The *Finance Act* requires that in normal circumstances retirement benefits are not taken before your 55th birthday. If however you are in serious ill health, it might be possible to start taking benefits earlier than your 55th birthday. In addition, some people have a right under the *Finance Act* to take benefits before age 55 which is not dependent on ill-health, if this right existed before 6 April 2006.

Within a reasonable period (consistent with good practice) before your chosen retirement date, we will provide you with details of your benefits, offer a range of benefit options and send you an application form to complete. We will need reasonable notice in order to set up your benefits.

22.2 Cleared funds to pay benefits

You are responsible for ensuring that there is enough cleared money in the *designated account* available in good time to pay any benefits you have chosen to take.

Application of the *designated account* is however subject first to payment of all sums due from it in accordance with section 19 and your responsibilities under section 31.2 having been met to our reasonable satisfaction.

If there is not enough cleared money in the *designated account* to pay the benefits, we might have to sell assets within your *plan* under the procedure described in section 21. Depending on how you have chosen to invest your *plan* there may be an unavoidable delay in selling the assets, which could delay the benefit payment.

22.3 Benefit options

You can take benefits from your *plan* in either or both of the ways described in (b) and (c), each with or without (a), or in the way described by (d) on its own:

- a) take a lump sum (also known as pension commencement lump sum (PCLS)), when you apply your *individual fund* to provide a *lifetime annuity* or *drawdown pension*
- b) buy a *lifetime annuity* in your name with the balance of all or part of your *individual fund* (after any lump sum). You must agree the relevant amount to be paid to the insurance company for the *lifetime annuity*, complete the insurance company's documentation and agree with us that you will have no further interest in the *individual fund* in respect of the amount used to buy the *lifetime annuity*
- c) take *drawdown pension* with the balance of all or part of your *individual fund* (after any lump sum)- see section 23
- d) provided you have enough lump sum allowance remaining, take a lump sum without applying your *individual fund* to provide a *lifetime annuity* or *drawdown pension*, called an uncrystallised funds pension lump sum (UFPLS). One quarter of the amount paid will be tax-free and the remainder will be taxable as pension income.

22.4 Lump Sum Allowance

The Lump Sum Allowance places a maximum limit of lifetime lump sums that can be paid tax-free. The standard Lump Sum Allowance has been set at £268,275. Both PCLSs and the tax-free element of an UFPLS count towards the Lump Sum Allowance. You may have a higher allowance, compared to the standard allowance, if you have existing Lifetime Allowance protection.

23 Drawdown Pension

23.1 General

Drawdown pension means drawing amounts from your *individual fund* as an "income" from your *plan*. You can do this if you are:

- a *member* who meets the conditions mentioned in section 22.1 or
- a *beneficiary* entitled to a pension under the *plan* and we have accepted your application for *drawdown pension*.

You do this by allocating all or part of your *individual fund* as being available for providing *drawdown pension*. The allocation must be made on the form that we provide for this purpose.

23.2 Capped drawdown pension

With capped *drawdown pension*, there is a maximum limit on the amounts that can be taken which is set by the *Finance Act*. We may require you to complete and return to us certain forms (which we will supply) before you can designate more of your *individual fund* to provide a capped *drawdown pension* or to start, stop or vary capped *drawdown pension* payments in addition to the application form referred to in section 22.1.

We do not currently impose a minimum on the amount that you can allocate for providing capped *drawdown pension* nor on the amounts that can be drawn as "income". However, we may decide to impose a minimum allocation amount and/or a minimum drawdown income, for reasons of cost-efficiency for us. If we do this, we will give you details by notice as described in section 28.

You can only designate part of your *individual fund* for providing capped *drawdown pension* if it applies to an *arrangement* under which part of your *individual fund* was designated for capped *drawdown pension* on 5 April 2015.

You can elect for a review of the maximum amount of capped *drawdown pension* permitted by the *Finance Act*. This may result in a reduction in the maximum amount of income you can take.

