Terms and Conditions of the Stakeholder Pension Scheme

Reference U451 NG09068 06/2018

These are our standard terms and conditions on which we intend to rely. You should read these terms carefully. If you do not understand anything please ask for further information.
## Contents

<table>
<thead>
<tr>
<th></th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction</td>
</tr>
<tr>
<td>2</td>
<td>Contributions to your plan</td>
</tr>
<tr>
<td>3</td>
<td>Charges</td>
</tr>
<tr>
<td>4</td>
<td>Funds and units</td>
</tr>
<tr>
<td>5</td>
<td>Your pension benefits</td>
</tr>
<tr>
<td>6</td>
<td>What happens to your plan when you die?</td>
</tr>
<tr>
<td>7</td>
<td>What happens if we pay your pension benefits or the death benefits late?</td>
</tr>
<tr>
<td>8</td>
<td>Transferring the value of your plan to another scheme</td>
</tr>
<tr>
<td>9</td>
<td>When we might make a refund or stop accepting contributions</td>
</tr>
<tr>
<td>10</td>
<td>Changed circumstances</td>
</tr>
<tr>
<td>11</td>
<td>Potential conflicts of interest</td>
</tr>
</tbody>
</table>
1 Introduction

1.1 About this document

This document describes the conditions that apply to your plan with us. This plan is a contract between you and us. Please read it and your membership certificate and any endorsements (notices of changes to the plan) carefully and keep them in a safe place.

Please also keep the illustration made available to you when you started the plan.

Nothing in this plan gives any direct contractual rights to anyone else, including your husband, wife, civil partner or dependant (other than where shown in these terms and conditions).

We have issued your plan under the Aviva (No.3) Stakeholder Pension Scheme FPP. The terms and conditions described in this document depend on the rules of the scheme which we may change. If there is a difference between any terms described in this document and the rules, it is the rules which apply.

Your plan may be split into more than one account (as described in section 2.4), but not all accounts may be available under our online plan.

1.2 What is meant by ‘you’, ‘us’ and ‘we’

You

The person named as the ‘member’ on your membership certificate and to whom we issued the plan.

Us and we

Aviva Life & Pensions UK Limited.

1.3 Other expressions we use in this document

This section explains what we mean by various expressions that we use in this document, your membership certificate and any endorsements.

If we use any of these expressions, we use **bold** to remind you that you can look up their meanings here.

Administration headquarters

Our administration headquarters is our Salisbury office at:

PO Box 1550
Salisbury
SP1 2TW

or such other address as we may advise from time to time.

Automatic Enrolment

Means the process by which an employer enrols jobholders and entitled workers into the scheme, as required under automatic enrolment regulations.

Automatic Enrolment Regulations

Means the provisions relating to pension scheme membership for jobholders set out in Part 1 of the Pensions Act 2008, as amended, and supporting secondary legislation (including but not limited to The Occupational and Personal Pension Scheme (Automatic Enrolment) Regulations 2010, all as amended from time to time.

Default investment solution

Means the fund or funds into which contributions are invested until, or unless you make an alternative investment choice. The default investment solution is specified in your membership pack, or as subsequently notified by us to you.

Dependant

This means a person who is financially dependent on you, or dependent on you because of physical or mental impairment at the time of your death. It includes your husband, wife or registered civil partner.

Eligible jobholder

Means a person who meets the requirements of sections 1(1) and 3(1) of the Pensions Act 2008 in relation to the employer.

Entitled Worker

Means a person who meets the requirements of section 9(1) of the Pensions Act 2008 in relation to the employer and who has opted into membership of the scheme in accordance with section 9(2) of the Pensions Act 2008.
Terms and Conditions of the Stakeholder Pension Scheme

FCA
The Financial Conduct Authority and any regulator that may need to replace its regulatory function from time to time.

Funds
The funds available for you to invest in. These are split into notional units. We describe this in section 4.3.1.

HMRC
HM Revenue & Customs.

Jobholder
Means an eligible jobholder or a person who meets the requirements of section 1(1) of the Pensions Act 2008 in relation to the employer and who has opted into membership of the employer’s pension scheme in accordance with section 7 of the Pensions Act 2008.

Key features
The document we gave you to help you decide whether to start the plan. It gives a summary of information about the plan.

Membership certificate
The document that makes these general terms personal to you. It gives details of how we have set up your plan including, for example, the start date, your selected retirement date and the contributions into your plan.

If any of the information contained on your membership certificate changes, we may send you another one or an endorsement recording the new details. These will then form part of your plan.

Pension credit
Any payment transferred into your plan from your former husband’s, wife’s or civil partner’s pension as part of your divorce or court settlement if you divorce or end a civil partnership.

Pension date
Your selected retirement date or another date when you start to take your pension benefits.

Plan
The plan which these conditions, your membership certificate and any endorsements relate to.

Regular contributions
The total regular payments you and your employer, if any, have chosen to make into your plan, as shown on your membership certificate. The basic rate income tax relief we can claim on your regular payments will also count as part of your regular contributions.

