

Terms and Conditions

THIS IS AN IMPORTANT DOCUMENT. PLEASE READ IT AND KEEP FOR FUTURE REFERENCE.



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LF Stakeholder Pension Scheme: Terms and Conditions

IMPORTANT INFORMATION – PLEASE READ AND KEEP FOR YOUR FUTURE REFERENCE.

These **Terms and Conditions** form a legally binding agreement between *you* and *us*. For *your* own benefit and protection *you* should read these **Terms and Conditions** and the **Key Features** of the LF Stakeholder Pension Scheme before *you* sign the declaration on the Application form. If there is anything *you* do not understand please speak to a *financial adviser* or contact *us*.

Words in italics are explained in the Glossary at the end of the document.

If *you* would like a copy of these **Terms and Conditions** in Braille or large print, please contact *us*. *Our* contact details are listed in section 15.

1. General

1.1. *Your Application, Membership Certificate, Plan Conditions* and this preamble all form part of *Your Plan*.

1.2. Together these documents evidence the contract between *you* and *us*. In return for *Payments* as shown in *your Membership Certificate* we will provide *you* with *benefits* in accordance with *your rights* under *Your Plan*.

1.3. *Your Plan Conditions* set out *your rights* and obligations under *Your Plan*. The *Membership Certificate* only shows the details at the start of *Your Plan*, which relate directly to *you*. It does not reflect any changes *you* subsequently make during the lifetime of *Your Plan*.

1.4. Any *Endorsement* made by *us* to *Your Plan Conditions* will amend the contract between *you* and *us* and will form part of *Your Plan*.

1.5. We acknowledge receipt of the *Payments* due at the *Start date*.

1.6. The LF Stakeholder Pension Scheme is a Non-UCITS Retail Scheme (NURS) and an Alternative Investment Fund under the Alternative Investment Fund Managers Directive.

1.7. The *Scheme* has been established as an *authorised unit trust*. We are the manager of the *Scheme* and NatWest Trustee and Depositary Services Limited is the *Trustee*.

1.8. *You* become a member of the *Scheme* by acquiring *Units* in the *Scheme*.

1.9. Please refer to the LF Stakeholder Pension Scheme Prospectus at pensions.linkfundsolutions.co.uk for further details on the *Scheme* including general investor information and data protection practices, the LF Stakeholder Pension Scheme and its investment objective, the *underlying funds* and their investment objective, risk factors, risk management, *Unit* valuations, trading processes, charges and expenses. Or alternatively *you* can obtain a copy by contacting *us* on 0345 603 0142.

1.10. By applying for membership of the *Plan* *you* agree to be bound by the *Trust Deed and Rules*.

2. Our role

2.1. We administer and manage *Your Plan*. *Our* services include:

2.1.1. setting up *Your Plan*;

2.1.2. coordinating the transfer of *your* existing pension scheme(s) into *Your Plan*;

2.1.3. providing *you* with annual statements showing the value of *Your Plan*;

2.1.4. calculating and paying claims for *death benefits*, where appropriate.

Further information about each of these services can be found in this document.

2.2. We are not able to give *you* financial advice. If *you* need advice regarding any aspect of *Your Plan*, please contact a *financial adviser*. We recommend *you* review *Your Plan* regularly.

3. Payments to Your Plan

Payments

3.1. *Payments* made to *Your Plan* can be made by *you*, *your employer* and/or any other person on *your* behalf. They can be increased, decreased, stopped or started at any time and can be made by any method subject to *our* agreement. *Payments* will be used to purchase *Units* in one or more of *our constituent funds*.

3.2. Contributions will be invested within one working day of the date of receipt of application and payment.

Transfers in

3.3. *Transfer payments* will be accepted from another *Registered Pension Scheme* subject to their meeting the requirements of the *Rules* relating to the acceptance of transfers. We do not accept transfers from Qualifying Recognised Overseas Pension Schemes (QROPS).

Indexation option

3.4. The indexation option allows regular monthly *Payments* to be increased automatically. This can be done annually at a rate between 3% and 10% (in whole percentages). The percentage increase is applied to the

regular monthly *Payments* made during the preceding year. If *you* have selected this option it will be shown on *your Membership Certificate*. Increases will take effect on the anniversary of the *Start date* of *Your Plan*. *You* may choose to stop, start or change the rate of increase at any time.

Tax treatment of payments

3.5. *Payments* shown on *your Membership Certificate* include, where HM Revenue & Customs (*HMRC*) allows, tax relief at the basic rate of income tax, currently 20%. We will collect the amount of this tax relief from *HMRC*. *Your contract* is for the gross payment so if the basic rate of income tax changes, the amount *you* actually pay will change. If *you* pay higher or additional rate tax *you* will need to claim back any extra tax relief allowed through *your* tax office. Tax relief claimed from *HMRC* will be invested in *Your Plan* when received.

Payments made by *your* employer are paid gross.

