

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.linkassetservices.com 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.

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.linkassetservices.com. 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	<i>Your</i> 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. Limitation of liability

11.1. *We* will not be liable to *you* for any losses or expenses suffered by *you* as a result of a delay or failure due to circumstances beyond *our* reasonable control (for example, because of failure of computer systems or telecommunications links or overriding emergency procedures, postal delays, flood, fire, storm, labour disputes (outside of LFS and/or *our* Associates), accident, vandalism, malicious damage, war or terrorism). *We* will, where possible, take such reasonable steps as *we* can to resume *our* service to *you* as soon as possible following any delay or failure.

11.2. Subject to clause 10.6, *our* liability to *you* under these *Terms and Conditions* is limited to losses directly caused by the deliberate or careless mistakes, or fraudulent action of *us* and/or *our* Associates.

11.3. *We* will not be liable to *you* to the extent that *we* properly rely on information or instructions supplied by *you* or which claim to come from *you*, so long as they reasonably appear to come from *you* or on *your* behalf.

11.4. *You* will be responsible for any losses and/or expenses which are the result, and which a reasonable person would consider to be the probable result, of any untrue, misleading or inaccurate information deliberately or carelessly given by *you*, or on *your* behalf, arising from or in connection with these *Terms and Conditions* or the transactions contemplated by these *Terms and Conditions*, except to the extent such losses and/or expenses are determined to have resulted from the deliberate or careless mistakes, or fraudulent actions of LFS and/or its Associates.

11.5. Nothing in these *Terms and Conditions* shall exclude or limit:

- a) *our* liability for death or personal injury resulting from *our* negligence; or

- b) *our* liability for any losses or expenses suffered by *you* as a direct result of *our* deliberate mistakes or fraudulent actions; or

- c) any liability that *we* may have to *you* under the FCA Rules; or

- d) any other liability which cannot be excluded or limited by law.

12. Taking benefits

12.1. *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.

12.2. 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*.

13. Transfer benefits

13.1. *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%.

14. Delegation of functions

14.1. Subject to Applicable Law, *we* may delegate any of *our* functions or responsibilities under these *Terms and Conditions* to any person provided that before doing so *we* satisfy ourselves that such person is competent to carry out those functions and responsibilities.

14.2. On giving *you* at least 30 days' notice, *we* may appoint an Associate as manager of the Account in *our* place. In such circumstances, that Associate will manage the Account in accordance with these *Terms and Conditions*.

14.3. *You* may not transfer any of *your* rights or obligations in relation to *your* Investments to another person.

15. Your Plan – Additional information

About Your Plan

15.1. 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.

15.2. 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.

15.3. 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.

15.4. 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.

15.5. 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.

Benefits under Your Plan are paid in the currency of England.

15.6. 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.

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

Acceptance of Payments

15.8. (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).

16. Surrender, commutation or assignment

16.1. 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.

17. Communications

17.1. 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.linkassetservices.com

17.2. 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.

17.3. 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.

17.4. 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.

18. Verification of identity

18.1. You authorise us to use personal information provided by you in order to conduct appropriate checks to enable us to comply with our obligations under Anti-Money Laundering Requirements. Accordingly, we may undertake a search with Experian for the purpose of verifying your identity. To do so, Experian may check the details we hold about you and which you have supplied against any particulars on any database (public or otherwise) to which Experian may have access. Experian may also use your details in the future to assist other companies for verification purposes. A record of the search will be retained. You may also be required to provide additional information. Should this be necessary, we shall write to you, explaining our requirements. LFS may ask you to supply evidence of your identity and your address from time to time. Should we require you to provide evidence of your identity and address then we will ask you to provide either original or certified copy documents which are personal to you and which will enable LFS to fulfil its regulatory obligations. Where original documents are provided, these will be copied for LFS's sole record-keeping purposes. The originals will be returned to you. If certified copies are provided to us, these must conform to the standard set out in the Verification List. We will not accept documents that have been self-certified, nor will we accept documents certified by someone related to, in a relationship with or living with you. Please note that in certain circumstances we reserve the right to withhold redemption proceeds until we have received satisfactory proof of identity and/or address or such other requested information.

19. Client Money Account

19.1. We will hold money received from you, or received on your behalf, in a general client bank account, subject to clause 19.2, 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.

In the event that you overpay LFS for your investment by an amount which is less than £1 we may deem this amount to be due and payable to LFS.

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.

19.2. 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.

19.3. 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.

19.4. 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.

20. Client reporting

Annual benefit statement

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

20.2. 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.

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

Reports and accounts

20.4. The annual accounting period of the Scheme ends on 30 September.

20.5. The annual report of the Scheme (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 17.1. These reports may also be inspected at the *Trustee's* office during normal office hours.

21. Client categorisation

21.1. For the purposes of the FCA Rules, we classify you as a 'Retail Client'. Classification as a Retail Client provides you with the highest level of regulatory protection under the FCA Rules.

