

DATED 4 February 2013

**FINANCIAL ADMINISTRATION SERVICES LIMITED**

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DEED  
constituting the  
Fidelity Retail Pension Scheme

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Slaughter and May  
One Bunhill Row  
London  
EC1Y 8YY

Ref: JZF

512982971

THIS DEED is made the 4 day of February 2013

BY **FINANCIAL ADMINISTRATION SERVICES LIMITED** registered in England no. 1629709 whose registered office is at Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent, TW11 9DZ (the "**Operator**").

**WHEREAS:**

- (A) The Operator has determined to establish a personal pension scheme which will be capable of registration under Chapter 2 of Part 4 of the Finance Act 2004.
- (B) The Operator is a person who has permission under FSMA to establish and operate a personal pension scheme.
- (C) The Operator will be the first scheme administrator of the Scheme.
- (D) The Operator will be the first trustee of the Scheme (the "**Initial Trustee**").

**NOW THIS DEED WITNESSES** as follows:

**Definitions**

- 1. In this Deed:
  - (i) words importing the masculine gender shall include the feminine and words importing the singular shall include the plural and vice versa;
  - (ii) reference to any statutory provisions shall include any subsequent statutory modification or re-enactment thereof and any regulations made thereunder;
  - (iii) "**Business Day**" means a day (excluding Saturday) on which banks are normally open for business in the City of London;
  - (iv) "**DWP**" means the Department for Work and Pensions;
  - (v) "**FSMA**" means Financial Services and Markets Act 2000;
  - (vi) "**HMRC**" means HM Revenue & Customs;
  - (vii) "**Key Features Document**" means the document that sets out the main aims and features of the relevant SIPP Product which all prospective Members will receive before joining the Scheme.
  - (viii) "**Member**" means a member of the Scheme;
  - (ix) "**Member's Directions**" has the meaning given to that phrase in Clause 15;
  - (x) "**Member's Fund**" has the meaning given to that phrase in Clause 5(d);

- (xi) **"Rules"** means the Rules of the Scheme contained in the Schedule hereto as amended from time to time;
- (xii) **"Scheme"** means the personal pension scheme established in the terms of this deed according to the Rules and known as the Fidelity Retail Pension Scheme;
- (xiii) **"Scheme Administrator"** means the Operator or any other person from time to time appointed as scheme administrator under the terms of this Deed;
- (xiv) **"SIPP Product"** means the self invested personal pension plan products available under the Scheme;
- (xv) **"Terms"** means the terms and conditions that relate to and govern the Member's arrangement under the Scheme, as amended from time to time; and
- (xvi) **"Trustee"** means the Initial Trustee and any other or additional person appointed as a trustee of the Scheme.

#### **Establishment of Scheme**

- 2. By execution of this Deed, the Operator hereby irrevocably establishes the Scheme to provide pensions and lump sums for and in respect of the Members who are entitled to benefit in accordance with the Rules, to commence on and with effect from the date of this Deed.
- 3. The Operator (as Initial Trustee) hereby declares that it shall stand possessed of all the property of the Scheme upon the trusts and subject to the provisions of this Deed and that it shall at all times act in accordance with the directions of the Scheme Administrator given in accordance with the Terms. No Member or other beneficiary of the Scheme has any right to require any of the assets of the Scheme to be made over to him.
- 4. The Rules are hereby adopted as the Rules which will govern the Scheme and shall apply to and form part of this Deed. The Operator undertakes to comply with the Rules.

#### **Members of the Scheme**

- 5.
  - (a) Membership of the Scheme shall be open to any individual accepted for membership by the Scheme Administrator.
  - (b) The Scheme Administrator will notify the individual and the Trustee as to whether that individual has been admitted to membership of the Scheme.
  - (c) The Member and any other person permitted by the Scheme Administrator may contribute such monies to the Scheme for the benefit of the Member as may be agreed with the Scheme Administrator, subject to the Rules.
  - (d) The Trustee shall maintain in respect of each Member a separate account or accounts (together the **"Member's Fund"**) which shall comprise the aggregate values referred to in the Rules.



### **Scheme Administrator and Trustee - Appointment and Removal**

6. (a) The administration of the Scheme shall be vested in the Scheme Administrator.  
  
(b) The Operator has the power from time to time to remove the Scheme Administrator and to appoint a new or additional scheme administrator. Any person appointed must be authorised to operate a personal pension scheme for the purposes of FSMA and eligible to be a scheme administrator for the purposes of Section 270 Finance Act 2004. This power shall be exercisable by notice in writing given to the Scheme Administrator and the Trustee.
7. (a) The Operator will be the first trustee of the Scheme. The Operator has the power from time to time to retire as Trustee or to remove the Trustee and to appoint a new or additional trustee or trustees. This power shall be exercisable by Deed.  
  
(b) If and to the extent that a second trustee is required for the purpose of effectively transferring title to any asset, the Operator may appoint any person as an additional trustee for that purpose and remove any person so appointed. This power shall be exercisable by Deed.
8. The Operator may resign as the operator of the Scheme provided at the same time it appoints another person to act as operator and that person is a person who has permission under FSMA to operate a personal pension scheme.

