

Adviser/Consultancy charges terms and conditions

Introduction

The terms and conditions in this document shall be effective from 12 November 2012. They set out the conditions upon which we facilitate the payment of adviser charge and consultancy charge payable by a plan holder to their financial adviser or scheme adviser. They form part of the policy conditions for your Aegon pension product, and you should read them along with your policy conditions booklet. Where you have chosen the self-invested element of a product, this will be covered by Appendix 1 to these terms and conditions. Appendix 1 will be effective from 31 December 2012.

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1. Definitions and interpretation

1.1. In this document, words and phrases in italics have the following meanings, except where the context otherwise requires:

Act means the Financial Services and Markets Act 2000, as amended or re-enacted from time to time

advice means *advice* in relation to an Aegon *product*

adviser means the *authorised* person, through whom *you* apply for an Aegon *product*, and whom a *plan holder* can remunerate by payment of an *adviser charge*

adviser charge means the fee agreed between the *adviser* and the *plan holder* for the *advice* and/or services, payable by the *plan holder* and called initial *adviser charge* and/or ongoing *adviser charge* and/or ad hoc *adviser charge*

Aegon Group means Aegon UK plc and/or any of its subsidiary companies, holding companies, or any subsidiary of any such holding company

authorised person has the meaning set out in section 31 of the *Act*

business day means a trading day on the London Stock Exchange

charge deduction instruction means the Aegon form signed by *you* (where *your product* is a *personal pension plan*) or the *scheme adviser* and *your employer* (where *your product* is a *group pension plan*), telling *us* the amount of the *adviser charge* or *consultancy charge*, and authorising *us* to deduct the *adviser charge* or *consultancy charge* from the *product*

close family or associates means:

- spouse;
- children and step-children, parents and step-parents, brothers and sisters, step-brothers and step-sisters, and the spouse of any of these;
- appointed representative; and
- employees

consultancy charge means the charge agreed between the *scheme adviser* and the *employer* and payable by the *plan holder* for *advice* given or services provided in relation to a *group pension plan* with us, and called initial *consultancy charge*, ad hoc *consultancy charge* and/or ongoing *consultancy charge*

contribution means any payment by *you* or a third party or *your employer* (where allowed) into a *product*, and includes movement of any amounts between the *SIPP* and the insured part of a *product*

employer means the person (including a company or other legal entity) that employs *you* when *you* take out *your product*, and through whom *you* apply for a *group pension plan*.

FCA means the Financial Conduct Authority and any regulator that replaces it

group pension plan means a pension that is under one of *our personal pension schemes*, and that is offered through *your employer*

insured funds means funds provided by Scottish Equitable plc and more fully described within the relevant *policy conditions*

personal pension plan means an individual pension that is under one of *our personal pension schemes* and that is not offered through *your employer*

personal pension scheme means Scottish Equitable plc's *personal pension schemes* and Scottish Equitable plc's self administered *personal pension schemes*

plan holder means the owner of a *product*, or a member of a *group pension plan*, and who has an obligation to pay the *adviser charge* or *consultancy charge*

policy conditions means the terms and conditions for a *product*

product means the *group pension plan* or *personal pension plan*, as appropriate, through which we facilitate the payment of *adviser charge* and *consultancy charge* under these terms and conditions

scheme adviser means the person who is appointed by the *employer* in relation to a *group pension plan*

SIPP means the self-invested part of a *product*

unit means, in relation to an investment fund one of the *units* into which the fund is divided. Where the context permits, *unit* includes a fraction of a *unit*, but does not include a *unit* which has been cancelled

we, us, our, Aegon means Aegon UK plc

you, your means the *plan holder*, except where the context requires it to mean the *employer*.

- 1.2. We have inserted clause and paragraph headings and numbering for convenience only, and they shall not affect the interpretation of these terms and conditions.
- 1.3 If there is any conflict or inconsistency between these terms and conditions and the terms set out in the *charge deduction instruction*, the terms and conditions set out in this document shall prevail.
- 1.4 Words in the singular include the plural. The opposite also applies.
- 1.5 A reference to one gender includes a reference to the other genders.
- 1.6 A reference to any statute or statutory provision includes a reference to any amendment, extension or re-enactment of that statute or statutory provision, and to any regulations made under it or them, and to any Northern Ireland equivalent legislation.