When you are enrolled into the pension scheme, your employer or Aviva, on your employer’s behalf, will let you know if your regular contributions or your employer’s regular contributions will increase automatically.

We do not treat single contributions paid by cheque as regular contributions.

Rules
The rules of the Aviva (No.3) Stakeholder Pension Scheme FPP which we may change. Please ask us if you want a copy. There may be a charge for the cost of photocopying, postage and packaging.

Scheme
The Aviva (No.3) Stakeholder Pension Scheme FPP.

Selected retirement date
The date you have chosen to be the date you take your pension benefits. It is shown on your membership certificate. This cannot be changed unless we agree.

Single contribution
Any payment made into your plan by cheque, unless we have agreed another method of payment. The basic rate income tax relief we may claim on your payment will also count as part of your single contribution.

Transfer value
This is any payment, apart from pension credits, you have transferred into your plan from a previous scheme.

Units
The funds are split up into notional units. Payments into your plan buy notional units in the funds you have chosen. We describe this in section 4.3.2.

Written instructions
These are instructions sent to us by post to our administration headquarters. They must be in English and in writing.
1.4 **The law which applies to your plan**

We and you have a free choice about the law that can apply to a contract. We propose to choose the law of England and Wales and by entering into this contract you agree that the law of England and Wales applies.

1.5 **Fairness of Terms**

a. In making decisions and exercising discretions given to us under these terms and conditions, we will act reasonably and with proper regard to the need to treat you and our other customers fairly.

b. These terms and conditions will only apply to your **plan** provided they are not held by a relevant court or viewed by the **FCA** or us to be unfair contract terms. If a term is unfair it will, as far as possible, still apply but without any part of it which causes it to be unfair.

1.6 **Events or circumstances beyond our control**

Under this **plan** we shall not be liable to pay you or any other person any compensation for loss due to an event or circumstance beyond our control. This includes loss caused by any delay in performing our obligations due to restrictions imposed on us by law or regulation.

1.7 **General**

Anything we pay under this **plan** will be paid in pounds sterling. Anything paid into this **plan** must be paid in pounds sterling.

2 **Contributions to your plan**

2.1 **How to make contributions**

You and your employer, if any, can:

- make **regular contributions** at any time;
- change the amount of **regular contributions** at any time;
- make **single contributions** at any time;
- stop contributions at any time.

You can restart your contributions at any time.

If this **plan** forms part of an employer’s pension scheme which has been arranged to comply with **automatic enrolment regulations**, the following requirements must be met whilst you remain a **jobholder** for whom your employer is required to provide active membership:

- total contributions must be at least the minimum level required under the **automatic enrolment regulations**;
- the level of contributions paid by your employer must be at least the minimum level required under the **automatic enrolment regulations**; and
- where a shortfall occurs between these amounts whilst you remain an active member of this **scheme** you must pay contributions which, however calculated, are equal to or more than the shortfall.

We don’t take extra charges for stopping or restarting contributions, unless we have sent you an endorsement to your **plan** showing that we do or your illustration shows that we do.

If you and your employer are making **regular contributions**, you or your employer must pay them by Direct Debit unless we have agreed another method of payment.

If you and your employer want to make **single contributions**, you must pay them by automated payment unless we have agreed another method of payment.
Terms and Conditions of the Stakeholder Pension Scheme

2.2 Transfer values
Transfer values can be paid into your plan from another scheme at any time.

2.3 How much can be paid or transferred into your plan?
There are HMRC rules about transfer values and pension credits and about how much you and your employer can pay into your plan. These are shown in the rules. We will only accept payments if everyone involved keeps to those rules.

2.4 Placing your contributions into different accounts
We may split your plan into more than one account. For example, there may be one account for regular contributions, one for single contributions and one for each pension credit and transfer value.

3 Charges
The charges we take are as follows:

- we make deductions from the funds before we work out the price of units. We describe this in section 4.3.3.
- we may take a percentage of your payments as charges. If we do, this is shown on your membership certificate.
- we take annual management charges from your funds. We describe this in section 4.8 and/or the 'Charges explained' document.

4 Funds and units

4.1 How we place units in your plan
Each time we receive regular contributions, single contributions, transfer values or pension credits we will place units in your plan. This will be in the funds you have chosen. If you have not chosen your own funds, we will place units in the fund(s) notified to you in the plan literature.

For the first contribution we receive under a new plan or for any single contribution, pension credit or transfer value, we will not place units in your plan until we have all the information we need to meet contractual and legal requirements as well as the contribution, transfer value or pension credit.

At any time, we may decide not to accept contributions, transfer values or pension credits into a particular fund. We describe this in section 4.3.1.

Section 4.6 describes when we can move units into different funds without your permission.

4.2 How we work out the number of units to place in your plan
We may take a percentage of the payments made into your plan as charges. If we do, the percentage of the payments we take as charges will be shown on your membership certificate(s).

