

The Invest Pension Scheme

Scheme Rules

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Part 1 – Scheme Structure and Operation

1. INTERPRETATION

1.1 In these rules:

- 1.1.1 "Act" means Part 4 of the Finance Act 2004 and the schedules relating to that Part;
- 1.1.2 terms which appear in bold italics shall have the particular meaning given to them for the purposes of the Act;
- 1.1.3 references to all or part of a section or schedule shall be taken as references to the relevant provision of the Act;
- 1.1.4 reference to any enactment or regulations shall include reference to any statutory amendment or re-enactment for the time being in force and where appropriate any subsequent related regulations or other legislation;
- 1.1.5 indices and headings are included for convenience only and shall not affect the interpretation of the Rules; and
- 1.1.6 (unless the context requires otherwise) references to the singular shall include the plural and vice versa and references to any gender shall include any other gender.

1.2 In these rules and unless the context requires otherwise:

- "**Adopting Deed**" means the deed by which these Rules are adopted.
- "**Beneficiary**" means a Member or any person having a Benefit.
- "**Benefit**" means an actual or prospective entitlement to any benefit under the Scheme (including any part of a **pension** and any payment by way of **pension**).
- "**Dependant**" in relation to a Member has the meaning it has in the Act and includes a person who was married to, or in a civil partnership with, the Member when the Member first became entitled to a **pension** under the Scheme but excludes any person of whose existence the Operator is unaware having made reasonable enquiries.
- "**Drawdown**" means:
- (i) in the case of a Member, **drawdown pension**; and
 - (ii) in the case of a Dependant, **dependants' drawdown pension**.
- "**Drawdown Fund**" means any part of an Individual Fund which is designated as available for the payment of Drawdown in accordance with Rule 17 or which in the opinion of the Operator should be so designated to reflect:
- (i) any regulations made under section 283(2), or any other provision of the Act; or
 - (ii) any designation existing immediately before the Rules took effect

and which in any case has not subsequently been applied towards the provision of any other benefit in accordance with the Rules.

"Enhanced Protection"	means, in relation to an individual, the application of paragraph 12 of Schedule 36 in his case.
"Fixed Protection"	means, in relation to an individual, the Act having effect as if the standard lifetime allowance were whichever applies in his case of (a) the greater of the standard lifetime allowance and £1,800,000; or (b) the greater of the standard lifetime allowance and £1,500,000, (c) the greater of the standard lifetime allowance and £1,250,000.
"Fund"	means all contributions, gifts and transfer payments received by the Scheme and any other monies, investments, policies, property or other sums or assets for the time being held for the purposes of the Scheme.
"General Fund"	means any part of the Fund which is not an Individual Fund.
"HMRC"	means the Commissioners or officers of Revenue and Customs or both of them, as the context may require.
"Independent Trustee"	means the person named as Independent Trustee in the Adopting Deed and any successor for the time being appointed in accordance with Rule 4.2.
"Individual Fund"	<p>in relation to a Member or Dependant means that part of the Fund which the Operator determines is attributable to him having regard to:</p> <ul style="list-style-type: none"> (i) (in the case of a Member only) any contributions made by him and by any other person in respect of him; (ii) (in the case of a Dependant only) any part of an Individual Fund of a Member designated as available for the payment of Drawdown for that Dependant in accordance with the Rules following the death of that Member; (iii) any transfers made to the Scheme in respect of him; (iv) any allocation or reallocation of any part of the Fund in accordance with the Rules; (v) any pension credit or pension debit applicable to him; (vi) any income, gains or losses (whether realised or not), fees, costs and expenses borne by the Fund and any actual or prospective liabilities of the Operator or Independent Trustee (other than liabilities to pay Benefits) attributable to the Fund. <p>If, immediately before the Rules took effect, more than one arrangement existed under the Scheme in relation to an individual, then a separate Individual Fund shall be determined for each such arrangement.</p>
"Individual Protection"	means, in relation to an individual, the application in his case of the relevant provisions of the Finance Act 2014 dealing with Individual Protection 2014, or of the Finance Act 2016 dealing with Individual Protection 2016.