2. Adviser and consultancy charges

- 2.1.** Payments of *adviser charge* or *consultancy charge* to your adviser or *scheme adviser* are specific to each product. We facilitate the payment of *adviser charge* and *consultancy charge* that have been agreed between you and your adviser, or between your employer and the *scheme adviser*, and notified to us by you, or your adviser or the *scheme adviser* on your behalf.
- 2.2.** At any time, you can ask us by an instruction in writing to change or stop paying any *adviser charge*, and your employer or *scheme adviser* can ask us by an instruction in writing to change or stop paying any *consultancy charge*. We will deduct *adviser charge* or *consultancy charge* from your product and pay it to your adviser or the *scheme adviser* on your behalf. You may still have to pay outstanding *adviser charge* and/or *consultancy charge* to your adviser or the *scheme adviser*. You should check the terms of your agreement with them.
- 2.3.** We will only deduct *adviser charge* or *consultancy charge* after we receive a completed *charge deduction instruction*. Where you want us to facilitate the payment of *adviser charge* or *consultancy charge* from the insured funds, you must use our 'insured' *charge deduction instruction*. If we receive more than one *charge deduction instruction* for deduction of different types of *adviser charge* from the same product, we will make the deductions in order of the date of the *charge deduction instruction*. Where two *charge deduction instructions* have the same date, and we process them on the same day, we will make the deductions in the following order:
- 2.3.1. Initial *consultancy charge*;
 - 2.3.2. Ongoing *consultancy charge*;
 - 2.3.3. Ad hoc *consultancy charge*;
 - 2.3.4. Initial *adviser charge*;
 - 2.3.5. Ongoing *adviser charge*;
 - 2.3.6. Ad hoc *adviser charge*.
- 2.4.** We will set limits on the maximum allowable amount of *adviser charge* and *consultancy charge* that you can pay from your product. When we set limits, we will take into account the maximum *adviser charge* or *consultancy charge* that can be sustained by a product, alongside product charges, so that the product is still suitable for the purpose for which it was designed. If the value of your product is insufficient to sustain the deduction of *adviser charge* or *consultancy charge*, we will either not start facilitating the payment of the relevant charge, or we will stop facilitating the payment of the relevant charge if we have already started doing so.

- 2.5** We always need a new *charge deduction instruction* if the *adviser charge* or *consultancy charge* is changing. If you want us to stop deducting *adviser charge* from your product, you must give us written instructions. If your employer wants us to change the amount of *consultancy charge* we deduct from your product, they must send us a new *charge deduction instruction*.
- 2.6** Once a payment of *adviser charge* or *consultancy charge* has been deducted from your product, we will hold it as agent for your adviser or *scheme adviser*. This means that once it has left your product, it has been paid to your adviser or *scheme adviser*, and we cannot change or return it (subject to any right on cancellation set out in sub clause 5.1).
- 2.7** If the *policy conditions* for your product require you to make a minimum *contribution* payment for the product, neither *adviser charge* nor *consultancy charge* is included in the amount of the minimum *contribution*. If you are not sure how much the minimum *contribution* amount is for your product, you can ask your adviser, or look in your product literature, or on our website, aegon.co.uk
- 2.8** When you take out a new product we will confirm to you the total amount of *adviser charge* or *consultancy charge* that has been paid or is due to be paid to your adviser or the *scheme adviser* when we send you a *consultancy charge* and/or *adviser charge* summary document along with your policy schedule.
- 2.9** The *adviser* or *scheme adviser* must tell us at the time of applying for a product whether they or any close family or associates are the plan holder. Where we reasonably believe that the plan holder is the *adviser*, *scheme adviser*, or their close family or associate, we will not facilitate the payment of *adviser charge* or *consultancy charge* through the product.

3. Adviser charge

- 3.1.** In this section we describe how we facilitate payment of *adviser charge* to your adviser. We will deduct the *adviser charge* at the frequency selected in the *charge deduction instruction*.
- 3.2** The *adviser charge* you have agreed to pay your adviser is a matter between you and your adviser. When we pass on an *adviser charge* to your adviser, this is a payment we are making on your instruction and on your behalf. It is not a payment for any services provided by your adviser to us. Payment of the *adviser charge* to your adviser is separate to any charges that you may have to pay us under the terms of your product.
- We will deduct the *adviser charge* while your product is in force, and provided the value of your product is enough to pay the full amounts due. Subject to sub

clause 2.3, if the value of *your product* is not enough to deduct the full amount of all *adviser charges*, we will deduct the *adviser charges* in the following order:

3.2.1. Initial *adviser charge*;

3.2.2. Ongoing *adviser charge*;

3.2.3. Ad hoc *adviser charge*.

3.3. You may remain liable to pay your *adviser* the *adviser charge* if the value of *your product* is not enough to allow us to deduct the *adviser charge* from it, or if the *adviser charge* is stopped, unpaid or re-credited to *your product*. You should check the terms of your agreement with your *adviser* for details about *adviser charges*.

3.4. Please contact your *adviser* if you consider the amount we have deducted and paid to them is incorrect. If there's a dispute between you and your *adviser* about the amount of any *adviser charge*, you should contact your *adviser*.

3.5. You can ask us to set up or change an ongoing *adviser charge* by an instruction in writing while your *product* is in force.

Initial adviser charge

3.6. An initial *adviser charge* is a payment you agree to make to your *adviser* from your *product* for their *advice*, or for services provided in connection with your *product*. This could be when your *product* is first set up, when you make an additional *contribution* or when you and your *adviser* agree.

3.7. Subject to 3.8, the initial *adviser charge* is paid to your *adviser* based on:

3.7.1. a percentage, chosen by you, of the value of the gross *contribution* that is firstly invested in our *insured funds* (and excludes any part of the *contribution* that is attributable to any waiver of *contribution* element of your *product*), or

3.7.2. a specified monetary amount deducted from the total value of your investment in our *insured funds*

3.8. It can be paid in a lump sum, or, where you pay regular *contributions*, it can be spread over a period of time agreed between you and your *adviser*, and notified to us in the *charge deduction instruction*. We set limits on the period over which you can spread the payments, and these are set out in our *charge deduction instruction*.

