SIPP

The Options Self-Invested Personal Pension (SIPP)

Terms & Conditions

January 2020

You should read this document carefully in conjunction with the Options SIPP key features document, schedule of fees and application form.

This is a legal document. Please ensure that you read it thoroughly and keep it safe.

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1. Understanding this document

1.1 The words "we", "us" and "our" refer to Options SIPP UK LLP. The words "you" and "your" refer to:

- the individual named as Member in the SIPP application; or
- (for a dependant who is taking drawdown pension or flexible drawdown) the individual named as Dependent in the SIPP application.

1.2 Words shown in italics have the following meaning:

Advice means regulated advice provided by a financial adviser who is authorised by the Financial Conduct Authority (FCA) to provide financial advice. Please note that Options SIPP UK LLP and MK SIPP Trustees Ltd are not permitted by the FCA to provide you with advice. Your SIPP will be administered by us on an execution only (ie non-advised basis) whereby you provide us with instructions.

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

- advice about your arrangement(s); and
- administration and implementation services related to investment of and decisions about your arrangement, the payment of which you have instructed us in writing to make from your individual fund(s).

Agent means a person authorised to act on your behalf under section 24, in relation to all or part of your SIPP.

Annual allowance is the maximum amount available for a member to contribute in any one tax year under a UK tax-approved scheme without incurring a tax charge.

Arrangement refers to a part of the scheme that provides benefits for you. For a member, "arrangement" is defined in the Finance Act and means an arrangement a member makes with us for assets and money to be held under the scheme in order to provide the member with pension and related benefits. For a dependant, it means an arrangement a dependant makes with us for assets and money to be held under the scheme in order to provide the dependant with drawdown pension or flexible drawdown benefits.

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; or
- any other individual who in our opinion is financially dependent on the member, or who is in a mutually-dependent financial relationship with the member or is dependent on the member because of physical or mental impairment.

Designated account means the bank account we select to hold the money in your SIPP, as described in section 8.

Drawdown pension means taking income directly from an individual fund instead of buying an annuity contract from an insurance company. All the individual fund can be accessed in one go. If only part of the individual fund is being accessed for paying drawdown pension the funds not being used to pay drawdown pension will remain invested, unless instructed otherwise, so its value can go up and down. The amounts you can take as 'income' are not subject to any limits unless you have chosen to remain in an existing Capped Drawdown that was set up before 6th April 2015 which will continue to be subject to maximum limits set by the Finance Act 2014. Capped Drawdown is no longer available for new drawdown requests.

FCA means the Financial Conduct Authority, who regulates Options SIPP UK LLP and the Financial Services industry.

Fee schedule means the schedule we issue to you setting out our fees and charges for operating and providing services for your SIPP, together with any amendments to it.

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

Flexi- access drawdown means drawdown pension without any Finance Act-imposed limits on the amounts which can be taken by you directly from an individual fund. The whole fund can be accessed in one go or in stages at the amount and time you choose until all the pension fund has been paid out.

HMRC means Her Majesty's Revenue & Customs.

Individual fund means the net value of the investments and money held for each arrangement after deduction of any costs, charges and liabilities. Section 12.5 explains how we attribute investments and money of the scheme to each arrangement.

Investment firm means a stockbroker, investment manager (whether execution only, advisory or discretionary) or platform service provider, who is appointed in accordance with section 10. Please note that Options SIPP UK LLP and MK SIPP Trustees Ltd provide trustee and administration services only and we are not investment managers.

Lifetime annuity means an annuity contract purchased from an insurance company which provides an income for life in exchange for some or all of your pension fund. Please note that Options SIPP UK LLP does not offer annuities.

Member means an individual whose application for a SIPP is accepted by us and whom we have admitted as a member of the scheme under the rules and who has not subsequently left the scheme.

MPAA means Money Purchase Annual Allowance which is the annual allowance available for a member to contribute once they have first accessed their money purchase savings under flexible access and is triggered at the point benefits are taken. This runs in parallel to the Annual Allowance.

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 Options SIPP, which is a registered pension scheme established by declaration of trust on 27th July 2009, and amended by Deed of Amendment dated 14th August 2014.

SIPP means Self-Invested Personal Pension and is the legal agreement between you and us for providing your arrangement(s), which is described in section 2.

SIPP welcome letter means the schedule we issue to you that contains the unique reference number we assign to your SIPP and other information specific to your SIPP, together with any amendments to it.

Terms and conditions means the terms and conditions set out in this document, together with any amendments that related to it.

Trustee means MK SIPP 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.

UFPLS mean Uncrystallised Fund Pension Lump Sum which is a lump sum payment from a member's pension fund and consists 25% of the benefit payment being paid as a tax free lump sum and 75% being paid as income taxed at the member's personal rate of income tax.

2. Legal agreement

2.1 These are the terms and conditions of your SIPP. They describe and define the arrangement(s) we make with you for benefits to be provided and investments and money to be held under the scheme. You should read the terms and conditions of your SIPP thoroughly, to ensure you fully understand your pension scheme.

2.2 The SIPP is a legal agreement between you and us formed by:

- your application form, including the declarations you make in it;
- your welcome letter
- these terms and conditions; and
- the fee schedule.

2.3 When you sign and submit the application form, this does not mean we have accepted your application for the SIPP.

If we are unable to accept your application, we will inform you of this in writing and we will not set up your SIPP.

2.4 These terms and conditions become binding on you and us when your SIPP comes into existence, which is when we issue you with the SIPP welcome letter confirming the SIPP has been set up and details of any transfers in and contributions.

2.5 The SIPP key features document does not form part of the legal agreement between you and us. However, it is an important document that you should read thoroughly as it is a guide to help you to understand the key features of your SIPP.

3. The scheme

3.1 The scheme is a registered pension scheme established under trust and is governed by the rules. The SIPP is subject to the rules. A copy of the rules can be provided on request. It might be necessary to change the provisions of the rules to 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 provide notice to you of any significant changes if required by law.

3.2 If there is any conflict between any of the documents provided, then the scheme rules take priority.

3.3 Our default is that we treat you as a retail client. Being a retail client means you benefit from the highest level of regulatory protection.

3.4 If you are under 18 your legal guardian must sign the application form for your SIPP on your behalf. Your legal guardian is then responsible for your SIPP as if they were the member or dependant, until you reach the age of 18. Only your legal guardian can give instructions to us on your behalf. All of your other rights and obligations under your SIPP apply to your legal guardian until you reach the age of 18, at which point they automatically apply to you.

3.5 In accordance with UK money laundering regulations, we are required to verify your identity before you are accepted as a member of the Scheme and throughout duration of your Scheme membership. We may use third party online systems or databases and checks in addition to receiving original certified copies of your identity verification documents you provide to verify you and, if you are under the age of 18, on your legal guardian's identity and address. The systems we use to verify your identity may include credit searches which may leave a light touch record on your credit history records.

4. Arrangements

4.1 With our agreement, you can have more than one arrangement under your SIPP. Legislation governing pension schemes generally applies to each arrangement separately and so it may be necessary (or helpful to you) for your SIPP to be split into more than one arrangement. The net value of investments and money held for each arrangement is called the "individual fund".

4.2 The benefits described in section 18 may be taken from each arrangement separately. The starting date, the form of payment and the method by which benefits are provided can be different for each arrangement. You can access your pension savings from each arrangement at the same time or you can do so at different times, if you prefer.