The price we use will be the price of the units calculated for the working day we receive the payment or pension credit as well as any information needed to meet contractual and legal requirements as described in section 4.1.

We will round the number of units to the nearer 0.01 part of a unit.

4.3 About the funds

4.3.1 What the funds are
Each fund can be identified by a separate pool of assets. Each fund is made up of:

- assets invested according to the aims of the fund, and
- deposits which are increased by interest, income from the invested assets and proceeds from selling assets, and reduced by the cost of buying assets and the deductions described in section 4.3.3.
We may introduce new funds at any time.
We may restrict the funds that you can invest in.
We may restrict the number of funds that you can invest in.
All of the above will be in accordance with the terms of this plan.

4.3.2 Purpose of each fund
We have only set up each fund so we can work out the benefits we will pay under your plan and other plans. The assets in each fund are our property.
Nothing contained in these terms and conditions will:
• mean that you or any other person has a legal right to or beneficial interest in any of the assets in any fund; or
• restrict, in any other way, how we own the assets of each fund.
The units we place in your plan are ‘notional units’. This means we only use them to work out how much we will pay under your plan.
In managing the funds, we may increase or reduce the number of units in a fund. We will take the following actions to limit the effect of this on the unit price.
If we increase the number of units, we will add to the fund an amount equal to the value of those units.
If we reduce the number of units, we will take from the fund an amount equal to the value of those units.
We will base these values on the price for the date we increase or reduce the number of units.

4.3.3 Deductions from the funds
We are entitled to take from each fund:
• all costs and expenses we have to pay to buy, sell, maintain or value any assets;
• the amount of taxes and levies (other charges we have to pay by law) we decide are appropriate to the fund at all times acting reasonably;
• the amount of money we reasonably believe we should set aside to pay any anticipated future taxes, fees or levies;
• trustee fees and fees payable to the FCA from funds invested with an external manager.

4.4 How we value units in each fund

4.4.1 Setting the value of each fund
Acting reasonably, we take the value of the fund’s assets as follows:
a in the case of freehold or leasehold property, we use a valuation certified by an independent valuer appointed by us and we adjust it to take into account any variation since the valuation;
b in the case of quoted securities, we base the value on the daily price quoted on a relevant stock exchange chosen by us;
c in the case of other assets, we use relevant factors we consider appropriate and fair to investors, based on the available sources of information on prices of those assets.
If we are generally increasing the number of units in a fund, we will base its value on the amount we would have to pay to acquire the assets, including any taxes, duties, expenses and other charges that would be payable.
If we are generally reducing the number of units in a fund, we will base its value on the amount we would obtain by selling the assets, reduced by any taxes, duties, expenses and other charges that would be payable.
If the number of units in a fund is generally neither increasing nor reducing, we may base its value on mid-market prices and without any allowance for the costs of acquiring or selling assets.

4.4.2 Working out the price of the fund units
Each unit in a fund will have a unit price. This is the price at which we will place or take one unit under your plan.
We work out the unit price by:
• taking the value of the fund as described in section 4.4.1;
• taking the deductions we describe in section 4.3.3;
• dividing the resulting value by the total number of units; and
• rounding the result to the nearest 6th decimal place.
We will keep any gains or suffer any losses due to rounding unit prices.
4.5 Switching out of funds

4.5.1 What your options are
You can tell us to switch the value of some or all of the units placed in your plan into units in another available fund at any time after your first contribution has been invested.
You can instruct us to switch future contributions into a different available fund at any time after your first contribution has been invested.
You must tell us in writing unless we have agreed another method with you.

4.5.2 When switching is restricted
There may be a delay in switching your units as described in section 10.7.

4.5.2.1 We reserve the right to:
- refuse or delay requests for the switching of units, or
- limit the number of switches of units, or
- impose charges for switching of units, where we have reasonable grounds to suspect that switching arises from you engaging in:
  - activities aiming to take unfair advantage of market timing opportunities; or
  - a pattern of short-term or excessive switching; or
  - switching patterns likely, in our reasonable opinion, to be disruptive to the unit pricing of the affected funds.

In exercising our discretion, we will take into account your switching history in a particular fund or across all funds, aggregate value of holdings of units in funds and/or whether you are also a trustee of the plan.

4.5.3 Telling us to switch units already in your plan
You can only switch a whole percentage of units into another available fund.
We will normally base the value of the switched units on the price of the units for the working day we receive your written instructions.
Any method of accepting instructions other than written instructions, for example, by email or fax, will be subject to our agreement and the use of a later price relative to the time of receiving those instructions.
We do not currently make a charge for carrying out switches. We will tell you if this changes in accordance with section 10.3.

4.5.4 Telling us to switch future contributions into a different fund
You can only pay a whole percentage of each future contribution to each fund.
We do not currently make a charge if you decide to switch future contributions. We will tell you if this changes.
We will carry out the switch when we receive the next contribution after we receive your instructions.