3.9. If you ask us to deduct initial *adviser charge* when you or your *employer* pay a *contribution* to your *product*, we will use the *contribution* to allocate *units* to your *product*, as set out in the *policy conditions* for your *product*. Every time we need to deduct initial *adviser charge*, we will cancel sufficient *units*, equal in value to the amount of the initial *adviser charge*.

3.10. If you ask us to deduct an initial *adviser charge* as a monetary amount, we will cancel *units* proportionately across all *insured funds* within your *product*.

3.11. For FPP and IPP, if you ask us to deduct an initial *adviser charge* as a percentage of *contribution*, we will cancel *units* proportionately across all *insured funds* within your *product* for that *contribution* only.

3.12. If the fund value of your *product* is not enough to enable us to deduct the full amount of the *adviser charge*, we will not pay the *adviser charge*. We will tell you and your *adviser* when this happens.

3.13. If you write and tell us that you have changed *adviser*, we will continue to facilitate the payment of initial *adviser charge* to your former *adviser* unless you specifically write and tell us not to.

Ongoing adviser charge

3.14. An ongoing *adviser charge* is a charge paid to your *adviser* on a regular basis, for ongoing *advice* or services in connection with your *product*. The ongoing *adviser charge* will be payable for the lifetime of the *product*, or until you instruct us to stop facilitating the payment of this *adviser charge*. We will deduct it from your *product* and pay it to your *adviser* monthly, quarterly or yearly, depending on the frequency you choose in the *charge deduction instruction*. The date of the first deduction may be later than the date you set out in the *charge deduction instruction*, as it is linked to the *product* starting date. For example, if your *product* starting date is 1 January and you ask us to deduct the ongoing *adviser charge* quarterly, starting on 28 May, the actual date of deduction will be on 1 July, 1 October, 1 January and 1 April.

3.15. We calculate and pay the ongoing *adviser charge* on a regular basis as follows:

3.15.1. if it's a percentage-of-fund-based ongoing *adviser charge*, we will value your *product* on the date of the month that corresponds with your plan starting date each month/quarter/year, as appropriate and apply the percentage to this value to calculate how much ongoing *adviser charge* is to be paid. This is the yearly amount. Depending on the frequency you chose in the *charge deduction instruction*, we will divide this by 12 to work out the monthly amount, or by 4 to work out the quarterly amount. We will then cancel *units* proportionately across all *insured funds* within your *product* to pay this *adviser charge*.

3.15.2. If it's a specified monetary amount, we will deduct it at the frequency you told us in the *charge deduction instruction*, and on the same date as your plan starting date. We will then cancel *units* proportionately across all *insured funds* within your *product* to pay this *adviser charge*.

3.15.3. for a *group pension plan*, if it's a percentage of *your regular contribution*, we will apply the charge with an effective date that is the same as the effective date we use to buy *units* with the regular *contribution*. For example, if we receive *your regular contribution* on the 10th of the month and apply this to *your plan* on the 12th, the effective date of the purchase of *units* for that *contribution* and the deduction of the charge is the 10th. We will then cancel *units* proportionately across the *insured funds* in which the regular *contributions* are invested to pay this *adviser charge*.

3.16. Where you pay the ongoing *adviser charge* as a fixed monetary amount, you can also choose automatic escalation of the ongoing *adviser charge*. The amount you pay will increase every year on the anniversary of the starting date of *your product*. The first increase will apply on the first plan anniversary after you start paying ongoing *adviser charge*. However, if the *product* starting date is the 29th, 30th or 31st of a month, we will deduct it on the 28th of the month.

Ad hoc adviser charge

3.17. An ad hoc *adviser charge* is a one-off charge that you agree to be paid to your *adviser* for *advice* given or services provided in connection with *your product*, from time to time while *your product* is in force. The ad hoc *adviser charge* is always a specified monetary amount.

3.18. We will take an ad hoc *adviser charge* by cancelling *units* proportionately across all *insured funds* within *your product*. We will do this the day after we receive the *charge deduction instruction*.

4. Consultancy charge

4.1. In this section we describe how we facilitate payment of *consultancy charge* to the *scheme adviser* appointed by your *employer* in relation to *your group pension plan*. We will deduct the *consultancy charge* at the frequency selected in the *charge deduction instruction*.

4.2. Payments to the *scheme adviser* are specific to each *product* taken out through your *employer*. We facilitate the payment of initial, ongoing, and ad hoc *consultancy charges* that have been agreed between the *scheme adviser* and your *employer* and notified to us by your *employer*. The level and frequency of *consultancy charge* will be agreed between your *employer* and the *scheme adviser*. When applying for a *product* through your *employer*, you are agreeing to the terms of any *consultancy charge* that your *employer* has advised us will apply. If you leave your *employer* or leave their arrangement with us, any ongoing *consultancy charge* will stop from the time we are advised that you have left. We will continue to deduct initial *consultancy charge*, where it is a fixed monetary amount, and ad hoc *consultancy charge*.