You can re-designate your *individual fund* to provide a flexi-access drawdown instead of a capped *drawdown pension* at any time by completing the form we provide for this purpose.

23.3 Flexi-access drawdown

Flexi-access drawdown is the facility to receive unrestricted payments from the part of your *individual fund* allocated as available for paying *drawdown pension*. We may require you to complete and return to us certain forms (which we supply) before you start, stop or vary flexi-access *drawdown pension*.

We do not currently impose a minimum on the amount that you can allocate for providing flexi-access *drawdown pension* nor on the amounts that can be drawn as "income". However, we may decide to impose a minimum allocation amount and/or a minimum drawdown income, for reasons of cost-efficiency for us. If we do this, we will give you details by notice as described in section 28.

Once you have accessed any of your pension savings using flexi-access *drawdown pension* or uncrystallised funds pension lump sum you are subject to the money purchase *rules*, meaning you will have a £10,000 annual allowance for money purchase savings. If you exceed this £10,000 limit, you will have in addition to the £10,000 money purchase annual allowance, a reduced £50,000 annual allowance for your defined benefit pension savings. If you do not exceed the £10,000 limit you will retain the normal £60,000 annual allowance for all of your pension savings.

24 Benefits following Member's Death

On the death of a *member*, the *member's* remaining *individual fund* is used to pay a number of different benefits, which are described below. Upon being notified of the death, we will write to the *member's* personal representatives or potential *beneficiaries* (as applicable) with details of the ways in which benefits can be provided from the *member's individual fund*.

Application of the *member's individual fund* is however subject first to payment of all sums due from it in accordance with section 19 and your responsibilities under section 31.2 having been met to our reasonable satisfaction.

24.1 Trustee discretion

If we are satisfied that at the time of the *member's* death the *member's* benefits are subject to a "valid trust", we will apply any *uncrystallised fund* not exceeding the *member's* individual lifetime allowance available on death as a lump sum to the trustees of that trust. A "valid trust" is one which is separate from the *scheme* and under which no beneficial interest in a benefit can be payable to the *member*, the *member's* estate or the *member's* legal personal representatives.

In all other cases, on the *member's* death we will use the *member's* remaining *individual fund* in either or both of the following ways as we in our absolute discretion determine:

- to provide pension income in accordance with section 24.2 for any one or more *beneficiaries* and, if more than one, in such proportions as we decide and
- to pay a lump sum death benefit to one or more recipients as we decide (from the range of possible "lump sum *beneficiaries*", as defined in the *rules*) and in such proportions as we decide.

A *member* should complete an "expression of wish" form to inform us of the *member's* wishes for who should receive death benefits and the form of those benefits (lump sum or pension) for when we are exercising our discretion. We will take the *member's* wishes into account but we are not bound by them. Please ask us for a form at any time you want to state your wishes or amend them. Initial wishes may have been stated in the application form for the *plan* but these wishes can be amended.

24.2 Beneficiaries' Pension

Any *beneficiary* who becomes entitled to a pension under section 24.1 must take the pension either or both of the following ways:

- to buy a *lifetime annuity* in the *beneficiary's* name, using part or all of his or her *individual fund* or
- to apply to take income as a *drawdown pension* (see section 23), using part or all of his or her *individual fund*.

Any application for *drawdown pension* must be made in writing using our prescribed application form, which includes the *beneficiaries* agreement to the *contract*. We can decline an application if it would in, our opinion, limit or restrict in any way our ability to administer the *scheme*.

If a *beneficiary* 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, at our discretion, decide), we can buy a *lifetime annuity* for that person, from a pension provider of our choice.

24.3 Lump Sum and Death Benefit Allowance

The Lump Sum and Death Benefit Allowance places a maximum limit on the combination of lifetime lump sums and death benefit lump sums that can be paid tax-free. The standard Lump Sum and Death Benefit Allowance has been set at £1,073,100.