Transfer payments do not qualify for tax relief because any tax relief to which *you* were entitled should have already been claimed by the transferring scheme.

3.6. All references to tax rates and the treatment of subscriptions, *your pension fund* and its usage are based on *our* understanding of applicable tax and pensions legislation as at the date this document was produced. Such legislation may change from time to time. Appropriate tax and pension advice should be taken at the point any action is contemplated in respect of *Your Plan*.

Lifetime Allowance

3.7. If the value of *your pension benefits* exceeds *your* Lifetime Allowance, a tax charge (the Lifetime Allowance charge) could be applied to the excess (unless *you* have already applied to *HMRC* for protection – in which case *you* must provide *us* with a copy of *your* protection certificate).

3.8. We will test *your benefits* against the Lifetime Allowance based on the information *you* have provided to *us*, and provide *you* with a statement of the amount of *your* Lifetime Allowance *you* have used under *Your Plan* every time *you* take *benefits* under *Your Plan* before the age of 75, when for example:

- 3.8.1. *you* take tax-free cash;
- 3.8.2. *you* buy a lifetime annuity;
- 3.8.3. *you* start drawdown;
- 3.8.4. there is a lump sum payment in the event of *your* death if death occurs before age 75.

3.9. When *you* reach age 75, any *funds* held in *your* Stakeholder *Plan*, and any other pension plans, will be measured against *your* Lifetime Allowance. This will be the final assessment of *your benefits* against the Lifetime Allowance under *Your Plan*.

3.10. *Benefits* which are taken in excess of the Lifetime Allowance are subject to a charge of 55% if taken as a lump sum, or 25% if moved to an annuity or drawdown product and then taxed at *your* individual marginal rate when taken as income.

3.11. If *your* pension savings are close to the Lifetime Allowance, or if *you* are in any doubt about this or *you* have enhanced or fixed protection on *your* pension savings *you* should consult with a *financial adviser*.

4. Annual Allowance

4.1. *You* have an Annual Allowance for tax relief on pension contributions. The amount of tax relief *you* can claim varies depending on *your* level of earnings and whether *you* have accessed *your* pension savings. This is the amount *you* can save each year into any type of pension and still receive tax relief. If any of the following events with any pension providers occur, your Annual Allowance for contributions into defined contribution pension plans will reduce. This reduction in Annual Allowance applies across all the defined contribution pension plans *you* belong to if:

- 4.1.1. *You* take an uncrystallised fund pension lump sum from *your pension pot*;
- 4.1.2. *You* take a cash withdrawal from *your Plan*;
- 4.1.3. *You* take an *income payment* from a *flexi-access* drawdown plan;
- 4.1.4. *You* take an *income payment* under a flexible annuity; or
- 4.1.5. *You* take an *income payment* which exceeds *your* maximum income allowance from an existing capped income drawdown plan.

4.2. If *you* trigger one of these events with an LFS pension product (including when *you* first take a taxable cash withdrawal from *Your Plan*), we will notify *you* of *your* new Annual Allowance in writing within 91 days.

4.3. If *you* have not taken *your* first cash withdrawal from *Your Plan*, and *you* have triggered any of the above events with any other pension providers, *you* will need to notify *us* of this.

4.4. If *you* make any contributions in excess of *your* Annual Allowance, *you* should speak to a *financial adviser* about the tax implications.

4.5. For a summary of our understanding of current tax rate and allowances see our Summary of Pension Scheme Taxation. However, we are not authorised to provide *you* with tax advice and *you* should ensure *you* are aware of the tax treatment of *your* plan. *You* should consult *HMRC* or a suitably qualified tax professional if *you* require information or advice relating to *your* own circumstances.

5. Buying Units

5.1. All *Payments* will be used in full to buy *Units* in *Your Plan*. The amount of each *Payment* used to buy *Units* will be divided between the different *constituent funds*, which you have selected, in the proportions you have selected. If you do not choose a *fund*, however, your *Payments* will automatically be used to buy *Units* in the LF Tracker Pension Fund (the Default Option).

5.2. *Units* will be bought at the *Mid Price* and are subject to an *Annual Management Charge*, as described in section 8. We will publish this price on our website pensions.linkfundsolutions.co.uk. They will be bought using the *Mid Price* at the first *valuation point* after we receive a valid *Payment*. Valid in this context means that the *Payment* is accompanied by the *Application* or relevant written instructions from you or is expected as part of the contract between you and us. Subject to paragraph 5.3 below, valid also means that the *Payment* is cleared.

5.3. All *Payments* must be made in full in sterling, and without any deductions whatsoever. We reserve the right to request verification of the source of *funds* before accepting them, evidence of identity of third parties making *Payments* and address and/or other information requested by LFS to enable us to comply with our obligations under Anti-Money Laundering requirements and, until such time, the relevant amount shall be treated as unpaid. We may, in our reasonable discretion, choose to deal before receipt of cleared *funds* from you. In such case, if cleared *funds* are not received from you within five *Business days* of receipt of your *Application* form or other instruction, we may sell or realise the relevant investment without further notice to you in order to meet any liabilities which we may have incurred on your behalf. In the event of such a sale or realisation, we shall be entitled to transfer such investments to such persons as we shall specify and, recover any shortfall from you.