"Member"	means a person admitted as a Member in accordance with Rule 13 or by virtue of a transfer in accordance with Rule 9 or in accordance with any corresponding provisions previously governing the Scheme and who has not ceased to be a Member. "Membership" has a corresponding meaning.
"Operator"	means the person named as Operator in the Adopting Deed and any successor for the time being appointed in accordance with Rule 4.1.
"Partner"	in relation to an individual means any person who is (or was immediately before the individual's death) his spouse or civil partner (within the meaning of section 1 of the Civil Partnership Act 2004).
"Regulator"	means the Pensions Regulator established by the Pensions Act 2004.
"Relative"	<p>in relation to an individual means:</p> <ul style="list-style-type: none"> (i) any ancestor or descendant (however remote) of the individual or of his Partner; (ii) any stepchild, brother or sister of the individual (whether of the whole or of the half-blood) and any descendant of any such stepchild; (iii) any Partner of the individual or of any person within (i) or (ii) above; (iv) any stepbrother or stepsister of the individual <p>and for these purposes</p> <ul style="list-style-type: none"> (i) 'descendant' includes adopted persons and those who have been treated as children of the family; (ii) the class of Relatives shall be closed at the individual's date of death except that it shall include persons then en ventre sa mere who if they had then been born would have been Relatives.
"Rules"	means these rules and any amendments or modifications to them.
"Scheme"	means the scheme to which these rules apply.
"Terms and Conditions"	means those contractual terms accepted by the individual, as amended from time to time, that determine the rights of the individual under the <i>Rules</i> , and the use of arrangements .
"Trustee"	in relation to any Individual Fund shall mean the Independent Trustee.
"Uncrystallised Fund"	means any part of an Individual Fund which is not a Drawdown Fund and has not been applied towards the provision of any other benefit in accordance with the Rules.

2. CONSTITUTION OF SCHEME

2.1 The Fund shall be vested in the Independent Trustee upon irrevocable trusts, to be applied in accordance with the Rules.

- 2.2 The Operator shall be the scheme administrator of the Scheme and shall be responsible for the discharge of the functions conferred or imposed on such a person by and under the Act.
- 2.3 The Operator shall maintain a separate record of each Individual Fund and its investment or other application.
- 2.4 The Operator may conclusively determine whether or not any person is a Beneficiary and the amount of any Benefit, and may also conclusively determine all questions and matters of doubt arising in connection with the Scheme.
- 2.5 No person shall have any claim, right or interest in respect of the Fund except under the Rules.
- 2.6 No person shall have any right to enforce any provision of the Rules by virtue of the Contracts (Rights of Third Parties) Act 1999 which he would not have apart from that Act.
- 2.7 The Rules shall in all respects be governed by and interpreted according to the laws of England. The parties submit to the exclusive jurisdiction of the courts of England.

3. **AMENDMENT OF THE RULES**

- 3.1 The Operator may at any time by deed alter add to or delete all or any of the Rules, with immediate future or retrospective effect.
- 3.2 The power in Rule 3.1 shall continue to be exercisable without restriction throughout the winding up of the Scheme.

4. **OPERATOR AND TRUSTEE: APPOINTMENT AND REMOVAL**

- 4.1 The Operator may at any time by deed agree with another person (the "Replacement Operator") that that person shall undertake the duties of the Operator under the Scheme. In that event, the Operator shall be discharged from the trusts of the Scheme and these Rules shall have effect as if the Replacement Operator were the Operator.
- 4.2 The Operator may at any time by deed agree with another person (the "Replacement Independent Trustee") that that person shall undertake the duties of the Independent Trustee under the Scheme. In that event, the Independent Trustee shall be discharged from the trusts of the Scheme and these Rules shall have effect as if the Replacement Independent Trustee were the Independent Trustee.

