



novia /

/ A new way to wealth management

# Terms & Conditions of the Novia Wealth Management Service

Effective from 1<sup>st</sup> January 2012

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## / Definitions

**Novia Financial, Novia, we, us** – Novia Financial plc is the company providing the wealth management service. Register Number: 06467886. Registered office: Cambridge House, Henry Street, Bath, Somerset BA1 1JS. Novia Financial is authorised and regulated by the Financial Services Authority. Register Number: 481600. The Financial Services Authority (FSA) is the regulator for the financial services industry created by the Financial Services and Markets Act (FSMA 2000) which authorises and regulates Novia.

**Novia Wealth Management Service, Novia Service, the Service** – The service for Advisers to manage Clients' investments.

**Client, you, your** – The individual, corporate or other entity in whose name the Service is held. Where the context allows or requires, any reference to the singular includes the plural and reference to the masculine includes the feminine.

**Adviser** – The financial adviser through which you access the Novia Service, open Product Wrappers and transact investments and who you are able to remunerate in the form of commission through the Product Wrappers you hold. Your Adviser must be registered with us and have appropriate FSA authorisation.

**Additional Investment** – Additional subscription into an already opened Product Wrapper.

**Business Day** – Any full day on which banks, investment managers and the London Stock Exchange (LSE) are open for business.

**Cash Facility** – Each Product Wrapper will have a Cash Facility. This will be used for cash credits and debits into the Product Wrapper and will be governed by FSA Client money regulations.

**Commission** – Money that you agree to pay to your Adviser or discretionary manager through your Novia Product Wrappers. Commission may be in the form of a fixed commission or may be percentage commission (of your investments) in the form of initial, trail and switch commission.

**Discretionary Manager (DM)** – An appropriately authorised manager you select to manage your investments on your behalf.

**General Investment Account (GIA)** – The Product Wrapper identified as a GIA by Novia within the Service and operated in accordance with these Terms & Conditions.

**Investments List** – The list of all investments available through the Service, which can be found at [www.novia-financial.co.uk](http://www.novia-financial.co.uk)

**Nominee Company, Nominee Companies** – The Companies used by Novia to hold your investments in safe custody and to ensure they are segregated. Your investments will be registered in the name of one of our Nominee Companies relevant to the Product Wrapper(s) you hold (which are subsidiaries of Novia), with a designated account in your name. Investments held within a Novia Stocktrade account will be held by the Stockbroker's nominee company.

**Novia Annual Charge** – The ongoing charge made by Novia for providing the Service.

## / Glossary

**Novia Initial Charge** – The one-off charge made by Novia when you make a subscription/investment into a Product Wrapper by paying money into the Cash Facility, either on a one-off or regular basis.

**Offshore Bond** – The Novia Offshore Bond provided by Royal London 360 Insurance Company Limited is an offshore investment-linked life assurance policy which includes a Cash Facility.

**Product Wrapper** – Combination of a specific product, such as an ISA or SIPP, with a Cash Facility, within which you may buy, sell and hold a variety of available investments and cash.

**Regular Investment** – A regular subscription into the Cash Facility of a Product Wrapper using a Direct Debit Instruction.

**Regular Withdrawal** – Regular periodic withdrawal from funds within the Cash Facility of a Product Wrapper. Regular withdrawals may be made monthly, quarterly or annually.

**Single Investment** – Individual or 'one-off' subscription into the Cash Facility of a Product Wrapper.

**USA** – All states, territories or possessions of the United States of America and the District of Columbia.

**Annual Allowance** – Limit of tax free contributions that can be made to your pension in any one tax year. Contributions in excess of this allowance will be liable to a tax charge of, currently, 40%.

**Block Transfer** – The transfer in a single transaction of all the investments held under the pension scheme from which the transfer is made to the same receiving pension scheme, which relate to the Client in question and at least one other Client within that pension scheme.

**HMRC** – Her Majesty's Revenue & Customs. Agency of the UK government which collects and regulates taxation.

**Income Drawdown** – Payments that may be made to you from the investments accumulated within your SIPP to provide a pension income. These must be within the HMRC regulations and can usually be taken from age 55 as either capped or flexible drawdown.

**Investments** – Investment funds, often referred to as assets or investment vehicles, that Novia makes available through the Service. This includes, for example, Unit Trusts, OEICS, Investment Trusts, ETFs, and hedge funds (see the Investments List and [www.novia-financial.co.uk](http://www.novia-financial.co.uk) for full details).

**Investment Managers** – Providers of the investments made available through the Service, often known as fund managers.

**ISA** – Individual Savings Account as regulated by HMRC. The Product Wrapper identified as an ISA by Novia within the Service and operated in accordance with these Terms & Conditions. May be in the form of a cash or stocks and shares ISA.

**Lifetime Allowance** – The overall limit on the amount of tax privileged pension benefits, in the form of income drawdown, PCLS or annuity purchase, that any one individual can receive throughout their life. Benefits received in excess of the allowance may be liable to a tax charge.

**Model Portfolio** – A pre-selected portfolio of investments put together by either an Adviser or Discretionary Manager. The portfolio can be selected for any number of Clients. The Client's holdings can be amended automatically to reflect any changes to the model portfolio. Not all investments available via the service can be utilised in model portfolios.

**Pension Commencement Lump Sum (PCLS)** – The tax free cash which can be paid to the holder of a SIPP when they decide to take benefits from the investments accumulated within their SIPP. This point is known as crystallising all, or part of the SIPP, and a PCLS may only be taken at such a point.

**Protected Rights** – The portion of a pension transferred into your Novia SIPP accumulated from contributions as a result of contracting out from the State Second Pension.

**SIPP** – Self Invested Personal Pension as regulated by HMRC. This is a UK personal pension scheme which allows tax relief on contributions under HMRC rules and freedom to invest in a wider range of permitted investments. You may take benefits from the pension fund in the form of tax free lump sums, income drawdown payments or to buy an annuity.

**Group SIPP scheme** – A collection of SIPPs held by individual employees (scheme members) linked to a particular employer.

**Tax Relief** – Tax relief claimed by Novia on your behalf where allowed by the HMRC regulations.

**UK Tax resident** – Considered to be a UK tax resident as defined by HMRC, as available on the HMRC website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk). Current guidance indicates you will be considered non-UK tax resident if your absence and employment from the UK covers a complete tax year (6 April to 5 April), and you spend less than 183 days in the UK during the tax year, and your visits to the UK do not average 91 days or more a tax year over a maximum of four years.

**Valuation Point** – The point at which all deals for a particular investment are aggregated by Novia. Novia's valuation point may be in advance of the investment's dealing point to ensure all transactions are completed. For details of the valuation points for each individual investment please see the Novia Investments List.

# 1/ General Information

## 1.1. The Role of Novia Financial plc

Novia Financial plc does not give any advice on your portfolio or any investments you hold with the Service. The fact that particular Product Wrappers, investments, investment planning tools or any other feature is made available to you via your Adviser does not constitute advice or imply that it is suitable for you. You should always seek suitable advice before using the Service and investing.

## 1.2 Client classification

1.2.1 Our policy is to treat all Clients as Retail Clients in accordance with the rules of the Financial Services Authority (FSA). This ensures that maximum regulatory protection is available to you.

Most private individuals and corporate entities are defined by the FSA as Retail Clients, and will benefit from the full protection of the FSA, including access to the Financial Ombudsman Service and the Financial Services Compensation Scheme.

1.2.2 Novia only accepts business from FSA authorised firms and is unable to accept an application for business from any citizen or resident of the USA.

1.2.3 If you cease to be a UK resident for taxation purposes it is important that you inform Novia immediately, as regulatory requirements may become applicable. If you need more information as to how taxation and related regulations may apply to your circumstances, please speak to your Adviser.

## 1.3 Client Money and Assets

1.3.1 Any money you hold in the Cash Facility will be held in a designated Client money account. This is in accordance with FSA Client money regulations. It is held separately from our own money. Cleared money, not yet allocated to an investment, is held within the Cash Facility. This money will earn interest at the prevailing rate, which is available at our website at [www.novia-financial.co.uk](http://www.novia-financial.co.uk). Novia does not retain any of the interest earned on cleared money. Interest will be calculated daily and credited to the Cash Facility on a monthly basis.

1.3.2 All investments held by you are registered in the name of a Nominee Company which is a wholly owned subsidiary of Novia Financial plc. Depending on the Product Wrapper you hold this will be either:

- i. Novia (Net) Nominee Ltd
- ii. Novia (Gross) Nominee Ltd
- iii. Novia (ISA) Nominee Ltd

The Nominee Company can only hold Client investments and does not carry on business in its own right and any investments held in the Nominee Company cannot be lent or borrowed against.

Investments held within a Novia Stocktrade account will be held by the stockbroker's nominee company. More details of the stockbroker's custodian procedures and nominee company can be found within the Stockbroker's terms of service.

1.3.3 Clients may not assign underlying investments within Product Wrappers to a third party. Doing so without our express permission may result in closure of the Product Wrapper. This excludes the Novia Offshore Bond provided by Royal London 360 Insurance Company Limited where you may assign underlying investments to a third party.

## 1.4 Client Details

Notification of a Change of Circumstances

Any change in the residence, citizenship or domicile of the Client must be notified to Novia Client Services within three months of the event. Novia reserves the right to suspend further trading within your Product Wrappers once we become aware of a change in the residence, citizenship or domicile of a Client. Novia reserves the right to terminate the Service, following written notice, should you no longer reside in the UK or fail to inform Novia of your change of residence. Where this is the case, Novia will give three months' written notice to inform you.

## 1.5 Appointment of an Adviser

1.5.1 You must have an FSA authorised Adviser in order to deal with Novia. Novia does not accept new investments from Clients who have not appointed an Adviser. Your Adviser must be registered with Novia, and have accepted our Terms of Business. For the Offshore Bond the Adviser must also have been issued, and accepted, separate Terms of Business which can be gained from Royal London 360 Insurance Company Limited. In order to change your Adviser you must do so by confirming this in writing to Novia Client Services. This confirmation must also contain details of the new Adviser. You may only appoint one Adviser for each Novia Service account you hold (containing one

or more Product Wrappers). You may hold more than one Novia Service account, with different Advisers, and the Novia Service accounts will be charged separately.

- 1.5.2 Additional Charges detailed in 'Novia Charges' (clause 9) will apply for any periods that you hold any Product Wrappers through the Service and do not have an appointed Adviser. If a new Adviser is not appointed, and you continue to use the Service without an Adviser, we reserve the right to deduct the Annual Charge at the current rate plus an additional 0.5% across all of the Product Wrappers you hold with Novia, as set out in these Terms & Conditions.
- 1.5.3 During any periods that you use the Service and do not have an appointed Adviser, you will not be able to carry out any trading of investments, either buys or sells. Instructions received under these circumstances will not be actioned and will be returned to you. If you no longer have an Adviser you will be informed of this restriction and requested to appoint a new Adviser. This is not intended to restrict a client's ability to end their use of the service. With the exception of SIPP, a client without an Adviser may at any point request the closure of their product wrappers and return of any monies due to them. We reserve the right to action instructions where necessary.
- 1.5.4 You agree that your Adviser is duly authorised to provide Novia with instructions on your behalf as if they had come directly from you. This includes authority to effect withdrawals, conduct switches and to add, amend or remove rebalancing on your behalf using the Service. You agree to accept full responsibility for all instructions placed and to release Novia from any liability for executing instructions which you or your Adviser place using the Novia Service (save for any loss or damage arising directly from the gross negligence, fraud or wilful default of Novia). There are a number of instructions which must be given in writing signed by all investors or authorised signatories and sent, where appropriate, with the relevant supporting documentation. These are explained in clause 5.1. For the avoidance of doubt, any payments out of your account not being used for reinvestment will be made only to a bank or building society account where you are the account holder, or one of the joint account holders. In addition, we will only accept instructions relating to payments of commission to your Adviser (see clauses 1.6.4, 5.6

and 11 in particular) direct from you. In signing your application you have promised that you will be responsible for any losses and/or expenses which are the result, and which a reasonable person would consider to be the probable result, of any untrue, misleading or inaccurate information carelessly given by you, or on your behalf, either in this form or any subsequent form related to the Novia Service.

- 1.5.5 You may only have one Adviser for each Novia Service account, and at any time we will only pay trail or switch Commission to one Adviser firm. Notification of a new Adviser will automatically result in the removal of the existing Adviser. You may open further Novia Service accounts with another Adviser but these will be treated separately for administration and charging purposes. If you change Adviser, trail commission will no longer be paid to your former Adviser and will be changed in accordance with your new instructions and paid to your new Adviser.
- 1.5.6 Should you need to find a new Adviser, you can do this online at [www.unbiased.co.uk](http://www.unbiased.co.uk)

## **1.6 Appointment of a Discretionary Manager (DM)**

- 1.6.1 The Appointment of a DM should be notified to Novia in writing and be signed by all Clients and authorised signatories. It is you and your Adviser's responsibility to ensure that any DM you appoint has FSA authorisation to carry out Discretionary Management on your behalf. Your Adviser remains responsible for the appointed DM's conduct, instructions and use of the Service at all times. Novia will accept no liability for losses or expenses incurred as a result of the actions of your appointed DM or any claims from the DM in respect of any Product Wrapper you hold through the Service. Should you wish to remove the DM from your account you must confirm this in writing to Novia. The appointment of a DM does not replace the need for an Adviser.
- 1.6.2 You understand that Novia Financial plc has not carried out and shall not in future carry out any review of the nominated Discretionary Manager's financial status or their investment and/or risk strategies and it is the responsibility of you and your Adviser to check these matters. You are responsible for all decisions relating to the purchase, retention and sale of investments made by the DM and agree to hold Novia Financial plc indemnified against any claim in respect of such actions.

- 1.6.3 Novia is authorised to accept investment instructions from your appointed DM as if they had come directly from you. For the avoidance of doubt Novia will not allow your DM to change any personal or contact details. Your DM will be able to carry out switches and add, amend or remove rebalancing instructions on your behalf.
- 1.6.4 Novia will arrange payment of Commission to your DM from your Cash Facility. The level of Commission to be notified in writing to Novia Client Services at least ten business days before the due date of the first payment. Any Commission payment made to your DM is subject to the Terms & Conditions stated in clause 11, 'Adviser Commission'. Any changes to Commission payable to the DM must be notified to Novia in writing. Novia will endeavour to implement the change to Commission as soon as possible and no later than 10 business days following receipt of the instruction. Within the Offshore Bond please note that DM Commission counts as part of any withdrawal of the annual 5% tax deferred allowance.
- 1.6.5 Your appointed DM will either provide bespoke portfolio management or a model portfolio as per your agreement with them. If your DM provides bespoke portfolio management they will be able to view and conduct instructions - limited to switching investments and adding, amending and removing rebalancing instructions. Your DM must abide by the Terms of Use issued to them. If your DM provides a model portfolio to which your adviser assigns you, they will not have the access and functionality described above but will be able to amend the model portfolio as per your agreement with them. This will result in transactions being applied to your Product Wrapper. For further information you should consult your agreement with your DM and speak to your Adviser.