4.3 Payment of the *consultancy charge* is separate to any charges that you may have to pay us under the terms of *your product*. We will pay the *consultancy charge* while *your product* is in force, and provided the value of *your product* is enough to pay the full amounts due. You may remain liable to pay the *scheme adviser* the *consultancy charge* if the value of *your product* is not enough to allow us to deduct the full value of the *consultancy charge* from it, or if the *consultancy charge* is stopped, unpaid or re-credited to *your product*. If the value of *your product* is not enough to deduct the full amount of a *consultancy charge*, we will deduct the *consultancy charges* in the following order:

4.3.1. initial *consultancy charge*;

4.3.2. ongoing *consultancy charge*;

4.3.3. ad hoc *consultancy charge*.

You should contact your *employer* for details about *consultancy charges*.

4.4 Please contact your *employer* if you consider the amount we have deducted and paid to the *scheme adviser* to be incorrect. If there's a dispute between you and your *employer* or the *scheme adviser* about the amount of any *consultancy charge*, you should contact your *employer* or the *scheme adviser*.

4.5 An ongoing *consultancy charge* may be set up or changed when *your product* is in force. If there is a new ongoing *consultancy charge*, your *employer* will tell us. Before we will deduct an increased ongoing *consultancy charge*, your *employer* must confirm to us that you have been informed of this increase.

4.6 When your *employer* pays regular *contributions* to your *product*, they can ask us to deduct the *consultancy charge* from that part of *your product* that is made up of their *contributions*. They do this by selecting the option on the *charge deduction instruction*. Where your *employer* chooses this option, the following applies:

4.6.1. We deduct initial *consultancy charge* from the part of *your product* that relates to your *employer's* regular *contributions*;

4.6.2. Ongoing *consultancy charge* that is based on a percentage of *contribution* is deducted from the part of *your product* that is made up of your *employer's* regular *contributions*;

4.6.3. Where the ongoing *consultancy charge* is either a monetary amount or a percentage of the value of *your product*, we deduct it proportionately from the parts of *your product* that relate to regular *contributions*, single *contributions* and transfer values. The deduction for the regular *contributions* part is taken from the part of *your product* that is made up of your *employer's* regular *contribution*, and not the part that is made up of your *contribution*;

4.6.4. We will always calculate the amount of *consultancy charge* to be paid, based on the regular *contributions* paid by *you* and *your employer*.

4.7. Where we are advised that *you* are no longer employed by the *employer*, the option to deduct ongoing *consultancy charge* from the part of *your product* that relates to *your employer's contributions* will no longer apply.

Initial consultancy charge

4.8. An initial *consultancy charge* is a payment *your employer* agrees *you* will make to the *scheme adviser* from a gross regular *contribution* to *your product* and on pension transfers into *your product*.

4.9. An initial *consultancy charge* is paid to the *scheme adviser* either as a specified monetary amount deducted from the *insured funds* bought with the gross *contribution*, or as a percentage of the value of the gross *contribution*. We will deduct the initial *consultancy charge* for pension transfers into *your product* from the transfer value.

4.10. It can be paid in a lump sum, or, for regular *contributions* only, spread over a period of time. How, and when, the initial *consultancy charge* is to be paid will be agreed between *your employer* and the *scheme adviser*, and notified to *us* in the *charge deduction instruction*. We will deduct the initial *consultancy charge* after we receive the first regular *contribution* or the transfer value for *your product*.

4.11. If *your employer* writes and tells *us* that they have changed *scheme adviser*, we will continue to facilitate the payment of initial *consultancy charge* to the former *scheme adviser* unless *your employer* specifically writes and asks *us* not to.

Ongoing consultancy charge

4.12. An ongoing *consultancy charge* is a charge paid to the *scheme adviser* on a regular basis for ongoing *advice*. A percentage-based ongoing *consultancy charge* can be either a percentage of the *contribution* or a percentage of the value of *your product*. The frequency for payment of percentage-based ongoing *consultancy charge* depends on whether it is a percentage of the value of *your product*, or a percentage of the *contribution*. It is calculated and paid as follows:

4.12.1. If it is based on a percentage of the *contribution*, we will deduct it from that part of *your product* that is attributable to regular *contributions*. We will calculate and deduct the ongoing *consultancy charge* when we receive the *contribution*;

4.12.2. If it is based on a percentage of *your fund*, *your employer* and the *scheme adviser* will choose whether it is to be paid monthly, quarterly or yearly. We will value *your product* on the

date of the month that corresponds with *your product* starting date each month/quarter/year (as appropriate) and apply the percentage to this value to calculate how much ongoing *consultancy charge* is to be paid. This is the yearly amount. Depending on the frequency *you* chose, we will divide this by 12 to work out the monthly amount, or by 4 to work out the quarterly amount. We will deduct the *consultancy charge* proportionately across all *insured funds*; or

4.12.3. If it is a monetary amount, *your employer* and the *scheme adviser* will choose whether it is to be paid monthly, quarterly or yearly. *Your employer* and the *scheme adviser* will tell *us* the amount of the ongoing *consultancy charge* and we will collect that amount in equal instalments. The amount of each instalment will depend on the frequency. We will deduct the *consultancy charge* proportionately across all *insured funds*.