4.3 Contributions and transfers-in are allocated to the earliest arrangement made with us that has a part/portion from which benefits have not yet been taken, unless you indicate otherwise.

4.4 Your SIPP welcome letter shows how many arrangements you have and if transfer payments and contributions are to be allocated differently than described in section 4.3.

5. Contributions

5.1 Contributions can be made to a member's arrangement(s), but not a dependent's arrangement(s). If you are a member, we accept contributions from you, from someone else on your behalf (e.g. 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, continued capped drawdown pension, flexi-access drawdown or uncrystallised fund pension lump sum (UFPLS). Please be aware that strict restrictions to the amount you can contribute apply after you go into flexi -access drawdown or take an UFPLS – as described in section 19.

5.2 Regular contributions must be paid by standing order from a UK bank account. Single cash contributions can be paid:

- by cheque, drawn on a UK bank account, payable to "MK SIPP Trustees Limited - [SIPP number]";
- by direct credit from a UK bank account (i.e. using an electronic payment system such as BACS or CHAPS);

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

Tax relief

5.4 We 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 SIPP 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. In the event that contributions over your Annual Allowance are paid into your SIPP, no tax relief will be available on the excess. Any contributions made after you reach age 75 do not qualify for tax relief. If you are a higher or additional rate tax payer you should claim any additional tax relief owed to you through your self assessment tax return.

In the event you exceed the annual allowance as described under the Finance Act, there is usually a tax charge on you. The annual allowance is the maximum amount of pension savings under UK tax-approved schemes you can pay in each year without incurring the tax charge. If you have unused annual allowance from any of the three previous tax years, this can be carried forward and added to the current tax year's annual allowance. You are responsible for notifying HMRC if the annual allowance is exceeded.

Pension input period

5.5 Each pension input period is aligned to the tax year (i.e. from 6th April to 5th April the following year).

Refund of excess contributions

5.6 If you have paid pension contributions over the tax relief limit, you can request a refund in respect of the excess. We can agree to refund the lower of the excess contribution and the value of the individual fund to which that excess contribution has been applied.

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

5.7 Any investment loss or growth in respect of refunded contributions is deemed to have occurred outside the scheme.

5.8 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.

In-specie contributions

5.9 All contributions must be expressed in cash and in sterling. We do not accept contributions of assets in lieu of cash.

6. Transfer payments into the scheme

6.1 With our agreement, a member can transfer benefits from another registered pension scheme to the SIPP.

6.2 Any individual who has become entitled to drawdown pension or flexible drawdown on the death of a member under another registered pension scheme can apply to transfer the entitlement into the scheme for the purpose of continuation of drawdown pension or flexible drawdown. If we accept the application, the individual is treated as a dependant.

6.3 You are responsible for ensuring that a transfer of pension benefits is in your best interests. You should take independent advice from a suitably qualified and Financial Conduct Authority (FCA) regulated financial adviser before instructing any pension transfers. Neither we nor the trustee are permitted to provide advice and our acceptance of any transfer is in no way an endorsement of the suitability for you of the transfer.

6.4 All transfers relating to "final salary" or "defined benefit" pensions must be fully advised, by an FCA regulated financial adviser with appropriate regulatory permissions, as these types of pension contain valuable guarantees that will be lost upon transfer. We will require copies of the transfer analysis and suitability report from the financial adviser before we can confirm acceptance of the transfer(s). Please note that we do not accept "insistent client" cases, whereby the advice received is not to transfer.

6.5 Transfers-in can be made by cash payment (by cheque or direct credit) or, with our agreement, by transferring assets or a combination of both. You can enquire about transferring assets in by instructing us in accordance with the guidelines detailed in section 11 of these Terms and Conditions.

7. Transfer payments out of the scheme

7.1 You can transfer all or part of an individual fund to another registered pension scheme or overseas pension scheme if the transfer is not an unauthorised payment. A partial transfer of an individual fund allocated for drawdown pension is not permitted. The transfer is made as soon as reasonably practicable.

7.2 Transfers out are made by cash payment or, with our agreement, by transferring assets or a combination of both. You can ask for permission to transfer assets by making an instruction under section 11, but with references to selling an investment being read as transferring out an asset.

7.3 If you are transferring only part of an individual fund, you must tell us which assets are to be sold or transferred before we can arrange the transfer.

7.4 We can 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. In this instance, you may need to postpone transferring or taking your pension benefits. We will tell you if this is likely to be the case.

7.5 Costs could be incurred for selling assets and making the transfer out. For example an investment firm might charge fees and costs for selling assets and there will be legal costs and estate agents costs when selling property.

7.6 The fees and costs of transferring out must be met in full prior to the transfer taking place.

8. Designated account

8.1 All money in your SIPP must be held in a bank account selected by us. The bank account we select will be opened as a trust account in the name of the trustee and designated to hold money for your SIPP alone. All contributions, transfers, investments, borrowing and loans and interest and capital payments in respect of them, and benefit payments must be channelled through the designated account for audit purposes.

You must not accept any payments outside of your SIPP, as these would be deemed "unauthorised payments" by HMRC and therefore, would be liable to tax.

8.2 We operate the designated account on behalf of the trustee and are the only authorised signatories.

8.3 If your designated account has a credit balance, whether you receive interest or not is dependent on the current interest rate the bank is applying.

8.4 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. We will notify you if this is to occur. CHAPs payments and non standard transactions can attract charges (for example, receipt of money in foreign currencies or electronic transfer). Any bank charges attributable to your SIPP are met in accordance with section 15.

8.5 We do not hold client money and are not permitted to do so by the Financial Conduct Authority. Money held in the bank account falls outside the scope of protection provided by the Client Money Rules as set out in the Financial Conduct Authority's Client Assets Sourcebook.

8. Designated account (continued)

8.6 You must maintain a minimum balance in the designated account. The amount of minimum balance is set out in the fee schedule. If the cleared balance falls below this minimum, we can cover the shortfall by arranging for the sale of investments held within your SIPP under the procedure described in section 17.

8.7 You are responsible for any liability (including any tax charge) that we or the trustee incur due to insufficient cleared funds being available in the designated account.

8.8 The designated account must not go overdrawn without our prior consent in writing.

9. Acceptable investments

9.1 If your SIPP is shown in the SIPP welcome letter as being an Options Simple SIPP, investments are restricted to collective investment schemes managed by FCA authorised fund managers.

9.2 If your SIPP is shown in the SIPP welcome letter as being an Options Smart SIPP, you can instruct us or, if appointed, an investment firm, to invest in any type of investment that meets our criteria.

9.3 If requested, we can explain our investment criteria to you. We can change our investment criteria without notice if any investment type within it causes tax to be imposed or other liabilities on us or if required by law or regulatory bodies.

9.4 Any transaction carried out between your SIPP and you, any of your connected parties or any pension scheme or trust of which you or any of your connected parties are a beneficiary must take place at current market value.

9.5 Any investments must limit the potential liability for losses associated with the investment to the capital amount of the investment.

Property

9.6 If your SIPP is shown in the SIPP welcome letter as being an Options Smart SIPP, you can instruct us to invest in property by completing our Property Application Form and making an investment instruction under section 10. You must not make any commitment to purchase the property through your SIPP until we have approved the proposed investment. Any fees, expenses or liabilities incurred by you prior to our approval are borne by you personally and not your SIPP.