We will never offer or provide you with any investment, trading, tax or financial advice. Nothing in these *Terms and Conditions* should be taken as a recommendation to buy, sell or hold shares in any company or other investments. You should rely on your own judgment when deciding whether or not to enter into any transaction or seek advice from a professional adviser.

We do not provide you with advice or discretionary management services under these *Terms and Conditions*. We will therefore not assess the suitability of an investment for you or the services that we provide to you. You will not benefit from the protection of the FCA rules on assessing suitability. You should contact a professional adviser if you require investment advice.

You must not use *your Plan* as collateral to guarantee a loan or otherwise try to grant rights over *your Plan*.

22. Amendments

22.1. We may, from time to time, make any changes to or replace these *Terms and Conditions* (including as to charges and fees), where we have valid reason to do so. Where possible, we will give you at least 30 days' prior notice of any change or replacement of these *Terms and Conditions*. In particular, we may vary these *Terms and Conditions* for the following reasons:

- to respond to proportionally to changes to, or to comply better with *Applicable Law* or the interpretation of those laws, regulatory requirements, industry guidance or codes of practice that we follow, or the way that we are regulated;
- to reflect on decisions or recommendations of the Financial Ombudsman Service or the Pensions Ombudsman Service, a court, the regulator or similar body which is relevant to us of your investment;
- where reasonably required as a result of changes in market conditions or market practices;

- to rectify errors, inaccuracies or ambiguities; or to take account of any corporate restructuring within the Link Administration Holdings Limited group of companies;
- to reflect reasonable alterations in the scope and nature of the services provided to you under these *Terms and Conditions* or any previous versions thereof resulting from alterations made to our system capabilities or administration procedures;
- as a result of new services which we may make available to you; or
- to prevent misuse of the service.

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.

23. Order execution and aggregation

23.1. 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*.

24. Conflicts of interest

24.1. 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.

25. Complaints

25.1. 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.

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

25.3. 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

25.4. 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

26. Compensation

26.1. If we cannot meet our obligations you may be entitled to compensation from the Financial Services Compensation Scheme (the 'Scheme'). Your entitlement to compensation depends on the type of business and the circumstances of the claim. Most types of investment business are covered for claims of £85,000 per person per firm. The amounts of compensation may change from time to time and you should check your entitlement with the Scheme.

Further information about compensation arrangements is available from the Scheme.

You can contact the Scheme by calling their helpline on 0800 678 1100 or 020 7741 4100, visiting the Scheme website at www.fscs.org.uk or by writing to the Scheme at Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU.

27. FCA registration

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

28. Personal data

28.1. Data Protection and privacy legislation applicable in the UK (the Data Protection Regulations) provides protection to individuals by governing, amongst other things, the way in which personal data is held and used.

Individuals are also afforded rights of access to such information held about them. LFS will process your personal data fairly and lawfully and will hold and protect your personal information in accordance with the principles of the Data Protection Regulations.

28.2. Collection of information

Personal data includes any information that directly or indirectly identifies you. The personal information we hold about you is limited to information that:

- a) you have directly provided to us during any application for subscription, redemption, switching or conversion of shares/units;
- b) we receive from trusted third parties during any identity checks to comply with Anti-Money Laundering Requirements;
- c) we collect during the provision of our contracted services to you or to carry out the functions described in these *Terms and Conditions* and/or the Prospectus.

We may also record our telephone calls for security, training and monitoring purposes, to confirm your instructions and for any other regulatory reason.

Our website uses an analytics and optimization service provided by WT EMEA Acquisitions Ltd (WebTrends) and cookies to track and analyse how parts of the site are used. For further information regarding WebTrends and cookies please see our Privacy Policy and information on our website at www.linkfundsolutions.co.uk.

28.3. Why we require your information

To deliver our contracted services to you or to carry out the functions described in these *Terms and Conditions* and/or the Prospectus we process and share your personal information for the purposes of providing financial services:

- a) to provide you with the services, products, and/or information you request from us;
- b) to check your identity;
- c) to assess any application you make to participate in any service we provide;
- d) to ensure compliance with applicable laws and regulations, we process and share personal information for the purposes of:
 - i) preventing and detecting fraud and/or money laundering;
 - ii) reporting to regulators and tax authorities.

For our legitimate business interests we process and share personal information to enable us to:

- a) communicate with you as necessary;
- b) carry out analysis about our services and how we might improve them;
- c) notify you about any changes to our services.
- d) we may also process and share information with a fund manager to carry out analysis of fund distribution, fund development and review and investor analysis.

Where we have your consent, we will process and share personal information about your investment with your professional adviser.

For us to process and use your personal information, we rely on the following legal bases:

- a) processing is necessary for the performance of the services we provide to you; or
- b) processing is necessary for the purposes of the legitimate business interests pursued by us; or
- c) you have given explicit consent to the processing of your personal information for one or more specified purposes.

28.4. Sharing your personal information

We share your personal information to enable us to process personal information for the purposes previously outlined.