4.12.4. If it is a monetary amount, *your employer* and the *scheme adviser* may choose whether it automatically increases every year. Where there is an increase, it will take effect from the first payment due after the anniversary of the *consultancy charge* starting date, and yearly from then on. This may mean that the increase happens on a date that does not correspond with the *product* starting date.

4.13. Where sub clauses 4.12.2 or 4.12.3 apply, the ongoing *consultancy charge* will then be deducted on the same date of the month/quarter/year (as appropriate) as *your product* starting date. Where 4.12.1 applies, we will deduct it on the same day as we apply *your contribution*, and the effective date of deduction will be the date we received *your regular contribution*. The ongoing *consultancy charge* will be payable for either a set period of time, or on an ongoing basis with no fixed date on which it will end. *Your employer* will tell *us* how long it will be paid for.

Ad hoc consultancy charge

4.14. An ad hoc *consultancy charge* is a one-off charge that *your employer* agrees to be paid to the *scheme adviser* for *advice* given or services provided in connection with *your product*, from time to time while *your product* is in force. The ad hoc *consultancy charge* is always a specified monetary amount and we will deduct it from the total value of *your insured funds*.

4.15. It can be paid in a lump sum or spread over a period of time. How, and when, the ad hoc *consultancy charge* is to be paid will be agreed between *your employer* and the *scheme adviser*, and notified to *us* in the *charge deduction instruction*. We will deduct the ad hoc *consultancy charge* proportionately across all *insured funds* the day after we receive the *charge deduction instruction*, or on a specific date as notified in the *charge*

deduction instruction, and monthly after that if the *consultancy charge* is spread over a period of time.

5. General

Cancellation rights

5.1. If *you* exercise the right to cancel any *product* in terms of the *FCA Conduct of Business Sourcebook (COBS 15)* or any other statutory, regulatory or contractual right, *we* will not facilitate the payment of *adviser charge* or *consultancy charge* to *your adviser* or the *scheme adviser* for that *product*. In such circumstances, *we* will refund to the person that the payment came from:

5.1.1. for regular *contributions*, the value, on the date of investment, of the *units* purchased with the *contribution*, or

5.1.2. for single *contributions* and transfer payments, the value, on the date of cancellation, of the *units* purchased with the *contribution*, taking into account any movement resulting from investment loss since the date of investment.

5.2. For the avoidance of doubt, *we* will never repay more than the original value of the *contribution*.

What happens if my employer or I stop paying contributions to my product?

5.3. If *we* stop receiving *contributions* to *your product*, *we* will continue to facilitate the payment of *adviser charge* and/or *consultancy charge* in accordance with the *charge deduction instruction*.

What happens if my employer or I re-start contributions to my product?

5.4. If *you* or *your employer* re-start *contributions* to *your product*, *we* will continue to facilitate the payment of *adviser charge* and/or *consultancy charge* in accordance with the *charge deduction instruction*, provided the value of the *product* is sufficient to allow *us* to do this.

5.5 Where *we* are advised *you* are no longer in employment with the *employer*, any ongoing *consultancy charge* for that *group pension plan* will stop. *We* will continue to deduct initial *consultancy charge*, where it is a fixed monetary amount, and ad hoc *consultancy charge*. *We* will stop facilitating the payment of initial *consultancy charge* that is set up on a percentage-of-contribution basis. Any outstanding ongoing *adviser charge* will continue in accordance with the *charge deduction instruction*.

What happens if I change my selected retirement age?

5.6 If *you* change *your* selected retirement age to a later date, *we* will continue to deduct initial *adviser charge* and/or initial *consultancy charge* (as appropriate) in accordance with the *charge deduction instruction*. *We* will continue to deduct ongoing and ad hoc *adviser charge* and/or *consultancy charge* until the new retirement date.

What happens if I retire or transfer my product?

5.7 If *you* retire or transfer *your product*, and where *you* do not want any funds to remain in the *product*, *we* will:

5.7.1. add up any initial *adviser charge* and any initial *consultancy charge* on a monetary basis not paid to the *adviser* or *scheme adviser* already, deduct this from the value of *your product* and pay it to the *adviser* or *scheme adviser* (as appropriate);

5.7.2. stop facilitating payment of initial *adviser charge* and initial *consultancy charge* on a percentage-of-contribution basis from the *product*;

5.7.3. stop facilitating ongoing *adviser charge* and ongoing *consultancy charge*;

5.7.4. add up any ad hoc *consultancy charge* not paid to the *adviser* or *scheme adviser* already, deduct this from the value of *your product* and pay it to the *adviser* or *scheme adviser* (as appropriate).

We will take these actions before we act on your instructions regarding your transfer or retirement.