5. **RELATIONSHIP OF OPERATOR, TRUSTEE AND MEMBERS AND OTHERS**

- 5.1 The Trustee shall at all times exercise its powers under the Rules in (and only in) accordance with the directions of the Operator, PROVIDED ALWAYS THAT any bank or other third party dealing from time to time with the Trustee in relation to the Scheme shall be entitled to assume without further evidence that any exercise of those powers is in accordance with such directions and with the provisions of the Rules generally.
- 5.2 In relation to any Individual Fund, the Operator shall direct the Trustee to exercise its powers in Rule 7.1 in accordance with (and only in accordance with) any directions given by the relevant Member or Dependant, except where to do so would in the opinion of the Operator:
- 5.2.1 lead to a breach of any other provision of the Rules, provision of a benefit not specifically permitted by the Rules or the making of a ***scheme chargeable payment***;
 - 5.2.2 prejudice the status of the Scheme as a ***registered pension scheme***;
 - 5.2.3 prevent or unduly delay recovery of any amount under Rule 8.5 or payment of Benefits or any other payment required for the proper administration of the Scheme generally; or
 - 5.2.4 breach any restrictions on particular investments or classes or descriptions of investment which the Operator may in its absolute discretion impose from time to time for this purpose (whether those restrictions are imposed in respect of the whole Scheme or any

particular category or description of Members or Dependants) and which are set out in the Terms and Conditions.

5.3 The Member or Dependant may appoint any person acceptable to the Operator for the purposes of directions to be given by him in accordance with Rule 5.2 and shall provide to the Operator any information or assurance that it may request in connection with such appointment.

6. **POWERS, DUTIES AND DISCRETIONS**

6.1 Each of the Independent Trustee and the Operator is granted all the powers, rights, privileges and discretions it may require for the proper implementation of the Scheme, including the performance of all duties imposed by law and may do anything expedient or necessary for the support and maintenance of the Scheme or for the benefit of the Beneficiaries (including for the avoidance of doubt the institution, defence, compromise and settlement of legal proceedings, whether brought by or against a Beneficiary or otherwise). Any powers granted by these Rules shall be in addition to those granted by law.

6.2 Each of the Independent Trustee and the Operator may effect such insurance for such risks and for such amounts as it considers prudent, including without limitation insurance against any loss or damage caused by any act or omission of the Operator or the Trustee or any person appointed under this Rule 6.

6.3 Each of the Independent Trustee and the Operator may:

6.3.1 delegate or authorise sub-delegation of any of its duties, powers and discretions, whether arising by virtue of these Rules or by operation of law or otherwise;

6.3.2 grant authority to execute deeds and any other documents and give receipts or discharges for any moneys or other property

to any one or more persons including any Beneficiary (and in the case of a corporate Trustee, any director or other officer), subject to such terms as it in its absolute discretion thinks fit.

6.4 The Operator may appoint and remove (or arrange for the appointment and removal of):

6.4.1 any actuary, solicitor, accountant, auditor or other adviser;

6.4.2 any clerical or executive officers or staff as it may consider desirable

in each case in relation to the whole or any part of the Scheme and upon such terms, as to remuneration liability and indemnity and otherwise, as it thinks fit.

6.5 The Operator may at its absolute discretion accept for the purposes of the Scheme or renounce any gifts, donations or bequests.

6.6 The Trustee may appoint and remove (or arrange for the appointment and removal of):

6.6.1 any investment manager, nominee, custodian, sub-custodian or other person concerned with the management or custody of assets;

6.6.2 any agent in any transaction or in any act of administration;

6.6.3 any actuary, solicitor, accountant, auditor or other adviser

in each case in relation to the whole or any part of the Individual Fund and upon such terms, as to remuneration liability and indemnity and otherwise, as it thinks fit.

7. **INVESTMENT**

7.1 The Trustee of an Individual Fund shall have full powers of investment and application including all such powers which it could exercise if it was absolutely and beneficially entitled to the Individual

Fund. In particular and without prejudice to the generality of the foregoing the Trustee may invest or apply all or any part of the Individual Fund in any part of the world:

- 7.1.1 in deferred or immediate annuity policies, life assurance policies, retirement, endowment or sinking fund contracts or policies each of which are effected with an **insurance company**;
- 7.1.2 in any interest in land or property (including commercial and residential property);
- 7.1.3 in units, unit trusts or mutual funds or other common investment funds or securitised issues or any other form of collective investment;
- 7.1.4 in the purchase of or subscription for or in underwriting, sub-underwriting or guaranteeing the subscription of any stocks, shares, debenture stocks or other investments;
- 7.1.5 in entering into and engaging in any obligations or contracts or dealings including dealings in currencies, traded options, financial futures, commodities or commodity futures;
- 7.1.6 in choses in action, personal chattels and any other property or right or interest of any description in any asset, in each case whether tangible or not and whether moveable or not;
- 7.1.7 in the insurance of any assets of the Individual Fund against any risks and for any amounts;
- 7.1.8 by opening and operating accounts with any local authority, bank, **insurance company**, building society or finance company upon such terms as the Trustee thinks fit; and
- 7.1.9 by participating in any scheme of any description operated or administered by an **insurance company**