9.7 Where we agree to the investment, after obtaining your prior instructions, we then instruct the trustee to appoint professional service firms to buy or sell the property and to administer and manage the property and to help us and the trustee comply with our duties as holder of the property, including as landlord. This includes surveyors, environmental specialists, solicitors, insurance consultants, property administrators and property managers. Each firm is chosen by you and if the firm's terms of appointment are acceptable to us and if the firm meets our requirements, we appoint the firm to act for the trustee and you. If a potential or actual conflict of interest arises, we have the discretion to appoint another firm to act only for us.

9.8 Property is held and any associated borrowings are made in the name of the trustee. The investment in property must limit our and the trustee's liability under any loan, mortgage, lease or other instrument in aggregate to the value of the individual fund(s) for which the property is to be held. A clause to this effect must be included in legal documents.

9.9 We make decisions about the ongoing administration of the commercial property, if possible in consultation with you, to maintain both the property and to ensure we comply with our obligations under law and your SIPP. The property must be insured. Insurance can be arranged by you to our satisfaction or by us, following your instructions. If you are arranging insurance this must be done promptly and evidence of the insurance cover must be provided to us which we review. Please note that there is an administration fee to carry out our review which is detailed in your SIPP Fee Schedule.

Borrowing

9.10 Your arrangements can borrow to assist with the purchase of an investment by making an instruction under section 11, but with references to buying an investment being read as borrowing and selling an investment being read as repayment of all sums due under the borrowing in full.

9.11 All borrowing must comply with Section 182 of the Finance Act and any other legal or regulatory requirements. The borrowing must be arranged in the trustee's name as trustee of the scheme and on terms satisfactory to us but we do not take responsibility for arranging a lender. Any lender must be a bank, building society or similar organisation. In no case may the lender be you or any of your connected parties.

9.12 The lender must pay the borrowed money to the designated account. All repayments of interest or of capital to the lender must pass through the designated account. You are responsible for ensuring that there is enough cleared money available in the designated account in good time to cover 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(s) under the procedure described in section 17.

10. Investment firms

10.1 If your SIPP is shown in the SIPP schedule as being an Options Smart SIPP, you can instruct us to appoint any one or more of :

- an investment firm to open an investment dealing account or platform account with the investment firm that enables you to give instructions to buy and sell investments on an execution only basis for all or part of your arrangement(s). "Execution only" means no advice is offered by the investment firm about what to buy and sell;
- an investment firm to advise you on how all or part of your arrangement(s) should be invested;
- an investment firm to make investment decisions on your behalf on a discretionary basis in relation to all or part of your arrangement(s).

If your SIPP is shown in the SIPP schedule as being an Options Simple SIPP, you must instruct us to appoint up to two of the following for your arrangement(s):

- a FCA regulated investment firm to open an investment dealing account or platform account with the investment firm that enables you to give instructions to buy and sell holdings in collective investment schemes on an execution only basis.

  "Execution only" means no advice is offered by the investment firm about what to buy and sell;
- a FCA regulated investment firm to advise you on how to invest in holdings in collective investment schemes;
- a FCA regulated investment firm to make investment decisions on your behalf on a discretionary basis in relation to holdings in collective investment schemes.

You cannot invest in more than two investments (not including the designated account) at any time. You can instruct us to change investment firms but you must have at least one investment firm appointed for all your arrangement(s) at all times.

10.2 We direct the trustee to appoint an investment firm in accordance with your instruction if the investment firm's terms of appointment are acceptable to us and if the investment firm meets our requirements and any applicable regulatory requirement.

The investment firm's terms of appointment must include a requirement on the investment firm, in relation to the arrangement(s) or part arrangement(s) covered by the appointment, to:

- be responsible: for setting up the necessary client account arrangements (including a bank account operated by the investment firm to pay for investments purchased and expenses arising, to receive income arising on investments and to receive the proceeds of investments); the registration and safe custody of investments; accounting regularly for all transactions and interest in relation to the investments in a form acceptable to us; and carrying out investment transactions;
- if appointed on a discretionary or advisory basis, check that a proposed investment is acceptable to us and the Options SIPP before buying it;
- act on our instructions, if we intervene in order to ensure that the investment conditions set out in section 9 are met;
- transfer money and investments held with the investment firm to the trustee only, except in the course of usual trading or if we explicitly agree otherwise; and
- not allow an overdraft facility to be operated on the account for the purchase investments.

If you are unsure whether your chosen investment firm is acceptable to us please contact us at the earliest opportunity. You are responsible for ensuring that the investment firm's terms of appointment are acceptable to you, including the fees payable to the investment firm. We may require you to enter into the investment firm's terms of appointment.

10.3 Any costs, fees or expenses incurred as a result of the appointment of an investment firm are met from the individual fund(s) in relation to which the appointment is made.

10.4 If an investment firm is appointed on a discretionary or advisory basis you must agree with the investment firm an appropriate investment strategy (after taking into account the level of risk to be assumed). Responsibility for each investment transaction and for the short and long term performance of the investments held by an investment manager is entirely a matter for you and for the investment firm. Neither we nor the trustee is responsible for the performance of the investment firm or for any of the investments selected by them.

10.5 You authorise us to accept telephone or written instructions from the investment firm to transfer funds from the designated account to the investment firm unless you tell us otherwise.

10.6 We can direct the trustee to terminate the appointment of an investment firm if the investment firm ceases to have the appropriate regulatory authorisation or permissions, or there are concerns about how the investment firm is operating.

10.7 We can authorise you to give investment instructions to the investment firm on our behalf. We can remove this authorisation if an investment instruction does not meet the investment conditions set out in section 9. You must not instruct the investment firm to transfer investments and money to anyone but the trustee, except in the course of usual trading or if we explicitly agree otherwise.

10. Investment firms (continued)

10.8 Neither we nor the trustee are responsible for your choice of any investment firm and are not responsible for any loss caused by any investment firm, or by any nominee, banker, custodian or by any other person providing services to an investment firm unless such loss is attributable, directly or indirectly, to our fraud, negligence, wilful default or breach of regulatory duty or our employees or agents.

10.9 Neither we nor the trustee act as an investment manager, on either a discretionary or advisory basis, for your SIPP.

11. Investment instructions

11.1 The investments and money in your SIPP are held by the trustee (or on the trustee's behalf by an investment firm, nominee or custodian).

11.2 You can instruct either (i) us (if no investment firm is appointed) or (ii) an investment firm, but not both, to buy or sell an investment for your SIPP (or the relevant part of it). Instructions to buy or sell an investment must be given in writing, by fax or by telephone. If an investment firm is appointed for your SIPP (or any part of your SIPP) you must give all investment instructions direct to the investment firm for that part of your SIPP.

11.3 Once instructed, we direct the trustee to buy or sell the investment or the investment firm makes arrangements to buy or sell the investment, if the investment meets the investment conditions set out in section 9 and you complete any additional documentation required for specific types of investment (for example, the Property Application Form).