Pension Commencement Lump Sums, the tax-free elements of Uncrystallised Pension Funds Lump Sums, lump sum death benefits paid before age 75 and serious ill-health lump sums count towards the Lump Sum and Death Benefit Allowance.

You may have a higher allowance, compared to the standard allowance, if you have existing Lifetime Allowance protection.

25 Benefits following Beneficiary's Death

25.1 Death Benefit Options

If a *beneficiary* dies while taking income through *drawdown pension*, we will use the *beneficiary's* remaining *individual fund* in either or both of the following ways as we in our absolute discretion determine:

- to provide an income in accordance with section 24.2 for any one or more successors, and if more than one, in such proportions as we decide and
- to pay a lump sum death benefit to one or more recipients as we decide (from the range of "lump sum *beneficiaries*", as defined in the *rules*) and in such proportions as we decide.

The *beneficiary* should complete an "expression of wish" form to inform us of his or her wishes for who should receive death benefits for when we are exercising our discretion. We will take the *beneficiary's* wishes into account but we are not bound by them. A form is available from us should at any time the *beneficiary* want to state his or her wishes or amend them. The *beneficiary* may have already stated his or her initial wishes in an application form but these wishes can be amended.

25.2 Lump Sum and Death Benefit Allowance

Lump sum death benefits paid before age 75 following a *beneficiary's* death count towards the deceased *beneficiary's* Lump Sum and Death Benefit Allowance.

26 Taxation and Levies

We can deduct from any payment to be made by us under the *plan* any taxation or levy which we or the *trustee* are required or entitled to deduct in accordance with law or HMRC requirements. We will also deduct any taxation or levy for which we or the *trustee* may be accountable in accordance with law or HMRC requirements until our or the *trustee's* liability has settled – any remaining amount of the deduction from the proposed payment will be made by us on settlement of the liability.

If we have taken reasonable steps to identify your correct tax code to be applied to any income payments from the *scheme*, we and the *trustee* will not be liable for any loss that you incur as a result of the use of an incorrect tax code.

Where our fees and charges in the *fee schedule* are subject to VAT or other tax or levy, this will be charged in addition to the amount stated in the *fee schedule* and at the applicable rate, unless otherwise stated by us in the *fee schedule*.

The *individual fund* and all money and investments in it shall be subject to deduction of all applicable taxes and levies.

We do not provide a withholding tax reclaims service on overseas investments. You are responsible for checking what, if any, withholding tax reclaims service may be offered by any *discretionary fund manager* you appoint or any execution only dealing facility you select.

Where a tax or levy is imposed on us or the *trustee* in respect of more than one *member* or *plan* or on the *scheme* as a whole, we will allocate such proportion of the tax or levy to your *plan* as we consider to be reasonable.

27 Complaints & Compensation

27.1 Complaints

Should you wish to register a complaint in relation to the administration of the *plan*, you should do this in writing, addressed to the Operations Manager at our address given in section 7.2. 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.

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 might have the right to refer it to the Pensions Ombudsman ("PO") or the Financial Ombudsman Service ("FOS").

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 have.

PO contact details:

Pensions Ombudsman, 10 South Colonnade, Canary Wharf, London E14 4PU Tel: 0800 917 4487 www.pensions-ombudsman.org.uk

FOS contact details:

Exchange Tower, Harbour Exchange Square, London E14 9SR Tel: 0800 023 4567 www.financial-ombudsman.org.uk

27.2 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 *plan* might be covered by the FSCS. If compensation is available in respect of an investment in your *plan*, we will make the claim on your behalf.