6. Fund information

About the funds

6.1. The property of each *fund* is held by the *Trustee* of the *fund* on trust for the holders of *Units* in that *fund*. Your interest in a *fund* is the beneficial interest of a *beneficiary* under a trust. Your *Units* must remain invested in order to provide *benefits* for you. We have the power to merge any two or more of the *funds*, to enlarge or diminish the scope and nature of each of the *funds*, to introduce new *funds* and to divide any *fund* into two or more separately identifiable *funds*.

6.2. We invest the *funds* as we see fit and any stamp duty or other charges incurred directly in the sale or purchase of securities or property held for the purposes of the *Scheme* are payable out of the property of the

relevant *fund*. Any income from any assets (including, but not limited to, interest, dividends, rights or other proceeds in respect of investments held by us for you) is added to that *fund*.

6.3. Whenever *Units* in a *fund* are created or liquidated we respectively credit or debit that *fund* with cash or assets equal in value to the number of those *Units* multiplied by the relevant *Mid Price*.

6.4. Your *Units* cannot be lent to a third party nor used as security for a loan.

Valuation of funds

6.5. We will calculate the value of the *funds* every working day. Additional information regarding the *funds* is contained in the LF Stakeholder Pension Scheme Prospectus, which is available on request.

7. Switching and redirecting

7.1. You may switch all or part of your existing *Pension Pot* into any of the investment *funds* available under the *Scheme*. *Units* will be sold at the first *valuation point* following receipt of your written instructions. The purchase of *Units* will then take place at the next *valuation point*. This will normally be on the following *Business day*.

7.2. *Fund* switches are allowed at any time. Currently, there is no charge for switching between *funds* and no limit on the number of switches. We reserve the right to introduce and/or vary the minimum you can switch and/or hold in the *funds*. You may choose to redirect future *Payments* under *Your Plan* into a different *fund* at any time.

8. Charges

8.1. We apply an *Annual Management Charge (AMC)* currently of 1% a year (except for the LF Cash Fund which has a maximum *Annual Management Charge* of 0.33%) each year on the value of each *fund*. This is taken into account when calculating the daily unit prices. We reserve the right to vary the charge, but we will let you know at least 60 days before we make any increase.

8.2. As the *Scheme* is registered as a stakeholder scheme with the Pensions Regulator, the *Annual Management Charge* will not be more than the maximum allowed for stakeholder pension schemes.

The maximum stakeholder charge is, currently, 1.5% a year of the value of the *Pension Pot* for the first ten years of *Your Plan* and 1% a year after that.

8.3. Additional information regarding charges is contained in the LF Stakeholder Pension Scheme Prospectus, which is available on request.

9. Security Option

9.1. The Security Option is designed mainly for customers looking to access their pension at their *Selected Retirement Date*.

9.2. During the five years before *your Selected Retirement Date* we will automatically move *your* investment, when relevant, into the LF Cash Pension Fund. The Security Option is included automatically within *Your Plan* unless *you* specifically request otherwise. In the year before *your Selected Retirement Date* *your pension fund*, and any ongoing *Payments*, will be invested wholly in the LF Cash Pension Fund.

9.3. Advantages and disadvantages of the Security Option

	Advantage	Disadvantage
When to change your investment	Your money is automatically switched for <i>you</i> during the five years before <i>your</i> retirement.	<i>You</i> do not choose when to change <i>your</i> investment as it is set by the Security Option.
Frequency of change	The automatic switching ensures that <i>your</i> money is not moved all in one go. The steady movement means <i>you</i> are not subject to <i>your</i> whole investment moving when the market is low.	Timing is fixed and not reflective of market conditions which means <i>you</i> may miss out on growth in the market.
Investment risk	The Security Option reduces the potential to lose a significant amount due to a market downturn at or before <i>your Selected Retirement Date</i> .	Although designed to reduce investment risk the Security Option doesn't guarantee the value of <i>your Pension Pot</i> , so it can still fall in value.

You can stop the Security Option at any time, just write to *us* at the address shown in section 15 Communications.

If *you* have any questions regarding the Security Option, please speak to *your financial adviser* or contact *us*.

10. Death

10.1. In the event of *your* death, *your* personal representative should contact *us* as soon as possible.

10.2. We will need to see an original registrar's copy of the death certificate as soon as possible, to record *your* death in *our* records and start the claims process.

10.3. When *you* apply for *Your Plan* *you* will be asked to nominate a *beneficiary* to receive benefits from *Your Plan* when *you* die.

10.4. *Beneficiaries* can be a *dependant*, *nominee*, *successor* or a charity if there are no *dependants*.