11.4 We consider whether any investment instruction meets our investment criteria as soon as reasonably practicable. We can make enquiries and searches and obtain professional opinions or valuations in order to inform our decision. We can refuse your instruction or direct the trustee or investment firm to refuse or sell an existing investment if:

- the relevant investment is not or ceases to be an investment type acceptable to us or otherwise does not or ceases to meet the investment conditions set out in section 9;
- making or holding the relevant investment may: be unlawful or may result in the imposition of taxes or other costs on us or the trustee or your SIPP or expose us or the trustee or your SIPP to liabilities which in each case your SIPP may not be able to meet; give rise to an unauthorised payments charge, unauthorised payments surcharge or a scheme sanction charge, each in accordance with the Finance Act; or limit or restrict our ability to administer the scheme;
- required to do so in order to comply with a court order;
- in our opinion, you no longer have the capacity to enter into agreements due to physical or mental impairment and we have not received your valid power of attorney or other legally acceptable document to accept instructions on your behalf;
- (in relation to us directing that an asset must be sold) disposal of the investment is required by the terms of any applicable agreement, for example a co-ownership agreement.
- (in relation to us refusing your instruction) the instruction is not given or, if we request it, confirmed to us in writing; there isn't enough cleared money available in the designated account to make the proposed investment and maintain the minimum balance requirement described in section 8.6 (after taking into account any proceeds from a dependant sale); the instruction is to buy an investment and you cancel a transfer into your SIPP to which the instruction relates; carrying out the instruction is impracticable, unlawful or contrary to any agreement by which we or the trustee are bound, or to any applicable court order; the instruction is to buy an illiquid investment and we have given you notice to transfer your SIPP to another pension scheme or it is not possible to complete the transaction before the date on which your SIPP must be transferred; the instruction is to buy an investment that may require an offer to be made to purchase further shares in accordance with the City Code on Takeovers and Mergers or any other code or legislation in force from time to time, or any further assets; or, for a property, the results of title, environmental and other searches are not satisfactory.

Our decision to refuse an instruction or direct an investment to be sold must be exercised reasonably.

11.5 We use all reasonable endeavours promptly to transmit your instruction for dealing. This is not always possible, so neither we nor the trustee are responsible for any market or price movements during the period between your investment instruction being received and executed. If the acquisition of one investment is dependant on the sale of another, the acquisition cannot proceed until cleared funds from the sale are received in the designated account.

Neither we nor the trustee are responsible for any non-performance on behalf of any third party fund manager or provider.

11.6 All instructions to us are transmitted for dealing in the order they are received, unless an instruction relates to an investment type that we do not already hold in the scheme and we wish to carry out checks on it before accepting the investment instruction.

12. Other terms about investments

12.1 You must notify the appropriate parties if the holding in your SIPP together with those holdings held personally by you and your connected parties require reporting under the rules of the Takeover Panel, United Kingdom Listing Authority disclosure rules or any other similar requirements in place from time to time.

12.2 We do not direct the trustee to exercise, nor direct any investment firm to exercise, voting rights in respect of any investment. We do not direct the trustee to appoint, nor direct any investment firm to appoint, a representative to vote in respect of any investments.

12.3 We will forward to you in a timely manner any notices we receive from investment firms or fund providers about corporate actions in respect of investments held in your SIPP. We are not responsible for an investment firm or fund provider omitting to send us these notifications or for any loss or foregone profit resulting from you not receiving these notices in good time, unless such loss or foregone profit results from our fraud, wilful misconduct, negligence or breach of regulatory duty.

12.4 Neither we nor the trustee are responsible for any loss (including loss of profit) in relation to, or reduction in value of any investment:

- acquired at your request unless such loss or reduction results from fraud, wilful misconduct, negligence or breach of regulatory duty on the part of us or the trustee, or the fraud, wilful misconduct, negligence or breach of regulatory duty of any of our or their employees or agents;
- not acquired or not disposed of in accordance with our rights under these terms and conditions;
- disposed of in accordance with these terms and conditions unless such loss or reduction results from fraud, wilful misconduct, negligence or breach of regulatory duty on the part of us or the trustee, or the fraud, wilful misconduct, negligence or breach of regulatory duty of any of their employees or agents;
- which results from any action or omission of any nature whatsoever by any investment firm or by any nominee, banker, custodian or other person providing services to any investment firm or to us or the trustee; or
- which may arise as a consequence of selling an investment under section 11.4.

Neither we nor the trustee is under any duty to consider or advise on the general or specific merits, suitability or appropriateness of any actual or proposed investment purchase or disposal and neither we nor the trustee are responsible for advice given by an investment firm or any exercise of discretion by an investment firm. We are not permitted by our regulator, the FCA, to provide any advice to our members.

12.5 We attribute investments and money of the scheme to each arrangement having regard to (i) (for a member only) contributions or (for a dependant only) any amounts allocated to provide you with a drawdown pension or an UFPLS following the death of a member and (ii) transfer in payments paid by or in respect of you LESS (i) benefits and transfer out payments paid for you and (ii) fees, charges, costs, expenses, taxes, borrowings and any other liabilities due from the arrangement; all adjusted to account for any growth or loss in the investments.

13. Statements

13.1 We will provide you with an annual statement that includes transaction statements in respect of the designated account. You can request an interim statement by writing to us. These are made available to you through your individual online SIPP-Web account which you can access using the unique access login details that we will provide to you. We will inform you by email when your annual statement is available. If you would prefer to receive a paper statement you must inform us at your earliest opportunity.

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

13.3 The annual statement includes a statement covering investments relating to your SIPP. This gives details of all investments relating to your SIPP although (due to issues of timing and costs in obtaining valuations) this might not be a current valuation. If investments or other assets have no published price or value, the valuation is either based on the original cost or the most recent valuation which has previously been commissioned or a decision taken by the Trustees regarding a reasonable notional value. You can require an additional summary (but not a valuation) of investments at any time, but there is a charge.

13.4 You agree to review any statements we provide and tell us within three months of receipt (by you or your agent) about any discrepancy.

13.5 The valuation provided by us does not analyse or make comment on investment performance because we are not investment managers and are not permitted to provide advice to our members.

14. Our charges

14.1 Our fees and charges for administering and operating your arrangement(s) are set out in thefee schedule and are met from your individual fund(s). The fees and charges that apply differ depending on the investments you select, the benefits you take and any administrative or other requests you make. Under section 29, we can increase and change our fees and charges (beyond those automatic increases and changes shown in the fee schedule) and introduce new fees by changing the fee schedule and these terms and conditions. Copies of our current fee schedule are available from us on request at any time and the fees we deduct are detailed in your SIPP transactions summary, provided in your annual valuation.

14.2 Expenses, costs, and liabilities that we or the trustee incur in administering and operating your arrangement(s) are met from your individual fund(s) under section 15.

Examples include the following, but this is not a complete list:

- the costs of making enquiries and searches and engaging professionals in relation to considering a proposed investment;
- tax charges imposed on us relating to investments;
- expenses of obtaining a current valuation or providing you with additional statements under section 13;
- expenses of acquiring, holding, disposing of, transferring or valuing any investment or other asset;
- costs of complying with a court order, whether relating to investments or divorce or dissolution of a registered civil partnership;
- amounts charged by an investment manager, nominee, banker, custodian, solicitor, surveyor, mortgagee or anyone else providing services in relation to your arrangement(s);
- all taxes, duties, levies or other liabilities resulting from purchasing, holding, disposing of or transferring investments;
- scheme sanction charges; and
- any taxes, duties or levies (including VAT) in respect of fees, charges or costs.

When incurring expenses and costs, we seek the lowest reasonably available cost. Additional expenses and costs that we incur for your arrangement(s) will be clearly identified, if reasonably possible, in advance.

14.3 If a fee, charge, cost expense or liability relates to more than one of your arrangements, we determine the proportion attributable to each.