### **Powers and duties of the Trustee and Scheme Administrator**

9. The Scheme Administrator shall pay all the expenses connected with the administration and management of the Scheme, out of the account of the Member which has incurred those costs or out of such other account or arrangement in relation to that Member, in accordance with the Terms and the Key Features Document.
10. The Trustee and the Scheme Administrator shall each be entitled to such remuneration and to payment of such expenses as may be agreed between the Operator and each of the Trustee and Administrator from time to time.
11. The Trustee or any person connected with the Trustee being an administrator, banker, investment adviser or engaged in any other profession, business or trade may, without accounting for any resulting profit, act in such capacity and perform any service on behalf of the trusts of this Deed and on the same terms as with a customer. Without prejudice to the generality of the above, the Trustee or any person connected with the Trustee may act as Operator or Scheme Administrator or make available policies of insurance or other investments for the purposes of the Scheme and may retain any remuneration or other profit which it earns as a consequence.
12. If:
  - (a) the amount paid to the Trustee, the Scheme Administrator, the Operator or any company connected with any of them by any bank or other body by way of interest on amounts, forming part of the assets of the Scheme, deposited with

that bank or other such body exceeds the amount of interest which Members are entitled to receive under the Terms; or

- (b) in accordance with the Terms, any payment or benefit received may be retained by the Trustee, the Scheme Administrator, the Operator or any company connected with any of them,

the Trustee, Scheme Administrator, Operator or other such company shall be entitled to retain that excess or the amount of such payment or benefit as part of its remuneration and the Trustee shall not be obliged to account to Members for it.

13. The Operator, the Scheme Administrator and the Trustees are not prevented from exercising any power or discretion merely because any of them (or any person connected with any of them) might benefit from such exercise nor shall any of them (or any person connected with them) be obliged to account for any benefits arising from the exercise of such a power or discretion.

#### **Delegation**

14. (a) Subject to the provisions of this Clause 14, the Operator, Scheme Administrator and Trustee may each, to the fullest extent permitted by law, delegate all or any of the powers, duties or discretions whatsoever conferred upon them by this Deed, the Rules or otherwise and may authorise their sub-delegation.
- (b) The Operator, Scheme Administrator and Trustee may employ or retain any agent or other person in relation to the Scheme and may make such arrangements for remunerating any such agent as they think fit.
- (c) Without prejudice to the generality of Clause 14(a), the Scheme Administrator may delegate the exercise of its discretions in relation to death benefits to a sub-committee appointed by the Scheme Administrator. Where the Scheme Administrator is a body corporate, that sub-committee may, but need not, include directors of the Scheme Administrator.
- (d) The Operator, Scheme Administrator or Trustee (as the case may be) shall retain responsibility for any matters so delegated.
- (e) Any person dealing with a person employed, retained or delegated to under this Clause 14 above shall, on production of the relevant written authority for the agent or delegate to so act, be entitled to assume (unless he has received express written notice of the revocation of that authority or delegation) that the authority or delegation remains unrevoked.

#### **Investment**

15. (a) Subject to any restrictions contained in this Deed and the Rules and to any requirements of HMRC or DWP, and subject to the conditions or limitations set out in the Terms, the Trustee shall follow any specific directions received from the Member or from any person or body authorised by the Member to act on his behalf (including, without limitation, any instructions given to the Trustee by the



Scheme Administrator in accordance with the Terms in relation to the manner in which that Member's Fund is invested (the "**Member's Directions**").

- (b) Where the Trustee follows the Member's Directions, the Trustee is under no duty, obligation or liability to any person in respect of any loss or reduction in the value of the Member's Fund or of any other Member's Fund which results from following the Member's Directions.
  - (c) Where no Member's Direction is received, the Trustee may not, save as is permitted by the Terms, take any action in relation to any investments or assets comprised within a Member's Fund.
- 16.
  - (a) Any Member's Fund may be invested in any manner:
    - (i) in which the Trustee could invest if it was absolutely and beneficially entitled to those monies,
    - (ii) in which the Trustee is empowered to invest as trustee of a registered personal pension scheme, and
    - (iii) which is not prohibited by the Rules or the Terms.
  - (b) The Trustee shall, in accordance with any Member's Directions:
    - (i) borrow money for such other purpose as is directed by the Member and in accordance with the Terms; and
    - (ii) undertake such other transactions as the Scheme Administrator directs.
- 17.
  - (a) Any Member, in respect of whose Member's Fund a loss or a liability has been incurred, shall indemnify the Trustee, the Scheme Administrator and the Operator against all resulting liabilities incurred by any of them in connection with the Scheme. The Trustee, the Scheme Administrator and the Operator shall not be indemnified if and to the extent that such liabilities are due to its or their fraud or wilful misconduct or its or their negligence or breach of regulatory duty (or that of their respective directors, officers or employees).
  - (b) In this clause the words "**Trustee**", "**Scheme Administrator**", and "**Operator**" shall include every current and former trustee or scheme administrator and every director, officer or employee of any of them being a corporate body, "**Operator**" includes any holding company or subsidiary of the Operator or any other subsidiary of any such holding company (in each case within the meaning of Section 736 Companies Act 1985).
- 18. The Trustee may, in respect of the Member's Fund, authorise any person or persons as it thinks fit to give receipts and discharges for money and other property payable to the Trustee. Any receipt or discharge given shall have effect as if given by the Trustee.
- 19. Any property forming part of the Trust Fund may be held in the name of any person (wherever resident) as nominee or custodian on behalf of the Trustee or in any other

manner giving the Trustee control of the property. The Trustee may delegate to such nominee or custodian such powers as it may from time to time determine.