## 2/ Opening a Product Wrapper

To use the Novia Service you must open one or more of the Product Wrappers available. Once you have opened a Product Wrapper you may open more Product Wrappers in the future subject to the Terms & Conditions.

### 2.1 Methods of application

- 2.1.1 In order to open a Product Wrapper with Novia the relevant application form must be completed. This application form can be completed in writing or online by your Adviser. We cannot open an account for you without a fully completed application form and subscription, transfer authorisation or re-registration request.
- 2.1.2 Where an application form is received that is either incomplete or unclear Novia will use reasonable endeavours to establish the missing information by contacting your nominated Adviser. If there is sufficient information Novia will place your funds within the Cash Facility of an appropriate Product Wrapper and hold them there pending receipt of the required information. If there is insufficient information required to process the application form which cannot be obtained within seven business days of receipt of the application form Novia reserves the right to return the application form to your Adviser and any subscription to the bank/building society account from where the subscription originated.

### 2.2 Methods of subscription

- 2.2.1 Each application form (with the exception of re-registrations) must be accompanied by a cheque or bank (BACS, Faster Payments or CHAPS) transfer, a fully and correctly completed Direct Debit instruction or a fully and correctly completed transfer request. For re-registrations we will need a re-registration application form and stock transfer or re-registration authority form.
- 2.2.2 Cheques must be made payable to Novia Financial plc. Cheques will typically take 6 days to clear into the Cash Facility of your Product Wrapper. This will mean that should you submit a cheque to make an initial or additional investment into a Product Wrapper any investment instructions will be delayed until the cheque has cleared and funds are available within the Cash Facility. Novia accepts no liability for any loss arising due to market movements

within this period. Bank (BACS, Faster Payments or CHAPS) transfers must be made payable to our designated account appropriate for that Product Wrapper. The account details are indicated on the appropriate application form.

- 2.2.3 Novia will not accept any responsibility for any loss or costs incurred as a result of a Direct Debit payment being rejected by your bank or the incorrect initiation of a bank (BACS, Faster Payments or CHAPS) transfer to our bank account by a Client. Following the failure of a Direct Debit, Novia will attempt, where possible, to represent the instruction to your bank once only.
- 2.2.4 All bank transfers sent to Novia should be accompanied by an identifying reference. Bank transfers sent to Novia without an identifying reference will be returned. We will endeavour to identify the source of the transfer, but where this is not possible the monies will be returned to the source bank account no later than two business days after receipt.

### 2.3 Website Access

- 2.3.1 Once you have opened a Product Wrapper with Novia, you will be able to request a unique username and password from your Adviser enabling you to access valuations and transaction details online.
- 2.3.2 Once a username and password have been issued by your Adviser you are responsible for maintaining the security of your account and should not provide your login details to any third parties.
- 2.3.3 You agree to use our website in accordance with the website Terms of Use and Privacy Policy which is available at all times on our website at [www.novia-financial.co.uk](http://www.novia-financial.co.uk)
- 2.3.4 Should you believe or know that the security of your username and password has been compromised you are required to notify Novia and your Adviser immediately.
- 2.3.5 Web access is permissible from your own computer or public access points but you are responsible for ensuring any public access points are secure.

### 2.4 Rejecting application forms

Novia reserves the right to reject any or all of your applications where we believe accepting it will result in a breach of these Terms & Conditions. Application forms must be fully and correctly completed and signed in full

where applicable. Failure to do so may result in delay or rejection by Novia. Novia reserves the right to reject any applications to open a Product Wrapper at its discretion, where it is reasonable to do so.

### 2.5 Cancellation rights

- 2.5.1 You have 30 calendar days to cancel any Product Wrapper commencing from the day you receive a cancellation notice which will be sent with a welcome letter. Novia will, in normal circumstances, typically consider the notice as received by a Client two days (excluding Sundays) after issuing the welcome letter. The cancellation period will be timed from this date until the cancellation notice is received within the Novia office.

For an account held in joint names we require all applicants and authorised signatories to sign cancellation notices to effect cancellation.

The signed cancellation notice must be received at the following address:

**Novia Client Services**  
**PO Box 4328**  
**BATH BA1 0LR**

- 2.5.2 This is with the exception of the Novia Offshore Bond provided by Royal London 360 Insurance Company Limited, where the cancellation notice should be returned to Royal London 360 Insurance Company Limited in the Isle of Man, as detailed in the cancellation notice issued.
- 2.5.3 On receipt of your cancellation notice we will sell any investments you have purchased and return any monies to you. Included in the payment are any charges taken by Novia and any commissions paid by Novia to your financial Adviser. Excluded from the payment will be any charges made by investment managers and third party providers such as an appointed stockbroker. Your investment may still suffer a loss from market movement and you may still be liable to pay any commissions under the terms of your agreement with your Adviser. The maximum payment that is possible is 100% of your original investment - any profit made will not be returned.
- 2.5.4 Where cancellation rights are exercised regarding investments that may not be readily realisable, such as investments which deal irregularly or infrequently, or have dealing minimums which have not been reached Novia may defer payment. Subject to 2.5.3. You will receive any commission

or charges due as a result of cancellation but the proceeds of investments which are not readily realisable will be returned to you as soon as we are able to sell these investments. You should be aware that this may involve a significant delay.

- 2.5.5 You or your Adviser will need to sell any investments you have purchased using your Novia Stocktrade account and the proceeds returned to you by Novia. Novia cannot instruct Stocktrade on your behalf. Please be aware that the value of any investments sold will be subject to market movements.
- 2.5.6 Cancellation of certain products may result in the loss of tax benefits associated with those Product Wrappers, for example ISA or Pension Transfers. It may not be possible to reverse the transfer as the original scheme is not obliged to take them back. If this happens, you should seek the advice of your Adviser.
- 2.5.7 When you purchase certain investments, typically those that:
- i. do not deal on a daily basis
  - ii. complex and alternative investments
  - iii. fixed period investments, deposits or structured products
  - iv. deal rarely or irregularly
  - v. have high dealing minimums

cancellation rights may not apply to these investments and as a consequence will not be able to complete the closure in a wrapper until all assets have been sold. Such investments may also delay cancellation of your product wrapper and may result in a significant delay before realising the proceeds of your investment.

## 3/ Re-registration and Transfers to and from the Service

### Re-registration

Re-registration is the process of transferring existing investments, such as Unit Trusts or OEICs to or from the Service without selling or buying.

#### 3.1 Re-registration to the Service

- 3.1.1 Novia will allow re-registration in to the ISA & GIA Product Wrappers. Investments that are re-registered to Novia remain invested in the market. Investments re-registered to the Service do not incur the Novia Initial Charge. Initial Commission will not be paid on investments re-registered to the Service.
- 3.1.2 Not all existing providers will allow re-registration so it is important that you and your Adviser check with your existing provider before commencing the re-registration process. You should speak to your Adviser for further details.
- 3.1.3 Some providers will make a charge for re-registering investments away from them. In some cases, where Novia has a prior agreement in place, Novia will pay this charge on your behalf however this is not always possible and it is your responsibility to establish if any charges will be made by your existing providers.
- 3.1.4 Where units/shares are re-registered to the Service we will endeavour to register your units/shares with the same Group 1 and Group 2 units/shares that were held with the previous provider. However, where the information on the unit/share split is not provided by the previous provider all units/shares will be recorded as Group 1 and no equalisation will be shown on your tax credit. This will have no impact on the value of your units.

Group 1 units/shares have already been through a distribution or dividend period, and are thus considered units with no preferential tax handling.

Group 2 units/shares have been recently issued to an investor and have not yet had a distribution paid against them. These units/shares are classified so as to permit identification for purposes of tax handling. When a distribution has been paid against them they are reclassified/labelled as Group 1 units/shares.

- 3.1.5 If Novia receives any outstanding dividends or distribution payments under £250 from your previous provider which relate to a re-registration of units/shares into a Novia Product Wrapper, Novia will return this to the previous provider or investment manager. If any payment is £250 or above, this will be placed into the Cash Facility of the Novia Product Wrapper the investment has been re-registered to.

### 3.2 Re-registration from the Service

- 3.2.1 Novia will allow re-registration out from the ISA, SIPP and GIA. Novia makes no charge for re-registering away from the service.
- 3.2.2 Not all providers will accept re-registration to them. It is important that you and your Adviser check with your new provider prior to commencing the re-registration from the Service because there may be cost and tax implications if a re-registration is made to a provider who cannot accept the assets. You should speak to your Adviser for further details.
- 3.2.3 Transfers away of aggregated ETFs and investments held in a Novia Stocktrade account will be charged by the Stockbroker at the current rate of £15 plus VAT per stock.

### Transfers

Transferring is the process of transferring existing investments to or from the Service in cash, where your existing provider sells the investments held and transfers the proceeds to a new provider, such as Novia.

### 3.3 Transfers to the Service

- 3.3.1 Novia will accept transfers of existing plans into the Service. Prior to commencing the transfer you must provide Novia with a fully and correctly completed application form and transfer authority. Novia will then contact your existing provider in order to arrange for the transfer of investments. Novia accepts no liability for any loss incurred as a result of a delay in your investments being transferred by your existing provider. Certain product specific limitations exist for transfer in. Please see the relevant Product Wrapper sections of the Terms & Conditions for further details.
- 3.3.2 If Novia receives any outstanding dividends or distribution payments under £250 from your previous provider which relate to a transfer in of units/shares into a Novia Product Wrapper,

Novia will return this to the previous provider or investment manager. If any payment is £250 or above, this will be placed into the Cash Facility of the Novia Product Wrapper the investment has been transferred to.

### 3.4 Transfers from the Service

- 3.4.1 Novia will allow transfer out from the Service to another provider on receipt of a fully and correctly completed transfers authority. Novia makes no charge for transferring your investments out. On receipt of an instruction to carry out a transfer out from a Novia product wrapper in cash, we will sell all investments held and once the sale of the final investment has been settled we will transfer out the cash realised.

## 4/ Cash Facility

- 4.1 Each Product Wrapper with Novia will have its own separate Cash Facility. All subscriptions received will be placed into the Cash Facility within the specified Product Wrapper. Only cleared funds will be credited, and dealing instructions will only be carried out when there are sufficient cleared funds in the relevant Cash Facility.
- 4.2 Credits to the Cash Facility will be all:
- i. subscriptions, contributions and investments prior to investment
  - ii. income payments, such as distributions and dividends, received from investments held through the Service
  - iii. interest due to cash held within the Product Wrapper
  - iv. proceeds from the sale of investments, (with the exclusion of equities held within your Novia Stocktrade account)

- v. rebates received from investment managers
- vi. tax relief claimed on your behalf from HMRC (where applicable)
- vii. money transferred from your Novia Stocktrade account.

- 4.3** Debits from the Cash Facility will be all:
- i. full or partial withdrawals
  - ii. regular withdrawals
  - iii. investment settlements
  - iv. commissions which you agree to pay to your Adviser
  - v. commissions which you agree to pay to your Discretionary Manager
  - vi. charges due to Novia (see Charges)
  - vii. income drawdown payments
  - viii. Pension Commencement Lump Sum (PCLS) payments
  - ix. money transferred to your Novia Stocktrade account
  - x. any taxes or charges due as a result of regulatory breaches (eg breaches of the lifetime allowance).

- 4.4** Cash held within the Cash Facility will accrue interest at a daily rate on a daily basis. Interest will be credited on a monthly basis and will be paid at a rate as displayed on our website. This will be updated as appropriate given any changes determined by the financial institution that has custody of our Client Cash Facility. The current interest rate can be seen on our website at [www.novia-financial.co.uk](http://www.novia-financial.co.uk). Cash held within the Cash Facility post closure of a product wrapper will not accrue interest.

- 4.5** A minimum cash balance of 2% of the overall value of the Product Wrapper must be maintained in the Cash Facility at all times (with the exception of the stocks and shares ISA).

Where the cash balance falls below 2%, Novia may:

- i. sell proportionally investments held in FSA authorised funds
- ii. sell ETFs aggregated by Novia (charges relating to these investments will apply; the charge being 0.15% of the value traded, subject to a minimum charge of up to £15)
- iii. sell other investments which are not traded daily, and place the proceeds into the Cash Facility of the appropriate Product Wrapper. (Your Novia Stocktrade account will be excluded.)

- 4.6** The process of ensuring your Cash Facility maintains a balance of 2% will be initiated on or before the third business day of the month, and proceeds from the sale of investments, if any, will typically reach the Cash Facility by the seventh business day of the month. In the event that Novia is required to sell investments to meet the minimum requirement of a 2% balance on your GIA (and this may occur at a disadvantageous time), you may incur a Capital Gains tax liability, for which Novia is not liable. You should speak to your Adviser for more information on tax liability.

- 4.7** Where the minimum balance of a Cash Facility falls below 2% of the total value of that Product Wrapper Novia also reserves the right to:
- i. refuse to execute any investment or withdrawal instructions and any Adviser or DM commission payments until such time as the Cash Facility balance is greater than the minimum balance
  - ii. delay, postpone or cancel any Regular Purchase instruction in force within the Product Wrapper, until the Cash Facility minimum above is reached
  - iii. delay, postpone or cancel any Regular Withdrawal instruction in force within the Product Wrapper, until the Cash Facility minimum above is reached.

- 4.8** On the restoration of cash to the Cash Facility, Novia reserves the right to take any outstanding deductions, including Novia charges and Adviser commissions due.

## 5/ Transactions

### 5.1 Methods of instruction

- 5.1.1** Instructions to carry out investment transactions may be given by your Adviser using the following:
- i. letter or fax, providing it has been signed by the Product Wrapper holder or all signatories who are required to sign
  - ii. via the Novia website
  - iii. using the appropriate investment application form.
- 5.1.2** The following instructions must be given in writing signed by all investors or authorised signatories and sent, where appropriate, with the relevant supporting documentation (eg marriage certificate for a change of name):
- i. change of name
  - ii. increases in levels of some commission (eg. switch and trail) to Advisers and Discretionary

- Managers
- iii. assignments or changes to Product Wrapper holders
- iv. changes to nominated bank account
- v. Product Wrapper closures/Offshore Bond surrenders.