10.5. Under current rules, when *you* die, the value of *Your Plan* will be used by the *Trustee*, in accordance with the provisions of the *Trust Deed and Rules*, to provide benefits to one or more *beneficiaries* *you* have nominated in such proportions as the *Trustee* thinks fit. The *Trustee* will take into account *your* wishes but is not legally bound to follow them. As the *Scheme administrator*, we will assist the *Trustee* in determining the recipient(s) of *your death benefits* which we will then pay in accordance with the *Trust Deed and Rules*.

10.6. On receiving an original copy of the death certificate, the remaining value of *Your Plan* will be switched into the LF Cash Fund. The LF Cash Fund is a low volatility *fund* and so reduces the risk of market conditions adversely affecting the remaining *Plan* value as the claims process progresses.

10.7. If *you* die before the age of 75 the value of *your* pension benefits will be tested against the Lifetime Allowance. Please see section 3.7-3.11 for further information.

10.8. Before making any payment to any *beneficiary*, we will deduct any tax if we are required to do so by HMRC.

10.9. The tax treatment of *your fund* on death is subject to a number of factors including:

- *Your* age.
- The timing of notification to *us*. (It is in *your beneficiaries'* interests in certain circumstances to notify *us* promptly, or higher amounts of tax may become due. *You* should therefore take such steps as *you* see fit to enable prompt notification to be made if *you* wish to reduce this risk.)
- The nature of any *beneficiaries*.
- The *Payment* type chosen.
- Applicable tax and pensions legislation at the time.

10.10. *Death benefits* paid under *Your Plan* are normally free of inheritance tax. However, it can apply on occasion. If *you* have any doubts or queries, please consult a suitably qualified tax professional.

10.11. If on *your* death *your beneficiary* is under the age of 18 or unable to give *us* instructions about how they wish to receive their *benefits* (for example because they lack the mental capacity), *we* will take instructions from the person who has authority to deal with their affairs.

10.12. Following *your* death, where a person becomes entitled to a *beneficiary's* benefits from *Your Plan*, that person may elect to establish a drawdown plan themselves. This new plan would be subject to the *Trust Deed and Rules* and the Terms and Conditions.

10.13. *You* can change *your* nominated beneficiaries at any time. If *you* wish to do this, please write to notify *us* or complete a Nomination of Beneficiaries form available on *our* website.

10.14. If *you* need advice on what will happen to *Your Plan* when *you* die, *we* strongly recommend *you* contact *your financial adviser*.

11. Taking benefits

11.1. *You* may choose to take *your* benefits from *your Selected Retirement Date*, or from an earlier or later date as long as it is on or after the minimum pension age, currently 55.

11.2. It may be possible for *you* to take *your* benefits earlier than the minimum pension age if *you* provide *LFS* with satisfactory medical evidence that *you* have stopped work because *you* are (and will continue to be) incapable of carrying on *your* occupation because of physical or mental impairment. The value of *your Pension Pot* will be calculated at the first *Mid Price* after *our* receipt of all *our* claim requirements. All benefits under the *Scheme* are payable only in accordance with the *Scheme Rules*.

12. Transfer benefits

12.1. *You* may transfer the value of *your Pension Pot* to another *Registered Pension Scheme* or Qualifying Recognised Overseas Pension Scheme. The value of *your Pension Pot* will be calculated at the first *Mid Price* after *our* receipt of all *our* claim requirements. If transferring overseas, the *Scheme* must demonstrate it meets *HMRC's* definition of a qualifying scheme, otherwise an unauthorised payment may result, incurring an unauthorised payment liability on *you* to *HMRC* of up to 40%.

13. Your Plan – Additional information

About Your Plan

13.1. *Your Plan* has been issued under the terms of the LF Stakeholder Pension Scheme. The *Scheme* is a *Registered Pension Scheme* under part 4 of the Finance Act 2004. Statements in these *Plan Conditions* about tax treatment of *Payments* and *benefits* are dependent on the *Scheme* continuing to be a *Registered Pension Scheme*. The *Scheme* registration number is 00623516RF.

13.2. The *Scheme* complies with The Stakeholder Pension Regulations 2000 as amended from time to time. The *Scheme* is a contract-based arrangement established by *Trust Deed* that adopted the *Rules*. All *Payments* and the *benefits* they provide under *Your Plan* are subject to the *Rules*.

13.3. *We* reserve the right to apply charges as are allowed or required under the *Rules*. However, in no circumstances will the total *Annual Management Charge* exceed the maximum rate of *Annual Management Charge* permitted from time to time for a stakeholder pension scheme.

Copies of the *Trust Deeds* and *Rules* are available on request. Nothing in this document may be taken to override any of the provisions of the *Trust Deed* or *Rules*. If there is any inconsistency they shall take precedence.