5.8 If *you* transfer part of *your product* (for example if *you* retire, buy an annuity, divorce or transfer to another pension provider), *we* will continue to deduct *adviser charge* and *consultancy charge* from the remaining *insured funds* in accordance with the *charge deduction instruction*.

What happens on death?

5.9. If *you* die, *we* will stop facilitating the payment of *adviser charge* and/or *consultancy charge* from the date *we* are told about this. In the event of *your adviser's* death (in the case of an individual) *you* may still have to pay outstanding *adviser charge* and/or *consultancy charge* to *your former adviser's* or the *scheme adviser's* firm. *You* should check the terms of *your* agreement with them.

Interest

5.10. *We* will not pay interest to *you*, *your employer*, *your adviser* or the *scheme adviser* for the non-payment or late payment of any *adviser charge* or *consultancy charge*. When *we* deduct *adviser charge* or *consultancy charge* from *your product*, *we* will hold it in an interest-bearing account, and *we* will retain that interest. *We* will pay the *adviser charge* and *consultancy charge* to *your adviser* or *scheme adviser* in line with the timescales agreed between them and *us*.

Value Added Tax

5.11. *We* expect that most *adviser charges* will not be subject to Value Added Tax ('VAT'), however some may be so. *We* will treat all instructions from *you* to pay *adviser charges* as including any VAT, where it applies, at the rate prevailing at the time of the payment of the *adviser charge* and taking into account any changes to the prevailing rate of VAT. *We* will not ask *you* to provide any further instructions where the rate of VAT has changed.

You should discuss this with *your adviser*, who will be responsible for accounting for VAT where this applies.

When will we stop facilitating the payment of adviser charge or consultancy charge?

5.12. We can stop facilitating the payment of all or part of an *adviser charge* or *consultancy charge* for any of the following reasons:

5.12.1. we no longer have a relationship with the *adviser* or the *scheme adviser*;

5.12.2. we reasonably believe the payment of *adviser charge* would be contrary to law or regulation;

5.12.3. the *adviser* or the *scheme adviser* is no longer authorised by the *FCA*;

5.12.4. the *adviser* or the *scheme adviser* ceases to trade;

5.12.5. we are told about *your* death;

5.12.6. we are instructed to do so by *you* or *your adviser* for *adviser charge*, or by *your employer* or the *scheme adviser* for *consultancy charge*.

We will notify *you* or *your* personal representatives, as appropriate, as soon as possible of the action we have taken.

Appointment of a new adviser or scheme adviser

5.13. Where *you* terminate *your* relationship with *your adviser* and appoint a new *adviser*, *you* must write to tell *us* about this. Subject to sub clause 5.15 below, from the date *we* receive *your* written instructions about the change of *adviser*, or *your employer's* instructions about a change of *scheme adviser*, *we* will stop facilitating the payment of *adviser charge* and/or *consultancy charge* to *your* former *adviser* or *scheme adviser* (as appropriate).

5.14 Where *your employer* is paying *contributions* into *your product*, or where the *employer's contributions* have stopped, but *you* are still employed by the *employer*, *we* will be entitled to accept a letter of authority from the *employer* to change the *scheme adviser* for *your product*.

5.15. If *we* have received a *charge deduction instruction* for initial, or ad hoc *adviser charge* or *consultancy charge* that hasn't been deducted yet, *we* will pay that ad hoc *adviser charge* or *consultancy charge* to the original *adviser* or *scheme adviser*, unless *you* specifically write to *us* and ask *us* not to. *We* will continue to pay initial *adviser charge* and initial *consultancy charge* to the *adviser* or *scheme adviser*, as appropriate. Any outstanding *adviser charge* will continue in accordance with the *charge deduction instruction*. In all other situations *we* will start facilitating the payment of *adviser charge* and/or *consultancy charge* to the new *adviser* or *scheme adviser* when *we* receive a new *charge deduction instruction*.

5.16. Where 5.13 applies, *you* may still have to pay outstanding *adviser charge* and/or *consultancy charge* to *your* former *adviser*. *You* should check the terms of *your* agreement with them.

5.17. Where your adviser

5.17.1. is no longer authorised to provide financial *advice* or services in connection with *your product*, and has arranged for another *adviser* to provide the same (or better) level of ongoing *advice* or service to *you*; or

5.17.2. has transferred his book of business or sold it to another *adviser*, and has arranged for that *adviser* to provide the same (or better) level of ongoing *advice* or service to all his clients;

we will stop facilitating the payment of *adviser charge* and/or *consultancy charge* to *your adviser* when *we* are told about the change.

5.18. *We* will start facilitating the payment of *adviser charge* and/or *consultancy charge* to the new *adviser*, provided:

5.18.1. the new *adviser* has an active agency account with *us*;

5.18.2. *we* have agreed in writing to the transfer taking place;

5.18.3. *your adviser* confirms in writing to *us* that they and the new *adviser* have agreed that the same, or better level of ongoing service is being provided to *you* in return for the *adviser charge* and/or *consultancy charge*, and

5.18.4. *your adviser* confirms that they have told *you* in writing of the change of *adviser*.

What happens if my adviser moves firm?