FSCS contact details:

Financial Services Compensation Scheme, PO Box 300, Mitcheldean GL17 1DY Tel: 0800 678 1100
www.fscs.org.uk

28 Changing the Terms and Conditions and the Fee/Permitted Investments Schedules

28.1

We can change the *terms and conditions*, *fee schedule* and/or *permitted investments schedule* for any one or more of the following reasons:

- to respond proportionately to changes in the *Finance Act* or the requirements or practices of HMRC in relation to registered pension schemes
- to better safeguard in a proportionate manner the status of the *scheme* as a *registered pension scheme* or better avoid in a proportionate manner prejudice to such status
- to respond proportionately to changes in other law or to decisions of the Financial Ombudsman Service or the Pensions Ombudsman or the Financial Services Compensation Scheme or of a court, including changed interpretations of the law or regulatory requirements by such bodies
- to meet regulatory requirements
- to better avoid in a proportionate manner prejudice to *beneficiaries* in the *scheme* other than you
- to reflect new industry guidance and codes of practice which raise standards of consumer protection
- to reflect the way that our services are used and ensure that the costs of those services are allocated fairly among our clients
- to reflect a change in our corporate structure that does not have a significant unfavourable effect on your rights under the *scheme* but which does require us to make certain changes to the *terms and conditions*
- to respond proportionately to changes in the Bank of England base rate, other specified market rates or indices or tax rates
- to reflect proportionately the costs to us of increases or reductions in the capital we need to hold due to changes in the law or regulatory requirements
- to ensure we can continue to offer a competitive and sustainable service
- to provide for the introduction of new or improved systems, methods of operation, services or facilities associated with providing the *scheme*
- to correct any mistake in the *terms and conditions*, provided the correction does not have a significant unfavourable effect on rights that you have as a result of the mistake
- to reflect the appointment by us of alternative or additional third parties to provide services under the *scheme* or to respond proportionately to changes in the terms or charges of any third parties so appointed and/or
- to proportionately reflect other legitimate cost increases or reductions for us associated with providing the *scheme* or your *plan*.

28.2

Further, we can change the *terms and conditions*, *fee schedule* and/or *permitted investments schedule* for any other reason. We will not however charge our usual fee (stated in the *fee schedule*) for transferring out your individual funds if:

- a change under this section 28.2 has a significant unfavourable effect on you in relation to your *plan* and
- we receive your written request to transfer within 30 days of notice of the change, or if not individually notified, within 30 days of publication of the change on our website.

28.3

We will defer implementation of any change we have decided to make until you have had at least 30 days' notice from us of the change, unless we reasonably consider that we need to implement the change sooner or immediately due to one or more of the reasons in the first 5 bullets in section 28.1 or due to the failure of a third party service provider, or unless the effect of the change is neutral or favourable to you. Where 30 days' notice is not given, changes will be notified to you as soon as reasonably practicable.

Not all changes to the *permitted investments schedule* will however be notified to you (see section 12) but all changes will be published on our website. Implementation of such changes will be deferred for at least 30 days from publication (or such shorter period or none as would have been permitted if individual notice had been given).

28.4

You should note sections 1 and 3 which refer to other powers we have to change the *contract* between you and us.

29 Termination

The *contract* between you and us shall continue until your *individual fund* has been extinguished through the payment of a transfer value to another *registered pension scheme* or the provision of pension or death benefits outside the *scheme* or until the *scheme* is wound up in accordance with the *rules*.

Important

The obligations of payment of charges and other sums due in sections 18 and 19 and the provisions in section 31 shall continue in full even though your *individual fund* has been extinguished or the *scheme* has been wound up.

Wind up

On wind up, we will apply the assets of your *individual fund* as set out in the *rules*. 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*. Wind-up will be without prejudice to the completion of transactions already initiated. The *trustee* is authorised to continue to operate the *designated account* to our order and direction for the purposes of receiving money, paying benefits and paying any expenses or fees due to us, the *trustee* or other parties.

30 Other Terms

30.1 Proof of ownership and other evidence

The exercise by you of rights conferred by the *plan* and the payment of any benefit or instalment of benefit by us is subject to us first receiving proof of ownership to our reasonable satisfaction. This may include proof of death and the date of death where relevant, and also any other evidence we may reasonably require to avoid an *unauthorised payment* being made and generally to help ensure compliance with our duties under the *contract* between you and us.