13.4. No action will be allowed which would cause the *Scheme* to lose its status as a *Registered Pension Scheme* or a *Registered Stakeholder Pension Scheme*. *We* shall amend the terms of *Your Plan* to any extent which may be necessary from time to time in order that any *Payments* to *Your Plan* may be treated or continue to be treated as contributions to a Stakeholder Pension Plan. *We* shall notify *you* of any variation made for this purpose within one month of the change being made. Such notification shall be made in writing, which will be sent to *you* by post at the last address *we* have on record for *you*.

13.5. *We* also reserve the right to amend the terms of *Your Plan* to any extent necessary to ensure the *Scheme* remains a *Registered Pension Scheme*. This could restrict any of the following:

- alterations *you* want to make to *Your Plan*;
- *our* acceptance of any *Payments*;
- *your* exercise of any option; and
- the making of any *Payment* by *us* to *you*.

Your Plan is subject to the Law of England and Wales and *benefits* under it are paid in the currency of England. From time to time *we* may have to make changes to *Your Plan Conditions* to take reasonable account of new legislation affecting *Your Plan* or *us*.

13.6. *Your Plan* is based on information given to *us*. If any material fact within *your* knowledge is not disclosed or is misrepresented *we* may reject a *Payment* or claim or reasonably adjust the *benefits* payable according to the facts.

13.7. If when *we* receive evidence of *your* age it appears that a mis-statement has occurred *we* may reasonably adjust the *benefits* accordingly.

13.8. *Your Plan Conditions* do not create any right enforceable by any persons not party to *Your Plan*.

Acceptance of Payments

13.9. (i) If any *Payments* are made to *us* which we do not accept, or only part of which we accept, for reasons given in this section, then the amount which we do not accept will be treated as unpaid and will be returned by *us*. During this stage, all *Payments* are protected in a Client Money Account as described in section 17.4 until their treatment is established.

(ii) Paragraph (i) above will apply even if *we* have, initially, mistakenly accepted the *Payments*.

(iii) If paragraph (i) above applies on any occasion or if *we* inform *you* that *we* will not accept *Payments*, then for the purposes of section 1 it will be assumed that *you* have decided to pay only the amount which *we* accept (if any).

14. Surrender, commutation or assignment

14.1. No *benefits* payable under *Your Plan* is allowed to be surrendered, commuted or assigned whether in whole or in part except as set out elsewhere in *Your Plan Conditions* or the *Rules*.

15. Communications

15.1. *We* are unable to provide financial advice. A *financial adviser* should be *your* first point of contact for advice.

15.2. If *you* have any queries regarding *Your Plan*, *you* can contact *us* at:

LFS
PO Box 1249
Cheltenham
GL50 9YL

Telephone: 0345 603 0142 or +44 1242 663 413 if calling from abroad (Monday to Friday 9am-5pm)

Email: SHPadmin@capita.co.uk

Website: pensions.linkfundsolutions.co.uk

15.3. *We* may record and monitor calls to help *us* to improve *our* services. Calls to 0345 numbers cost no more than a national rate call to an 01 or 02 number. If *you* have a call package, calls to 0345 numbers should be included in *your* inclusive minutes.

15.4. All notifications, information and requests from *you* to *us* must be in writing and sent to the address at section 15.2. Requests, such as for a *Plan* valuation can be made by email at the email address in section 15.2.

15.5. Notices and requests to *you* shall be properly given if posted to *you* at *your* last known address notified to *us* by *you* and will, in the absence of specific evidence to the contrary, be considered to have been served within three *Business days* of their despatch.

16. Verification of identity

16.1. To protect *you* and *us* from financial crime, *we* may need to confirm *your* identity from time to time. *We* may do this by using reference agencies to search sources of information about *you* (an identity search). This will not affect *your* credit rating. If this identity search fails, *we* may ask *you* for documents to confirm *your* identity.

17. Client Money Account

17.1. *We* will hold money received from *you*, or received on *your* behalf, in a general client bank account, subject to clause 17.2, in accordance with *FCA Rules*, with an approved bank (as defined in the *FCA Rules*) in the UK. The bank will hold *your* money on *our* behalf in a trust account. Whilst interest might be earned on the balances held within this bank account, no interest will be payable to *you* in respect of such money. The money will not be used by *us* in any transactions other than as specified in these **Terms and Conditions**. *We* will not be responsible for any acts or omissions of any approved bank which holds *your* money.

Initial charges in respect of investments will be payable to the firm on settlement with the *Trustee*. Any initial charge in respect of monies received more than one *Business day* ahead of the settlement date will be held in the Client Money bank account, until this money becomes due and payable to the firm, at which point it will be held within *our* corporate bank account. In all other instances the initial charge will be held within *our* corporate bank account.