## 5.2 Incomplete or unclear instructions

- 5.2.1 Where the instruction received is unclear or incomplete we will, at our discretion, and without liability for any loss you may incur:
- i. purchase accumulation shares/units where the share/unit type is not stated and both income and accumulation are available
  - ii. purchase accumulation shares/units where income is stated and is not available
  - iii. purchase income shares/units where accumulation shares are stated but not available
  - iv. Purchase retail units/shares where the share/unit type is not stated/clear
  - v. Where institutional units/shares have been stated but are unavailable we will purchase retail units/shares or the next available class of units/shares and vice versa
  - vi. delay the investment whilst we attempt to obtain the missing information from you and/or your Adviser
  - vii. reject any instruction after seven business days. Novia will make reasonable endeavours to obtain the information within these seven business days.
- 5.2.2 Following a request to cancel a transaction that you have already placed we will use reasonable endeavours to carry out the cancellation. However, we will not accept liability for any loss incurred should we be unable to cancel the transaction.
- 5.2.3 Details of instructions are provided online within the transaction history. It is the responsibility of you and/or your Adviser to ensure instructions have been received by Novia.
- 5.2.4 We reserve the right to sell or realise any investment holding where current or proposed legal or regulatory requirements result in the investment not being allowed in the relevant Product Wrapper.
- 5.2.5 All purchases are subject to sufficient cleared funds. You and your Adviser must ensure that your investment choices are available and also total 100%, otherwise your investment will be held in the Cash Facility until the chosen

investments are available/confirmed or your application is amended.

- 5.2.6 Instructions received directly from Clients as opposed to an Adviser will not be actioned by Novia as we accept advised instructions via an FSA authorised individual. Instructions received in these circumstances will be returned and we will request you seek advice from your Adviser who can then carry out any instructions. We reserve the right to action instructions where necessary.

## 5.3 Investments into a Product Wrapper

A maximum of 40 investments may be included for each Product Wrapper. All investments or subscriptions will be deposited into the Cash Facility of the appropriate Product Wrapper prior to investment according to your instructions.

### 5.3.1 Initial Investment

The minimum initial investment or subscription into the Cash Facility for any Product Wrapper is £1,200 with the exception of the Offshore Bond where the minimum initial investment is £50,000.

### 5.3.2 Additional Investments

There is no minimum amount for additional investments into the Cash Facility for all Product Wrappers. This is with the exclusion of the Offshore Bond which has a minimum additional investment of £5,000. Additional investments are permitted into an ISA subject to the HMRC maximum annual limit. Additional investments into a SIPP will be liable to tax where they exceed the allowances imposed by HMRC. It is you and your Adviser's responsibility to ensure this limit is not breached. Current limits are available at [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

### 5.3.3 Regular Investments

The minimum regular investment is £100 on a monthly basis or £1,200 on an annual basis. Regular investments must be by Direct Debit and will be initiated following receipt of a fully and correctly completed Direct Debit instruction. Direct Debits will be collected on either the 2nd (usually individual product wrappers) or 15th (usually group schemes, such as Group SIPP) day of the month. Typically, any purchase of investments, as a result of a regular investment, will take place 5 business days after the date of collection of the Direct Debit.

## 5.4 Withdrawals from a Product Wrapper

### 5.4.1 Full Withdrawals

Following a request for a full withdrawal from a Product Wrapper, Novia will sell all investments held within that Product Wrapper. Where you hold investments within a Novia Stocktrade account in that Product Wrapper you must sell all these investments before we can process a full withdrawal. Novia cannot instruct the Stockbroker on your behalf. Once all investments held within your Novia Stocktrade account are sold you must request Novia to transfer the money to the Cash Facility, following which we will make the full withdrawal. Novia will pay all proceeds received directly to your nominated bank account specified for the Product Wrapper and close the Product Wrapper. Any monies received after the closure of the Product Wrapper, typically dividend or distribution payments, will also be paid to the nominated bank account on a periodic basis. With the exception of payments made from a SIPP, we will not pay amounts less than £1. Payment will typically take up to 10 business days to reach your nominated bank account.

### 5.4.2 Partial Withdrawals

The minimum amount for a partial withdrawal is £100. The monies will be deducted from the Cash Facility of the Product Wrapper as instructed. Where there is insufficient cash available, Novia will sell investments held within the Product Wrapper (with the exception of some investments, such as ETFs aggregated by Novia and investments within your Novia Stocktrade account, which will not be included). Payment will typically take up to 10 business days to reach your nominated bank account.

### 5.4.3 Regular Withdrawals

The minimum regular withdrawal is £25 per payment with a maximum of 10% of the total value of the Product Wrapper per year. Regular withdrawal instructions will typically leave the Cash Facility on the ninth business day of the month. As paid by BACS to your nominated bank account, this will typically reach your account no more than four business days later.

5.4.4 Withdrawal instruction will be paid to your nominated account by BACS. This will typically take up to 4 business days. Where you request withdrawals to be paid by CHAPS this will be charged at the rate of £10 per transfer, taken from the Cash Facility.

## 5.5 General Product Wrapper transactions

5.5.1 Following a withdrawal, at least £1,000 must remain within the Product Wrapper (within a SIPP this amount applies across both crystallised and uncrystallised funds within your SIPP Product Wrapper).

5.5.2 Where less than £1,000 will remain within a Product Wrapper following withdrawal, Novia reserves the right not to action the withdrawal or to close the Product Wrapper. Novia accepts no liability for loss where a withdrawal instruction is rejected in these circumstances.

5.5.3 Some investment managers have their own dealing minimums. It is the responsibility of you and your Adviser to ensure your investment instruction meets the dealing minimum of the relevant investment manager. If your instruction does not meet the dealing minimums imposed by the investment manager, which may apply to both buys and sells, Novia may delay the transaction or may be unable to carry it out. In this instance if you have not specified an alternative investment, or cash, the instruction will be returned. Novia will not accept any liability for any loss incurred due to the instruction being delayed or not actioned due to investments not meeting the investment manager's minimum investment value.

5.5.4 Investments which do not deal regularly or do so infrequently may delay withdrawals being made from your Product Wrapper. If there is insufficient cash in the Cash Facility, and we must sell investments to make a withdrawal, be this full, partial, or regular, where necessary we will delay making a withdrawal payment to you until we are able to sell investments to fund this. You should be aware that depending on the nature of the assets this may be a substantial delay which may have significant consequences and you and your Adviser should consider this when selecting investments.

5.5.5 Some investment managers will not distribute income, in the form of interest or dividends if this is below a certain minimum level, typically £50. This will therefore be automatically reinvested by the investment manager and will show as an increase in your holding and will not be credited as cash to your Cash Facility. Whether income distributions will be made below a certain minimum level depends on the investment manager concerned and details of this will be available in the investment manager's

documentation via their website. See the Investments List for links to these websites.

- 5.5.6 Instructions to sell certain investments, typically those that:
- i. do not deal on a daily basis
  - ii. complex and alternative investments
  - iii. fixed period investments, deposits or structured products
  - iv. deal rarely or irregularly
  - v. have high dealing minimums
- will be impacted as a consequence of such restrictions and features. This may result in a significant delay before completion of the sell instruction and the crediting of the proceeds of the investment to the Cash Facility.

### 5.6 Switching within a Product Wrapper

In general, switching (or a switch transaction) comprises selling an investment and buying another investment. You may agree to pay your Adviser switch commission as a percentage of the value switched. There are certain circumstances where a transaction is considered a switch and switch commission, if agreed, will be paid. There are certain circumstances not considered a switch where switch commission, if agreed, will not be paid. These are set out here for the avoidance of doubt and to ensure transparency.

- 5.6.1 Where you agree to pay your Adviser switch commission this will only be payable on transactions considered to be switches.
- 5.6.2 A switch transaction is considered to be a movement from one investment to another.
- 5.6.3 Where you agree to pay your Adviser switch commission, this will not be payable on any of the transactions that are not considered switch transactions.
- 5.6.4 Transactions not considered switches are:
- i. transactions within any of your Novia Stocktrade accounts
  - ii. withdrawal transactions
  - iii. movement from your Novia Stocktrade account to the Cash Facility
  - iv. movement of initial funds to your Novia Stocktrade account when this is first set up within a Product Wrapper
  - v. movement from the Cash Facility that takes place as part of a single instruction or application, be this an Initial Investment opening a Product Wrapper or an Additional Investment into a Product Wrapper.

- vi. movement from an investment to the Cash Facility
- vii. movement from the Cash Facility to an investment
- viii. movement from the Cash Facility to your Novia Stocktrade account.

- 5.6.5 Switch purchases will not be carried out until the proceeds of all associated switch sales have been completed and settled by the relevant investment managers and proceeds received by Novia.
- 5.6.6 When you apply for any Novia Product Wrapper you will be asked to provide authority for your Adviser to make switches regarding investments you hold with the Service, on your behalf. Where a large number of switches are requested in one instruction there may be occasions where these will be actioned over a number of days. Novia reserves the right to take at least three additional business days on occasions to action such an instruction in these circumstances and accepts no liability for any loss that you may incur as a result.

### 5.7 Rebalancing

- 5.7.1 The Novia Service allows you and your Adviser to automatically realign the investments within a Product Wrapper to proportions that you have previously specified. The process of realigning your investments to the balance of investments/ asset allocation you and your Adviser have chosen and agreed previously is known as rebalancing.
- 5.7.2 Rebalancing can be applied to investments in Product Wrappers as follows:
- i. FSA authorised funds and cash will be rebalanced free of charge
  - ii. ETFs that Novia have traded on an aggregated basis. Trading of these ETFs will incur stockbroking charges as explained in clause 6
  - iii. all other investments (for example, equities traded through your Novia Stocktrade account and alternative investments cannot be automatically rebalanced.
- 5.7.3 There may be costs associated with rebalancing, for example, investment manager initial charges and additional dealing charges, which may be reflected in the price you pay and any spread, between the bid and offer price for an investment. Valuation calculations for the rebalancing of a Product Wrapper will be made on the last business day of each month. Rebalancing trading, where requested for a Product Wrapper, will be initiated within the

first two business days of the following month. Sales of investments related to rebalancing will typically complete within the following seven business days, when purchases of investments related to rebalancing will be initiated.

- 5.7.4 Rebalancing can be carried out on a quarterly or annual basis as indicated. Your investments will be rebalanced to the investment choice selected when the proportions of investments held have moved 0.01% or more from that stated investment choice and the dealing minimum for that investment has been reached in any rebalancing that is necessary.
- 5.7.5 Rebalancing can be initiated on the application when you open a Product Wrapper. If you are making an additional investment, this will not automatically cancel an existing rebalancing instruction. Without clear instruction to the contrary, additional investments will be rebalanced to your original instruction. You may initiate rebalancing on an additional investment application form.
- 5.7.6 Your rebalancing instructions can be amended at any time by sending a fully completed rebalancing instruction form to Novia Client Services. This can be initiated by your Adviser on your behalf. You should allow five business days for amendments to your rebalancing instructions to be actioned.
- 5.7.7 If you wish to cancel your rebalancing instruction you should write to Novia Client Services at the contact address provided. This can be actioned by your Adviser on your behalf.
- 5.7.8 Re-registration of investments on to the Service does not impact any existing rebalancing instructions. The re-registered investments will be included the next time rebalancing occurs.
- 5.7.9 If you are in any doubt as to whether rebalancing is appropriate for you please contact your Adviser.
- 5.7.10 Any investment selected within the chosen rebalancing allocation which is not available through Novia (ie not displayed on the Investments List) will constitute an incomplete instruction. Rebalancing will not be available for the Product Wrapper until a valid rebalancing instruction has been received.
- 5.7.11 Some investments available through the Service will not be available for rebalancing. Typically this

will be due to:

- i. minimum levels of investment
  - ii. infrequent or irregular dealing
  - iii. high costs of dealing
  - iv. other restrictions or conditions imposed by the Investment Manager
- 5.7.12 When a portfolio is rebalanced investments that are not available for rebalancing will be excluded from rebalancing transactions. However the Cash Facility will be maintained at the requested level of the total portfolio value including those investments not available for rebalancing.

Investments as explained in 5.7.11 will not be available for rebalancing – including non-daily dealt investments and those with minimum levels of investment or other dealing restrictions.

## 6/ Transactions Processing

### 6.1 Payments

- 6.1.1 Novia may defer the payment of a full, partial or regular withdrawal, or income drawdown payment, to a Client if this results in the need to sell investments that may not be readily realisable, including investments which deal irregularly or infrequently, or have dealing minimums which have not been reached.
- 6.1.2 Novia will not make payments to third parties. Withdrawal payments will only be made to the nominated bank account of the beneficiary of the product wrapper concerned.

### 6.2 Timing

- 6.2.1 Your investments will be purchased or sold as soon as is reasonably practicable. Once we have received and accepted the instruction and have identified appropriate cleared funds within your Cash Facility the purchase will be made as follows:
- i. for investments that are dealt on a daily basis this will typically be no later than the valuation point, or 2pm for the trading of ETFs aggregated by Novia, within the following business day of receipt
  - ii. for investments that have dealing points that are more than one day apart your investment will be made at the next available valuation point subject to acceptance of your instructions by the relevant investment institution and clause 6.2.2

iii. timing of the trading of equities through your Novia Stocktrade account is covered by the Stockbroker's service guide, which is available online at [www.novia-financial.co.uk/literature](http://www.novia-financial.co.uk/literature)

6.2.2 Where investments do not trade on a daily basis, for example, and typically, where an investment trades on a monthly basis we will trade between two and six business days prior to the investment managers valuation point. This is to ensure that all trades are completed and that Clients are not disadvantaged by non-daily dealing points. Trading instructions submitted after this cut off point will not be traded until the following dealing point. Where investment managers trade monthly, up to 30 days advance notice of dealing may be required before trading.

6.2.3 If there are insufficient funds in your Cash Facility and we have to make a sale to process a withdrawal, withdrawal payments will only be made to you once cleared funds have been received from the sale of the relevant investments.

6.2.4 All withdrawal payments will be paid directly into your nominated bank account via BACS. We can pay these via CHAPS providing you agree to pay for the cost of doing this, which is currently £10, per payment.