5.19. If *your adviser* is employed by a network, *we* will pay the *adviser charge* and *consultancy charge* to whoever is nominated in the *charge deduction instruction*. This may not be *your adviser*, and this depends on the arrangement for payment between the *adviser* and their firm. If *your adviser* moves to another firm, *we* will continue to facilitate the payments in this way unless *you* write to *us* under sub clause 5.13 above.

Changing these terms and conditions

5.20. *We* may change these terms and conditions from time to time, in a reasonable and proportionate manner where it's necessary or prudent to do so. *We* will only change these terms and conditions for the reasons set out below:

5.20.1. If a change in the law, industry codes of practice, regulations or *FCA* rules requires *us* to change *our* procedures or practices in relation to facilitating *adviser charge* and/or *consultancy charge*;

5.20.2. where *we* consider it will make these conditions easier to understand or fairer to *you*;

5.20.3. to reflect market conditions and general industry practice;

5.20.4. to take account of any decisions made by a *court*, ombudsman, regulator or similar body; or

5.20.5. because of changes in technology.

- 5.21.** Where *we* change these terms and conditions, *we* will write and tell *you* about it as soon as practicable. Subject to sub clause 5.22, the change will take effect one month after *we* tell *you* about it.
- 5.22.** If the change has to take effect earlier than the date in sub clause 5.21, in order to comply with any change in the law or *FCA* rules, they will take effect from the date *we* specify.

Termination of this agreement

- 5.23.** In addition to the circumstances set out elsewhere in these terms and conditions, *we* will stop facilitating the payment of *adviser charge* and/or *consultancy charge* to *your adviser* or the *scheme adviser* in the following situations:
- 5.24.** If *you* write to *us* and ask *us* to terminate this agreement;
- 5.25.** If *your adviser* or the *scheme adviser* enter into a voluntary arrangement with their creditors, any steps are taken in relation to bankruptcy or winding-up proceedings against them (or either of them), a receiver or an administrative receiver is appointed over their assets, or they enter into liquidation (whether voluntary or compulsory);
- 5.26.** Where in *our* reasonable opinion, *we* suspect the *adviser* or *scheme adviser* of fraud;
- 5.27.** Where *you* terminate the *product* to which the *adviser charge* and/or *consultancy charge* relates.
- 5.28.** If the value of *your product* is insufficient to support the deduction of *adviser charge* or *consultancy charge*.

Notices

- 5.29.** Where *we* have asked *you* to tell *us* something in writing, that includes notification by email, unless *we* have specifically asked *you* to use a form such as the *charge deduction instruction*. Any notice or other communication required or authorised under this agreement shall be in writing and sent to *us* at Lochside Crescent, Edinburgh Park, Edinburgh, EH12 9SE, or aegon.co.uk/onlineform
- 5.30.** *We* will send all written communications to *you* at the last-known address (including email address) *we* hold for *you*. If *you* change address, or email address, *you* should tell *us*. Any letter or document sent by post shall be deemed to have been served on the second *business day* following that on which it was posted and service shall be sufficiently proved if there is evidence that the envelope containing the letter or document was properly addressed, stamped and posted. Email communications from *you* to *us*, and from *us* to *you* will be deemed to have been received by the recipient when the communication is accessible by the recipient.

Applicable law

- 5.31.** These terms and conditions will be governed and construed in accordance with the laws of the part of the United Kingdom in which *you* told *us* *you* live when *you* applied for the *product*.

Severance

- 5.32.** If any provision within these terms and conditions is held to be invalid, illegal or unenforceable by *court*, statute, *FCA* rule or otherwise, that will not affect the validity and enforceability of the other provisions of these terms and conditions.

Assignment and rights of third parties

- 5.33.** These terms and conditions are personal to *you* and *you* cannot assign them without *our* written agreement. *We* may assign these terms and conditions to any member of the *Aegon Group*.
- 5.34.** Except as set out in sub clause 5.33 above, a person who is not a party to these terms and conditions has no rights to enforce any term of this agreement between *you* and *us*. Each member of the *Aegon Group* shall be entitled to recover any loss suffered by it in connection with these terms and conditions and generally to enforce them in its own right under the Contracts (Rights of Third Parties) Act 1999.

Obligations after termination

- 5.35.** If *you* or *we* terminate the agreement between *us* to facilitate the payment of *adviser charge* or *consultancy charge*, any obligation contained within these terms and conditions that *we* intend expressly, or by implication, to come into force, or continue in force, on or after the date of termination, will not be affected by the termination of this agreement.

Waiver and remedies

- 5.36.** If either *you* or *we* fail to exercise or delay exercising any right or remedy under these terms and conditions, that will not be held to be a waiver of that right or remedy. It will not prevent either of *us* exercising that, or any other, right or remedy on another occasion.
- 5.37.** The rights and remedies contained within these terms and conditions are cumulative, and except where *we* say otherwise, they do not exclude either *you* or *us* from enforcing other rights or seeking other remedies available at law, in equity or delict.

Appendix 1

Where *you* have chosen the *SIPP*, and where *you* ask *us* to facilitate the payment of *adviser charge* through the *SIPP*, these additional terms and conditions also apply.