20. (a) The statutory duty of care set out in Part I of the Trustee Act 2000 does not apply in relation to the Scheme.
- (b) Where a Member's Direction is received by it the Trustee must, save as provided in Clause 15(a), comply with that Member's Direction and is not obliged to consider whether the investment proposed or the action to be taken is suitable for or in the best interests of the Member or any other person who might benefit under the Scheme.
- (c) The Trustee shall not, in the circumstances of this Scheme, be obliged to consider whether the investments comprised or to be comprised within a Member's Fund are adequately diversified.

#### **Liability and Indemnity**

21. (a) None of the Trustee, the Scheme Administrator or the Operator nor any director, officer or employee of any of them is liable for any loss to the Trust Fund arising by reason of the failure, depreciation or loss of any investment made in good faith or any mistake or omission made in good faith or by reason of any other matter or thing except fraud, wilful misconduct, negligence or breach of regulatory duty on the part of the Trustee, Scheme Administrator or Operator, as the case may be (or that of their respective directors, officers or employees).
- (b) Notwithstanding the generality of (a) the Trustee shall not be liable to any person if it acts as Trustee in circumstances where two or more Members are seeking to acquire the same asset, where use of an asset held in one Member's Fund affects the value of another Member's Fund or where there is otherwise an actual or potential conflict of interest between two or more Members. The Trustee shall have no duty, under trust law or otherwise, to disclose to any Member any information which it may hold in relation to the assets or affairs of any other Member.
- (c) Each of the Trustee, the Scheme Administrator and the Operator (and their respective directors, officers and employees) shall be fully and effectively indemnified and saved harmless out of the property of the Scheme against all actions, proceedings, claims, demands, damages, costs and other liabilities whatsoever arising out of the performance of its duties save only for liabilities arising as a consequence of fraud, wilful misconduct, negligence or breach of regulatory duty on its part (or that of its directors, officers or employees).

#### **Notices**

22. Any notice to any Member or beneficiary or to the Scheme Administrator under the Scheme may be sent by such means and on such terms as are set out in the Terms.



## **General**

23. The perpetuity period applicable to the trusts of the Scheme shall be the period of one hundred and twenty five years from the date of this Deed or such longer period as it may, from time to time, be lawful for the trusts of the Scheme to continue.
24. The Scheme Administrator shall comply with the Personal Pension Schemes (Disclosure of Information) Regulations 1987 (as amended) and all other legislation applicable to the operation of the Scheme.
25. The Operator shall be entitled to vary this Deed and the Rules by such deed supplemental hereto as it may in its discretion determine, subject to compliance with any applicable requirements of HMRC, the DWP or any other authority or any other statutory or other requirements in force from time to time as they relate to a registered pension scheme. No amendment may be made:
- (a) that could prejudice the status of the Scheme as a registered pension scheme unless the Operator resolves in writing that the Scheme should cease to be a registered pension scheme; or
  - (b) which would impose any additional liability on the Trustee, without the consent of the Trustee.
26. The Operator may determine to merge the affairs, assets and liabilities of the Scheme, the Scheme Administrator and the Trustee with those of another pension scheme which is registered under Finance Act 2004, its scheme administrator and its trustee, whether that other pension scheme was established by the Operator or not.
27. Where a body corporate acts as Operator, Trustee or Scheme Administrator, the powers, duties, authorities and directions of that body corporate may be exercisable by its board of directors or any duly authorised committee or officer thereof, in accordance with its articles of association.
28. This document shall be governed by the laws of England.
28. The parties to this Deed do not intend that any term of this Deed should be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to it, save that any provision of this Deed may be enforced by a Member of the Scheme or by the Trustee or the Scheme Administrator for the time being. The consent of any person not a party to this Deed shall not be required to any rescission of or variation to this Deed.

In witness whereof the Operator has executed this Deed the day and year first above written.



SIGNED AS A DEED by )  
FINANCIAL ADMINISTRATION )  
SERVICES LIMITED acting by a )  
director and its secretary/two directors )



Director

Andrew Morris

Name of Director



Director/Secretary

KEITH BONIN

Name of Director/Secretary

**SCHEDULE**

**THE RULES**



# **The rules of the Fidelity Retail Pension Scheme**

as adopted by a deed dated the *4* day of *February* 2013

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## 1. Introduction

### TAX REGISTRATION

1.1 The *scheme* is a registered pension scheme.

### STATUS OF RULES

1.2 These *rules* override any inconsistent provisions in any other *scheme documents*. These *rules* do not override the law. If any provision conflicts with the law, the law will apply.

1.3 References to any legislation or any provision includes references to any previous legislation or provision relating to the same subject matter and to any modification or re-enactment for the time being in force and to any regulations made under that legislation.

1.4 The singular includes the plural and vice versa. The masculine includes the feminine. Use of the expressions "includes", "including" and "for example" shall be construed without limitation.

1.5 References to legislation or any provision include reference to the equivalent legislation or provision in Northern Ireland.

### OPERATOR

1.6 The *operator* of the scheme is Financial Administration Services Limited.

### SCHEME ADMINISTRATOR

1.7 The *scheme administrator* of the *scheme* is Financial Administration Services Limited. The *operator* may by notice remove the *scheme administrator* provided that at the same time it appoints another, or assumes the role itself.

1.8 The *scheme administrator* is responsible for discharging the duties imposed by these *rules* and by the *Act*.



## 2. Definitions

In these Rules the following words have the following meanings :

**Act** means the Finance Act 2004.

**Arrangement** means an arrangement (as described in Part 3 of these *rules*) made by a person with the *scheme administrator* to provide benefits under these *rules*.