Please note that, whilst the cash balance for each investor will be recorded separately, Client Money will be pooled with *funds* held on behalf of other investors. In the event of financial failure of *LFS* or another institution holding *your* money, *your* money will be distributed in accordance with the *FCA Rules* and *you* may not receive the full amount of money back. *We* reserve the right to delay or withhold *Payments* to *you* in the event of financial failure of the institution which is holding *your* money such that *we* are unable to access that money. In those circumstances *LFS* will not be liable to fund *Payments* to *you* out of *our* own resources.

17.2. *We* may make use of the delivery versus payment (DvP) exemption in relation to transactions in regulated collective investment schemes, as defined in the *FCA Rules*. *You* hereby consent to the use of this exemption.

17.3. If *we* cease to act as the Authorised Fund Manager of the *Authorised Unit Trust* in which *you* invest, *we*, in accordance with *FCA Rules* will either:

- a) transfer any Client Money balance which it may be holding on *your* behalf to the new Authorised Fund Manager, and *you* hereby consent to any such transfer; or

b) continue to hold any Client Money balance on *your* behalf, subject to clause 17.4, until such time that *you* have returned all relevant documentation requested by *us* which is necessary for *us* to return the monies to *you*.

17.4. Client Money balances held by *us* on behalf of investors may be released from Client Money accounts after a period of at least six years. *We* will take the steps required by regulation to return *your* money to *you* prior to releasing any such balances and will make good any valid claim against any released balances. No interest will be payable on these balances.

18. Client reporting

Annual benefit statement

18.1. *We* will issue a statement to *you* each tax year detailing the contributions made, *your* investments and the value of *Your Plan*.

18.2. In most cases *we* will include an illustration of the estimated pension *you* might get when *you* retire in today's prices, this is known as the Statutory Money Purchase Illustration (SMPI). An SMPI is not included in certain circumstances, for example if *you* are aged over 75.

18.3. The annual benefit statement is issued in accordance with stakeholder pension regulations.

Reports and accounts

18.4. The annual accounting period of the Trust ends on 30 September.

18.5. The annual report of the Trust (the 'long report') will be available on or before the end of January and the half-yearly long report on or before the end of May in each year. Copies of the annual long report and half-yearly long report may be inspected, and copies obtained free of charge from *us* at the address in 15.2. These reports may also be inspected at the *Trustee's* office during normal office hours.

19. Client categorisation

19.1. *You* have been classified as a retail client. This means that *you* will benefit from the highest level of regulatory protection available for complaints and compensation, and will receive information in a straightforward way.

20. Amendments

20.1. *We* may change these **Terms and Conditions** for any of the following reasons:

- to respond to changes in general law or decisions of the Financial Ombudsman Service or the Pensions Ombudsman Service;

- to respond proportionately to changes in general practice in the pensions and investments industry;
- to meet regulatory requirements;
- to reflect new industry guidance and codes of practice which raise standards of consumer protection;
- to proportionately reflect other legitimate cost increases or reductions associated with providing *Your Plan*.

If any change operates to *your* disadvantage, *we* will give *you* at least 30 days' notice of that change unless *we* are required to make the change sooner for regulatory reasons.

21. Order execution and aggregation

21.1. When dealing with *your* instructions to buy or sell *Units* in the LF Stakeholder Pension Scheme, *we* will take all reasonable steps to obtain the best result for *you*. *FCA Rules* require *us* to consider various factors in deciding how to execute *your* order. These include price, costs, speed, likelihood of execution and settlement, size and nature of the order. The LF Stakeholder Pension Scheme can only be bought through *us* and therefore when buying or selling *Units* in the LF Stakeholder Pension Scheme there will only be one execution venue. Similarly there will not be a range of prices as the *Units* can only be bought at the Unit price on the relevant day. *We* will aggregate *your* instructions with those of other investors to be dealt with at the same *valuation point*.

22. Conflicts of interest

22.1. *We* or one of *our* related companies may have an interest in a transaction being undertaken by *us*. If this happens or if *we* become aware that *our* interests conflict with *your* interests, *we* will take all reasonable steps to manage that conflict of interest, in whatever manner is considered appropriate in the circumstances. Further information on the way *we* manage conflicts of interest is available on request.

23. Complaints

23.1. If *you* are dissatisfied with any aspect of *your* relationship with *us*, *we* will ensure that *your* complaint is dealt with quickly and efficiently. Please contact *our* Service Centre on 0345 603 0142. *We* will endeavour to answer *your* complaint promptly or alternatively, *we* will investigate *your* complaint and provide *you* with a full written response.

23.2. *We* have a leaflet which summarises *our* complaints handling procedure. A copy of this can be found on *our* website at pensions.linkfundsolutions.co.uk or alternatively *you* can contact *us* and *we* will be happy to provide *you* with this.