6.2.5 We will only make payments in the form of bank transfers to a UK bank or building society.

6.2.6 Regular Withdrawals payments will be initiated on the ninth business day of the month or specified frequency via BACS which will typically take four business days to clear within your nominated bank account.

6.2.7 Investments traded via the Service may have different dealing frequencies. It is your responsibility to ensure instructions are received and accepted by Novia in time to be dealt at the dealing point you choose. Novia accepts no liability for any loss incurred due to instructions being received late, for incomplete or unclear instructions resulting in the dealing point being missed or lack of uncleared funds being available in the Cash Facility.

6.2.8 Some investments deal the day following receipt of either cleared monies or dealing instructions from Novia. This means we must send funds to the investment manager one business day prior to receiving a valuation. Therefore clients

will receive their holding in the investment one further business day (in addition to the normal procedures set out in 6.2.1) after instruction. You should be aware of this when instructing transactions regarding these investments and Novia accepts no liability for any loss that may arise due to market movements within this timeframe.

6.2.9 Some investments, including and particularly alternative or complex investments, available via the service have features and characteristics which are non-standard and different to those of daily dealt authorised funds. Some are not regulated and many have features which may:

- i. Significantly delay the investment of monies into an investment
- ii. Significantly delay redemptions from an investment and therefore your ability to realise your investment and withdraw cash
- iii. Result in irregular or rare valuation or where the nature of a valuation may be different to that of a daily dealt fund

It is your and your Adviser's responsibility to ensure that you understand the features of these individual investments and their consequences and Novia can accept no liability for delays in dealing resulting from these. You must read the prospectus, offering document or other literature available from the investment manager to ensure that you understand these features as they are not detailed in these Terms & Conditions. For more details of alternative and complex investments please speak to your Adviser and see section 8.

6.2.10 Distributions from investments will typically be credited to the Cash Facility up to 10 business days following receipt of the tax voucher from the Investment Manager.

6.2.11 If we receive delayed or incorrect settlement of the sale of your investments from the investment manager, Novia can accept no responsibility if withdrawals, rebalancing, income drawdown payments or any other transactions via the service are delayed or are unable to proceed.

### 6.3 Aggregation

Aggregation is the process of combining many individual transactions made via the Service for the same investment before placing a single transaction with the investment manager to ensure efficiency.

- 6.3.1 Where possible we aggregate dealing instructions of the same investment and execute them as a single transaction, (this is with the exception of investments that you trade through your Novia Stocktrade account). Novia will place all buy deals separately from all sell transactions, and will not combine them.
- 6.3.2 Novia will always aggregate deals to ensure that all deals can be dealt with and allocated by Novia fairly and in due turn. Aggregation enables us to obtain the best overall result for Novia Clients with regard to dealing costs and rebates. Novia adheres to the rules of the FSA on aggregation and conflicts of interest. See 6.5 for further details on conflicts of interest.
- 6.3.3 Aggregation may, in some circumstances, result in a fund or product manager applying a dilution levy (any additional administrative/dealing costs passed on by the investment manager). Where a dilution levy is applied it will be applied to all appropriate Clients in proportion.
- 6.3.4 For ETFs or Investment Trusts that Novia have traded on an aggregated basis, aggregation may produce a higher or a lower price than the price which might have been obtained if each order was transacted separately. This is due to the timing of the transactions. You should be aware that in circumstances where there is an illiquid market for some stocks, it may be necessary to execute transactions in a number of tranches over more than one dealing day. In such circumstances, you will obtain a volume weighted average price for the total deal. We will only act in this way if we believe it to be in the interest of each participating Client, but this may on occasion work to the disadvantage of one or more individual Client.
- 6.3.5 Any income from dividends on ETFs or Investment Trusts will be paid out in full to Novia Clients on a quarterly basis. Interest will not accrue on any dividend income pending distribution.

### 6.4 Trading of ETFs and Investment Trusts aggregated by Novia

- 6.4.1 Aggregated Investment Trusts (ITs) are only available via DM managed model portfolios. Investment Trusts can be purchased and held through a Novia Stocktrade account. Exchange Traded Funds (ETFs) and Investment Trusts aggregated by Novia will be traded through our appointed stockbroker once a day (business day). Following receipt of an acceptable instruction and cleared monies, trades will typically be dealt between 2-4pm on the following business day. These will be traded according to the Terms and Conditions relating to aggregation.
- 6.4.2 The aggregated deal will incur a charge levied by our appointed stockbroker of 0.15% of the total value traded up to £50,000 and 0.05% over £50,000. This aggregated charge is subject to a minimum of £15 and a maximum of £150. Individual clients will be charged proportionately to the size of their deal within the total aggregated. This will be deducted from the value of the deal at the point of trading. Any Stamp Duty applicable for Investment Trusts will be in addition to this charge.
- 6.4.3 There will be a charge of 0.03% per annum of the value of aggregated ETFs that you hold which is levied by our appointed stockbroker. This will be taken from the Cash Facility of the Product Wrapper within which you hold these investments.
- 6.4.4 As only whole shares in ETFs and ITs may be held, where we have to round a holding of ETFs we will round down to the nearest whole share.
- 6.4.5 Corporate actions that affect ETFs/ITs aggregated by Novia will be communicated through our website as detailed in section 13. We will assume the default position offered by the ETF/IT provider where corporate actions affect ETFs/ITs held by our Nominee Companies.
- 6.4.6 Any dividends earned on ETFs/ITs that you hold will be paid to the Cash Facility of the Product Wrapper on a quarterly basis. No interest will be earned on the dividends whilst they are waiting to be paid to your Cash Facility by the appointed stockbroker.

## 6.5 Conflicts of Interest

- 6.5.1 Novia operates a strict Conflicts of Interest Policy. Conflicts of Interest will invariably exist for Novia within the operation of its business. Novia will take all reasonable steps to identify where a Conflicts of Interest has arisen and notify you where such a conflict results in a material risk to your interest.
- 6.5.2 A copy of the Novia Conflicts of Interest Policy is available on written request from our Compliance Manager at the following address:

**Compliance Manager**  
**Novia Financial plc**  
**Cambridge House**  
**Henry Street**  
**Bath BA1 1JS**

- 6.5.3 Novia maintains operational, organisational and administrative arrangements designed to prevent conflicts of interest from constituting or giving rise to a risk of damage to the interests of our Clients. In respect of the business that we conduct with you, the following summarises the measures we take to manage both potential and actual conflicts:
- i. Our employees are required to act in the best interests of each individual Client and not to have regard to the interests of one Client, Novia or an Adviser Firm, over the interests of any other
  - ii. We operate a policy of supervision of persons whose principal role is to carry out transactions or provide services to Clients whose interests may conflict with each other, or with the interests of our firm
  - iii. We operate measures to manage and monitor the duties of any persons who may exercise influence over the way in which another person carries out services and activities, where such involvement may impair the proper management of conflicts of interest
  - iv. We operate procedures to prevent or control the exchange of information ('Chinese Walls') between persons engaged in activities involving a risk of a conflict of interest
  - v. We do not allow the remuneration of persons engaged in one activity to be linked to the remuneration of different persons engaged in another activity, where a conflict of interest may arise in relation to those activities
  - vi. We ensure Client orders are carried out sequentially and promptly unless the order itself or prevailing market conditions make this impracticable.

- 6.5.4 Where we believe we are unable to mitigate or manage conflicts of interest, we will disclose such facts to you, or decline to act for you.

## 6.6 Order Execution Policy

- 6.6.1 Novia maintains an Order Execution Policy at all times which sets out our best execution policy and is in accordance with all FSA Conduct of Business rules.
- 6.6.2 The policy may be viewed in full at any point upon request in writing to Client Services.
- 6.6.3 We execute and aggregate all transactions in accordance with our Order Execution Policy to ensure that when we do so on your behalf we consistently obtain the best possible result for you.

## 6.7 Payments made by Novia

All payments made by Novia will be made by bank transfer to the account designated by clients on the application form. Payments will not be made by cheque. With the exception of payments related to a SIPP, Novia will not make any payments with a value of less than £1.

## 6.8 Information and Valuation of Investments

Novia relies and reports on information supplied by reputable third parties and this information may be delayed, assumed or estimated by the provider.

Whilst reasonable efforts are made to ensure the accuracy of information and valuations, Novia cannot guarantee that this is the case and therefore we do not accept liability resulting from errors in any such third party information

## 6.9 Model Portfolios

- 6.6.1 Where changes are made to a model portfolio and Client's holdings are immediately realigned to reflect this, Novia will sell investments and then only purchase investments to reflect the new model portfolio upon receipt of all cleared monies from related sales of investments.
- 6.9.2 Not all investments can be held within a model portfolio – this is restricted to daily dealt funds and aggregated ETFs and Investment Trusts.

6.9.3 Where the holdings of a Product Wrapper are moved into a model portfolio not all existing investments in the portfolio can be re-aligned to reflect the model. In this situation these investments should be sold and the proceeds placed into the Cash Facility prior to the model portfolio instruction being issued. Where this does not occur Novia may delay or return your instruction or this may affect the weightings of the investments within the model portfolio applied.

## 7/ Trading of Equities through a Novia Stocktrade Account

**7.1** Novia has a Stockbroking partner (the Stockbroker), to enable you to carry out the trading of equities through the Service. You may place deals yourself online via the Service or by telephone. You may ask the Stockbroker to grant access to your account, and accept instructions from your Adviser. If you wish to grant access to your Adviser this request may be made in writing to Novia Client Services.

**7.2** The Stockbroker will provide you with an Execution Only dealing service. The nature of this service means that Novia and the Stockbroker will not advise you about the merits or otherwise of a particular investment or transaction. We are not required to assess whether, or to ensure that, any investment, transaction or decision to trade is suitable for you. Furthermore, we have no obligation to assess whether, or to ensure that, any non-complex product or instrument is appropriate for you. You are solely responsible for your own investment decisions.

**7.3** The first time you choose to place an equity deal within a Product Wrapper via the Service you must open a Novia Stocktrade account for that Product Wrapper. We will apply on your behalf to the Stockbroker to open an account when instructed. Once your application has been accepted the Stockbroker will issue you with a username reference in writing. You can activate your Novia Stocktrade account and create your password online by registering your username. This can be actioned through the Novia website.

**7.4** You may open a Novia Stocktrade account within the GIA, SIPP and ISA Product Wrappers, but not within the Offshore Bond.

**7.5** Equity trades can only be placed once you have received your username, set up your password, activated your account and the Stockbroker has received cleared funds from your Novia Product Wrapper. This will be held in an interest bearing account by the Stockbroker prior to any transactions. Details of interest rates are available via a link at our website [www.novia-financial.co.uk](http://www.novia-financial.co.uk)

**7.6** You may indicate to Novia the amount of money you wish to place in your Novia Stocktrade account within your Product Wrapper using the Service. Once you have done so we will transfer the funds to your Novia Stocktrade account. This will be after the deduction of the Initial Charge and any Adviser remuneration. Following our receipt of your cleared funds into the Cash Facility, this may typically take three further business days to clear into your Novia Stocktrade account. Novia accepts no liability for any losses or costs incurred as a result of delays in trading caused by non-receipt of your equity trading username and password.

**7.7** In order to deal in equities you must confirm to Novia the amount to be transferred to your equity dealing account either via the Novia website or in writing on an application form which is available from your Adviser.

**7.8** Where new money is added to a Product Wrapper (either new subscription or transfer in) and used to purchase equities the Novia Initial Charge will apply.

**7.9** Novia will transfer the amount to be traded within the Novia Stocktrade account to the Stockbroker. Dealing cannot commence until cleared funds have been received by the Stockbroker. This can be found by logging in to the Novia Stocktrade account online.

**7.10** All dealing will be in sterling, and only sterling denominated equities traded on the London Stock Exchange will be available through your Novia Stocktrade account. To ensure effective administration we may be unable to allow trading or holding of equities through your Novia Stocktrade account where these cannot be priced via our data provider. Where this is the case we may ask you to sell any stock that cannot be priced.

**7.11** Telephone dealing can also be carried out with the Stockbroker. The relevant telephone number for equity dealing can be found at our website [www.novia-financial.co.uk](http://www.novia-financial.co.uk)

- 7.12** All equity dealing is subject to the terms of service of the Stockbroker. A link can be found at [www.novia-financial.co.uk](http://www.novia-financial.co.uk) and must be read in conjunction with the Terms & Conditions of the Novia Service.
- 7.13** On the death of an investor, equities within a Novia Stocktrade account will be sold and moved to cash. This cash will be moved to the Cash Facility of the Product Wrapper.
- 7.14** You or your Adviser will receive contract notes detailing your equity trades directly from the Stockbroker.
- 7.15** Details of your equity transactions can be viewed online via the Novia website. Transactions will normally be shown within one business day following notification to us from the Stockbroker.
- 7.16** The Stockbroker will be responsible for any corporate actions that occur relating to equities you buy, sell or hold through your Novia Stocktrade account. Communication regarding corporate actions, related information, rights you may be offered and any response you make are the responsibility of the Stockbroker and will be managed by the Stockbroker. You should direct all correspondence regarding corporate actions relating to equities you hold within a Novia Stocktrade account to the Stockbroker and not to Novia. Novia accepts no responsibility for communication regarding corporate actions related to your Novia Stocktrade account and will not be liable for any loss you may incur.
- 7.17** There will be a dealing commission of 0.30% of the value of the equity traded, levied by the Stockbroker, on each deal instructed by you, or your Adviser. This is subject to a minimum charge of £15 and a maximum charge of £75. This will be levied from the funds held within your Novia Stocktrade account at the time you instruct.
- 7.18** There will be a quarterly charge of £10 plus VAT, levied by the stockbroker, for holding Novia Stocktrade Accounts. This will be charged per Product Wrapper, where you hold one or more Novia Stocktrade Accounts in that Product Wrapper. This will be taken from the Cash Facility in the Product Wrapper where the Novia Stocktrade Account is held. Where you hold more than one Novia Stocktrade Account in a Product Wrapper, for example in a SIPP, there will be one charge taken from the Cash Facility.
- 7.19** Charges levied by the Stockbroker are liable to change and subject to their terms of service. You will be informed of any changes to charges and the Stockbroker terms of service in writing no less than one month prior to any changes taking place. You should be aware that stamp duty is payable on the purchase of shares, at the prevailing rate. More information on stamp duty is available from HMRC at [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and you should speak to your Adviser for further information on tax.
- 7.20** Any charges due to the Stockbroker (or their agents) plus any applicable tax may be deducted from any funds held by the Stockbroker on your behalf. Furthermore, the Stockbroker reserves the right to sell sufficient investments from the account to meet any charges which remain unpaid by you.
- 7.21** All stock market transactions will be undertaken in accordance with the rules of the London Stock Exchange, or the regular terms, customs and usages of the Exchange or market in which the transactions are effected by the Stockbroker on an execution only basis.
- 7.22** If you hold a Novia Stocktrade account in an ISA you, or your Adviser have the responsibility to ensure that the investments are Qualifying Investments for the purposes of the ISA Regulations. If you are in any doubt as to the suitability of an investment, you should speak to your Adviser.
- 7.23** The Stockbroker at their absolute discretion and without giving reasons, may decline to accept any particular instruction or order. If they accept your instructions or orders, they will use reasonable endeavours to carry them out. However, Novia will not be liable for any loss or expense incurred if the Stockbroker are unable to do so for whatever reason or if there is a delay or change in market conditions before the contract is effected.
- 7.24** If you are in any doubt about whether an order, instruction or other communication has been received or carried out, you must contact the Stockbroker as soon as is reasonably possible. Once you have placed an order with the Stockbroker and they have accepted that order or instruction to deal, you will have no right of cancellation.