4.6 When we will switch your units without you telling us to
We may switch your units into another fund without you telling us if you have reached your selected retirement date or your 75th birthday and we have not received any instructions from you about taking your benefits. We may do this (but are not obliged to do so) if, for example, we consider it may protect the value of your plan from stock market falls.
We may also carry out a switch on the day after we receive written notice of your death.
We do not make a charge for carrying out this switch.

4.7 Closure or withdrawal of a fund or a significant change to a fund
We reserve the right at any time to close or withdraw any fund(s) provided we believe it is reasonable to do so and it is for one of the following reasons:
- the fund becomes too small or too large to be managed effectively;
- assets to match the fund’s aims or strategy are not available (including but not limited to where the fund is linked to an external fund the closure of that external fund);
- the costs of managing the fund become prohibitively expensive (including but not limited to the charges imposed by an external fund manager);
- there are significant changes outside of our control (for example in financial markets or the economy) or there are legislative or regulatory changes which mean that the fund is no longer able to operate in accordance with its stated aims;
- the fund has underperformed over a significant time period;
• where the fund is linked to an external fund we have reasonable doubts as to the governance of that external fund (including Treating Customers Fairly considerations);
• an aspect of the fund changes outside of our control which means it no longer meets legislative or regulatory requirements;
• there is a change of ownership or corporate structure to the fund manager where this has a material adverse effect;
• the fund manager makes a change that does not meet our internal governance requirements.

We may close or withdraw a fund at any time. If this happens, you can switch the value of your units from that fund as described in section 4.5.3, without charge. If you do not tell us which other fund you would prefer, we will switch the value of your units in the closed or withdrawn fund into units of the same value in another fund we have chosen, which we reasonably believe most closely matches the closing or withdrawn fund.

We may stop accepting future contributions or transfer values into a fund at any time. If this happens, you can choose another available fund without charge. If you do not tell us which other fund you prefer, we will choose another fund for you, which we reasonably believe most closely matches the fund we stopped accepting future contributions or transfer values into.

We will give you three months’ written notice before we withdraw or close a fund, or as much as it is practicable to give if we are unable to give that much notice. This is unless we reasonably consider that it is in your best interest to move out of the fund in a shorter time or because we are given insufficient notice by the fund manager.

We will tell you if there is a significant change to a fund that we consider may affect your decision to invest in that fund. For example, if the fund splits, or merges with another fund. We will try to give you as much notice as possible but the amount of notice we give will depend on how much notice we have had of the change.

We will send the notice to you by email to the last email address we have on our records or by post to the last postal address we have on our records.

4.8 How we take annual management charges

The annual management charges that apply to your funds are shown in your illustration and/or the ‘Charges explained’ document.

Every month we will take units from each fund in your accounts to cover the cost of those management charges.

We will take the number of units which equal the value of those charges using the unit price for that day.

If you take benefits, die or transfer your plan part way through a month, we may take units to cover the cost of management charges due for that month.

We may change the interval at which we take charges provided this does not in itself increase those charges. We will inform you of this change as soon as practicable.

We will not increase the level of annual management charges unless there are changed circumstances, as described in section 10.2.

4.9 Reassurance funds

Reassurance funds included within the range of investment funds available are funds which mainly invest in funds operated by other life insurance companies so that these funds can also be available to Aviva policyholders either directly or as an underlying investment within an available investment fund.

The value of an investment fund where the underlying fund is operated by another life insurance company mainly depends on the value of the assets held by the other life insurance company in respect of that underlying fund. In the unlikely event that the other life insurance company failed to meet its obligations in relation to the investment fund the value of the fund would be reduced to reflect that failure.
4.10 **Investment programmes**

Investment programmes may be available to your **plan**. They manage some or all of your investments in **funds**. They may apply throughout your **plan** or only during a certain number of years prior to your **retirement**.

When an investment programme applies to your **plan** we will switch your investments in **funds** and apply any ongoing contributions in accordance with that investment programme. We do not make a charge for carrying out these switches. Usual **plan** and **funds** charges apply to **investment programmes**. Please refer to your **scheme documentation and investment guides** to find out what, if any, investment programmes apply to your **plan**.

The investment programme end date is known as the **Investment Programme Retirement Date** and it will match your **selected retirement date** unless you tell us otherwise. If you change the Investment Programme Retirement Date, this may result in your existing **funds** holdings being switched and change where any future contributions are invested. You may choose a different Investment Programme Retirement Date at any time.

If you are automatically enrolled into, or join an **automatic enrolment** scheme, you can select, change, or remove any investment programme once the first contribution has been invested. Otherwise you can choose an investment programme when you start the **plan**. After that, you can choose or de-select an investment programme at any time. If you de-select an investment programme you may need to give us alternative investment instructions.

Where an investment programme does not apply throughout the term of your **plan**, but starts a number of years before your retirement:

- the investment programme will overlay your own choice of investment **funds**;
- where your own choice of **funds** is the same as one of the **funds** within the investment programme, your total holding in that **funds** will be used to calculate the movements of money into and within the investment programme.