23.3. If you are ultimately dissatisfied with the outcome of our investigation, and the complaint relates to the sale and marketing of *Your Plan*, you have the right to contact:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: 0800 023 4567 or 0300 123 9123

Fax: 020 7964 1001

Website: www.financial-ombudsman.org.uk

Email: complaint.info@financial-ombudsman.org.uk

23.4. If you are ultimately dissatisfied with the outcome of our investigation, and the complaint relates to how the *Scheme* is run, you have the right to contact:

Pensions Ombudsman Service
11 Belgrave Road
London
SW1V 1RB

Telephone: 020 7630 2200

Website: www.pensions-ombudsman.org.uk

Email: enquiries@pensions-ombudsman.org.uk

24. Compensation

24.1. We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation arrangements is available from:

Financial Services Compensation Scheme
10th Floor
Beaufort House
15 St Botolph Street
London
EC3A 7QU

Telephone: 0800 678 1100 or 020 7741 4100

Website: www.fscs.org.uk

Email: enquiries@fscs.org.uk

The FSCS is designed to pay customers compensation if they lose money because a firm is unable to pay them what they owe. Your ability to claim from the *Scheme* and the amount you may be entitled to will depend on the specific circumstances of your claim. You can find out more about the FSCS (including amounts and eligibility to claim) by visiting its website www.fscs.org.uk or calling 0800 678 1100.

FSCS compensation covers payment up to 100% of the first £50,000 of the claim for each firm. However, the rules of the FSCS may change and the FSCS may take a different approach on the application of these rules to a firm depending on the circumstances of the failure of that firm.

25. FCA registration

25.1. We are authorised and regulated by the Financial Conduct Authority (FCA) and appear on the Financial Services Register. Our registration number is 119197.

26. Personal data

26.1. We will process your personal details and other information in order to consider and process your *Application*. If your *Application* is successful, we will also use this information to provide services and manage our relationship with you and your financial adviser (if applicable) and as otherwise set out in this section.

26.2. Your information may be disclosed to other selected third party providers for the purpose of our service provision to you, and your information may also be held in or transferred to countries outside of the EEA. In this event the processing will only be carried out by experienced and reputable organisations, and only on terms which safeguard the security of your data and comply with the requirements of the GDPR.

26.3. We may share your personal information from your *Application* form with fraud prevention agencies. If false or inaccurate information is provided and fraud identified, details of fraud will be passed to third parties to prevent fraud and money laundering.

26.4. We will record and monitor telephone calls with you in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

27. Miscellaneous

27.1. These **Terms and Conditions** govern the relationship between you and us. No other person shall have any rights to enforce any of these **Terms and Conditions**.

27.2. We will communicate with you in English.

27.3. These **Terms and Conditions** are based on our understanding of current legislation and the practices of HMRC as at the date the **Terms and Conditions** were written.

28. Law

28.1. These **Terms and Conditions** shall be governed and construed in accordance with the laws of England and Wales. All parties agree to submit to the exclusive jurisdiction of the English Courts.

29. Cancellation of Your Plan

29.1. Once your *Application* has been processed, you have the right to cancel your *Application* within 30 days of receipt of your Welcome Pack.

If you change your mind and wish to cancel *Your Plan*, you should write quoting *Your Plan* number to:

LFS
PO Box 1249
Cheltenham
GL50 9YL

You do not have to state the reasons for your cancellation but you must state clearly that you wish to cancel *Your Plan*.

29.2. If you decide to cancel, we will try to return the transfer payment(s) to your existing pension scheme(s). If, however, in the meantime the value of *Your Plan* has fallen, this will be reflected in the transfer payment. Charges will reduce the value of *Your Plan*. The set-up fee is non-refundable if we have already started to process your *Application*.

Any transfer in fees will not be refunded if we have started to process the transfer.

29.3. If you decide to cancel, any tax-free cash must be returned to us within a 30 day period from date of notification of cancellation. *Your Plan* will not be cancelled until all sums are returned. Your existing pension scheme is not obliged to take back the transfer payment and you may need to choose another *Registered Pension Scheme* to transfer your pension to.

29.4. If you are unable to return any tax-free cash we will not be able to treat your request as a cancellation. You will need to choose another *Registered Pension Scheme* to transfer your pension to.

30. Glossary

Your Plan Conditions contain certain words and phrases that have special meanings and are shown in italics. The words and phrases are listed below, in **bold**, together with their definitions. Some words are used in a singular or a plural form and others are used in a masculine or feminine form. Any of these words may be taken to mean the alternative form if it would make sense in the circumstances in question. There are also references to certain Acts of Parliament. These references include any later amendments or any Regulations made under those Acts and any other enactments that may directly or indirectly replace those Acts.

'Application' means the *Application* made for *Your Plan*. It also includes any other information relevant to the *Application*.

'Annual Management Charge (AMC)' the annual percentage fund management charge applicable to the LF Stakeholder Pension Scheme, as modified from time to time in accordance with the provision of these **Terms and Conditions**. Please refer to the fund literature for details of the *Annual Management Charges*.

'Authorised unit trust' a unit trust scheme which has been authorised by the Financial Conduct Authority. A unit trust is a trust that invests its *funds* in a spread of equities, fixed interest securities or money market instruments.