**7.25** If the Stockbroker asks for your instructions on a corporate action, event, or rights take up and, for whatever reason (including a failure to notify the Stockbroker of your change of address), you do not reply within the time limit set then the Stockbroker may not be able to give effect to any late instructions. If the Stockbroker is unable to give effect to any late instructions received they will take no action unless the relevant listed company has published a default option.

You should be aware that, for administrative purposes and in order to ensure that the Stockbroker meets the deadlines imposed by listed companies, any settlement systems or stock exchanges, it is often necessary to impose an earlier deadline on corporate actions than those set out in the listed company's documents. If in doubt you should clarify the timetable for any actions with the Stockbroker.

**7.26** Valuations statements will be prepared with the prices being determined as at close of business on the valuation date for all Product Wrappers.

**7.27** Our Stockbroking partner is Stocktrade, a division of Brewin Dolphin Ltd, our stockbroking partner is incorporated in England & Wales Register Number: 2135876. Registered office: 12 Smithfield Street, London EC1A 9BD. Authorised and regulated by the FSA with FSA Register Number 124444. Brewin Dolphin is authorised to provide investment advice, investment management and dealing services

## 8/ Alternative and Complex Investments

Alternative Investment refers to investment vehicles which are unlike traditional funds, such as authorised unit trusts and OEICs, or equities, such as shares and investment trusts. They are not authorised by the FSA, and maybe complex and have risk-reward profiles unlike traditional investments. They include, for example, hedge funds.

**8.1** Novia will make alternative investments available via the Service. These investments are often complex and may carry higher risks than traditional funds. They are normally designed for experienced investors.

For the purposes of this clause, complex investments are those such as:

- Futures, Options and Contracts for Differences
- Shares in non-FSA Recognised Collective Investment Schemes
- Units in a tax exempt unauthorised unit trust
- Structured products
- Derivatives
- Investments where the opportunity to sell is infrequent or restricted.

Non-complex investments are:

- Shares traded on a regulated stock market or EEA equivalent
- Money Market Instruments
- Bonds
- Units/Shares in an FSA authorised or Collective Investment Scheme.

**8.2** Before purchasing any alternative investment you should ensure you read and understand the fund factsheet, product specific literature made available via the Novia website and any other relevant literature from the investment provider. You should be aware of any specific risks that may apply to such alternative investments.

**8.3** Alternative investments have features that are different from authorised or more widely available and/or retail investments, such as Unit Trusts or OEICs. Dealing patterns may be irregular, for example, once a month or once a quarter. There may also be delays in accessing your money when you want to withdraw. You should be aware that some alternative investments could have fixed terms where you are unable to withdraw your money before the end of this period or limited offer periods where you may only be able to invest during a certain period.

**8.4** Risks associated with alternative investments can be higher than the other investments made available via the Service and such investments may not be suitable for all investors. You should always consult your Adviser before buying such alternative investments.

**8.5** Many alternative investments have dealing restrictions which are imposed by the investment manager. This involves the imposition of dealing minimums, either for initial investments, ongoing investments, holding and redemption of investments. Novia trades alternative investments subject to these dealing minimums and this may affect your ability to purchase, hold and sell these type of investments via the service.

## 9/ Novia Charges

As payment for the provision of the Novia wealth management service to you in accordance with these Terms & Conditions, and in addition to any other charges mentioned within these Terms & Conditions, the following charges will be deducted from the Cash Facility within each Product Wrapper you hold.

### 9.1 Novia Initial Charge

The Novia Initial Charge will be subject to trading terms between Novia and your Adviser and is deducted by Novia from the value of cash that is deposited by the Client into the Cash Facility of any Product Wrapper held. The Novia Initial Charge will be taken from all investments made into the Cash Facility of each Product Wrapper you hold. This does not include reinvested distributions and income payments, or re-registration of investments to the Service or funds moved from another Novia Product Wrapper, but will include subscriptions, contributions and investments paid into a Cash Facility in any form. The Novia Initial Charge will be taken when money has cleared into the Cash Facility.

### 9.2 Novia Annual Charge

- 9.2.1 The Novia Annual Charge is calculated based on the cumulative value of all your investments, across all Product Wrappers held with the Service.
- 9.2.2 Jointly held investments will be charged separately from investments held in one name. This means if you have both a joint holding and an individual holding you will pay two Novia Annual Charges.
- 9.2.3 The Novia Annual Charge will be taken from the Cash Facility of your Product Wrapper, or proportionately from all the Cash Facilities of each Product Wrapper if you hold more than one Product Wrapper, based on the total cumulative value of all Product Wrappers held.
- 9.2.4 The charge is calculated monthly on an annualised basis and will be deducted each month. The valuation of your total holdings on which the charge is based is calculated on the last business day of the month. The Novia Annual Charge will then be deducted from your Cash Facility(ies) on the first business day of the month.
- 9.2.5 The Novia Annual Charge is taken on a tiered scale dependent on the cumulative value of your Product Wrappers as follows. The Novia Annual Charge shown for each tier will apply to that portion of your total holding.

**0.5% up to and including £250,000**  
**0.4% over £250,000 to £500,000**  
**0.3% over £500,000 to £750,000**  
**0.2% over £750,000 to £1,000,000**  
**0.15% over £1,000,000**

- 9.2.6 Uncleared funds and incomplete transfers are not included in the calculation of the Novia Annual Charge.
- 9.2.7 A further charge will be made on the total value of your Offshore Bond Product Wrapper, if you hold one, to reflect the additional administration and service required. This will be 0.20% of the total value of the Offshore Bond, and will be taken in the same manner as the Novia Annual Charge but will only apply to the Offshore Bond Product Wrapper. The charge will be calculated and deducted monthly. The valuation will be on the last day of the month and the charge will be deducted from the Offshore Bond Cash Facility on the first business day of the month.

### 9.3 SIPP Income Drawdown Charges

Novia will apply a drawdown charge once an income drawdown payment has commenced (either annually, quarterly or monthly) and annually thereafter. The charge will be £75 per annum and will be taken from the Cash Facility of your SIPP Product Wrapper held that is making income drawdown payments (includes all crystallised parts of your SIPP making income drawdown payments). If there are insufficient funds within the Cash Facility we reserve the right to sell investments on your behalf to meet this charge, and this may occur at a disadvantageous time. If no income is taken in a 12 month period there will be no charge.

### 9.4 Exceptions

- 9.4.1 No initial charge is made for re-registration of investments to or from the Service. Transfers away of aggregated ETFs and investments held in a Novia Stocktrade account will be charged by the Stockbroker at the current rate of £15 plus VAT per stock.
- 9.4.2 No charges will be made for withdrawals, or transfers out from the Service.

### 9.5 Exceptional charges

- 9.5.1 Where your financial adviser is not registered with Novia and you do not appoint a new adviser who is registered with Novia within one calendar month, we reserve the right to levy the Novia Annual Charge with an additional 0.5% on the total value of your Product Wrappers held through the Service. This is to cover the

additional costs to us of administering your portfolio without an Adviser.

9.5.2 With the exception of active regular investors, should the value of a Product Wrapper (including across all parts of your SIPP Product Wrapper) drop below £1,000 and remain at that level for three consecutive months, Novia reserves the right to deduct an additional charge of £50. This will be deducted annually from the Cash Facility of the Product Wrapper whose value has dropped below £1,000 and remained so for three consecutive months. The charge may be taken following the last business day of the third consecutive month.

9.6 Novia charges as detailed in this Terms & Conditions may be subject to change due to a number of circumstances. Novia retains the right to vary these charges where we feel it necessary and reasonable to do so. This may include, for example:

- i. to reflect market conditions and general industry practice
- ii. to take account of changes to the law, codes of practice or the way in which we are regulated
- iii. changes to the way in which we provide our services
- iv. to reflect any changes in the cost of providing our services
- v. changes to technology
- vi. to take account of a decision by a court, ombudsman, regulator or similar body.

9.7 We will always exercise our right to vary these charges in a reasonable and proportionate manner and will only do so where we communicate any changes to you in advance. We will communicate any changes in our charges to you in writing, no less than one calendar month before any changes take effect.

## 10/ Investment Manager Charges and Rebates

### 10.1. Investment Manager Initial Charges

Novia negotiates discounted rates from a large number of Investment Managers and product providers. In many cases there will be no initial charge levied by the Investment Manager for buying units/shares in the investment. Where an initial charge

is stated this will be paid to the investment management group. Typically this charge is levied by an increase in the price you pay to purchase units/shares. However, where a specific transaction charge is levied by the Investment Manager/product provider it will be debited from the Cash Facility of the Product Wrapper within which the investment was purchased on the day the buy instruction is processed.

### 10.2 Investment Manager Annual Management Charges and Rebates

10.2.1 Most investments purchased via Novia have an annual management charge (AMC). This charge is levied by the investment manager or product provider and taken from the assets of the investment and this is reflected in the price of the investment at which you buy or sell.

10.2.2 In some cases Novia has negotiated for Clients to receive rebates from the AMC. Any rebates received by us will be paid for your benefit. All of the rebate will be passed on to you. Novia does not retain any of the AMC rebate.

### 10.3 Dilution

Most Investment Managers may in certain circumstances apply dilution levies or adjustments. This will be reflected in the contract note you receive and the value of the transaction. When to apply dilution levies/adjustments, and at what level, is entirely at the discretion of the Investment Manager, and will generally be based on the size of the deal. For more information on dilution you should see the prospectus for the investment concerned which can be found on the Investment Manager's website. Links to these websites are available on the Investments List.

### 10.4

If the providers of the investments in your product wrapper rebate or discount their quoted charges, and we pass these rebates or discounts on to you, this reduces the cost of your investments. It does not reduce the charges for our services or the charges for those services provided by your Adviser.

If the provider of the investments in your product wrapper pay administration charges to us, this reduces the cost of the services we provide to you. It does not reduce the charges for the investments or the charges for the services provided by your Adviser.

# 11/ Adviser Commission

**11.1** Payments to your Adviser are specific to each Product Wrapper. The level of this is as you detail on the application form used to open the Product Wrapper. Payments will be deducted from the Cash Facility within the relevant Product Wrapper and paid to your Adviser by Novia. Payments to your Adviser may either be in a percentage form based on initial, switch and trail commission or a fixed commission. Payments to your Adviser may not be a mix of the two, with the exception of switch commission which may be paid in addition to fixed commission.

## 11.2 Initial Commission

11.2.1 Initial commission is paid to your Adviser based on a percentage of the value of an investment to be made. Initial commission can be between 0% and 5%.

11.2.2 Only one initial commission amount may be stated per application, therefore if you are making a lump sum and regular investment on the same application form only one initial commission amount can be applied.

11.2.3 Initial commission will only be paid to your Adviser on your agreement as indicated on your application form. It will be calculated by deducting the stated percentage from the investment amount placed into the Cash Facility prior to the requested investments being carried out.

## 11.3 Switch Commission

11.3.1 Switch commission will be paid to your Adviser on your agreement, as indicated by your Adviser.

11.3.2 Switch commission as agreed with you can be set by your Adviser within a range of 0 and 3%. Your Adviser can change this level of switch commission throughout the duration of the product wrapper.

11.3.3 Switch commission is based on a percentage of the value of a switch made. It will be calculated by deducting the stated percentage from the value of the switch transaction once the whole transaction has been processed.

11.3.4 Switch commission cannot be paid on transactions resulting from rebalancing or changes to a model portfolio.

## 11.4 Trail commission

11.4.1 Trail commission will be paid to your Adviser based on the total value of your Product Wrapper. The Cash Facility may be excluded from this calculation. Trail commission will only be paid to your Adviser on your agreement, as indicated on your application form.

11.4.2 The value of trail commission can be between 0% and 2.0%.

11.4.3 Trail commission is calculated and paid on a monthly basis. Calculations on the value of your investments, on which trail commission will be based are taken on the last business day of each month. Trail commission will then be deducted according to this calculation on the first business day of each month.

11.4.4 Trail commission may be amended following the opening of a Product Wrapper.

## 11.5 Fixed Commission (FC)

11.5.1 We will pay your Adviser fixed commission amounts that you agree with them.

11.5.2 The amount of the FC must be stated as a monetary value and must be no more than 2% pa of the value of the investments within a Product Wrapper on application.

11.5.3 This must be indicated on the application form used when you first open your Product Wrapper.

11.5.4 FC can be paid monthly, quarterly or annually.

11.5.5 Novia does not permit a mix of percentage commissions and FC payments to your Adviser.

11.5.6 Any taxation or charge accruing as a result of FC paid to your Adviser is entirely the responsibility of you and your Adviser and Novia is not liable to either pay or account for the taxation or charges arising from the payment of fees.

11.5.7 You can change the amount of FC paid to your Adviser by notification in writing to Client Services. This is subject to the maximum of 2% pa of the total value of your Product Wrapper.