We may change or remove any investment programme for any of the reasons set out below. This may mean a change to the:

- **funds** within the investment programme;
- mix of **funds** within the investment programme;
- length of the investment programme;
- name of the investment programme;
- risk profile of the investment programme;
- charges that apply in the investment programme.

As set out above, some of these changes may mean that the charges and/or risk ratings change, and either go up or down to reflect the charges and/or risk ratings of the new **funds** and their relative proportions.

If any or all of the above changes happen, we will make information available about the change; however, we will not write to you before any or all of the changes or ask your permission to make any or all of the changes. After we make any or all of the above changes to the investment programme, we will notify you of the change as soon as practically possible, but this may be after the change has taken place. This could be up to a year after we make the change.

We reserve the right to make such changes to investment programmes as are reasonably required, in order to reflect:

- changes in applicable pensions law, tax law or other law, legislation, regulation or industry codes of practice which affect your investment programme;
- changes in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact on the operation of your investment programme;
- changes in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact on the provision and operation of your investment programme;
- changes to services relating to your **plan** supplied to us by third parties which are outside of our control or which require additional expenditure by us;
- changes in circumstances or the happening of any event which means that the investment programme operates in a way which is unfair to you or our other policyholders;
• changes resulting from the introduction of new systems, services, and changes in technology;
• changes in circumstances or the happening of any event which makes it impossible, impracticable or economically unviable for us not to make a change to the investment programme, provided that any such change is not unfair to you or our other policyholders;
• changes required to remedy obvious errors;
• changes required for appropriate governance reasons to implement legislation or regulatory changes or best practice.

In exceptional circumstances we may have to make an alteration to your plan to remedy errors. If we do, we may use the current version of the investment programme.

When you leave your employer’s scheme, we may change your investments to match those of the relevant default investment solution which we provide at the time. If this happens we will let you know when you leave the scheme. This may mean a change in charges, up or down.

When you leave your employer’s scheme, your plan may remain invested in an investment programme designed specifically for that scheme. If this is the case, no future amendments your employer and their investment adviser might make to that investment programme would be applied to your plan after you have left employment.

You can change your investment instructions at any time.

5 Your pension benefits

Your pension benefits depend on:

• the value of your plan which is described in section 5.5; and
• the rules which govern when you can take your benefits and what benefits are available.

This section includes a summary of the rules.

5.1 When you can take your pension benefits

You must normally take your pension benefits between age 55 and 75. You may start your pension earlier than age 55 if you had a protected pension age before 6 April 2006 as set out in Schedule 36 of the Finance Act 2004 or if you meet the ill health conditions, as set out in Schedule 28 of the Finance Act 2004, as amended from time to time. The Government may change the age at which you can take your benefits. You may be able to take your pension benefits in stages. This depends on the value of your plan.

We will tell you if you can take your pension benefits in stages when you reach your selected retirement date or when you tell us you wish to start taking pension benefits.

Please ask us if you want details of this at any other time.

You do not need to cease employment before you take your benefits. If you take your benefits anytime before your 75th birthday and remain in employment and your employer is required to pay contributions to comply with automatic enrolment regulations we may set up a new plan within your employer’s pension scheme.

By your 75th birthday, you must:

• buy a lifetime annuity with us; or
• use the open market option to buy a lifetime annuity with another provider, as described in section 5.4; or
• take the entire fund as a cash lump sum: or
• designate the entire fund into Income Drawdown: or
• transfer the value of your plan to another scheme, as described in section 8.

You must ensure that we receive your written instructions and all of the documents described in section 5.6 at least one day before your 75th birthday.
5.2 What pension benefits are payable?

You will have a fund that you can use to provide pension benefits. There are different options available, and you should take financial advice or guidance before choosing your option(s).

As you approach your selected retirement date, or when you tell us you wish to take your benefits, we will inform you of your options and of the pros and cons of each.

The options are set out below. You can choose more than one option:

A – Annuity

- You can normally take up to 25% of the value of your plan, or the relevant part of your plan if you are taking your benefits in stages, as a tax-free cash sum. This may be more than 25% if your plan includes a transfer value that was a block transfer as defined in Part 4 of the Finance Act 2004. Your tax-free cash may be less than 25% or even zero if you have already been paid the maximum tax-free cash allowed by HMRC.
- You can use all of your plan to purchase an annuity.
- An annuity does not have to be purchased from us. It is important to shop around as you may be able to secure a higher income.
- The amount of the annuity payable will depend upon a number of factors such as the value of your plan, the type of annuity purchased, the provider selected, your age and your health.
- Your illustration shows the potential annuity you might get when you reach your chosen retirement date.