**Civil Partner** in relation to an individual, means a person who has entered into a civil partnership with that individual within the meaning of Section 1 of the Civil Partnership Act 2004.

**Dependant** means:

- a person who was married to the *member* or was the *member's civil partner* at the date of the *member's* death;
- a person who was married to the *member* or was the *member's civil partner* when the *member* first became entitled to benefits under the *scheme*;
- a child of the *member* if the child -
  - (a) has not reached the age of 23, or
  - (b) has reached that age and, in the opinion of the *scheme administrator*, was at the date of the *member's* death dependent on the member because of physical or mental impairment;
- a person who was not married to the *member* and was not the *member's civil partner* at the date of the *member's* death and is not a child of the *member* if, in the opinion of the *scheme administrator*, at the date of the *member's* death -
  - (a) the person was financially dependent on the *member*,
  - (b) the person's financial relationship with the *member* was one of mutual dependence, or
  - (c) the person was dependent on the *member* because of physical or mental impairment.
- any other person who under the *Act* is or may be treated as a dependant for the purposes of a registered pension scheme.

It is for the *scheme administrator* to decide whether a person is a dependant.

**Drawdown pension** has the meaning given in Schedule 28 to the Act.

**Employer** means the current employer or employers of a *member*.

**Ex-spouse** means an individual to whom *pension credit rights* have been or are to be allocated following a *pension sharing order*, agreement or equivalent provision (including, where applicable, a former *civil partner*).

**HMRC** means HM Revenue & Customs.

**Insurer means:**

- a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance; or
- an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to the Financial Services and Markets Act 2000 (certain direct insurance undertakings) which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of long-term insurance.

**Member** means an individual who has made one or more *arrangements* under the *scheme* for the provision of benefits. It also includes an individual who :

- at the time the *arrangement* was made was under the age of 18 and whose legal guardian made the *arrangement* on the individual's behalf under the *scheme*; or
- has had one or more *arrangements* made on his or her behalf following the winding-up of another scheme.

**Member's Fund** means the aggregate, under an *arrangement*, of the accumulated values of :

- the contributions paid to the *scheme* by or in respect of the *member*;
- any transfer payment accepted by the *scheme* in respect of the *member*;
- any *pension credit rights* accepted by the *scheme* in respect of the *member*; and
- any income or capital gain arising from the investment of such amounts,

after deduction of any taxes, charges or costs levied in accordance with the *Terms*.

It excludes:

- any administrative or investment expenses of the *scheme* and any payments of commission; and
- any *pension debit* arising as a result of a *pension sharing order*.

**Operator** means Financial Administration Services Limited or such other person as may from time to time be appointed as operator of the Scheme.

**Pension Credit Rights** means rights to benefits arising from a credit as defined in section 101P of the *Pension Schemes Act*.

**Pension Date** is the effective start date of a lifetime annuity or income withdrawals under an *arrangement*. Where an *arrangement* is split into separate *arrangements* under rule 3.6 each separate *arrangement* may have a different pension date.

**Pension Debit** means a debit under section 29(1)(a) Welfare Reform and Pensions Act 1999.



**Pension Schemes Act** means the Pension Schemes Act 1993.

**Pension Sharing Order** means any order or provision mentioned in section 28(1) Welfare Reform and Pensions Act 1999.

**Registered Pension Scheme** means a pension scheme registered under Section 153 of the *Act* or treated as a registered pension scheme under the *Act*.

**Rules** means these rules of the *scheme* and **Rule** is a reference to a rule in this document, in each case as amended from time to time.

**Scheme** means this scheme.

**Scheme Administrator** means Financial Administration Services Limited or such other person as may from time to time be appointed as *scheme administrator* of the *scheme* in accordance with the *Act* and *rule* 1.7.

**Scheme Documents** means the documents that govern the *scheme* and the arrangements with a *member* (including these *rules*, the *Terms* and any other documents referred to in the *Terms*).

**Terms** means the terms and conditions that relate to and govern a *member's* arrangement, as amended from time to time.

### 3. Members And Arrangements

#### BECOMING A MEMBER

3.1 The *scheme administrator* may, subject to applicable law, determine the categories of individual who may become *members* of the *scheme*.

3.2 A person who wants to become a *member* must go through such application procedure and give such undertakings as may be required by the *scheme administrator* and shall become a *member* subject to the *Terms*.

3.3 Where the *scheme administrator* determines that persons under the age of 18 may become *members* of the *scheme*, then the legal guardian of any such person under 18 must complete the necessary application and give such undertakings as may be required by the *scheme administrator*.

#### Ex-Spouse

3.4 Subject to the agreement of the *scheme administrator*, an *ex-spouse* may become a *member* of the *scheme*.

#### MAKING AN ARRANGEMENT

##### Single or Multiple Arrangement(s)

3.5 A *member* will have a single *arrangement* in respect of the *scheme*, unless the *scheme administrator* decides that the *member* should have more than one *arrangement*. An *arrangement* may be treated by the *scheme administrator* as being split into any number of separate units. These *rules* will apply to each *arrangement* separately.

##### Separate Benefits from Separate Arrangements

3.6 Different *arrangements* (whether different at the time of being created or whether originating from a single *arrangement*) may produce separate annuities, income withdrawals or lump sums payable under the *rules*.

##### Form of Arrangements

3.7 The *arrangements* under the *scheme* will take the form of a contract between the *scheme administrator* and the *member* (or, if applicable, the legal guardian acting for a person under 18 where that person is regarded as the *member*).