All definitions in the main part of these terms and conditions apply to this Appendix, unless they are amended below. If there is any conflict between the main part of these terms and conditions and the Appendix, the Appendix will take precedence and apply to the facilitation of *adviser charge* through the *SIPP*.

6. Definitions and interpretation

6.1. The following words and phrases in italics have the following meanings, except where the context otherwise requires:

- **Capita** means *Capita Life & Pensions Regulated Services Limited*, who act as *our* agent in the administration of the *SIPP*
- **cash account** means the account that is set up with *Capita* for the movement of money within a *SIPP*, payments out of the *SIPP*, and movement of sums between the *insured funds* within a *product* and the *SIPP*
- **property cash account** means the account that is set up to settle all payments associated with the purchase and maintenance of a property within the *SIPP*, and from which loan repayments are deducted and rental income received
- **SIPP charge deduction instruction** means the *Aegon SIPP charge deduction instruction* signed by *you*, telling *us* the amount of the *adviser charge*, and authorising *us* to deduct the *adviser charge* from the *SIPP*
- **we, us** means *Aegon*, or *Capita* acting on behalf of *Aegon*, depending on the context

7. Adviser charge

7.1. Where *you* instruct *us* to deduct *adviser charge* from *your SIPP*, *we* will deduct it from the *cash account*. Where *you* want *us* to facilitate the payment of *adviser charge* from the *SIPP*, *you* must use the *SIPP charge deduction instruction*. If, at the time *we* receive the *SIPP charge deduction instruction*, there are insufficient funds in the *cash account* to cover the full amount of the *adviser charge*, *we* will not pay the *adviser charge*. *We* will write and tell *you* and *your* adviser when this happens.

Initial adviser charge

7.2. Initial *adviser charge* can be either a specified monetary amount or a percentage of the value of the *contribution*. *We* will always deduct the initial *adviser charge* as a one-off payment from the *cash account*.

Ongoing adviser charge

7.3. An ongoing *adviser charge* is a charge paid to *your* adviser on a regular basis, for ongoing *advice* or services in connection with *your product*. The ongoing *adviser charge* will be payable for the lifetime of the *product*, or until *you* instruct *us* to stop facilitating the payment of this *adviser charge*. *We* will deduct it from the *cash account* and pay it to *your* adviser yearly, on or around the anniversary of the *product* starting date.

7.4. Ongoing *adviser charge* can be either a specified monetary amount or a percentage of the value of the *SIPP* on the anniversary of the *product* starting date. When *we* value the *SIPP*, *we* use the last-known reconciled value for all assets within the *SIPP*. For the avoidance of doubt, automatic yearly escalation of the ongoing *adviser charge* does not apply to the *SIPP*.

Ad hoc adviser charge

7.5. An ad hoc *adviser charge* is always a specified monetary amount. *We* will deduct it as a one-off payment from the *cash account*.

8. Cancellation rights

8.1. *We* will deduct *adviser charge* from the *cash account* when *we* receive a signed *SIPP charge deduction instruction*. If *you* exercise the right to cancel any *product* under clause 5.1, *we* will not reclaim any *adviser charge* already paid to *your* adviser from the *SIPP*. In such circumstances, *we* will refund the net value, on the date of cancellation, to the person the payment came from, of the *units* or assets purchased with the *contribution*, taking into account:

- 8.1.1. any movement resulting from investment loss since the date of investment;
- 8.1.2. *adviser charge* already paid to *your* adviser; and
- 8.1.3. *product* charges and transactional charges incurred since the date of investment

For the avoidance of doubt, *we* will never refund more than the original value of the *contribution*, less *adviser charge* already paid.

8.2. The actual amount *we* repay depends on a number of factors:

- 8.2.1. If the investments are held only within the *cash account* during the cancellation period and no trading has occurred, *we* will return the value of any *contribution*, less *adviser charge*, *product* and investment charges, to the person who paid it (for example to *you*, *your employer*, a third party or another *product* provider for a transfer).

- 8.2.2.** If *you* started trading within the cancellation period, *you* will be liable for transactional, *product* and investment charges, and any charges imposed by third parties such as investment managers or stockbrokers. In addition, if *your* investment has fallen in value before *we* received the cancellation requested, *you* may get back less than *you* invested.
- 8.2.3.** When *we* receive *your* cancellation notice, *we* will value the *SIPP*, sell any investments *you* have purchased and return any monies to the place from which they *were* paid, less any charges and fees set out above. All valuations take into account the value of the *cash account*, all assets and investments within the *SIPP*, plus the value of the property *cash account* less any outstanding loans. *We* will value all assets in a way that is appropriate for that type of investment.
- 8.2.4.** If *you* cancel after purchasing investments that are not easily convertible to cash, *we* may have to delay the return of the monies to *you*. *You* should be aware that this may involve a significant delay.
- 8.2.5.** Where *you* have transferred funds to *us* from *your* previous provider, it may not be possible to reverse the transfer as the previous provider is not obliged to take back the transfer and/ or may impose charges in order to do so. If this happens, *you* should seek the *advice* of *your* adviser.



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