and may

- 7.1.10 lend monies to, and borrow or raise monies from, any person for such purposes and upon such security and subject to such terms as it considers fit;
- 7.1.11 sell, lend, lease, license, surrender, assign, convert, repair, alter, improve, maintain, develop, demolish, vary or transpose any assets of the Fund;
- 7.1.12 enter into any arrangements with an **insurance company** to reinsure the whole or any portion of the risks undertaken, and in particular including reinsuring against any excess of claims that might fall upon the Scheme owing to a catastrophe or epidemic;
- 7.1.13 make any arrangements with an **insurance company** for the provision of all or any Benefits.

7.2 The Trustee of an Individual Fund may exercise any of its powers under this Rule 7:

- 7.2.1 alone or jointly with the trustees of any other **pension scheme** or with any other person on such terms as the Trustee may agree;
- 7.2.2 whether or not producing interest or dividends or any other form of income;
- 7.2.3 whether or not involving a wasting or depreciating asset or any interest in an asset which is reversionary or limited in any other way;
- 7.2.4 whether or not involving any liability on the Trustee or the Fund; and
- 7.2.5 whether or not the Trustee, the Operator or any Beneficiary or any delegate, agent, adviser or other person appointed under Rule 6, or any person connected or associated with any of them, has a personal interest or interest in another fiduciary capacity.

7.3 Any provision made under the power to insure in respect of any Benefit (whether immediate or contingent) may be made by effecting an individual annuity contract or policy in the name of the Beneficiary or in the name of the Trustee or (if the contract or policy was initially effected in the name of the Trustee) by assigning it to the Beneficiary. Each contract or policy must be subject to any terms and conditions necessary to comply with the Pension Schemes Act 1993.

8. **LIABILITY, RECOVERY OF CHARGES, EXPENSES ETC.**

8.1 The duty of care under section 1 of the Trustee Act 2000 shall not apply to the Trustee in relation to the Scheme.

8.2 Except as specifically required by the Rules, the Trustee shall not be required to consult, or act upon the wishes of, Beneficiaries. Section 11(1) of the Trusts of Land and Appointment of Trustees Act 1996 shall not apply to the Scheme.

8.3 Neither the Operator nor the Independent Trustee shall be liable, responsible or chargeable in any manner whatsoever for any acts or omissions not due to its own wilful neglect or wilful default.

8.4 If the inclusion of any words in Rule 8.3 would at law render ineffective the protection of the Operator or the Independent Trustee then the clause is to be read with such words omitted.

8.5 The Operator may, without the agreement of the Trustee or any Beneficiary and to the extent permitted by section 256 of the Pensions Act 2004, recover out of the relevant Individual Funds any fees or charges imposed by the Operator or Independent Trustee in accordance with such terms as may be notified from time to time together with any losses, liabilities, costs, charges or expenses (including any fees, charges or expenses of persons appointed pursuant to Rule 6) or other amounts the Operator or the Independent Trustee may suffer or incur in connection with or in relation to:

8.5.1 investment;

8.5.2 any proceedings brought in order to comply, or procure compliance by the Trustee or any Beneficiary or other person, with any obligation imposed by law or by this deed or any agreement made under it;

8.5.3 any proceedings brought by or on behalf of a Beneficiary;

8.5.4 any other proceedings;

8.5.5 any liability to tax or other imposition of any kind in respect of any payment to be made to or in respect of a Beneficiary;

8.5.6 the execution of the trusts of the Scheme generally

except to the extent that such amounts:

8.5.7 are recoverable by the Operator under any policy of insurance and would not be recoverable but for this exception, or

8.5.8 are suffered or incurred by the Operator or Independent Trustee as a result of its own wilful neglect or wilful default

and the Operator shall pay over to the Independent Trustee or the person appointed pursuant to Rule 6 amounts so recovered or retain them for its own benefit as appropriate.