## 4. Contributions

### ELIGIBILITY TO MAKE CONTRIBUTIONS

4.1 A *member* may make contributions of such amount as that *member* decides, subject to any limits or conditions set from time to time by the *scheme administrator* and in particular any conditions as may be necessary to satisfy any requirements of applicable legislation or of *HMRC*.

4.2 Contributions may be accepted from the *member's* employer or from any other person in respect of a *member*.

### MEMBER CONTRIBUTIONS

4.3 Unless the *scheme administrator* agrees otherwise, contributions made by the *member* or other person in respect of the *member* must be paid in money form and by such method as the *scheme administrator* from time to time permits. If the *scheme administrator* does agree that contributions may be settled in a form other than money then the *scheme administrator* will specify both what is acceptable and in what manner such a contribution is to be made.

### USE OF CONTRIBUTIONS

4.4 The contributions and their proceeds under the *scheme* must be used to provide benefits in accordance with these *rules*, except so far as they are used to meet administrative expenses of the *scheme* and to pay advisers' fees and commission.

### EVIDENCE OF EARNINGS

4.5 The *member* or employer must produce such evidence of earnings as the *scheme administrator* may reasonably require.

### TAX RELIEF ON CONTRIBUTIONS

4.6 The *scheme administrator* will seek to recover tax relief on contributions made by or in respect of *members* to the *scheme* from *HMRC*, unless notified that such tax relief is not due and will add the recovered amounts to the *member's fund* in accordance with these *rules*.

### REPAYMENT OF CONTRIBUTIONS

4.7 If a *member* has paid contributions exceeding the amount on which tax relief is available or at a level which would give rise to an annual allowance charge, he may request that the excess contributions be repaid and the *scheme administrator* may, subject to *rule* 4.9, agree to do so.

4.8 if a *member* did not satisfy any condition as to eligibility for membership or other limits set by the *scheme administrator* under *rule* 3.1 the *scheme administrator* may, subject to *rule* 4.9, arrange (and if so required by law must arrange) for the contributions to be repaid to the *member* and, if applicable, the *member's employer(s)* or other person who made the relevant contributions.

4.9 Where the *scheme administrator* agrees to a repayment, it may so agree subject to such conditions and to such an extent as the *scheme administrator* thinks fit and, in

particular, on such conditions and to such extent as may be necessary to satisfy any requirements of applicable legislation or of *HMRC*.

4.10 The *scheme administrator* may adjust a repayment of contributions as it considers to be appropriate to take account of expenses and interest and of any change in the value of the underlying assets during the intervening period.

## 5. Date Member's Benefit Starts

### MULTIPLE ARRANGEMENTS

5.1 Where the Scheme Administrator has decided the Member should have one or more arrangements, *Rules 5.2 to 5.4 will apply separately to each arrangement*. This means that benefits may start at different times from each *arrangement* or in respect of one or more of the units into which each *arrangement* is split. The *scheme administrator* will determine the nominated date for reviewing income withdrawal limits for each *arrangement*.

### DATE OF BENEFIT

5.2 Subject to *rules 5.3 and 5.4*, payment of benefit derived from the whole or part of a *member's fund* commences on such date as is chosen by the *member*, but that date cannot, unless the *scheme administrator* agrees, be earlier than his or her 55th birthday .

### INCAPACITY

5.3 A *member's* benefit may start earlier than age 55 if:

- the *scheme administrator* has received evidence satisfactory to the *scheme administrator* from a registered medical practitioner that the *member* is (and will continue to be) incapable of carrying on the *member's* occupation because of physical or mental impairment, and
- the *member* has in fact ceased to carry on the *member's* occupation,

or in such circumstances as the *scheme administrator* may, subject to *rule 10.6*, permit.



## 6. Benefits for Member

### MULTIPLE ARRANGEMENTS

6.1 Where the *member* has made more than one *arrangement* under the *scheme*, the rest of Part 6 of these *rules* applies to each *arrangement* separately, unless otherwise stated.

### USE OF MEMBER'S FUND

6.2 The *member's fund* may be applied to provide:

- a lump sum;
- a lifetime annuity;
- a drawdown pension
- a scheme pension, or
- a short-term annuity.

as set out in this Part 6.

### MEMBER'S CHOICE OF LUMP SUM

6.3 The *member* may choose to receive a lump sum in respect of an *arrangement* or in respect of one or more of the units into which each *arrangement* is split. The lump sum must be of such amount as to be an authorised member payment for the purpose of the *Act*, unless the *scheme administrator* agrees otherwise.

6.4 If the *scheme administrator* agrees that a lump sum payment which would not be an authorised member payment for the purposes of the *Act* may be made, the *scheme administrator* may set such conditions as to the circumstances in which that lump sum may be paid as it thinks fit. The provisions of *rules* 10.6 to 10.9 will then apply.

### MEMBER'S PENSION

6.5 Except for any lump sum paid as described in *rules* 6.3 or 6.4 or as provided in *rules* 6.10 to 6.12 the *member's fund* will be used to secure a pension for the life of the *member* through the purchase of a lifetime annuity from an *insurer*.

6.6 The lifetime annuity must, unless the *scheme administrator* otherwise agrees, conform with the requirements laid down in Schedule 28 of the *Act*.

6.7 If the *scheme administrator* agrees that a lifetime annuity need not comply with the provisions of Schedule 28 of the *Act* the *scheme administrator* may do so on such conditions as it thinks fit. The provisions of *rules* 10.6 to 10.9 will then apply.