## 12/ Documentation

### 12.1 Documentation from Novia

- 12.1.1 Novia will operate within the rules set out by the FSA and will send to you or your Adviser, and retain, such documents as required by all regulations including:
- i. Contract Notes detailing investments, subscriptions and contributions and investment purchases and sales made through the Service
  - ii. Periodic statements detailing all investments held through the Service and a valuation of such investments. These statements will be sent twice yearly and will be generated as at April and October and sent to the address you indicate on the application form used to open your first Product Wrapper.
  - iii. You have the right to request the provision of a periodic statement every three months.
- 12.1.2 Contract Notes will not be issued for transactions resulting from rebalancing or changes made to a model portfolio. Initial or additional investments into a model portfolio will show the name of that model on the Contract Notes.
- 12.1.3 In addition Novia will make the information detailed above available to you and your Adviser using a secure login process via the Novia website [www.novia-financial.co.uk](http://www.novia-financial.co.uk). To gain Client access to information through the website you should speak to your Adviser. Novia enables your Adviser to issue you with a unique username and password to securely login to the website.
- 12.1.4 Some documentation regarding the Offshore Bond provided by Royal London 360 Insurance Company Limited will be issued by Royal London 360 Insurance Company Limited and not Novia.

### 12.2 Appointment of a third party to receive documentation

- 12.2.1 You may appoint a third party to receive all regulatory, statutory and any other documents that we have provided. Should you choose to do this you must notify us in writing and this will apply to all Product Wrappers held. This choice may not vary from Product Wrapper to Product Wrapper.
- 12.2.2 Notification to terminate this arrangement must be made in writing. Until written confirmation is received and accepted by Novia we will continue to send all correspondence to you or your appointed agent.

## 13/ Corporate Actions, Voting and Accounts/Reports

Corporate Actions are events that occur periodically and affect investments that you hold. These may change the investments, including and not exclusively, in terms of ownership, structure and features and may involve different options, charges or returns for investors.

- 13.1** We will not exercise voting rights for any of your investments unless you have specifically requested us to do so and we have agreed to this request. This does not apply to any investments held within a Novia Stocktrade account which are the responsibility of the Stockbroker, as explained in clause 7. Should you wish to exercise voting rights associated with investments you hold you must put this in writing to Novia Client Services, detailing the relevant investments in full, each time you wish to do so. You must allow 30 business days before the voting date to inform us of your wish to exercise any voting rights. Should we receive your instruction less than this number of days prior to the voting date we will be unable to action your request and will return it to you. Should we vote on your behalf following such an instruction we reserve the right to charge a reasonable fee to cover our expenses in carrying out the vote. This will be £30 on each occasion, and will be specific to the investment and not the Product Wrapper.
- 13.2** We will not automatically forward on any copies of reports and accounts, scheme particulars or meeting information to you. Should you wish to receive these you will need to request this in writing to Novia Client Services on each occasion, detailing the relevant investments in full. This does not apply to any investment held within a Novia Stocktrade account, which are the responsibility of the Stockbroker, as explained in clause 7. Novia reserves the right to charge a reasonable fee to cover our expenses in obtaining and forwarding this information to you, following a written request to do so. This will be £50 on each occasion, and will be specific to the investment and not the Product Wrapper.
- 13.3** Charges as detailed in 13.1 and 13.2 will be taken on the following basis if you do not indicate which Product Wrapper you would like the charges to be deducted from. Firstly GIA, then SIPP, then Offshore Bond, then ISA.

**13.4** We will endeavour to notify a Client or Adviser of a corporate action that affects an investment they hold through the Service where the investment will undergo a significant material change. Typically this will include, but not guarantee, that we will communicate following notification of the closure of an investment fund or merger of an investment fund. Additionally we may communicate the removal of an investment fund from the Service. This communication will be issued as soon as reasonably practicable, following, and dependent on, notification from the Investment Manager concerned. Novia cannot guarantee that you will be informed or the timescale involved but will endeavour to do so as soon as reasonably practicable. We will communicate these significant corporate actions via our website at [www.novia-financial.co.uk](http://www.novia-financial.co.uk) which you should check regularly for any updates. You should consult your Adviser both for more information and to undertake any response that may be prompted.

**13.5** Novia does not guarantee to notify Clients of corporate actions in all circumstances.

**13.6** Where a fund is closed (for example) by way of merger or conversion we will automatically switch your units into the new fund. Any regular investments will be automatically switched in to the new fund unless you have provided alternative investment instructions to us in writing.

**13.7** Where an investment is removed from the Service either by the Investment Manager, or by us, we will switch your holdings in to the Cash Facility unless you have provided alternative instructions to us in writing. Any future regular investments into that investment will be re-directed into the Cash Facility. Notwithstanding clause 13.4 we will endeavour to inform you via our website where an investment is to be removed from the Service.

**13.8** Investments affected by corporate actions will be unavailable for transaction during our processing of the corporate action. This will typically take up to 7 working days prior to the effective date of the action and up to 5 working days after the effective date. During this period the investment cannot be bought, sold or switched. Clients holding the investment when the action is processed will receive the Investment Manager's default option where available (either shares/units in a new investment or the newly named investment or the proceeds of their investment in cash) depending upon the corporate action

concerned. Any proceeds in cash will be credited to your Cash Facility following receipt by Novia.

**13.9** Corporate actions related to investments you buy, sell and hold within your Novia Stocktrade account are the sole responsibility of the Stockbroker. The Stockbroker will communicate directly with you regarding such corporate actions and you should direct all relevant correspondence to the Stockbroker, not Novia. Stocktrade terms of service provide information regarding such corporate actions and can be found via a link at [www.novia-financial.co.uk](http://www.novia-financial.co.uk) Novia accepts no liability or responsibility for any corporate actions relating to investments traded through your Novia Stocktrade account.

## 14/ Product Wrapper Closure

### 14.1 Closure by Novia

14.1.1 We are entitled to close a Product Wrapper at our discretion, but only should we deem it appropriate and reasonable to do so, in, but not exclusively, the following situations:

- following receipt of a court order obliging us to close the Product Wrapper
- your Product Wrapper (with the exclusion of SIPP) has a balance of less than £1,000 for 3 or more consecutive months
- you have assigned your investments to a third party without our agreement (with the exception of the Novia Offshore Bond provided by Royal London 360 Insurance Company Limited)
- you cease to become eligible to contribute to the Product Wrapper by ceasing to be a UK resident.

14.1.2 The power to close a Product Wrapper at our discretion will only be used where it is reasonable to do so and in a reasonable manner.

14.1.3 We will give you notice in advance where we intend to close a Product Wrapper. We will confirm in writing to you the closure date of your Product Wrapper. We will accept no further instructions from you from the date of the letter until the date of closure.

14.1.4 On the date of closure all remaining investments will be sold and the proceeds, along with any remaining balance in the Cash Facility paid into your bank account. If you have not arranged to transfer your ISA to another provider it may result in the loss of tax benefits to you.

14.1.5 Novia will not be liable for any fees, costs or expenses incurred in the closure of your Product Wrapper.

14.1.6 You may be liable for potential tax charges when your GIA or Offshore Bond Product Wrappers are closed. Tax benefits within your ISA Product Wrapper may also be affected.

#### 14.2 Closure by Client

14.2.1 You may close your Product Wrapper(s) with Novia at any time by notifying us in writing to Client Services. This closure will be subject to any specific Terms & Conditions of the Product Wrappers (see sections A, B, C and D).

14.2.2 Any dividend payments or rebates from investment managers received after the closure of your Product Wrappers, with the exception of SIPP, will be sent to your nominated bank account. In the case of a SIPP these must be sent to a new scheme or annuity provider.

14.2.3 Closing your Product Wrapper(s) does not stop any transactions already in progress. These Terms & Conditions will continue to remain in force until all transactions are complete and outstanding liabilities have been met.

#### 14.3 Treatment of Post Closure Client Balances

14.3.1 Novia will cease to treat monies within a product wrapper (including distributions or rebates received) post closure as client money following reasonable steps to trace the client and return monies.

These reasonable steps will include:

- i. determining there has been no movement on the client's balance for a period of at least six years (notwithstanding any payments or receipts of charges, interest or similar items)
- ii. writing to the client at the last known address informing the client of the firm's intention of no longer treating that balance as client money, giving the client 28 days to make a claim.

Following these reasonable steps such monies will be transferred to Novia but validated claims will be met, even if they are received after the 28 day notice period.

Cash held within the Cash Facility post closure will not accrue interest.

## 15/ Complaints

15.1 If you have a complaint you should write to our Compliance Manager at the following address:

**Compliance Manager**  
**Novia Financial plc**  
**Cambridge House**  
**Henry Street**  
**Bath BA1 1JS**

15.2 We are authorised and regulated by the FSA and bound by its rules. We will send you details of our complaints procedure and what you can expect when we acknowledge your complaint.

If your complaint is not dealt with to your satisfaction you should write to the Financial Ombudsman Service at the following address

**Financial Ombudsman Service**  
**South Quay Plaza**  
**183 Marsh Wall**  
**London E14 9SR**

**Tel: 0845 080 1800**

**Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)**

15.3 Where complaints relate to the Offshore Bond provided by Royal London 360 Insurance Company Limited, you or we may refer the matter to Royal London 360 Insurance Company Limited. We will inform you where we do this. Details of the provision for complaints relating to the Offshore Bond provided by Royal London 360 Insurance Company Limited, referral to Royal London 360 Insurance Company Limited and the Isle of Man Ombudsman scheme can be found in Section D of this document.

## 16/ Limitation of Liability

16.1 Where you receive any correspondence from us that contains any incorrect details or we make any errors while administering your Product Wrappers, you must notify us of any such error(s) within 30 days. Where you notify us outside of this 30 day period, you accept and acknowledge that any compensation payable for loss suffered or sufferable will be restricted to the value of the loss within the 30 day period, and you will indemnify us against any payment which we make pursuant

to a claim in respect of any loss suffered as a result of any such discrepancy or error to the extent that such payment exceeds the value of the loss within the 30 day period in question.

**16.2** We will not be liable to you for any commissions, costs, charges, expenses, taxes, levies or other liability of whatever description which have occurred or accrued or have been triggered, by our following of an instruction from you or your Adviser (or which we, acting in good faith, believe to be from you or your Adviser), or by us exercising our rights under the Terms & Conditions of the Service or any particular Product Wrapper you hold.

**16.3** You agree to release and indemnify us from, and against, any and all costs, claims, demands, losses, expenses and liabilities suffered by us in acting in reliance upon an instruction given by you or your Adviser (or which we, acting in good faith, believe to be given by you or your Adviser).

**16.4** Neither you, nor we, will be liable to the other in contract or otherwise for any indirect loss or damage. We will not pay for any losses that are not directly associated with the incident that caused you to claim (for example, loss of business, loss of data, loss of profits and third party claims), whether or not that loss or damage was foreseeable.

**16.5** Notwithstanding the foregoing, nothing in the provisions of clause 16 shall operate such as to limit liability for death, personal injury, negligence, wilful default, or any other liability in respect of which limitation is prevented by law from time to time.

**16.6** Nothing in these Terms & Conditions will exclude or restrict to an extent prohibited by the rules of the FSA, any duty or liability we may have under the regulatory system (as defined by the rules of the FSA). Nothing in these Terms & Conditions will exclude any obligations we may have in common law.

**17.2** We will only use the information you have provided for the operation of the Product Wrapper(s) you hold with us. We will only give out this information to people with whom we deal with in operation and management of the platform, to people acting as our agents, to your Adviser or as required by law on the understanding that the information will be kept confidential. We will not use your information for marketing purposes without your permission.

**17.3** We may transfer your information to other countries but only on the basis that those to whom we pass it provide a level of protection consistent with our own requirements.

**17.4** If we decide to change the way we use your information, and we believe you may not reasonably expect us to do so, we will write to you advising you of the change and will consider a lack of objection within 60 days as acceptance of the change.

**17.5** You have the right to inspect the information we hold about you, if you wish to exercise this right please write to our Compliance Manager at the following address:

**Compliance Manager  
Novia Financial plc  
Cambridge House  
Henry Street  
Bath BA1 1JS**

Please note Novia is entitled to charge up to £10 to provide this undertaking.

**17.6** Data held and controlled by Royal London 360 Insurance Company Limited, as providers of the Offshore Bond, is the responsibility of Royal London 360 Insurance Company Limited and is covered by Isle of Man data protection legislation. Details regarding data protection relating to Royal London 360 Insurance Company Limited and the Isle of Man can be found in section D of this document.

## 17/ Data Protection

**17.1** Novia Financial plc is a Data Controller, as referred to within the Data Protection Act 1998, and authorised under said Act to maintain and store your personal data. Your Adviser, or their firm and where relevant the Stockbroker will also be Data Controllers.

## 18/ Credit Reference Agencies

Novia, and the companies we may pass your details to in accordance with 17.2 above, reserve the right to use the information provided by you to conduct searches using credit reference agencies. This will be for the purpose of validating your identity and any searches we conduct will appear on your credit reference as an identity check.

## 19/ Amendments to the Terms & Conditions

- 19.1** These Terms & Conditions may be amended by us from time to time, in a reasonable and proportionate manner where it is necessary or prudent to do so. This may include, for example:
- i. where we consider it will make these conditions easier to understand or fairer to you
  - ii. to allow us to provide an improved, more efficient or lower cost service to you
  - iii. to reflect market conditions and general industry practice
  - iv. to reflect any changes to the costs we face in providing services to you
  - v. because of changes in the way we do business
  - vi. to take account of any changes to legislation, codes of practice or regulations and to take account of any decisions made by a court, ombudsman, regulator or similar body
  - vii. because of changes in technology.
- 19.2** We will only use our discretion to vary these Terms & Conditions in a reasonable manner and will only do so where we provide prior notice. We will provide at least one month's prior written notice of any change to the Terms & Conditions unless doing so would result in us being unable to comply with legal or regulatory changes. You have the right to terminate your use of the Service at any time and, should you wish to do so following variation of these Terms & Conditions, Novia will impose no unreasonable penalties or barriers. These Terms & Conditions will be superseded by any more recent versions issued.

## 20/ Governing Law

These Terms & Conditions are governed by and construed in English law. The information contained within these Terms & Conditions is based on our understanding of current legislation. The Offshore Bond provided by Royal London 360 Insurance Company Limited is written under Isle of Man law. Details of the law governing the Offshore Bond provided by Royal London 360 Insurance Company Limited can be found in section D of this document.

## 21/ Notices

Unless otherwise directed in these Terms & Conditions all notices should be sent to Novia Client Services.

## 22/ Novia Financial plc

- 22.1** Novia Financial plc, trading as Novia, is authorised and regulated by the Financial Services Authority for investment business. We provide the Service and we are authorised to conduct investment business on an execution only basis for Advisers and their Clients and do not offer advice about investments. Your Adviser acts to provide financial advice with respect to investments and your portfolio requirements. Our FSA Register Number is 481600 and you can check this on the FSA register at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234.