8.6 The Operator shall not be obliged to bring, pursue, defend or appeal any proceedings or decisions in relation to the Scheme.

8.7 Any Trustee engaged in any profession or business shall be entitled to be paid and retain all usual professional or proper charges and commissions for business done by him or his firm in connection with the Scheme including acts which a Trustee who is not in any profession or business could have done personally.

- 8.8 The Trustee may take out trustees' indemnity insurance to cover any liability or potential liability which it may have in respect of any Individual Fund and the cost of premiums shall, to the extent permitted by section 256 of the Pensions Act 2004, be borne by the Individual Fund.
- 8.9 Each Member and Dependant shall indemnify and keep indemnified the Independent Trustee and the Operator against any amounts described in Rule 8.5 as recoverable by the Operator but which in the opinion of the Operator are not in fact recoverable out of the relevant Individual Funds.
- 8.10 No decision of or exercise of a power, duty or discretion by the Operator or the Trustee or by any delegate shall be invalidated or questioned on the ground that that person or delegate had a personal interest in the manner or result of the decision or of exercising the power, duty or discretion. The Operator or Trustee or delegate shall be entitled to retain beneficially any Benefit or other interest which he may have under the Scheme.
- 8.11 In this Rule 8:
- 8.11.1 references to an Operator or Trustee shall be taken to include any former Operator or Trustee and any present or former director or other officer of any of them (but not so as to provide any protection of a director from liability which would be void under Chapter 7 of the Companies Act 2006);
- 8.11.2 references to proceedings shall be taken to include any investigation by the Pensions Ombudsman or Financial Ombudsman Service, and any other form of action, proceeding or claim.
9. **TRANSFERS BETWEEN SCHEMES**
- 9.1 The Operator may at its absolute discretion:
- 9.1.1 accept in respect of any individual a transfer of all or any of the assets of another **pension scheme** to the Scheme, to provide such Benefits as the Operator may specify, to and in respect of that individual;
- 9.1.2 make (or direct that the Trustee makes) in respect of any individual a transfer of his Individual Fund (or an amount representing it) to another **registered pension scheme** or **qualifying recognised overseas pension scheme**, to provide such benefits under the other scheme as its trustees or managers may offer.
- 9.2 The Operator shall not be required to obtain the consent of the person or persons in respect of whom the transfer is accepted or made except:
- 9.2.1 in relation to a transfer which would prejudice Enhanced Protection or Fixed Protection or Individual Protection, whether an **impermissible transfer**, or a transfer that is not a **permitted transfer**, or otherwise;
- 9.2.2 in relation to a transfer that is not a **recognised transfer**, or
- 9.2.3 where required by law.
- 9.3 In connection with any such transfer the Operator shall have power to provide such information to such persons as may be required by the Act or otherwise as it may in its absolute discretion determine to be necessary.
- 9.4 If the purpose of a transfer made to the Scheme under Rule 9.1.1 is the provision or continuation of a pension permitted by the **pension death benefit rules**, these Rules shall apply to such pension as if the person in respect of whose death it is payable had been a Member at the date of his death.
- 9.5 A transfer made from the Scheme under Rule 9.1.2 shall (subject to any special terms or conditions imposed by the Operator) extinguish the Individual Fund concerned and release the Operator and the Trustee from any liability in respect of any corresponding Benefits.

10. BUYING OUT BENEFITS

10.1 The Operator may at any time arrange with an **insurance company** to secure outside the Scheme the Benefits payable or prospectively payable out of an Individual Fund, by:

10.1.1 application of the Individual Fund or its proceeds towards the purchase of an appropriate policy from, or entry into an appropriate contract with, the **insurance company**;

10.1.2 assignment of the benefit of any policy or contract forming part of that Individual Fund and previously effected in the name of the Trustee or their nominees with that **insurance company**

in either case on such terms as the Operator in its absolute discretion thinks fit.

10.2 Following such application, the Operator and the Trustee shall be discharged from all claims in respect of such Benefits.

11. WINDING UP AND DISSOLUTION

11.1 The remaining provisions of this Rule 11 shall apply upon the Operator so resolving. :-

11.2 The Scheme shall be determined and the Fund shall be wound up provided that the trusts of the Scheme shall remain in force and all powers under the Rules shall remain exercisable until the Fund has been completely wound up.