30.2 Change of address or other personal circumstances

You need to tell us as soon as possible if you move to another address or if there are any other relevant changes to your personal circumstances. If you are in doubt as to whether a change is relevant, please contact us.

30.3 Making payment of benefits

We will pay the benefits due to you, or any other person or body entitled on your death, by direct credit transfer to a bank account in the United Kingdom specified by the person who is to receive the payment in question. If we arrange for anything else, the person who is to receive the payment must bear any additional costs that arise.

30.4 Assignments

Your *plan* may be subject to a pension sharing order under the Welfare Reform and Pensions Act 1999 but otherwise may not be assigned, mortgaged or charged in any way by you.

30.5 Governing law

The *contract* between you and us will be governed by and construed in accordance with the laws of Scotland. The Scottish courts are to have exclusive jurisdiction to settle any disputes or claims that may arise out of or in connection with the *contract* between you and us. We, the *trustee* and you agree to submit to the exclusive jurisdiction of the Scottish courts. However, if you are a resident of England and Wales you can also bring proceedings there, and if you are a resident of Northern Ireland, you can also bring proceedings in Northern Ireland.

30.6 Rights of third parties

We, the *trustee* and you can enforce the provisions of the *contract* between you and us. Nothing in the *contract* between you and us expressly or impliedly confers any right on any third party to enforce any of its provisions under the laws of Scotland nor under the Contracts (Rights of Third Parties) Act 1999. For the purpose of this section, a third party is any party not already mentioned in this section 30.6.

30.7 Severability

Each of the provisions of the *contract* between you and us operates separately. If any court or relevant authority decides that any of them are: (i) unlawful, the remaining provisions will remain in full force and effect; (ii) unfair, it will, as far as possible, still apply but without any part which could cause it to be held, viewed or considered unfair.

30.8 Effect of non-enforcement of provisions by us

If we fail to insist that you perform any of the obligations under the *contract* between you and us, or if we do not enforce our rights against you, or if we delay in doing so, that will not mean that we have given up our rights against you and will not mean that you do not have to comply with obligations due to us. If we do decide to formally disregard a default by you, we will only do so in writing, and that will not mean that we will automatically disregard any later default by you.

30.9 Data protection and confidentiality

We are the data controller of any information we hold about you. We will comply with all relevant data protection legislation and our Privacy Information Notice, a copy of which can be obtained from our website. The Privacy Information Notice explains how and why we hold personal about you and your rights in respect of this data.

30.10

We and the *trustee* cannot be compelled to make an *unauthorised payment*.

31 Responsibility and Liability

31.1 Your Rights

Your rights in relation to your *plan* are limited to those detailed in the *contract* between you and us. You waive and give up any other rights that you otherwise have had or might have had to make any and all legal claims 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.

31.2 Your Responsibilities

You are responsible for:

- selecting and giving us instructions about investments for your *plan*
- any benefit options, benefit nominations and all other matters which are within your control or in respect of which you provide, or are entitled to provide, instruction to us either personally or (where permitted under the *terms and conditions* and authorised by you) through the instruction of your *financial adviser*.

You are responsible to us for all reasonable fees, costs, claims, expenses, tax charges, levies, liabilities, demands and losses whatsoever that we suffer or incur in:

- performing our duties under the *contract* between you and us or
- carrying out our lawful duties and responsibilities in relation to you or

- acting on requests or instructions made by you (including in connection with the appointment of any investment manager or service provider) if the requests or instructions are in compliance with law and the *contract* between you and us:

except in all cases as a direct result of our wilful neglect, wilful default or fraud.