B – Lump Sum

- You have the option to take all or part of your policy as a lump sum.
- Under this option, 25% of the lump sum you take will be paid to you tax-free, with the balance subject to tax.
- There is no minimum amount that you can take as a lump sum.
- You may take your plan, or part of your plan if you are taking benefits in stages, as a cash lump sum (this may be referred to as an Uncrystallised Fund Pension Lump Sum/UFPLS).
- If further contributions are to be paid into your policy or another money purchase pension scheme, your annual allowance will reduce if you take a lump sum payment from your policy.

C – Transfer

- You can transfer your policy to another registered pension scheme. Other registered pension schemes may allow additional options.

D – Income Drawdown (also known as Flexi-Access Drawdown)

- This option allows you to take income directly from your policy while leaving the remaining fund invested.
- You can normally take up to 25% of your plan that you wish to use to provide benefits as a tax-free cash sum and designate the remaining amount for Income Drawdown. Any subsequent withdrawals are taxed as income.
- You can use all or part of your plan to move into Income Drawdown. We will start an Income Drawdown pot within your Group Stakeholder. There is no minimum amount you have to move into Income Drawdown.
- You can take income from your Income Drawdown pot on an ad hoc basis and/or regular income on a monthly, quarterly, half-yearly or yearly basis. Regular and ad hoc income will be taken proportionally across all investments in the drawdown pot.
- Your investments in the Income Drawdown pot will mirror your investments in the accumulation pot. These must be the same investments. It is not possible to tailor them to different investments. If you switch funds, the change will apply to your whole plan (both Income Drawdown funds and any accumulation funds you may have).
- If further contributions are to be paid into your policy or another money purchase pension scheme, your annual allowance will reduce if you take any income in addition to your tax-free cash sum.
- You can start Income Drawdown using your plan or alternatively transfer your policy to another pension provider who offers this. It is important to shop around as it could help you obtain better terms.
- It is not possible to transfer other Income Drawdown pots that you may have with other pension providers to this policy.
5.3 How we value your funds

5.3.1 If you take your pension benefits on your selected retirement date

The value of your plan (or part of your plan if you are taking pension benefits in stages) is the number of units multiplied by the unit price on your selected retirement date.

We will use a different unit price if we have not received your written instructions and the documents described in section 5.6 before your selected retirement date. This will be the unit price for the working day we receive the last of these at our administration headquarters.

5.3.2 If you take your pension benefits before or after your selected retirement date

The value of your plan (or part of your plan if you are taking pension benefits in stages) is the number of units multiplied by the unit price for the working day we receive your written instructions and the last of the documents described in section 5.6 at our administration headquarters.

5.4 What we need to support your claim for pension benefits

We will only pay your pension benefits when we have received evidence which we reasonably believe proves:

- your date of birth;
- your entitlement to receive the pension benefits;
- details of the other provider if you want your pension paid by another company; and
- the date of birth of your husband, wife, civil partner or dependant if your pension will continue to be paid to him or her when you die.

If your date of birth was wrong on your membership certificate, we may change the amount of benefits we pay to reflect your actual date of birth.

6 What happens to your plan when you die?

The benefits we can pay when you die depend on:

- the value of your plan;
- whether you have taken pension benefits; and
- the rules.

This section includes a summary of the rules on what we can pay. These rules are subject to change and depend on individual circumstances.

6.1 What we pay if you die after you have started your annuity

If you die after you have started your annuity, what we pay depends on the type of annuity you have chosen.

6.2 What we pay from your plan

We will pay:

- a cash sum to your trustees if your plan is in trust; or
- a cash sum to the person, charity, association, club, society or other body you have chosen to receive it; or
- a cash sum to your estate; or
- a cash sum to your husband, wife, civil partner, children, grandchildren, parents, dependants or any beneficiary under your will; or
- an annuity for your husband, wife, civil partner or dependant.

Unless we agree, we will only pay an annuity to one person.

6.3 If your husband, wife, civil partner or dependant buys an annuity

Your husband, wife, civil partner or dependant can buy their annuity from us or another provider.

If your husband, wife, civil partner or dependant buys the annuity from us, the amount of annuity depends on:

- the value of the plan;
- the type of annuity; and
- our annuity rates at that time.

If your husband, wife, civil partner or dependant buys the annuity from another provider, we will pay the value of the plan direct to the other provider.

6.4 How we value your funds

The value of any part of your plan is the number of units in that part of your plan multiplied by the unit price for the working day we receive written notice at our administration headquarters of your death.

If payment is being made in the circumstances described in section 6.5, notification of death will relate to the death of the person referred to in that section 6.5.
6.5 What we need to support a claim for death benefits

We will only pay the death benefits when we have received evidence which we believe proves:

- your death;
- your date of birth;
- the identity of the person claiming the benefits and their relationship to you;
- the date of birth of your husband, wife, civil partner and dependants; and
- how the benefits are to be paid.

If your date of birth was wrong on your membership certificate, we may change the amount of benefits we pay to reflect your actual date of birth.

If death benefits are being paid in the circumstances described in section 6.2 the evidence required will relate to the person referred to in that section.