15. Payment of charges and other sums due

15.1 Fees, costs expenses and other sums that are due and payable from your individual fund(s) are paid from 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 recover the shortfall by arranging for the sale of investments held within the relevant individual fund under the procedure described in section 17. **If any shortfall remains after the sale of all investments in the relevant individual fund, you are personally responsible for paying the outstanding charges or other sums due to us.**

15.2 If amounts fail to be deducted from the designated account and cannot be met due to an inadequate balance in the designated account, we are entitled to add interest on a daily basis to the amount not so recoverable at a rate of 3% above the Bank of England base rate, as amended from time to time, until such time as the balance in the designated account is adequate to allow us to meet the amounts due. This interest provision does not prevent us from commencing proceedings under law to recover the amounts for the time being not recoverable from the designated account.

16. Payment of adviser charges

16.1 Adviser Charge

If you appoint a financial adviser as your agent, the charges that you agree to pay your financial adviser are a matter between you and your financial adviser. However, we can agree on your instruction to facilitate the payment of adviser charges by deduction of them from your individual fund(s) and payment on your behalf to your financial adviser.

If an adviser charge relates to more than one of your arrangements, you must tell us the proportion attributable to each, failing which we decide the proportion. 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.

16. Payment of adviser charges (continued)

16.2 Timing of deduction

Any adviser charges relating to establishment of your SIPP are deducted from your individual fund(s) upon receipt of the relevant contribution or transfer-in payment and provision by your adviser of their Invoice addressed to your pension scheme for their adviser charge.

Any adviser charges relating to investment of or decisions about an arrangement are deducted from the relevant individual fund after the investment or decision has been arranged. For example, an adviser charge for investment advice is deducted after a member's investment application or instruction has been processed and completed.

16.3 Changes to rate of adviser charges

We stop or reduce the payment of adviser charges if instructed by you. We 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 do not extend or increase adviser charges without your instruction. We can however stop payment in accordance with section 16.6.

16.4 Making Payment

Adviser charges are paid to the order of your financial adviser and once due, payment is 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 stop deducting adviser charges and notify you of our action. Adviser charges that have already been deducted from an individual fund but not yet paid to your financial adviser are re-credited to the individual fund.

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

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

16.5 Cancellation

When you take out your SIPP, you have a 30 day period during which you can change your mind by cancelling your SIPP. If you decide to cancel your SIPP during the cancellation period, we do 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 notify to you after your SIPP has been set up.

If you have transferred in benefits from another pension scheme and your financial adviser returns the adviser charge to us, we refund the adviser charge and include it in the transfer payment made from your SIPP on cancellation.

16.6 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 SIPP;
- 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 your SIPP.

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

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.

16.7 Other terms about adviser charges

We 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 do 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.

If an adviser charge is stopped, reduced, unpaid or is re-credited to an 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.

We expect that most adviser charges relating to your arrangement(s) are not subject to VAT. We treat all instructions from you to pay adviser charges as including the payment of 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.

17. Insufficient cleared funds

17.1 If there is not enough cleared money in the designated account to meet our minimum balance requirement or to meet benefit or other payments due from an individual fund, we ask you for additional contributions or instructions to sell assets from the individual fund or both. The instructions must specify the assets within each individual fund that we are to sell and the order in which we are to sell them and must be signed by you.

17.2 If within one month of our request we do not receive enough additional contributions or instructions to sell, we arrange for assets to be sold or cash to be recalled to the extent necessary to provide enough cleared money. We realise assets for cash in the following order:

- any cash held on deposit with another bank or licensed deposit taker;
- any assets held through a investment firm (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 lastin, 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; then
- commercial property on a last-in, first-out basis.

17.3 We write to you as soon as practicable to confirm our intention to sell assets and the intended order of sale. We also write to confirm details after the assets have been sold and the amount of our and third parties' fees and the expenses.

17.4 In some circumstances, it is 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 / low. Selling any investment is governed by the terms and conditions of that investment. Such terms and conditions might include a right for the investment provider to delay the sale.

17.5 For the purpose of section 17 only, we 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.

18. Members' benefits

18.1 You can access benefits flexibly from age 55 or before if you meet the ill-health rules in either or both of the following ways:

- buy a lifetime annuity (i.e. lifetime regular pension payments) in your name with the balance of all or part of an individual fund (after payment of the tax free cash lump sum as described below). Please note that we do not offer lifetime annuities;
- take drawdown pension. In any of the following ways:
  - continue in Capped Drawdown for those members who are already in Capped Drawdown prior to 6th April 2015.
  - Flexi-access drawdown (FADD) as described in Clause 19.
  - Uncrystallised pension fund lump sum (UPFLS) as described in Clause 19.

Each option can be taken with or without a pension commencement lump sum (apart from UFPLS as 25% of the payment is automatically paid as a tax free payment). Normally, the maximum tax free lump sum will be 25% of the value of the part of the individual fund being used to provide these benefits. A higher or lower amount might be available if you had transitional rights in respect of benefits earned before 6 April 2006 under schedule 36 of the Finance Act and you meet the conditions under it. Tax will not normally be payable on the lump sum.

18.2 When you commence taking pension benefits from an individual fund before your 75th birthday, the value of the individual fund being used for accessing your pension savings must be tested against an allowance called the lifetime allowance, as set by the Finance Act. If the lifetime allowance is exceeded, there is a tax charge. We deduct the tax charge from the individual fund. You must provide us with such information necessary to calculate the tax charge. You are responsible for any further tax charges that may arise as a result of that information being incorrect or failing to be provided. Any part of an individual fund that you have not designated for the payment of benefits by your 75th birthday must be tested against the lifetime allowance at that point.

18.3 You may be able to take benefits before age 55:

- if we are satisfied that you are in ill health, as defined in the Finance Act;
- if you had transitional rights at 6 April 2006 to a protected pension age under Schedule 36 of the Finance Act and you satisfy the conditions; or
- as a serious ill health lump sum, if (i) evidence has been provided by a registered medical practitioner that your life expectancy is less than a year (ii) you satisfy the conditions in the Finance Act for a serious ill health lump sum (iii) no benefits have already been taken from the individual fund being used to provide the serious ill health lump sum and (iv) you have not used up all you lifetime allowance.

18. Members' benefits (continued)

18.4 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. If there is not enough cleared money in the designated account to pay the benefits, we might have to sell assets within your SIPP under the procedure described in section 17. Depending on how you have chosen to invest your SIPP there may be an unavoidable delay in selling the assets, which could delay the benefit payment.

19. Flexi-access drawdown and uncrystalised fund pension lump sum (UFPLS)

19.1 You can draw income from an arrangement by going into flexi-access drawdown or by taking an UFPLS and we accept your application for flexi-access drawdown or UFPLS.

Capped drawdown

19.2 If you are in an existing Capped Drawdown arrangement before 6th April 2015 you can remain in Capped Drawdown but this is not available for a new arrangement from 6th April 2015 onwards. Capped Drawdown will continue to have a maximum limit imposed on the income that can be taken and we calculate the maximum for you. You can take any level of income up to the maximum. You can choose not to take any income at all. Subject to the maximum limit, you can increase, reduce and/or ask us for an extra one-off drawdown pension payment. You can choose for your income to be paid on a monthly, quarterly, halfyearly or yearly basis.

19.3 The Finance Act 2014 requires that the maximum limit to be reviewed at least every 3 years until the end of the review year when you reach age 75, then every year from your 75th birthday. If necessary, the amount of income must be reduced to ensure the maximum limit is not exceeded. The reviews can be carried out on any pre-arranged future date within a 60 day period before the review date. You can elect for any such review date by giving us 5 days notice. Making this calculation early will not affect the timing of any subsequent review. Before you reach age 75 you can also request an earlier review on any anniversary date. A review might result in a reduction in the maximum amount of income you can take.