You are responsible to us for all reasonable fees, costs, claims, expenses, tax charges, levies, liabilities, demands and losses whatsoever that we suffer or incur if you carry out or arrange for:

- an action in respect of the *plan* that is unlawful or contrary to the *contract* between you and us or
- an action that results in a liability or cost to you, your *individual fund*, the *plan* or the *scheme*

Reference to "us", "we" and "our" in this section 31.2 also includes the *trustee* and our employees and agents as separate responsibilities for you.

Section 31 will continue in force after your *individual fund* has been extinguished or the *scheme* has been wound up.

31.3 Scope of our responsibilities

We are responsible for administering the *plan* in accordance with the *contract* between you and us and your instructions given in accordance with the *terms and conditions*. We and the *trustee* are not responsible for selecting investments, their suitability for you, monitoring investments or investment performance or providing financial or other advice. We and the *trustee* are also not responsible for monitoring the performance of any of such functions just mentioned by investment managers, discretionary fund managers, financial advisers, providers of execution only dealing facilities, or any other third parties who may hold or manage or advise on investments in your *plan* nor the financial status and investment and risk strategies of such persons mentioned.

Other than as a direct result of wilful neglect or wilful default or fraud by us or the *trustee*, neither we nor the *trustee* accept any liability or obligation for any or all losses, costs, actions, proceedings, claims and demands arising directly or indirectly that are incurred by, or brought or made against us or the *trustee*:

- if we or the *trustee* acted in good faith in accordance with any instruction (relating to benefit options, benefit nominations and investment directions) that reasonably appears to us to have been given by you or (where permitted under the *terms and conditions* and authorised by you) reasonably appears to us to have been given by your *financial adviser*
- as a result of having acted in good faith on the instruction of a legally authorised party acting on your behalf
- as a result of any default or error by you or by your *financial adviser*, a *discretionary fund manager*, the provider of an execution only dealing facility, any other third parties who may hold or manage or advise on investments, or your representatives or agents

- as a result of any instruction or investment direction sent by you, or your representatives or agents, or any other third parties who may hold or manage or advise on investments not being received by us
- as a result of any investment disposed of or not acquired or not disposed of in accordance with our rights under the *contract* between you and us
- for any failure or delay in implementing any instruction or investment direction or in performing some or all of our or the *trustee's* obligations in respect of the *scheme* or the *plan* 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
- for the defaults or errors of or any losses whatsoever caused by any third parties, discretionary fund managers, providers of execution only dealing facilities, third parties who may manage investments, nominees, custodians, banks or institutions which hold any assets including cash (or are a counterparty to any investment) 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
- for the default or error of or any losses whatsoever caused by any professional adviser or manager appointed by some or all of you, us and the *trustee*.

Other than as a direct result of wilful neglect or wilful default or fraud by us or the *trustee*, neither we nor the *trustee* accept any liability or obligation for *unauthorised payment* tax charges, taxable property charges, *scheme* sanction charges, tax surcharges, income or capital gains tax or any other tax or levy.

32 Definitions

The following words and expressions, which appear in italics, have the meanings as set out below. Please also see sections 2 and 3 for further guidance on interpreting this document.

adviser charge means the charge agreed between you and your *financial adviser* for providing you with either or both of:

- advice about your *individual fund*
- administration and implementation services related to investment of and decisions about your *individual fund*: the payment of which you have instructed us in writing to facilitate from your *individual fund*.

arrangement has the meaning given by the *Finance Act*. In summary, it refers to each *arrangement* a *member* makes with us, with our agreement, for investments to be held under the *scheme* in order to provide the *member* with pension and related benefits.

beneficiary means any of an individual's dependants, nominees or successors in receipt of benefits from the *scheme*.