7 What happens if we pay your pension benefits or the death benefits late?

If you are taking your pension benefits and we pay them after the pension date, or we pay the death benefits later than the day after we receive written notice at our administration headquarters of your death then the following will apply:

- If you are retiring, any interest we pay will be from the date we receive the last information and documents we need to pay the benefits to the date we pay them.
- If you die, any interest we pay will be from the day after we receive at our administration headquarters written notice of your death to the date we pay the death benefits.
- The amount of interest will depend on the Bank of England base rates in place at that time.
- We will take income tax from the interest before we pay it, in line with current tax law.

We will not pay interest if it is below our minimum level. Please ask us if you want details of our current minimum level.

We will not pay interest for any period of delay as described in section 10.7, but in such circumstances we will value the units using the unit prices which apply immediately after the end of the period of delay.
8 Transferring the value of your plan to another scheme

8.1 About transferring

You can transfer the value of your plan to another registered pension scheme or a qualifying recognised overseas pension scheme, as allowed by the rules. There are HMRC rules and social security regulations about transferring your plan. We will only agree to transfer the value of your plan if everyone involved keeps to those rules and regulations.

8.2 How we work out the value of your funds

We multiply the number of units in your plan by the unit prices for the working day we receive, at our administration headquarters, the last of the documents and information we need to transfer the plan.

8.3 Instructing us to transfer the value of your plan to another scheme

When we receive your instructions to transfer the value of your plan, we will send you a form showing the value of your plan and telling you what to do. Once we have made the payment to the other registered pension scheme or a qualifying recognised overseas pension scheme, your plan finishes.

We don’t take charges for transferring the value of your plan to another registered pension scheme or a qualifying recognised overseas pension scheme, unless we have sent you an endorsement showing we do or your illustration shows we do.

9 When we might make a refund or stop accepting contributions

9.1 When we may need to make a refund

We may need to make a refund of contributions to you or your employer. The rules describe the circumstances when we may need to do this. If we make a refund, we will take the number of units from your plan which equal the value of the refund using the unit prices on the day. We will take the units from the account we make the refund from.

9.2 When we cannot accept further contributions

We can only accept contributions to the plan if:

- the scheme is still registered with HMRC;
- you are still eligible to pay them or for your employer to pay them; and
- you and your employer have given us all the information we need to decide if you are still eligible.

If we cannot accept further contributions to the plan, we will stop collecting them.

We will also stop accepting contributions if:

- we have paid all your pension benefits as described in section 5; or
- you have reached age 75; or
- we have been notified, at our administration headquarters, of your death; or
- you have transferred the value of your plan to another registered pension scheme or a qualifying recognised overseas pension scheme as described in section 8.

Where we are unable to accept contributions to this plan but your employer is required to pay contributions to comply with automatic enrolment regulations, we may set up a new plan within your employer’s pension scheme.
10 Changed circumstances

10.1 Change of investments

We may sell units held in your fund if you have not previously instructed us to invest in a fund or funds other than the fund automatically selected for you by your employer, if:

- your employer chooses to discontinue to take investment advice and stops taking responsibility for that fund; or
- you leave your employer.

We reserve the right to withdraw the default investment solution in respect of past and/or future contributions and to nominate a new default investment solution at all times acting reasonably and subject to section 4.7. We will endeavour to give you at least 30 days’ written notice of any change to the default investment solution (outside of any investment programme changes as per section 4.10) applicable to you where it is possible to do so.

10.2 Increasing the annual management charges and the percentage of the payment we take as charges

The Annual Management Charge will be calculated as a percentage of the value of the fund(s) in which you are invested. It may be changed at any time.

We may increase the annual management charges referred to in sections 4.8. We may also increase the percentage of the payment we take as charges referred to in section 4.2 for future contributions or transfer values.

The circumstances that could lead to an increase in the annual management charge and/or percentage of payment would reflect such increase in costs and expenses or the fact that they represent a higher percentage of the value of a fund. If this happens we will write to all policyholders who are affected to tell them of the change.

By reserving the right to make increases to the annual management charge and/or percentage of payment we are also able to maintain the capital we are required to keep by the Prudential Regulation Authority at a level which would avoid having to apply generally higher charges to the plan.

If we do this, we will set the new rates at levels which we reasonably believe are necessary to reflect the changed circumstances.

We will give you three months’ notice before we increase the annual management charges. But if you change your employer or the group your plan was set up with, we may increase the charges straight away.

Your illustration tells you if this applies to you and what the increased charges will be.

We will give you six months’ notice before we increase the percentage of the payment we take as charges.

We will send the notice to you by email to the last email address we have on our records or by post to the last postal address we have on our records.

The notice will tell you the date from which the change will take place.

During the notice period, you can:

- stop making contributions, without paying any extra charges, as described in section 2.1; or
- transfer the value of your plan to another registered pension scheme or a qualifying recognised overseas pension scheme, as described in section 8.