### MEMBER'S RIGHT TO CHOOSE INSURER : OPEN MARKET OPTION

6.8 The *member* must choose the *insurer* from which a lifetime annuity is to be purchased. Once the *member* has chosen the *insurer*, he or she must write to tell the *scheme administrator* which *insurer* he or she has chosen.

## FORM OF PENSION ON DEATH

6.9 The provisions of Part 7 of these *rules* apply in relation to benefits payable on the *member's* death.

## DRAWDOWN PENSION AND SHORT-TERM ANNUITIES

6.10 If the *scheme administrator* permits, the *member* may choose under an *arrangement*, or in respect of one or more of the units into which each *arrangement* is split, to designate the relevant amount of the *member's fund* as available for the payment of drawdown pension and draw his or her pension direct from the *member's fund* at the pension date in accordance with rule 6.11. If the *member* chooses this option he or she must notify the *scheme administrator* in writing and complete any documentation (including any declaration) required by the *scheme administrator* no later than one month before the date benefit is to start.

6.11 Where the *member* chooses to make a designation under Rule 6.10 he or she may draw a drawdown pension from the *arrangement* or in respect of those units of each *arrangement* for which the *member* has made such designation which, unless the *scheme administrator* otherwise agrees, will be calculated and made in accordance with, and subject to the limits set out in Schedule 28 of the *Act*. Where the *member* meets the conditions set out in the *Act* the *scheme administrator* may operate flexible drawdown in respect of the *member's fund* under the *arrangement*.

6.12 If the *scheme administrator* permits, the *member* may choose under an *arrangement*, or in respect of one or more of the units into which an *arrangement* is split, to purchase a short-term annuity satisfying the provisions of Section 28 of the *Act*. If the *member* chooses this option he or she must notify the *scheme administrator* in writing and complete any documentation required by the *scheme administrator* no later than one month before the date the benefit is to start. The provisions of rules 6.6 to 6.9 apply in relation to the purchase of such short-term annuity.

## UNAUTHORISED PAYMENTS

6.13 Where any payment under this Part 6 of the *rules* would not be an authorised member payment for the purposes of the *Act*, the *scheme administrator* may set such conditions as to the circumstances in which such payment may be made as it thinks fit. The provisions of rules 10.6 to 10.9 will then apply.



## 7. Benefits on Member's Death

### MEMBER'S CHOICE

7.1 A *member* may, if and to the extent the *scheme administrator* so permits, be given the opportunity to make an election as to the benefits to be provided in the form of a lump sum or as a benefit for his or her *dependants* on the *member's* death.

7.2 If the *member* is given a choice as to the *dependants'* benefits payable on his or her death but does not make a choice under this *rule* and there is a *dependant* then the *scheme administrator* may decide how the *member's fund* should be used.

7.3 Alternatively the *scheme administrator* may offer any *dependant* the opportunity to choose the form of benefit to be provided to them. Benefits shall be provided only in a form constituting authorised member payments for the purposes of the *Act*, unless the *scheme administrator* otherwise agrees. If the *scheme administrator* agrees that a benefit provided to a *dependant* may be made in a form that is not an authorised member payment for the purposes of the *Act*, the *scheme administrator* may do so on such conditions as it thinks fit. The provisions of *rules* 10.6 to 10.9 will then apply.

### MEMBER'S OR DEPENDANT'S CHOICE OF INSURER

7.4 If the *member* has notified the *scheme administrator* that he or she wishes any *dependant's* annuity (as defined in the *Act*) to be purchased from a particular *insurer*, then the *scheme administrator* will, if it is able to do so, buy the annuity from that *insurer*.

7.5 In any other case the *scheme administrator* must write and tell the *dependant* that he or she has the right to choose an *insurer*. The *dependant* must then write back and tell the *scheme administrator* which *insurer* he or she has chosen and complete any documentation required by the *scheme administrator*. The *dependant* must also decide the terms of that annuity (subject to the requirements of Schedule 28 of the *Act* applicable to a *dependant's* annuity).

### LUMP SUM

7.6 If and to the extent any lump sum is payable the *scheme administrator* will, as soon as practicable and subject to *rules* 7.7 and 7.8, pay out the *member's fund* as a lump sum :

(1) if at the time of the *member's* death the *scheme administrator* is satisfied that the contract is subject to a valid trust 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, to the trustees of the trust; or

(2) if (1) is not applicable, at the discretion of the *scheme administrator*, to or for the benefit of any one or more of the following in such proportions as the *scheme administrator* decides :

(a) any person, charity, association, club, society or other body (including trustees of any trust whether discretionary or otherwise) whose names the *member* has notified to the *scheme administrator* in writing prior to the date of the *member's* death;



- (b) the *member's* surviving spouse or *civil partner*;
- (c) the parents and grandparents of the *member* or the *member's* surviving spouse or *civil partner* and any children and remoter issue of any of them;
- (d) the *member's* dependants;
- (e) any person, charity, association, club, society or other body entitled under the *member's* will to any interest in the *member's* estate;
- (f) the *member's* legal personal representatives.

For this purpose a relationship acquired by legal adoption is as valid as a blood relationship.

#### **LUMP SUM PAYABLE BY SCHEME ADMINISTRATOR - TIME LIMIT**

7.7 The *scheme administrator* will pay any lump sum within two years of the earlier of:

- the date on which the *scheme administrator* first knew of the *member's* death;  
or
- the date on which the *scheme administrator* could first reasonably have been expected to know of it,

or by such later date as may be permitted by the *Act*.