11.3 The Operator shall apply any General Fund in accordance with Rule 22.

11.4 The Operator shall (or shall direct that the Trustee) apply each Individual Fund in the following order:

11.4.1 in discharging so much of the actual or anticipated costs, charges and expenses of and incidental to the application of the Fund (including the remuneration of professional advisers) as the Operator in its absolute discretion may determine;

11.4.2 in payment of any **lump sum death benefit** payable in respect of a death occurring before the application of this Rule 11;

11.4.3 securing benefits in respect of the relevant Member or Dependant in such one or more of the ways described in Rule 11.5 as the Operator in its absolute discretion may determine having regard to the Benefits that would otherwise have been payable from the Scheme.

11.5 The ways described in this Rule are:

11.5.1 purchase of an immediate or deferred annuity from an **insurance company** on any terms;

11.5.2 payment of a lump sum permitted by the **lump sum rule**;

11.5.3 payment of a transfer in accordance with Rule 9.1.2.

11.6 The determination of the Operator under this Rule 11 as regards the application of the Fund shall be absolute and final and every Member or other recipient shall accept the amount of his benefit in respect of him in full discharge of all claims against the Fund or the Scheme and shall have no further claim whatsoever.

11.7 If the assets of the Fund include annuity contracts or annuity policies effected in the name of the Trustee or its nominees with any **insurance company**, it shall either:

11.7.1 enter into an arrangement with the **insurance company** to assign them to, or transfer or secure them in trust for, the person or persons entitled to benefit under them, or

11.7.2 assign them to another **pension scheme**

as appropriate.

Part 2 – Membership and Benefits

12. MEDICAL EVIDENCE AND OTHER RELEVANT INFORMATION

12.1 The Operator may at any time request any Beneficiary to supply such evidence of age, good health, marital status, rights and entitlements under other ***pension schemes*** and other evidence and information as it may reasonably require, and may withhold payment of all or part of any Benefits until the evidence or information is received and accepted by the Operator as correct and sufficient.

12.2 Any Beneficiary shall without delay notify the Operator of any event or fact which may affect his entitlement or prospective entitlement under the Scheme.

13. ADMISSION TO MEMBERSHIP

13.1 The Operator may in its absolute discretion admit any individual as a Member.

13.2 Admission to Membership shall be subject to such requirements and on such terms, whether generally or in any particular case, as the Operator may in its absolute discretion determine and set out in the Terms and Conditions.

13.3 A Member who, by virtue of Rule 9 (Transfers between Schemes) or Rule 10 (Buying Out Benefits) or otherwise, ceases to have any Individual Funds within the Scheme, shall cease to be a Member.

14. CONTRIBUTIONS

14.1 Subject to Rule 14.2, a Member and any other person may make contributions to any Individual Fund of the Member in such form (whether money or any other contribution of money's worth) and of such amounts and at such times as the Operator may in each case agree.

14.2 Any contribution by or in respect of a Member which would cause loss of Enhanced Protection or Fixed Protection for that Member

shall not form part of the Fund or in any other way become held for the purposes of the Scheme but shall instead be held by the Operator on trust for the relevant contributor absolutely, unless before the making of that contribution the Operator and the Member have agreed explicitly in writing that this Rule 14.2 shall not apply.

15. MULTIPLE INDIVIDUAL FUNDS

15.1 The Operator may at any time treat any existing part of a Member's Individual Fund or any new contribution in respect of a Member as a separate Individual Fund, in which case it:

15.1.1 shall constitute a separate Individual Fund for the purposes of the Rules (including without limitation this Rule 15.1) and the Rules shall be applied to each Individual Fund separately; but

15.1.2 shall not constitute a separate arrangement for the purposes of the Act unless the Member and Operator expressly agree.

16. BENEFITS FOR MEMBER

16.1 Any Uncrystallised Fund of a Member may be:

16.1.1 applied to pay a ***pension commencement lump sum*** of such amount (consistent with the Act) as the Member may request; and

16.1.2 (as to any remainder) designated as available for the payment of Drawdown in accordance with Rule 17;

on such date as the Member may select, being not earlier than the earliest date on which:

16.1.3 the Member reaches his **normal minimum pension age** (or any **protected pension age**); or

16.1.4 the **ill-health condition** is met.