10.3 Other changes to charges

We reserve the right to make changes to, or apply new, charges at any time. There are a number of circumstances that could lead to a change in charges.

These are a change in our costs or expenses as a result of a change in the tax rules, legislation or regulation or the way such rules are interpreted or applied in practice or the our staff or overhead costs increase, or there are increases in the costs of external fund managers.
The change in charges would be reasonable and proportionate to such change in costs and expenses. If this happens we will write to all policyholders who are affected to tell them of the change.

10.4 When we may make changes to the plan

a) We reserve the right from time to time by giving you three months written notice, so far as it is practicable to do so, to make such changes or additions to these terms and conditions as are reasonably required to reflect:

- changes in applicable pensions, tax or other law, legislation, regulation or industry codes of practice which affect your plan;
- changes in how the London Stock Exchange or other relevant investment or regulated markets may work which may impact on the operation of your plan;
- changes in investment/share dealing administration or other infrastructure facilities, systems or means of communication which impact on the provision and operation of your plan and which are outside of our control;
- changes to services relating to your plan supplied to us by third parties which are outside of our control or which require additional expenditure by us;
- changes in circumstances or the happening of any event which is outside of our control which means that the plan’s terms and conditions operate in a way which is unfair to you or our other policyholders;
- changes resulting from the introduction of new systems, services, and changes in technology outside of our control;
- changes in circumstances or the happening of any event which is outside of our control and which makes it impossible, impracticable or economically unviable for us not to make a change to the terms and conditions, provided that any such change is not unfair to you or our other policyholders;
- changes required to remedy obvious errors.

b) We reserve the right from time to time to make changes or additions to these terms and conditions for any other reason, which may or may not have a detrimental effect on you, and which are not set out in a) above. If you suffer a material detriment as a result of a change or addition under this paragraph b) you may notify us and you will be free to transfer your plan to another registered pension scheme or a qualifying recognised overseas pension scheme. We will waive any transfer out fees and charges provided that the transfer is made within three months (or such longer period as may be reasonably necessary in the circumstances) from the date on which we gave you written notice of the change or addition.

The change will take place from the date we tell you.

10.5 What happens if the scheme is wound up?

We will not accept any further contributions, transfer values or pension credits if the scheme is wound up as described in the rules.

You will be able to use the value of your plan in a way described in the rules.

10.6 What happens if the amount of your tax relief changes?

In very rare circumstances, we may have claimed more tax relief from HMRC for you than they owe you. If the amount we receive from HMRC is less than the amount we paid to your plan, we will take some units which equal the value of the difference using the unit price for the day we take them. We will take the units from the account we paid your tax relief into.

If there is not enough in your cash account to cover the refund you can tell us to cancel units to the appropriate amount, or you may need to sell sufficient investments to cover the cost of the refund. If you do not do this, we may cancel units or sell investments of sufficient value without your permission in order to make the refund.

10.7 When we will delay paying a transfer, or refund, switching, or paying your pension benefits

In some circumstances, we may delay carrying out your request to pay a transfer, to switch units or to pay your pension benefits or paying a refund. We will tell you that there will be a delay before we carry out your request or make the refund. We will not delay paying benefits when you die or take your pension benefits at your selected retirement date.
We may, as a result of:

- the closure of, or suspension of dealings on, a main stock exchange, or
- any period when assets cannot be valued or sold or it is impracticable to do so or they cannot be sold without a significant reduction in price; or
- circumstances outside of our control such that continued dealing in the units may not be fair to all potentially affected policyholders; or
- during a breakdown in any system of communication (including computer systems) used in determining the price or value of the assets of a fund or the current prices or values on any market or stock exchange;

at any time suspend temporarily, or delay for such period as may reasonably be required, the valuation, allocation, switching, surrender or any other dealings with the units in any fund.

We will only do this for as long as it is impractical to allow dealings and generally fair to planholders whose plans are invested in the fund.

We will value the units using the unit prices which apply immediately after the end of the period of delay.

If you have units in a fund which is invested in property, the delay will be for up to six months. Otherwise, it will be for up to one month.

We may extend these periods:

- to match any period of postponement, deferment or suspension imposed by the managers of a collective investment scheme or other entity in which the fund has holdings; or
- for as long as any such scheme or entity is in the process of being wound up.
- where due to exceptional circumstances we reasonably consider that it is in the interests of planholders whose plans are invested in the fund to do so.

### 11 Potential conflicts of interest

There may be times when Aviva Plc group companies or our appointed officers have some form of interest in the business being transacted.

If this happens or when we become aware that our interests, or those of our officers, conflict with your interests, we’ll take all reasonable steps to manage that conflict of interest. We’ll do this in a way that treats all customers fairly and in line with proper standards of business.

Further details of our conflicts of interest policy are available on request.

Where, despite all efforts to manage a conflict of interest, the conflict of interest cannot be prevented, we will disclose it to you before you commit to taking out this product or taking any investment action in relation to it.