Flexi-access drawdown

19.4 Flexi-access drawdown is the facility to receive unrestricted payments from the part of an individual fund allocated as available for paying drawdown pension. You can choose to take up to the whole value of your pension fund after any fees that are due have been deducted. You become eligible to receive flexi-access drawdown payments if:

- you have reached the minimum pension age of 55 years old or qualify under the illhealth rules;
- using our prescribed forms, you make a declaration required by legislation (the "Declaration") to the effect that you have received the UK Government backed guidance "Pension Wise" and/or received financial advice from a suitably qualified and Financial Conduct Authority regulated financial adviser; and
- we accept your Declaration and your application for flexi-access drawdown. We have the right to decline an application for flexi-access drawdown if we have not received the information or verification we need to administer the application or by accepting it would, in our opinion, limit or restrict in any way our ability to administer the scheme.

19.5 Neither we nor the trustee are responsible for checking the accuracy of your Declaration. You incur severe tax charges if you use flexi-access drawdown but do not meet the eligibility requirements under the Finance Act.

19.6 The decision to move to flexi-access drawdown cannot be reversed under the present Finance Act rules. You can make further contributions under a registered pension scheme, however the annual personal allowance decreases once you access your pension fund and tax charges may apply on the excess if you exceed your annual personal allowance in the tax year the excess is made.

19.7 The decision to take an income from your flexi-access drawdown may take you into the higher rate tax bracket depending on the level of income you take and any other income you may be receiving from other sources, and this may affect the amount of tax you pay on the income you receive. You should seek the appropriate advice from a suitably qualified and FCA regulated financial adviser before you proceed with an application for income from your flexi-access drawdown.

19. Flexi-access drawdown and uncrystalised fund pension lump sum (UFPLS) (continued)

Uncrystallised Funds Pension Lump Sum (UFPLS)

19.8 Taking an uncrystallised funds pension lump sum (UFPLS) is a flexi-access drawdown facility to take a lump sum payment from your pension fund which will consist 25% of the payment being tax free and 75% as income which will be taxed at your applicable personal rate of Income Tax. You can choose to take up to the whole value of your pension fund after any fees that are due have been deducted. If you need a specific amount of income, we will calculate how much of your pension fund will need to be crystallised to provide you with the net amount of income you require. You become eligible to receive an UFPLS payment if:

- you have reached the minimum pension age of 55 years old or qualify under the illhealth rules;
- using our prescribed forms, you make a declaration to confirm whether you have received the UK Government backed guidance from "Pension Wise" and/or received financial advice from a suitably qualified FCA regulated financial adviser; and
- we accept your Declaration and your application to take an UFPLS payment. We have the right to decline an application for flexi-access drawdown if we have not received the information or verification we need to administer the application or by accepting it would, in our opinion, limit or restrict in any way our ability to administer the scheme.

19.9 The decision to take an UFPLS cannot be reversed under the present Finance Act rules. You can make further contributions under a registered pension scheme, however the annual personal allowance decreases once you access your pension fund and tax charges may apply if you exceed your annual personal allowance in the tax year the excess is made.

19.10 The decision to take an UFPLS where the income element may take you into the higher rate tax bracket, depending on the level of income you take and any other income you may be receiving from other sources and this may affect the amount of tax you pay on the income you receive. You should seek appropriate advice from a suitably qualified and FCA regulated financial adviser before you proceed with an application for an UFPLS.

Money Purchase Annual Allowance (MPAA)

19.11 When you begin to take income under either Flexi-access drawdown or by an UFPLS payment a new annual allowance is triggered which is considerably lower and is called Money Purchase Annual Allowance (MPAA). This means that you are restricted by the amount you can contribute once you begin to take an income from your pension. Contributions exceeding the MPAA will suffer a tax charge at your usual rate of income tax, the tax charge will be charged by HM Revenue & Customs to you personally. It is your responsibility to report this on your self assessment submission.

20. Benefits following member's death

20.1 On the death of a member, we use the member's remaining individual fund(s) in either or both of the following ways as we in our absolute discretion determine:

- to provide pension income in accordance with section 20.2 for any one or more recipients and, if more than one, in such proportions as we decide; and
- to pay one or more lump sum death benefits in accordance with section 20.3.

There are two categories of recipient, a beneficiary or nominee who can be nominated by a member to receive death benefits. The third category of recipient, a successor, may not. A member should complete the Expression of Wish Form to inform the trustees how they wish their remaining fund to be distributed in the event of their death and how it is to be paid, either cash lump sum or to provide a pension. We write to the member's personal representatives or potential recipients (as applicable) with details of the ways in which benefits can be provided.

The categories of recipient are:

- Beneficiaries – financially dependent on the member
- Nominee – non-dependent but nominated by the member/scheme administrator
- Successor – non-dependent, nominated by the nominee/dependent/successor/scheme administrator

20.2 A recipient who chooses a pension under section 20.1 must either (i) use all or part of the individual fund to buy a lifetime annuity in the recipient's name or (ii) apply to take income under flexi-access drawdown or UFPLS (see section 19) from the individual fund. Any application for flexi-access drawdown or UFPLS uncrystallised funds pension lump sum must be made in writing using our prescribed application form, which includes the recipient's agreement to these terms and conditions.

We can decline an application if it would in, our opinion, limit or restrict in any way our ability to administer the scheme. We can also decline an application if the recipient is applying but does not meet the eligibility requirements in the Finance Act 2014.

20. Benefits following member's death (continued)

If a recipient fails to decide which option should be used for pension income within three months of being asked to do so, we can buy a lifetime annuity for that person, from a pension provider of our choice.

20.3 If we decide to pay one or more lump sum benefits and we are satisfied that at the time of the member's death the member's benefits are subject to a valid trust, we apply the individual fund allocated by us for lump sum benefit(s) 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. If there is no such trust, the individual fund we have decided to apply as lump sum benefit(s) is paid 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.

The tax treatment of the lump sum payment will depend on the member's age when they die and any tax charge is deducted before payment.

20.4 If the member dies before they reach the age of 75 all death benefit options will usually be paid tax free. If the member dies before taking benefits and where the total pension value is above the members remaining lifetime allowance, any excess may be subject to a lifetime allowance charge of up to 55%.

20.5 If the member dies after they reach the age of 75, if the beneficiary or nominee takes the whole fund as cash in one go, the tax charge will be charged at the beneficiary's or nominee's applicable rate of income tax. If an income option if chosen by the beneficiary or nominee, this will also be taxed at the beneficiary's or nominee's applicable rate of Income Tax.

20.6 A member should complete an 'Expression of Wish' form to inform us of the member's wishes for who should receive death benefits and how they wish those benefits to be paid (lump sum or pension) for when we are exercising our discretion. We take the member's wishes into account but we are not bound by them. A member can state or amend their wishes at any time using the form we provide for this purpose.

20.7 If your beneficiaries are not dependants and you have other dependants, your beneficiaries will only be able to take these benefits as drawdown if you have nominated them in your 'expression of wish' form (or other form of written instructions that would indicate your expression of wish). This will enable your beneficiaries who have chosen to take their benefits as drawdown to potentially pass the remaining benefits on in a similar way on their death. Please note that you can update your expression of wish form whenever you like, you just need to inform us.