'Beneficiary' the recipient of *benefits* on your death. This could be a *dependant*, *nominee*, *successor* or a charity.

'Benefits' means:

- all or part of your *Pension Pot* as a cash lump sum, the first 25% will be tax free, or
- a tax-free cash lump sum normally up to 25% of the value of your *Pension Pot* and an income from the remaining value of your *Pension Pot* on buying a lifetime annuity from a provider of your choice.

There are other ways to take your *benefits*, such as taking an income directly from your *Pension Pot*, but you will need to transfer your *Pension Pot* to a suitable pension product if you wish to do this.

'Business day' is any day from Monday to Friday inclusive, excluding English public holidays. '*Business days*' has a corresponding meaning.

'Constituent funds' the sub-funds of the Scheme managed by LFS.

'Death benefits' means the benefits payable under section 10 to a *beneficiary(ies)* on your death.

'Dependants' means:

- your husband, wife or civil partner (or other person to whom you are legally married) at the date of your death;
- any child of yours (including adopted child) who is under 23 at the date of your death;
- any person who is dependent on you because of mental or physical disability;
- any person who is financially dependent on you at the date of your death, and;
- any person whose financial relationship with you at the date of your death is one of mutual dependence (this can include an unmarried partner of the same or opposite sex who relied on your income to maintain a standard of living that depended on your joint income).

'Endorsement' means a notice in writing issued by us setting out changes to *Your Plan*. An endorsement forms part of *Your Plan* and should be kept with *Your Plan Conditions* and *Membership Certificate*.

'Financial adviser' a professional authorised by the FCA to give financial advice to clients.

‘Fund’ means any of the investment *funds* offered by us in which the *Payments* may be invested.

‘HMRC’ Her Majesty’s Revenue & Customs.

‘LFS’, ‘we’ and ‘us’ means Link Fund Solutions Limited and ‘our’ has a corresponding meaning.

‘Mid Price’ is the price *Units* are bought and sold at (*Units* are bought and sold at the same price).

‘Membership Certificate’ means the certificate(s) bearing *Your Plan* number issued to *you* when *you* started *Your Plan* as evidence of *your* membership.

‘Nominee’ means an individual nominated by the *Plan* member, or by the *Scheme administrator*, who is not a dependant of the *Plan* member.

‘Payments’ means the payments (contributions) made by *you*, *your* employer, any other individual on *your* behalf, and any *Transfer payments*.

‘Pension pot’ means the total value of *your* investments in *Your Plan*.

‘Plan’ *your* individual Stakeholder Pension Plan.

‘Plan Conditions’ – the Rules, stipulations and terms of *Your Plan*, as specified in the *Plan Terms and Conditions*.

‘Registered Pension Scheme’ is a pension scheme registered by *HMRC* under Chapter 2 of Part 4 of the Finance Act 2004.

‘Rules’ means the *Scheme* documents (as amended from time to time), which govern the *Scheme*.

‘Scheme’ means the LF Stakeholder Pension Scheme.

‘Scheme administrator’ the administrator of the Trust who is recognised by *HMRC* as being responsible for the management of the Trust. *We* are currently the *Scheme administrator*.

‘Selected Retirement Date’ means the retirement date *you* have selected. This must be a date which falls on *your* birthday.

‘Start date’ means the date shown as such on *your Membership Certificate*.

‘Successor’ – someone who inherits any unused *funds* on the death of a *dependant*, a *nominee* or a *successor*. A *successor* can be anyone nominated by the previous *beneficiary*, or where no nomination has been made by the previous *beneficiary*, an individual nominated by the *Scheme administrator*. Where *your successor* is an individual who is also *your dependant*, the individual in the capacity of *your successor* is to be treated as not also being *your dependant*.

‘Transfer Payments’ means payments received from another *Registered Pension Scheme*.

‘Trust Deed and Rules’ – the documents governing the Trust (as amended from time to time).

‘Trustee(s)’ – Natwest Trustee and Depositary Services Limited or such other person appointed from time to time to be the *Trustee* of the Trust in accordance with the regulations.

‘Underlying funds’ means the *funds* that the LF Stakeholder Pension Scheme invests in, managed by a third party *fund* provider.

‘Unit’ means a unit of any *fund*. *Units* may be counted to include fractions. More information about *Units* is given in sections 4 and 5 of *Your Plan Conditions*.

‘Valuation point’ means for each of the constituent *funds* of the LF Stakeholder Pension Scheme:

- LF Tracker Pension Fund – 14:00 daily
- LF Corporate Bond Pension Fund – 14:00 daily
- LF Cash Pension Fund – 14:00 daily

Any exceptions to this are detailed in the LF Stakeholder Pension Scheme Prospectus.

‘You’, ‘Your’ means the person named on the *Membership Certificate*.

‘Your Plan’ means the LF Stakeholder Pension Plan in which *you* have invested.