The FSA's address is:

**Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS**

The FSA is the regulator for the financial services industry throughout the UK. The Offshore Bond provider, Royal London 360 Insurance Company Limited is regulated by the Isle of Man Government Insurance and Pensions Authority. For more information and full details on the Offshore Bond provider, please see section D of these Terms & Conditions.

- 22.2** These Terms & Conditions form the basis of a contract between you and Novia and, where applicable, Royal London 360 Insurance Company Limited. There is no minimum duration to the contract. We will conduct all communications with you in English.

**22.3** Novia nominee companies are wholly owned subsidiaries of Novia Financial plc and the actions of these nominee companies remain the full responsibility of Novia at all times, in compliance with FSA regulations including the Regulated Activities Order which provides the exemption for nominees from FSA authorisation. Novia undertakes to be responsible for the safeguarding and administration of investments as if it were the nominee itself.

**22.4** Any communications with Novia should be directed to Client Services at the following address

**Novia Client Services**  
**PO Box 4328**  
**BATH BA1 OLR**

For further information on any aspect of Novia, the Service and investing through Novia, please visit [www.novia-financial.co.uk](http://www.novia-financial.co.uk)

If you have any queries about your investments with Novia you should contact your Adviser in the first instance. If you have any further questions or enquiries please get in touch with us.

You can contact our dedicated Client Services Team either by:

- emailing us at [clientservices@novia-financial.co.uk](mailto:clientservices@novia-financial.co.uk)
- or calling us on 0845 680 8000.

## / Section A – The Novia General Investment Account (GIA)

### 1 Opening a Novia GIA

- 1.1 Novia accepts both written and non-written (online) application forms. For re-registrations we require a re-registration authority form or stock transfer form. Non-written applications do not require a signature but you will receive confirmation of the application and any declarations you have made. You must check this and inform us of any errors within 30 days.
- 1.2 To open a Novia GIA we must receive a fully and correctly completed application form, either online or by post to Novia Client Services. We reserve the right to delay or reject application forms that are incorrect or incomplete.
- 1.3 To open a Novia GIA you must be 18 years of age or over. However, a GIA may be designated for someone under the age of 18 and this should be detailed on the Application as indicated.

### 2 Joint Holders

- 2.1 Novia allows up to four joint holders for the GIA.
- 2.2 Joint holders are jointly and severally liable for their obligations under the Terms & Conditions of the GIA.
- 2.3 Where more than one holder exists on a GIA, Novia only accepts instructions signed by all holders. Where the GIA is owned under a trust agreement or by a corporate body, Novia will require the relevant number of signatures identified in the authorised signatory list and any associated trust documents.
- 2.4 Only one copy of any Novia documentation will be sent. It will be addressed to all holders using either the correspondence address recorded or the address of the first named holder if no correspondence address has been recorded. One username and password will be provided via your Adviser to allow access to the secure Novia website. To be provided with a password you should speak to your Adviser.

### 3 Cash held within a GIA

- 3.1 For all individuals all interest paid on cash held within the Cash Facility of your GIA will be paid net of basic rate tax which will be deducted at source and paid to HMRC.
- 3.2 Corporate entities and charities may choose to receive interest paid on cash held within their GIA either gross or net of tax. This is with the exception of cash held within a Novia Stocktrade account as part of a GIA, where this will be paid gross only. Corporate entities and charities should choose either net or gross GIA by indicating this on the Corporate/Trustee GIA Application Form. Where you receive interest gross you declare that you are entitled to do so and Novia accepts no liability for incorrect or false claims for such tax treatment.

### 4 Income on investments held within a GIA

- 4.1 For individuals all income/distributions/dividends received from investments held within your GIA will be paid net of withholding tax.
- 4.2 Corporate Clients may choose to receive income received from investments held within their GIA either gross or net of tax. Such corporate Clients should choose either net or gross GIA by indicating this on the Corporate/Trustee GIA Application Form. Where you receive income gross you declare that you are entitled to do so and Novia accepts no liability for incorrect or false claims for such tax treatment.
- 4.3 Where income on investments is received gross, without deduction of tax, you should be aware that this may be liable to tax and you may have to declare this to HMRC. You should speak to your Adviser for more information.

### 5 Re-registering in to your GIA

- 5.1 Where dividend payments and income distributions are forwarded following registration of your investments, Novia reserves the right to reject payments that are less than £250 and return them to the investment manager concerned.

### 6 Re-registering out of your GIA

- 6.1 On written instruction signed by all holders or required authorised signatories Novia will re-register your funds or assets to another provider.
- 6.2 It is your responsibility to ensure that the provider to which you are re-registering will accept the investments and/or assets held within your GIA.

- 6.3 Novia will make no charge for the re-registration out of your GIA investments, and accept no responsibility for any taxation consequences that may arise from doing so.

### 7 Death of a GIA holder

Where one individual holds a GIA, on notification of the death of the GIA holder we will automatically move all investments, including equities within a Novia Stocktrade account and ETFs aggregated by Novia, into the Cash Facility until we receive an original or certified copy of the grant of probate. On receipt of the grant of probate we will recognise the personal representative(s) of the estate as the holder(s) of the GIA. Where the GIA has multiple holders and we are notified of the death of one of the holders, the GIA will automatically pass to the surviving holders.

## / Section B – The Novia Individual Savings Account (ISA)

### 1 Opening a Novia ISA

- 1.1 Novia accepts both written and non-written (online) application forms. Non-written application forms do not require a signature, but you will receive confirmation of the application and any declarations you have made. You must check this and inform us of any errors.
- 1.2 To open a Novia ISA, either cash or stocks and shares, we must receive a fully and correctly completed application form, either online or by post to Novia Client Services. We reserve the right to delay or reject application forms that are incorrect or incomplete.
- 1.3 To open a Novia stocks and shares ISA you must be 18 years of age or over. To open a Novia cash ISA you must be 16 years of age or over.
- 1.4 For Non-written (online) ISA applications we are required by the current ISA regulations to send you an ISA declaration confirming your application details and any declarations made in the application form. This declaration will be sent directly to you. It is important you read and check this declaration carefully because it contains the information we hold about you. If there are any errors within this information you must return this, highlighting the errors within 30 days, failure to do so could result in your ISA being made void at a later date.

### 2 ISA manager

- 2.1 Novia Financial plc, an HMRC approved ISA manager, will undertake to operate your ISA in accordance with the ISA regulations. Our registered plan manager number is Z1692.
- 2.2 The ISA investments will be, and must remain in, the beneficial ownership of the investor and must not be used as security for a loan.
- 2.3 Except for cash deposits in cash ISAs the title to the ISA investments will be registered in the name of our nominee.
- 2.4 Novia will satisfy itself that any person to whom we delegate any functions or responsibilities under the Terms & Conditions agreed with the investor is competent to carry out those functions and responsibilities.
- 2.5 Novia must notify the investor if, by reason of any failure to satisfy the provisions of the ISA regulations, an ISA has, or will, become void either:
- On the instructions of the investor and within the time stipulated by the investor, an ISA with all rights and obligations shall be transferred to another ISA manager
  - On the instructions of the investor and within the time stipulated by the investor, an ISA or part of an ISA, shall be transferred to another ISA manager

- iii. On the instructions of the investor and within the time stipulated by the investor, all the investments held in the ISA and proceeds arising from those investments shall be transferred or paid to the investor
- iv. On the instructions of the investor and within the time stipulated by the investor, all or part of the investments held in the ISA and proceeds arising from those investments shall be transferred or paid to the investor.

### 3 Subscription levels

- 3.1 You are responsible for ensuring you do not breach the current ISA subscription levels stated in the ISA regulations for the tax year in which you are investing.
- 3.2 In applying for the Novia ISA you are confirming that you have not, and will not, breach the prevailing ISA regulations and subscription levels. This includes any ISAs which you may hold, or intend to open with any other ISA manager. In each tax year, you may subscribe to one cash ISA and one stocks and shares ISA. You may not subscribe to two (or more) cash ISAs, or two (or more) stocks and shares ISAs in the same tax year. Where you make a transfer of current year subscriptions from a cash ISA to a stocks and shares ISA, the subscriptions to the cash ISA are treated as if they were made to the stocks and shares ISA so you can subscribe to a cash ISA following the transfer. This is subject to the overall subscription limits.
- 3.3 You may apply to open a Novia cash ISA and/or stocks and shares ISA dependent on the current subscription limits and prevailing regulations.

### 4 Permitted Investments & Related Information

- 4.1 A wide range of investments are permitted within the stocks and shares ISA. The investments permitted are regulated by the HMRC ISA regulations and, as the ISA manager, we will endeavour to allow only permissible investments to be bought, sold and held within the ISA Product Wrapper. You can consult the HMRC ISA regulations at [www.hmrc.gov.uk](http://www.hmrc.gov.uk). The Investments List, available at [www.novia-financial.co.uk](http://www.novia-financial.co.uk) details the investments that are permitted within the stocks and shares ISA and you should consult this and your Adviser before investing.
- 4.2 Except for cash deposits in cash ISAs and for insurance policies held with an insurer who is also an ISA manager, share certificates or other

documents evidencing title to ISA investments will be held by us or as we may direct.

- 4.3 Except for cash deposits in cash ISAs we will arrange, if the investor elects, for the investor to receive a copy of the annual report and accounts issued by every company or other concern in respect of investments which are held directly in the ISA. With respect to equities held within a Novia Stocktrade account within an ISA, this is the responsibility of the stockbroker and not Novia.
- 4.4 Except for cash deposits/National Savings products in cash ISAs and insurance policies, we are under an obligation (subject to any provisions made by or under any other enactment), if the investor so elects, to arrange for the investor to be able:
  - i. to attend shareholders', securities holders' or unit holders' meetings
  - ii. to vote
  - iii. to receive, in addition to the annual report and accounts, any other information issued to shareholders, securities holders or unit holders.

With respect to equities held within a Novia Stocktrade account within an ISA, this is the responsibility of the stockbroker and not Novia.

- 4.5 A charge may be made for the arrangement of the above (section D, clause 4.4, parts i, ii and iii) which is explained and detailed in clause 13 of the Service Terms & Conditions.
- 4.6 With regard to equities traded via a Novia Stocktrade account within a stocks and shares ISA, neither Alternative Investment Market nor Plus Market quoted stocks are Qualifying Investments, nor are any stocks with a redemption date attached which have less than five years to run at the time they are first held in the account.
- 4.7 If instructions are given to purchase any stock that does not qualify under the ISA regulations, Novia must sell the stock as soon as practicable after it has identified the non-permissible holding. You will be liable for the costs to rectify the matter and will have to bear any losses due to price movement.

## 5 Cash ISA

- 5.1 Only cash may be held within your Novia cash ISA. Novia will be the ISA Manager for the cash ISA and your point of contact for any queries you may have on the cash ISA. We do not hold your money but will deposit it with HSBC Bank plc, who is the deposit taker for the cash ISA.
- 5.2 We cannot hold your money as a deposit as we are not a bank or building society. Interest accruing will be paid gross to the Cash Facility.
- 5.3 HSBC Bank plc is authorised and regulated by the Financial Services Authority. Its registered office: 8 Canada Square, London E14 5HQ. HSBC Bank plc is a member of the Financial Services Compensation Scheme. Details of the Financial Services Compensation Scheme (FSCS), and applicable limits of compensation that may be payable, can be found at the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk). Most depositors, including individuals and small firms are covered. Further details of the scheme are available on request. Novia Financial plc will not meet the obligations of HSBC Bank plc if it fails.

## 6 Cash held within a stocks and shares ISA

- 6.1 Cash held within your stocks and shares ISA will be held on deposit with HSBC and must be held on a temporary basis and be destined for investment. Interest paid on cash held within your stocks and shares ISA will be net of tax, which will be deducted at source and paid to HMRC. Under HMRC guidance this cannot be reclaimed by Novia.

## 7 Transferring and re-registering in to Novia

- 7.1 Novia will accept the transfer in of existing ISA accounts subject to the minimum initial transfer in value which is currently £1,200 for both a cash ISA and a stocks and shares ISA.
- 7.2 Novia will accept ISA transfers in cash, or re-registration in of investments. This is with the exclusion of employee SAYE share schemes.
- 7.3 Where dividends/income/distribution payments are paid as the result of transfer, Novia reserves the right to reject any payments less than £250.
- 7.4 With regards to Cash ISAs - if we can accept the transfer - we will send a transfer instruction and confirmation that we will accept the transfer to the old manager within five business days. Once we have received the transferred cash this will be

credited to your cash ISA product wrapper within three business days.

## 8 ISA Application policy

- 8.1 Novia operates a continuous ISA application form. This means that once we have received and accepted your application form it remains valid for the current year and each subsequent year that we receive subscriptions.
- 8.2 Should there be a break in subscriptions to your cash or stocks and shares ISA of one full tax year Novia will require a new application form which must be sent to Client Services with any subsequent new subscription.
- 8.3 Novia reserves the right to require a new application form for each new tax year.

## 9 Transferring and re-registering out of Novia

- 9.1 Novia will transfer all, or part, of your ISA to another ISA manager who has agreed to accept the ISA upon receipt of an ISA transfer form. This form must be completed in full and signed by the investor before we can proceed with the transfer.
- 9.2 Current year ISAs must be transferred out in full.
- 9.3 Subject to your instructions and agreement of your new ISA plan manager, Novia will either transfer out your ISA investments in cash or re-register them to your new ISA manager. It is your responsibility to check that your new plan manager will accept the ISA type being transferred out.
- 9.4 Novia will make no charge for either transferring or re-registering out your ISA.
- 9.5 With regards to Cash ISAs, on receipt of a transfer instruction from the new manager, we will send cash and accompanying information to the new manager within five business days.

## 10 UK Residency

- 10.1 You undertake to inform Novia as soon as reasonably practical that you have ceased to be resident in the UK or a Crown employee overseas, or become resident, or ordinarily resident, outside the UK.
- 10.2 Novia accepts no liability for any tax charges or penalties arising from changes in your residency.
- 10.3 Should you cease to be resident in the UK, or a crown employee overseas, you are required to cease subscriptions into a Novia ISA.