17. **DRAWDOWN**

17.1 The Trustee shall pay out of an individual's Drawdown Fund to the individual such amounts and at such times as the individual may specify, provided that:

17.1.1 no payment shall be made if it would not qualify as Drawdown; and

17.1.2 the Operator may impose such restrictions as to timing and minimum and maximum amounts of payments as it may reasonably consider appropriate in the Terms and Conditions.

18. **BENEFITS FOLLOWING DEATH**

18.1 On the death of a Member the Operator shall apply (or direct that the Trustee applies) the Member's Individual Fund as follows:

18.1.1 if at the time of the individual's death the Operator is satisfied that the Member's Benefits are subject to a valid trust under which no beneficial interest in a benefit can be payable to the Member, the Member's estate or the Member's legal personal representatives, then the amount of any Uncrystallised Fund shall be applied in the provision of a **lump sum death benefit** to the trustees of that trust; and

18.1.2 in all other cases, in such one or more of the following ways as the Operator in its absolute discretion may determine:-

(a) designation as available for the provision of Drawdown for one or more surviving Beneficiaries in accordance with Rule 17;

(b) provision of one or more **lump sum death benefits** in accordance with Rule 19;

(c) if no person exists for whom benefits can be provided in accordance with the preceding provisions of this Rule 18.1, allocation to the General Fund.

18.2 On the happening of

the death of a Beneficiary for whom Drawdown was being provided following the death of a Member

the Operator shall apply (or direct that the Trustee applies) the Beneficiary's Individual Fund in such one or more of the following ways as the Operator in its absolute discretion may determine:

18.2.1 payment of one or more **lump sum death benefits** in accordance with Rule 19;

18.2.2 designation as available for the payment of Drawdown for one or more other Beneficiaries of the Member in accordance with Rule 17; or

18.2.3 to the extent it can not be applied in accordance with the preceding provisions of this Rule 18.2, allocation to the General Fund.

19. **LUMP SUM DEATH BENEFITS**

19.1 On the death of an individual, any part of his Individual Fund to be applied in accordance with this Rule shall, subject to Rule 19.2, be paid to such one or more of the following and in such proportions as the Operator in its absolute discretion may determine:

19.1.1 the individual's Relatives;

19.1.2 any person for whom Drawdown may be provided on that death (whether actually provided or not);

19.1.3 any person nominated for this purpose by the individual ;

19.1.4 any person entitled under the individual's will to any interest in the individual's estate;

19.1.5 the individual's *personal representatives*.

19.2 Any amount to be paid to a person under Rule 19.1 may instead at the absolute discretion of the Operator be paid in any other way for the benefit of that person, including without limitation payment to the trustees of any trust (including any other *pension scheme* or any discretionary trust) for the benefit of persons including that person.

19.3 The Trustee shall have the power to declare or otherwise establish any trusts for the purposes of Rule 19.2, on such terms as the Operator in its absolute discretion considers appropriate. For the avoidance of doubt Rule 8.5 shall apply to any costs, charges or expenses incurred in doing so.

20. **ALTERNATIVE APPLICATION OF INDIVIDUAL FUND**

20.1 The Operator may at any time at the request of the relevant Member or Beneficiary (or, where the Member or Beneficiary is deceased, his *personal representatives*) apply (or direct that the Trustee applies) all or any part of the Member's or Beneficiary's Individual Fund:

20.1.1 to provide any one or more of the benefits permitted by the *pension rules, lump sum rule, pension death benefit rules or lump sum death benefit rule* and not otherwise permitted by the Rules;

20.1.2 to make any other payment authorised by the Act;

to or for the benefit of the Member or Beneficiary or any other person, and in place of any Benefit that was, or would have been, otherwise payable from such part of such Individual Fund.

21. **PAYMENT OF BENEFITS, DEDUCTION OF TAX**

21.1 Any Benefit shall be paid by bank transfer or otherwise in monetary form, or may instead be paid by way of transfer of all or any part of any asset of the Fund or of any interest in such asset or any other transfer of money's worth.