#### **RESIDUAL AMOUNTS**

7.8 Any part of the *member's fund* that cannot be used to provide benefits in accordance with *rules* 7.1 to 7.7 will be used by the *scheme administrator* to meet general administration expenses of the *scheme*.

## 8. Transfer Out of the Scheme

### MEMBER'S RIGHT TO A CASH EQUIVALENT

8.1 A *member* has a right to a 'cash equivalent' under the *Pension Schemes Act*.

If a *member* elects to apply for a 'cash equivalent' then all the *member's* accrued rights in all *arrangements* under the *scheme* must be transferred, unless a transfer of part of the option is permitted by law and the *scheme administrator* so agrees.

### TRANSFER PAYMENTS

8.2 In the absence of an election to apply for a statutory right to transfer a 'cash equivalent' under *rule* 8.1, the *scheme administrator* may, nevertheless, at the written request of a *member* transfer the *member's fund* (or part of it) to another scheme of which he or she has become a *member*.

8.3 Unless the *scheme administrator* otherwise agrees, any such transfer may only be made if it is a recognised transfer for the purposes of Section 169 of the *Act*.

8.4 Each recognised transfer must be made in accordance with all applicable legislation and any requirements of *HMRC*.

### MEMBER WITHDRAWING A REQUEST

8.5 The *member* may withdraw a request by giving the *scheme administrator* notice in writing to that effect but may not withdraw a request after the *scheme administrator* has entered into a binding agreement with a third party to make the transfer to the other scheme. A *member* who has withdrawn a request may make another.

### DISCHARGE OF RIGHTS

8.6 Entitlement to benefit under the *scheme* for or in respect of the *member* or *dependant* will cease in respect of any rights transferred in accordance with this Part 8 of these *rules* and the *scheme* will be discharged from any obligation to provide benefits in respect of those rights.

### MULTIPLE TRANSFERS

8.7 A *member* may elect, where permitted by the *Act*, for different parts of the *member's fund(s)* to be transferred as described above to different schemes.

## 9. Transfer Into the Scheme

### TRANSFERRING SCHEME

9.1 The *scheme administrator* may, at the written request of a *member*, accept a transfer payment representing the value of the *member's* rights (including any *pension credit rights*) from any arrangement from which a transfer may be made under the *Act* to a registered pension scheme or which is otherwise permitted by *HMRC*.

9.2 The *scheme administrator* may accept a transfer without the *member's* written request where the transfer originates from a scheme that is being wound-up and the rules of that scheme do not require the *member's* consent to that transfer or in such other circumstances as may be permitted by law.

### Transfer In With Pension Debit

9.3 Where the *scheme administrator* accepts a transfer payment into the *scheme* and is informed by the transferring scheme of a *pension debit* relating to the transfer payment then the *scheme administrator* must retain details of this *pension debit*. If those benefits are transferred from the *scheme* in accordance with Part 8 of these *rules* then the *scheme administrator* must give full details of the *pension debit* to the receiving scheme's administrator.

### GENERAL CONDITIONS

9.4 The *scheme administrator* may impose such conditions as it thinks fit on acceptance of any such transfer and in particular any conditions as may be necessary to satisfy any requirements of applicable legislation or of *HMRC*.



## 10. General Provisions About Benefits

### RIGHTS UNDER THE SCHEME

10.1 A person's rights under the *scheme* are only those given under the *scheme documents* or by any insurance or annuity contract bought with the *member's fund*.

The *scheme* will provide only *money purchase benefits* within section 152(4) of the *Act*.

### ASSIGNMENT OR SURRENDER

10.2 Benefits or rights under the *scheme* may not be assigned or surrendered if, as a consequence, the *scheme* would be treated as making an unauthorised member payment for the purposes of Sections 172 or 172A of the *Act*.

10.3 If the *scheme administrator* agrees that an assignment or surrender may be made that would constitute an unauthorised member payment for the purposes of the *Act*, the *scheme administrator* may do so on such conditions as it thinks fit. The provisions of rules 10.6 to 10.9 will then apply.

### INFORMATION TO MEMBERS

10.4 The *scheme administrator* will provide such information to *members* and others as required by the *Pension Schemes Act* and the *Act*.

### BENEFICIARY UNABLE TO ACT

10.5 If the *scheme administrator* believes that a person entitled to payments is unable to act by reason of mental disorder, payments which are due to that person may be suspended. Sums equivalent to such payments -

(i) may, if the *scheme administrator* so decides, be paid or applied for his maintenance or for the maintenance of any dependants of that person; and

(ii) must, in so far as such sums are not used for the maintenance of that person or of any dependant of his, be held by the *scheme administrator* for that person until he is again able to act or, if he should die before that happens, for his estate.

### TAX

10.6 Notwithstanding any other provision of the *scheme documents*, no person is entitled under the *scheme* to a payment which is an unauthorised payment for the purposes of Section 160(5) of the *Act*. If, in any circumstances, the *scheme administrator* makes or permits a payment to be made that is not an authorised member payment for the purposes of the *Act*, the *scheme administrator* may permit that payment to be made on such conditions as the *scheme administrator* thinks fit, including such conditions as are necessary to ensure that the aggregate of *scheme* chargeable payments made by the *scheme* do not exceed the de-registration threshold set out in Section 158 of the *Act*. If a payment is made by the *scheme administrator* in the belief that, or on the understanding that, it is an authorised member payment but that payment is subsequently determined to be an unauthorised payment, the payment shall be treated as made by mistake and the *scheme administrator* shall be entitled to require it to be repaid.