20.8 Your benefits will need to be paid to the recipients within two years of your death being notified to us to avoid your pension fund falling into your estate for Inheritance Tax purposes. The investments that you hold within the pension may need to be sold to enable the pension fund to be distributed between the recipients. **If the investments are illiquid, we cannot guarantee that we will be able to sell them within two years and the investment may have to be assigned to the recipients, which means the recipient would own the investment personally.**

21. Benefits following beneficiary's or nominee's death

If a beneficiary or nominee dies while taking income through either capped drawdown pension, flexi-access drawdown, or UFPLS, the part of the dependant's individual fund(s) designated as available for paying drawdown pension will be paid as a lump sum to one or more recipients as we decide (from the range of possible 'lump sum beneficiaries', as defined in the rules) and in such shares as we decide. The beneficiary or nominee can complete an Expression of Wish form to inform us of their wishes for who should receive lump sum death benefits. We take the beneficiary's or nominee's wishes into account but we are not bound by them. The tax treatment of the lump sum payment will depend on the beneficiary's or nominee's age when they die and any tax charge is deducted before payment.

22. Responsibility and liability

22.1 You are responsible for selecting, monitoring performance of and giving us instructions about investments for your SIPP.

22.2 We and the trustee are not responsible for selecting or monitoring performance of investments or investment firms, or for assessing suitability of investments for you or providing financial or other advice.

22.3 You are responsible 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 your SIPP;
- in carrying out our lawful duties and responsibilities in relation to you;
- in acting on requests or instructions made by you (including in connection with the appointment of any investment firm or service provider) if the requests or instructions are in compliance with law and your SIPP; or
- if you carry out or arrange an action in respect of your SIPP that is unlawful or contrary to SIPP or that results in a liability or cost to you, your arrangement(s) or the scheme except in all cases as a direct result of our wilful neglect, wilful default or fraud. This section 22.3 continues in force after your individual fund(s) have been extinguished or the scheme has been wound up.

22.4 Other than as a direct result of wilful neglect, 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 these 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 agents or investment firms or your representatives;
- 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 your SIPP;
- for the defaults or errors of or any losses whatsoever caused by any third parties, investment firms, 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;
- 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; and
- 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 your SIPP which is caused by circumstances beyond our reasonable control, including but not limited to any one or more of: act of God, earthquake, storm, flood, lightning, fire, explosion or similar natural events; power failure; failure or disruption of a computer system or other equipment, including electronic mail systems and telecommunications; failure or disruption of any relevant stock exchange, including depositories, settlement systems or markets; strike, lockout, other industrial action or other interference with work; nationalisation, expropriation, prohibition, intervention, direction or embargo; imposition by any governmental or quasi-governmental authority of currency restrictions, exchange controls or other charges or restraints affecting your arrangement(s) or the investments and assets allocated to it; inability or delay in obtaining governmental or quasi-governmental approval, consent, permit, licence, authority or allocation; intervention by an exchange or regulator; act of war (declared or undeclared), terrorism, insurrection, revolution, civil disturbance, riot, blockade or other disturbance.

If such an event occurs and the failure or delay by us or the trustee is material, we, to the extent reasonably practicable, give you prompt notice of that event unless you might reasonably be expected to be aware of the circumstances. We then also give you reasonable particulars of it and, insofar as known, the probable extent to which we and/or the trustee are unable to perform, or be delayed in performing, the relevant obligations.

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.

23. Taxation and levies

23.1 We deduct from payments made under your SIPP any tax or levy that we or the trustee are required or entitled to deduct in accordance with law or HMRC requirements. Any income payments you receive from your SIPP are taxed under the pay as you earn system. We and the trustee are not liable for any loss that you incur as a result of the use of an incorrect tax code.

23.2 We also deduct any taxation or levy for which we or the trustee might 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 is made by us on settlement of the liability.

23.3 We deduct from each individual fund any tax (including scheme sanction charge) or levy imposed on us or the trustee that relates to the relevant arrangement(s). If a tax or levy is imposed on us or the trustee in respect of the scheme as a whole, we allocate such proportion of the tax or levy to your SIPP as we consider reasonable.

24. Agents

You can authorise one or more persons (each an agent) to act on your behalf in relation to all or part of your SIPP, including to give instructions about investments under sections 10 and 11 or to receive communications in relation to your SIPP. Any such authority must be given in the application form for your SIPP or in such other form as we may accept. We treat any agent as continuing to be authorised to act on your behalf until we receive notice from you or the agent that the authority is ended. You must confirm all actions that your agent takes on your behalf under these terms and conditions if we ask you to.

25. Communication and instructions

25.1 Communications under these terms and conditions can be given verbally or in writing, unless specified otherwise. Communications in writing can be delivered personally, posted or sent by fax or by email. All communications by post are, unless there is evidence to the contrary, deemed to have been received two working days after posting. All communications, whether from you or us, must be in English.

25.2 Communications from you to us must be made to us at Options SIPP UK LLP, 1st Floor, Lakeside House, Shirwell Crescent, Furzton Lake, Milton Keynes MK4 1GA; telephone 0330 124 1505; fax 01908 506169; email enquiries@optionspensions.co.uk (or any other address we specify to you in writing).

25.3 Communications in writing from us to you or your agent will be sent to the relevant address provided in your application or agent authorisation form until we are told by you that you or your agent would like communications sent to a different address.

25.4 Use of email is not guaranteed to be a secure means of communication and in particular, third parties may be able to view or alter information sent by email without either the sender or recipient knowing. We do not guarantee that the content of any email we receive from you or send to you will remain private during transmission over the internet. By sending information to us by email you accept this risk.

25.5 We can telephone you at any time to discuss your SIPP without having been expressly invited by you to do so. We rely, in good faith, on any communication which we reasonably believe to have been issued by you or your agent and on any information provided by you under these terms and conditions.

25.6 We can require you to make an instruction to us in writing before acting upon it. We can decline to accept or act upon any communication which we reasonably believe not to have been issued in accordance with the provisions of these terms and conditions, or if we reasonably consider that compliance with such communication would be impossible or would give rise to a breach of any applicable law or regulation. In such circumstances we will use our reasonable endeavours to tell you promptly.

25.7 We deem any communication received after 5.00 pm on a business day, or on a day other than a business day, to have been received on the following business day. If, under these terms and conditions, a period of notice is to be given to you, the period of notice is calculated from the date on which the notice is sent to you.

26. Complaints & compensation

26.1 If you have any complaints about us, you can write to Chief Executive Officer at Options SIPP UK LLP, 1st Floor, Lakeside House, Shirwell Crescent, Furzton Lake, Milton Keynes MK4 1GA. If you are not happy with our response to a complaint, you may have the right to refer it to the Pensions Advisory Service, the Pensions Ombudsman or the Financial Ombudsman Service. We will tell you about any ombudsman referral rights you have at the time. Making a complaint, unless made to the Pensions Ombudsman or the Financial Ombudsman Service, does not hinder your right to take legal proceedings.

26.2 **The Pensions Advisory Service**

11 Belgrave Road
London
SW1V 1RB

Tel: 0845 601 2923

Pensions Ombudsman

11 Belgrave Road
London
SW1V 1RB

Tel: 020 7630 2200

Financial Ombudsman Service

South Quay Plaza
183 Marsh Wall
London, E14 9SR

Tel: 020 7964 1000

26.3 We are covered by the Financial Services Compensation Scheme (FSCS). This 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. If we are unable to meet our obligations to you then you may be eligible to make a claim for compensation under the FSCS. If a provider of an underlying investment or bank account is unable to meet its obligations to us, then you or we on your behalf may be eligible to make a claim for compensation under the FSCS.