21.2 If an Individual Fund includes an insurance policy with an *insurance company* to meet any obligations to pay Benefits then those Benefits shall be payable only if and to the extent that the Operator or Independent Trustee is able to recover payment under the terms of the insurance policy.

21.3 If and for so long as a person entitled to a Benefit from an Individual Fund is a minor, or in the opinion of the Operator unable to act by reason of mental disorder or otherwise, the Operator may pay or direct the payment of the Benefit to any one or more of his parents, guardians, spouse or other person legally appointed or authorised to receive it on his behalf to be applied for his benefit. Any such payment shall operate as a complete discharge to the Trustee and the Operator and they shall not be under any liability to enquire into its application.

21.4 Without prejudice to any other provision of the Rules, the Operator shall be entitled to deduct from any payment made to any person or body (including any allocation or reallocation within the Scheme of any amount for the benefit of any person or any other act which may be deemed to be a payment for any purpose of the Act), or from any part of the Fund to which the payment relates, a sum equal to any charge to tax to which the Trustee or the Operator are, or may become, liable as a result of the payment (whether by virtue of the payment being a **scheme chargeable payment** or otherwise) and shall remit the amount to the appropriate office of HMRC.

21.5 Where the Operator is uncertain of the extent of any tax liability, it may at its absolute discretion either deduct such amount as it may determine or postpone the payment.

22. APPLICATION OF THE GENERAL FUND

22.1 The Operator may at any time recover out of the General Fund any amounts described in Rule 8.5 to the extent the same are not recoverable from the relevant Individual Funds and may set aside so much of the remaining General Fund as it in its absolute discretion considers may be required to meet any such amounts in the future.

22.2 The Operator may at any time apply any General Fund not applied or set aside under Rule 22.1 to:

22.2.1 create or augment an Individual Fund or otherwise provide new or increased benefits, either immediate or prospective, for any person;

22.2.2 make a payment to a **charity**

or in any other way which in the opinion of the Operator is consistent with the status of the Scheme as a **registered pension scheme**.

23. NOMINATIONS AND NOTICES

23.1 Any nomination under the Rules shall be made by notice to the Operator.

23.2 Notices to the Trustee or the Operator shall be given in writing and shall not be effective until actually received. The Trustee or the Operator may waive all or part of these requirements in relation to any notice to be given to him.

24. FORFEITURE, ETC

24.1 The Operator may in its absolute discretion determine that any Benefit of a Beneficiary payable from an Individual Fund shall, even if it would otherwise belong absolutely to the Beneficiary, be forfeited if:

24.1.1 the Beneficiary fails to claim it within six years of the date on which it becomes due; or

24.1.2 the Beneficiary attempts to assign or surrender it or it becomes the subject of a transaction or purported transaction which under the Rules or by operation of law is of no effect.

24.2 In a case to which Rule 24.1.1 applies, the part of the Individual Fund representing the amount forfeited shall become part of the General Fund.

24.3 In a case to which Rule 24.1.2 applies, any part of the Individual Fund representing the amount forfeited may be applied to provide such one or more other benefits to or in respect of the Beneficiary as are permitted by the Rules and as the Operator in its absolute discretion may determine, and any remainder shall become part of the General Fund.

25. PENSION SHARING

25.1 The Operator shall discharge any liability in respect of a person acquiring a **pension credit** in such one or more of the following ways as it in its absolute discretion shall think fit:

- 25.1.1 admitting that person as a Member in accordance with Rule 13.1 and determining for that person an Individual Fund equal in value to an amount representing that credit;
- 25.1.2 making a transfer payment in respect of that person in accordance with Rule 9.1.2 (as if the reference to Beneficiary included that person and as if the reference to Individual Fund were to an amount representing that credit);
- 25.1.3 applying an amount representing that credit towards the purchase of an appropriate policy from, or entry into an appropriate contract with, an **insurance company** in respect of that person.

25.2 The Operator may at its absolute discretion reduce either or both of:

25.2.1 the amount representing the credit; and

25.2.2 the Individual Fund subject to the corresponding **pension debit**

by an amount or amounts representing in aggregate all or any part of the costs, charges or expenses incurred in connection with the credit (whether in the provision of any relevant information, the implementation of any relevant order or otherwise).