10.7 The *scheme administrator* may make such deductions from the amount of any payment or from the *member's fund* in order to make provision for any tax liability (including without limitation any scheme sanction charge) that may fall upon the *scheme administrator* or the *scheme* as a consequence of any payment being an unauthorised member payment for the purposes of the *Act*.

10.8 The *scheme administrator* will also deduct from the *member's fund* (or any such payment) the amount of any lifetime allowance charge or of any liability to the annual allowance charge that may fall upon the *scheme*.

10.9 The *scheme administrator* shall make such reports to HMRC or to any other applicable tax authority as may be required under the *Act* or other applicable law, in relation to any payment made or benefits due under the *scheme*.

#### **WHEREABOUTS UNKNOWN**

10.10 The *scheme administrator* may use discretion to decide that any person who is entitled to a payment under the *scheme* shall cease to have any claim to the payment if at least six years have passed from the date the payment became due and the address of the person is not known to the *scheme administrator*. The *scheme administrator* must, however, first take all reasonable steps to ascertain the address.

#### **EVIDENCE**

10.11 The *scheme administrator* may require any *member* or any other person to whom a pension or lump sum is payable under the *scheme* to produce any evidence or information which the *scheme administrator* may from time to time reasonably require. If the *member* or other person does not produce the evidence or information, the *scheme administrator* may withhold payment of any benefit to which it is relevant until it is produced.

#### **NOTICE TO SCHEME ADMINISTRATOR**

10.12 Where these *rules* give a *member* or other person any choice, the *scheme administrator* may impose any requirements as to the period or form of the notice to be given by the *member* or other person, so long as these do not conflict with any requirements specified in these *rules*. The *scheme administrator* may, either generally or in any particular case, agree to a shorter period of notice being given than is specified in these *rules*.

#### **PENSION INPUT PERIOD**

10.13 Unless otherwise altered by nomination in the circumstances permitted by the *Act*, the pension input period for the purposes of the *Act* shall be the period beginning on each 6 April and ending on the following 5 April.

#### **PAYMENT INTERVALS**

10.14 Any pension paid as an annuity from a *member's fund* may be paid in advance or arrears. It must be paid at least once a year.



## 11. Closing or Winding-Up the Scheme

### CLOSING THE SCHEME

11.1 The *scheme administrator* may at any time :

- (1) stop admitting new *members* or *members* of any particular class or category to the *scheme*, but continue to accept contributions from, and in respect of, existing *members*; or
- (2) stop admitting new *members* or *members* of any particular class or category to the *scheme* and stop accepting contributions from, and in respect of, existing *members*.

11.2 If the *scheme* is closed, the *scheme administrator* will continue to operate the *scheme* under the *scheme documents*, unless the *operator* is winding-up the *scheme*.

### WINDING-UP THE SCHEME

11.3 The *operator* may wind-up the *scheme* by giving notice to the *scheme administrator*. The *scheme administrator* will then notify each *member* of his or her rights and options. This notification will include notice of the *member's* rights to a transfer under Part 8 of these *rules*.

11.4 When a *member* does not make a choice under this Part of these *rules*, the *scheme administrator* will transfer the *member's fund* to another registered pension scheme of the *scheme administrator's* choice (or otherwise as may be permitted by law and as the *scheme administrator* determines). The *member's* consent will not be necessary.

### WITHDRAWAL OF REGISTRATION

11.5 If HMRC withdraws the registration of the *scheme* under Section 157 of the *Act*, the *scheme administrator* will inform the *members* (and other beneficiaries, as appropriate) within three months of the date of receipt of the notice of withdrawal unless the *scheme administrator* appeals. If an appeal is made, the *scheme administrator* will inform the *members* and other beneficiaries within three months of the date of receipt of the notice that the appeal has been dismissed or that the decision is to have effect from a different date. The *scheme administrator* will then wind-up the *scheme* as described in rule 11.3.



## 12. Investments or Deposits Held For the Purpose of the Scheme

### INVESTMENT

12.1 Subject to such limitations or restrictions as may be contained in the *scheme documents* from time to time) a *member* may choose or direct how contributions and any transfer payment accepted by the *scheme* in respect of the *member* should be invested.

### Borrowing

12.2 The *scheme* may only borrow money to the extent permitted by law.

### Taxable Property

12.3 The *scheme* may only acquire property that is taxable property, as defined in the *Act*, or hold an interest in taxable property for the purposes of an arrangement relating to a *member* if the *scheme administrator* so agrees and on such conditions as the *scheme administrator* thinks fit. Such conditions may include making such deductions from the *member's fund* as it considers may be required to make provision for any tax liability that may fall upon the *scheme administrator* or the *scheme* as a consequence of any property being taxable property.

## 13. Alterations to These Rules

### POWER TO ALTER THESE RULES

13.1 The *scheme administrator* may at any time, in writing, make any alteration to these *rules*. This power of alteration may be exercised by the *scheme administrator* alone, and without any conditions except *rule* 13.2. It is additional to, and independent of, any other power of alteration in relation to the *scheme*. Any such alteration may have retrospective effect.

### LIMITATION ON ALTERATIONS

13.2 No amendment may be made that could prejudice the status of the *scheme* as a *registered pension scheme* unless the *scheme administrator* has resolved in writing that the *scheme* should cease to be a *registered pension scheme*.