We share personal information with:

- a) a promoter, investment manager, sponsor, fund manager, administrator or the depositary/trustee (as applicable) of the relevant collective investment scheme;
- b) any person with legal or regulatory power over us (such as the Financial Conduct Authority, police or the Serious Fraud Office that may require disclosure on legal grounds);
- c) HM Revenue & Customs and tax authorities in overseas jurisdictions;
- d) credit reference agencies for the purposes of verifying your identity;
- e) service providers engaged by us to help us run our business. Such service providers may include, for example, cloud storage providers (engaged by us to provide electronic storage facilities for our business data and your information), analytical optimization service providers (engaged by us to track and analyse how parts of our website are used by our customers); and or

- f) any member of the Link Group which means our subsidiaries, our ultimate holding company and its subsidiaries (from time to time) as necessary.

We will not release your personal information to anyone without your permission, unless:

- a) you have provided your consent;
- b) we have to or are allowed to under these *Terms and Conditions*, by law, regulatory bodies or if it is in the public interest;
- c) HM Revenue & Customs, the Financial Conduct Authority (FCA) or other authorities (whether in the UK or abroad) say we must;
- d) there are other parties connected to your account i.e. joint accounts;

28.5. Transferring your personal data outside of the EEA

For us to provide our services to you, we may have to send your personal information to countries outside the EEA and to countries which have not been deemed to have adequate standards of data protection. Before we do so, we will undertake a Data Protection Impact Assessment prior to the transfer and, on transfer, we will use EU recognised and enforceable Model Clause contracts so that your information is protected pursuant to data protection laws, as applicable in the UK.

28.6. How long we keep your personal data

We will hold your personal data on our systems for as long is necessary to provide any services to you and discharge our legal and regulatory obligations. When we cease to provide services to you, we will retain your information for as long as required to meet our statutory legal and regulatory requirements.

28.7. Your rights under Data Protection Regulation

Under Data Protection Regulation you have rights over your personal information that we process. Accordingly, you have a right to:

- a) access a copy of your personal information;
- b) request rectification of your personal information;
- c) request erasure of your personal information;
- d) request restriction on our processing of your personal information;
- e) raise an objection to our processing of your personal information;
- f) data portability.

You can exercise your rights by contacting us by post, phone or e-mail using the contact details provided in part 3 within the Additional Investor Information section of this document. It is important to note, however, that due to technical limitations or for legitimate business reasons your ability to exercise these rights in full may be impacted or limited.

You may at any time withdraw consent for any optional uses of your information to which you have previously consented.

You also have the right to lodge a complaint with a EU Data Protection Supervisory Authority. That authority should be located either where you live, where we are based, or where you feel the issue you wish to complain about took place.

In the UK, the relevant Data Protection Supervisory Authority is the Information Commissioners Office (ICO) which you can contact by writing to Information Commissioners Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF or by calling them on 0303 123 1113 or by e-mail via their website www.ico.org/global/contact-us.

28.8. Data Controller

Link Fund Solutions Limited, registered in England and Wales, Company Number: 01146888, is a data controller for the personal information you have provided to us for the purposes specified in these *Terms and Conditions*. You can contact us (by post, phone or e-mail using the contact details provided in section 3 within the Additional Investor information) about how we use your personal information, or to exercise any of the data subject rights set out in Clause 28.7 of these *Terms and Conditions*.

29. Miscellaneous

29.1. Except as specifically provided in these *Terms and Conditions*, nothing in these *Terms and Conditions* shall confer or is intended to confer on any third party any benefit or the right to enforce any terms contained herein under the Contracts (Rights of Third Parties) Act 1999.

29.2. We will communicate with you in English.

29.3. 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.

30. Law

30.1. *English Law will apply to these Terms and Conditions. The English Courts will hear any dispute in relation to these Terms and Conditions.*

If any provision of these *Terms and Conditions* is held invalid, illegal or unenforceable for any reason, such provision shall be severed and the remainder of the provisions in these *Terms and Conditions* shall continue in full force and effect with the invalid provision eliminated.

31. Cancellation of Your Plan

31.1. 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*.

31.2. 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.

31.3. 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.

31.4. 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.

32. E-mail

The use of e-mail is not considered a secure medium for the transmission of personal data. We therefore strongly recommend that you do not communicate any sensitive information via this medium. Should you choose to do so, you accept that you do so at your own risk and that LFS will not be liable for the consequences.

Where we are able to do so, we may encrypt e-mail messages that we send to you. Should we do so, you accept that we are not responsible for any failure by you to access such messages.

33. Fees and expenses

LFS charges fees and expenses as operator of the Authorised Unit Trusts and Open-Ended Investment Companies in which you invest and full details are disclosed in the Prospectuses of those Authorised Unit Trusts and Open-ended Investment Companies, which are available on our website www.linkfundsolutions.co.uk. or on request. Details of our Conflicts of Interest Policy are available on our website www.linkfundsolutions.co.uk.

34. 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*.

'Application Law' means English Law applicable to these *Terms and Conditions*.

'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*.

'Terms and Conditions' means the legally binding agreement between *you* and *us* governing the service we provide to *you*, as set out in this document or any amendment or successor thereto.

'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.