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 7-10 of Schedule 29A of the *Finance Act*.

contract means the legally binding agreement between you and us consisting of the documents described in section 1, as amended from time to time.

dependant 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 pension to a child will cease on the child's 23rd birthday unless the child is also dependent or mutually dependent on the *member* because of physical or mental impairment)
- any child of the *member* who has reached the age of 23 and in our opinion is dependent on the *member* because of physical or mental impairment
- any child of the *member* who has reached the age of 23 but is covered by any of the transitional provisions described in PTM071000
- from 16 September 2016, and for the purposes of continued access to a *dependant's drawdown pension* or flexi-access *drawdown pension* only (as explained in PTM072410) has reached age 23
- 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.

designated account means the record of any cash held within the *scheme's* bank account(s) attributable to your *plan* that is described in section 11.

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* and who holds directly or through *nominee* companies or custodians all or part of your *individual fund* (see section 13).

drawdown pension means taking regular amounts as an “income” directly from your *individual fund* instead of buying an annuity *contract* from an insurance company. The part of your *individual fund* allocated for paying *drawdown pension* remains invested so its value can go up and down.

fee schedule means the schedule we provide or make available to you from time to time, which sets out our fees in respect of your *plan* for specific services by us and our hourly fee rate for other work. The *fee schedule* will be as amended from time to time.

Finance Act means the *Finance Act* 2004, as amended from time to time.

financial adviser means the firm named as “*financial adviser*” in your application form or any replacement you have appointed and notified us of in writing using the form that we provide for this purpose.

HMRC means Her Majesty's Revenue & Customs.

individual fund means the investments (including cash) of the *scheme* attributable to you under each *arrangement* having regard to:

- (for a *member* only) contributions or (for a *dependant* only) any amounts allocated to provide you with *drawdown pension* following the death of a *member*; and
- transfer-in payments paid by or in respect of you:

less:

- all benefits and transfer-out payments paid to or in respect of you
- all fees, charges, costs, expenses and other liabilities that are deductible in accordance with the *contract* between you and us (including, but not limited to, those items in respect of us and the *trustee*, and of others appointed in respect of your *plan* such as any financial advisor, *discretionary fund manager*, provider of an execution only dealing facility, or professional adviser)
- all borrowing:

all adjusted to account for any growth or loss in the investments.

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

member means an individual whom we have accepted for membership of the *scheme* under the *rules* and who has not subsequently left the *scheme*.

nominee has the meaning given in Schedule 28 of the *Finance Act*, being an individual nominated by the *member* or us to receive death benefits from an *arrangement* following the death of a *member*, but who is not a *dependant* of the *member*.

permitted investments schedule means the schedule that we provide or make available to you from time to time that sets out in summary the investments you are permitted to hold within your *individual fund*. It needs to be read with the more detailed provisions in the *terms and conditions* and *rules*, and also the *fee schedule*, for the conditions and restrictions which we apply in connection with *plan* investments to be understood. The *permitted investments schedule* will be as amended from time to time.

plan means:

- (for a *member*) the *arrangement* or, if more than one, the collection of arrangements the *member* has with us under the *scheme*;
- (for a *dependant*) the *arrangement* or, if more than one, the collection of arrangements a *dependant* makes with us for investments (including cash) to be held under the *scheme* in order to provide the *dependant* with *drawdown pension* benefits:

and that is identified by the unique reference number shown in the *scheme member schedule*.

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 @sipp SIPP.

scheme member schedule means the schedule we provide to you from time to time, which sets out information specific to you and your *plan* including the particular SIPP product set up for you. The *scheme member schedule* will be as amended from time to time.

Successor has the meaning given in Schedule 28 of the *Finance Act*, being an individual nominated by a *dependant*, *nominee* or *successor* of a *member*, or by us, to receive death benefits from an *arrangement* following the death of a *dependant*, *nominee* or *successor*.

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

trustee means @sipp (Pension Trustees) Limited or any *successor* appointed by us.

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 allocated for paying *drawdown pension* or used to provide any other benefit.



@sipp Limited 6th Floor,
Mercantile Building
53 Bothwell Street
Glasgow G2 6TS

Tel: 0141 204 7950
Fax: 0141 243 2257
Email: admin@atsipp.co.uk
www.atsipp.co.uk