Please note that eligibility to FSCS also depends on the underlying investment(s) that you hold. The maximum amount that can be claimed will depend on the investment type and currently, the maximum for cash deposits is £85,000 and the maximum for eligible investments is £50,000. These amounts could be subject to change in the future. For further information, the FSCS contact details are:

Financial Service Compensation Scheme

10th Floor
Beaufort House
15 St. Botolph Street
London
EC3A 7QU

Tel: 020 7741 4100
www.fscs.org.uk

27. Data protection and confidentiality

We are the data controller of any information we hold about you. We are authorised under Data Protection Legislation to maintain, process and store your personal data. We comply with all relevant data protection legislation at all times and are committed to the safeguarding of your data in line with the General Data Protection Regulation.

The General Data Protection Regulation (GDPR) (EU) 2016/679 is a regulation in EU law on data protection and privacy for all individuals within the European Union and the European Economic Area. Your information includes any details which we hold about you and includes information received from third parties with your consent. We use your information for the purpose of establishing, processing, administering and the wind up of the scheme and for legitimate business reasons.

Our lawful basis for processing data to administer your pensions scheme is:

Contract: the processing is necessary to fulfil or prepare a contract we have to administer the pensions scheme, or because we have been asked to take specific steps before entering into a contract.

Legal Obligation: the processing is necessary to comply with the law (not including contractual obligations).

We may share your information if:

- it is to other members of the STM Group Plc;
- we have your permission;
- it is to any person to have been appointed by you as your financial adviser, agent, investment manager or professional adviser;
- we are required or permitted to do so by law, any government body and or our regulators; (including those outside the EEA) if required to do so by Applicable Law;

27. Data protection and confidentiality (continued)

- we are transferring your information to our third party service providers, credit reference agencies and fraud prevention agencies; or
- we have transferred our rights and obligations in relation to your SIPP.

We can transfer your information to other countries but only if the receiving country has an appropriate level of data protection. This information may be accessed by law enforcement agencies and other authorities in that country to prevent and detect crime.

As a data subject you have certain rights around the processing of your data which include:

- the right to be informed
- the right of access
- the right of rectification
- the right to restrict processing

You can request a copy of the information we hold about you by writing to The Data Protection Liaison Officer, Options SIPP UK LLP at the address given in section 25.2. You can also request a copy of our Data Retention Policy at this address.

You can also contact The Information Commissioners Office (ICO) who are the government appointed office who govern data protection. The ICO can assist with any complaints or questions you may have. They can be contacted on 0303 123 1113 or online at https://ico.org.uk

We respect your privacy, we will not process your data unnecessarily or unfairly and are committed to keeping your data safe. We will ensure that all data is adequately protected and safeguarded. We do not under any circumstances sell data.

28. Information and payments of benefits

28.1 You must provide such information as we reasonably require to enable us to administer your SIPP and fulfil our obligations under it.

28.2 You must notify us of any change in address or other circumstances relevant to this SIPP as soon as reasonably practical.

If you are in doubt as to whether a change is relevant, please contact us.

28.3 We pay the benefits under this SIPP by direct credit transfer to a bank account in the United Kingdom specified by the person who receives the payments. If we arrange for anything else, the person who receives the payment must bear any additional costs that arise.

28.4 You must not compel us or the trustee to make an unauthorised payment.

29. Variation

29.1 We can change your SIPP (including the terms and conditions, the SIPP key features and the fee schedule), without notice for the following reason:

- to respond proportionately to changes in general law or decisions of the Financial Ombudsman Service or the Pensions Ombudsman or the Financial Services Compensation Scheme;
- to respond proportionately to a court order or decision affecting the scheme or SIPP;
- to meet regulatory requirements;
- to reflect new industry guidance and codes of practice which raise standards of consumer protection;
- to reflect a change in our corporate structure that doesn't have an unfavourable impact on you but which does require us to make certain changes to the terms of the scheme or SIPP;
- to respond proportionately to changes in the terms or charges of any investment fund;
- to respond proportionately to changes in the Bank of England base rate, other specified market rates or indices or tax rates;
- to proportionately reflect other legitimate cost increases or reductions associated with providing the scheme and SIPP;
- to provide for the introduction of new or improved systems, methods of operation, services or facilities; or
- to correct any mistake in the terms and conditions, provided the correction does not reduce any rights that you have as a result of the mistake.

We inform you at the earliest opportunity after the changes.

29.2 By giving you reasonable notice in advance, we can change the terms and conditions and, if we have a valid reason for doing so, the fee schedule. We do not charge for transferring out your SIPP if:

- a change under this section 29.2 has a significant unfavourable effect on your rights under the SIPP; and
- we receive your written request to transfer with 30 days of our notice of the change.

Although, in these circumstances, we do not charge for the transfer, any outstanding charges are still payable and any fees, charges and costs for cashing in or selling investments are still charged.

30. Termination

30.1 Your SIPP continues until all your individual fund(s) have 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. The obligations of payment of charges and other sums due in sections 14 and 15 and the provisions in section 22 continue in full even though all your individual fund(s) have been extinguished.

30.2 By giving you six months notice in advance, we can transfer out your arrangement(s) for any of the following reasons:

- if the scheme becomes too expensive for us to operate;
- if we make an alternative scheme available that provides the similar benefits;
- if the registration of the scheme is removed by HMRC; or
- your behaviour, in our reasonable opinion, is abusive, offensive or threatening (in language or action) or is otherwise inappropriate.

30.3 For transfers under this section 30.2, we make the transfer to any registered pension scheme you notify to us before the end of the six month notice period or, if you do not notify us of your chosen scheme, to a scheme that we choose and you authorise us to execute any documentation on your behalf necessary to achieve the transfer. Further, we transfer the investments and cash held in respect of your SIPP net of any liabilities (less the amount required to satisfy all charges due to us and all costs chargeable to your SIPP). Investment transactions already initiated by us are completed. We do not charge you any fee or any costs in respect of the transfer.

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.

31. Other terms

31.1 We can transfer our rights and obligations under your SIPP to another organisation, and we will always notify you in writing if this happens, but this will not affect your rights or our obligations under your SIPP.

31.2 You must not assign, mortgage or charge your SIPP in any way.

31.3 This SIPP is a contract between you and us. It gives rights to you, us and to the trustee. No person other than you, us and the trustee shall have any rights to enforce any of its terms.

31.4 Each of the paragraphs of these terms and conditions operates separately. If any court or relevant authority decides that any of them are (i) unlawful, the remaining paragraphs remain in full force and effect; (ii) unfair it, as far as possible, still applies but without any part which could cause it to be held, viewed or considered unfair.

31.5 If we fail to insist that you perform any of the obligations under your SIPP, or if we do not enforce our rights against you, or if we delay in doing so, that will not mean that we have waived our rights against you and will not mean that you do not have to comply with those obligations.

31.6 If we do waive a default by you, we will only do so in writing, and that will not mean that we will automatically waive any later default by you.

31.7 Your SIPP is governed by English law. You, the trustee and we agree to submit to the nonexclusive jurisdiction of the English courts. However, if you are a resident of Northern Ireland you can also bring proceedings in Northern Ireland, and if you are a resident of Scotland, you can also bring proceedings in Scotland.

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FOR MORE INFORMATION PLEASE CONTACT
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