## 11 Void Accounts

- 11.1 Novia will manage your ISA in accordance with the regulations. We will notify you if for any reason your account has or will become no longer exempt from tax.
- 11.2 On notification by the HMRC of a breach of regulations Novia will make every effort to repair your ISA within the guidance set out by HMRC. Novia will confirm in writing the action taken where your ISA has been repaired.
- 11.3 If your ISA is voided we will deduct any cash available to cover any tax we have to pay or repay. If there is insufficient cash in the Cash Facility to cover your liabilities as a result of the ISA being made void we reserve the right to sell some or all of your investments to meet these liabilities.

## 12 Death of an ISA Investor

- 12.1 Upon your death your ISA ceases to be tax exempt.
- 12.2 On notification of your death we will sell all investments held, including equities within a Novia Stocktrade account and ETFs aggregated by Novia, move this to cash, close your ISA Product Wrapper, open a GIA and move this cash to the Cash Facility of this GIA. We will do this and the holding will remain so until we have received an original or certified copy of the grant of probate.
- 12.3 From the date of the death of an ISA investor any interest on the cash held in this Cash Facility will be paid net of tax. Any tax reclaimed between the date of your death and notification to Novia will be deducted by us.
- 12.4 On receipt of the grant of probate we will accept instructions from your personal representatives. Novia will continue to hold your investment in the form of cash until we receive instructions from your personal representatives.

- 1.2 The scheme is established under a deed of trust and according to the Novia SIPP scheme rules which are available on request from the Novia Compliance Manager. The scheme will be governed and administered according to these rules.
- 1.3 Novia Financial plc is the scheme provider, trustee and administrator of the scheme. Novia Financial plc undertakes to administer the scheme in accordance with the rules of the scheme and this agreement.

## 2 Eligibility for the Novia SIPP

- 2.1 For investors under the age of 18, the SIPP application form and applicable SIPP declarations must be signed by a parent or guardian.
- 2.2 For investors not resident in the UK, a Novia SIPP may not be suitable and may not be accessible due to regulations in force in their place of residence.

## 3 Opening a Novia SIPP

- 3.1 Novia accepts both written and non-written (online) application forms. Non-written application forms do not require a signature.
- 3.2 To open a Novia SIPP we must receive a fully and correctly completed application form, either online or by post to Novia Client Services. We reserve the right to delay or reject application forms that are incorrect or incomplete.
- 3.3 Where investments are being transferred from another provider a signature must be provided on the transfer authority for both written and non-written applications.
- 3.4 For non-written (online) new SIPP applications we are required by the current SIPP regulations to send you a declaration. This declaration will be sent directly to you. It is important you read and check this declaration carefully because it contains the information we hold about you. If there are any errors within this information you must return the declaration highlighting the errors within 30 days, failure to do so could result in your SIPP being made void at a later date.

## 4 Contributions and Transfers to the SIPP

- 4.1 There is no maximum investment for the Novia SIPP. However contributions in excess of the prevailing annual allowance, as defined by HMRC, may attract a tax charge. You should discuss this with your Adviser before contributing to your SIPP in excess of the annual allowance.

# / Section C – The Novia SIPP

## 1 General

- 1.1 The Novia SIPP is an HMRC registered pension scheme. It has been established for the sole purpose of providing pension and lump sum benefits for eligible individuals under the Finance Act 2004.

- 4.2 Novia will claim basic rate tax relief on all new personal contributions made to your SIPP. Contributions made after the age of 75 will not receive tax relief. Contributions made by a third party (not your employer) will be treated as personal contributions.
- 4.3 Novia accepts no liability for any tax charges or penalties resulting from contributions made to your SIPP which are not eligible for tax relief. Novia will not claim any tax relief on contributions made by your employer.
- 4.4 All tax relief claimed from the HMRC will be credited to your Cash Facility and invested in accordance with the investment instructions received from you. Typically we will apply monies received from HMRC in respect of tax relief to your Cash Facility within one business day of receipt. Any investments purchased as a result of these rebates will be completed within five business days.
- 4.5 Pension input periods can be set for each SIPP Product Wrapper by writing to Novia Client Services.
- 4.6 Transfers in from another pension scheme to your SIPP do not affect your annual allowance.
- 4.7 New contributions can be made by you, your employer or a third party.
- 4.8 Novia will not be liable in the event that is is unable to proceed with an investment due to an error or omission of a payment/payment schedule from an employer or third party.
- 4.9 Novia will not accept new contributions to the SIPP by way of an in-specie transfer of shares or re-registration of an investment fund.
- 4.10 Novia will accept transfers from other UK registered pension schemes and qualifying recognised overseas pension schemes (QROPS), including pension credits and block transfers.
- 4.11 Each block transfer and crystallised transfer will result in a new part of your SIPP Product Wrapper being created.
- 4.12 You may apply new uncrystallised contributions or transfers to a SIPP Product Wrapper already containing post A-Day (6 April 2006) crystallised funds and, if the existing crystallised funds are in respect of a pension in payment prior to

A-Day, you may not apply new uncrystallised contributions or transfers to that Product Wrapper.

## 5 Permitted Investments

- 5.1 A wide variety of investments are available through a Novia SIPP as permitted by the HMRC regulations. Novia will only allow permissible investments to be bought, sold and held through your SIPP and it is your responsibility, in conjunction with your adviser, to ensure that you do not purchase ineligible investments. Investments available through your SIPP can be found at [www.novia-financial.co.uk](http://www.novia-financial.co.uk)
- 5.2 You may have a different investment choice for crystallised and uncrystallised funds within the same SIPP Product Wrapper.
- 5.3 Some equities traded within a Novia Stocktrade account may not be permissible within a SIPP. If instructions are given to purchase any stock that does not qualify under the regulations, Novia must sell the stock as soon as practicable after it has identified the non-permissible holding. You will be liable for the costs to rectify the matter and will have to bear any losses due to price movement. Please speak to your Adviser or see the HMRC website for further guidance on SIPP permissible investments at [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

## 6 Transfers in

- 6.1 In order to transfer in an existing scheme to Novia you must complete the relevant pension transfer authority and obtain a discharge form from your existing pension provider.
- 6.2 Novia will accept transfers in from registered pension Schemes and QROPS, subject to the above clause.
- 6.3 Novia will accept the transfer of an existing scheme without requiring further contributions.
- 6.4 It is your responsibility to ensure that the trustees of the existing scheme will allow transfer out.
- 6.5 Novia accepts no liability for any penalties, charges or liabilities arising from the transfer of an existing scheme.
- 6.6 Novia will accept transfers in cash but not in-specie share transfers and re-registration of Unit Trusts and OEICs.
- 6.7 Novia will accept protected rights transfers into your

SIPP subject to current UK legislation and prevailing SIPP regulations allowing this. You should consult your Adviser for more information on protected rights transfers available into your Novia SIPP.

- 6.8 Whilst reasonable endeavours will be made to ensure no contracted out contributions occur, Novia accepts no liability for any costs or losses you may incur where such transfers take place.

### 7 Block Transfers

- 7.1 Novia's registered pension scheme will inherit the scheme protection being block transferred.
- 7.2 You may only apply a block transfer if you have not held a Novia SIPP Product Wrapper within the last 12 months.
- 7.3 In order for a block transfer to take place at least two investors in the scheme being transferred must transfer to the Novia SIPP at the same time.
- 7.4 At least one of the Clients in a block transfer must have a scheme protected low pension age or protected Pension Commencement Lump Sum (PCLS).
- 7.5 All Client SIPP benefits (block transfer plus others) under the Novia SIPP scheme must be crystallised on the same day for scheme protection to apply.
- 7.6 Only one scheme protected PCLS block transfer is allowed for each Client. Any additional transfers of the same type will lose their protection.

### 8 Transfers out

- 8.1 On receipt of a request from the trustees of a registered pension scheme or QROPS, Novia will transfer out your SIPP, without additional charge.
- 8.2 Novia will complete all transfers out as soon as reasonably practical and in any event no later than ten days after receipt and acceptance of the relevant paperwork from your new scheme provider. This is following the fulfilment of Novia transfer criteria as in these Terms & Conditions, including the receipt of a fully and correctly completed discharge form. Should the transfer criteria, including receipt of the discharge form not be fulfilled there may be a delay in transferring your SIPP to another provider.
- 8.3 Subject to agreement from your new scheme, Novia will allow you to transfer out your investments in either cash or via re-registration of investments or in-specie transfer of equities.

- 8.4 Novia will make no charge for transferring out your SIPP.

### 9 Contracted out and Protected Rights Benefits

- 9.1 Novia will not accept future rebates from the State Second Pension into your SIPP.
- 9.2 Novia will accept protected rights transfers into your SIPP, subject to current UK legislation and prevailing SIPP regulations. You should consult your Adviser for more information on whether protected rights transfers are available into your Novia SIPP.
- 9.3 Reasonable endeavours will be made to ensure no new applications for contracted out or protected rights benefits cases are accepted. However, Novia accepts no liability for loss caused by the acceptance of these cases in error.

### 10 Pension Commencement Lump Sum (PCLS)

- 10.1 Novia must receive a fully, and correctly, completed and signed Benefit Crystallisation Event (BCE) Request Form prior to payment of the PCLS. Where a BCE request form is incorrect or incomplete we reserve the right to delay or reject the request.
- 10.2 In order to pay a PCLS, over and above the maximum prescribed by HMRC, Novia must be in receipt of the HMRC reference for transitional protection.
- 10.3 PCLS can be paid from both uncrystallised transfer investments and from a single (new) investment. Both of these must be new investments. Where the single investment is eligible for tax relief two BCE events will occur, one for the net amount invested and a second for the tax relief received from the HMRC. Any Novia Initial Charge and Commission due as a result of the single investment will be calculated and paid based on the uncrystallised value less the PCLS. The Commission calculation will also exclude any amount deducted for any excess lifetime allowance charge and any excess lifetime allowance lump sum.
- 10.4 If you wish to request a PCLS you must do so at the same time as requesting Income Drawdown or annuity purchase.
- 10.5 Where a PCLS is being made as part of a transfer in, payments cannot be made until cleared funds have been received from the existing scheme

provider. Where a maximum PCLS is requested any Novia Initial Charge and Commission due as a result of the transfer will be calculated and paid based on the uncrystallised transfer value less the PCLS. Where a partial PCLS is requested any Novia Initial Charge and Commission due as a result of the transfer will be calculated and paid based on the full uncrystallised transfer value. The Commission calculation will also exclude any amount deducted for any excess lifetime allowance charge and any excess lifetime allowance lump sum.

- 10.6 Where PCLS is being made as a result of selling investments within your Novia SIPP, payment cannot be made until cleared funds are available within the Cash Facility.
- 10.7 Novia will endeavour to commence the sale of any investments in order to fund a PCLS as soon as reasonably possible after receipt of a fully, and correctly, completed and signed, BCE request form and payment of any excess lifetime allowance lump sum or excess lifetime allowance charge, and typically no later than three business days after receipt and acceptance.
- 10.8 The proceeds of the PCLS will be transferred to your bank account typically no later than four business days after cleared funds are available within the Cash Facility of your SIPP Product Wrapper.
- 10.9 You are unable to draw any more than 25% of any protected rights value being crystallised as a PCLS.
- 10.10 Where a PCLS is taken immediately as the result of a deposit into the Cash Facility, the Novia Initial Charge and any Commission due will be based on the amount after any other monies have been deducted. This will include any Excess Lifetime Allowance Lump Sum and/or Excess Lifetime Allowance Charge. After payment of all deductions the PCLS will be made.

## 11 Benefit Crystallisation Events (BCE)

- 11.1 Benefit Crystallisation Events which are possible through the Service:
  - i. commencement of income drawdown
  - ii. purchase of annuity
  - iii. payment of a relevant lump sum (for example a PCLS)
  - iv. payment of a lump sum death benefit transfer to a qualifying recognised overseas pension scheme.
  - v. payment of a lump sum death benefit
  - vi. transfer to a qualifying recognised overseas pension scheme.
- 11.2 You may only start taking retirement benefits from the age of 55 or a scheme protected low pension age.
- 11.3 A BCE will normally involve the payment of a PCLS, the designation of your Product Wrapper investments to provide income drawdown or the purchase of an annuity.
- 11.4 An exception to retirement benefits not being taken before age 55 or a scheme protected low pension age is the payment of a serious ill health lump sum.
- 11.5 The amount being crystallised will be tested against your available lifetime allowance up to the age of 75. If your available lifetime allowance is exceeded you will be subject to an excess lifetime allowance charge. This will be deducted from your Cash Facility and paid to HMRC. Current levels of lifetime allowance and tax rates for exceeding this level is as determined by HMRC and prevailing levels can be found at [www.hmrc.gov.uk](http://www.hmrc.gov.uk)
- 11.6 Novia reserves the right to sell investments at our discretion in order to meet any liabilities resulting from a breach of the lifetime allowance. Novia accepts no liability for any charges resulting from a breach of the lifetime allowance. Any charges, penalties or tax payments resulting from a breach of the lifetime allowance must be met by the Client.
- 11.7 In order to claim transitional protection Novia must be in receipt of the protection certificate prior to any BCE. Enhancement factors can apply without primary or enhanced protection. Novia will not process transitional protection until we are in receipt of all required information.

- 11.8 An instruction to crystallise your SIPP investments must be made in writing through a fully and correctly completed, and signed, BCE request form.
- 11.9 Where a PCLS is being made as part of a transfer in or new single investment the BCE request form must be received by Novia before the transfer investment has been received by us.
- 11.10 Where you wish to crystallise part of your uncrystallised SIPP investments, the value of your remaining uncrystallised investment must not fall below £1,000. If the remaining balance is below £1,000 you will be required to crystallise all of your SIPP's uncrystallised investments.
- 11.11 Where you wish to transfer out part of your SIPP, the remaining funds within your SIPP (across all parts of your SIPP) must not be below £1,000. Where this is below £1,000 you will be required to transfer out in full.
- 11.12 Novia will meet any tax charges arising from the crystallisation of investments in excess of the lifetime allowance from the investments being crystallised.
- 11.13 Where you request a BCE, the valuation of the uncrystallised part of your SIPP used for the BCE will be based upon the last known price we can obtain for the investments held within the product wrapper.
- 11.14 Minimums and other dealing restrictions may restrict the ability to undertake BCEs. If you hold such investments this may delay the BCE or may preclude Novia from carrying it out. This may involve, for example, a redemption minimum that prevents Novia selling an investment or an extended redemption settlement period that delays a BCE. You should discuss this with your Adviser and should be aware of this when investments are selected for your SIPP.
- 12.3 After age 75, if you are in income drawdown your review schedule will move from three-yearly to annual reviews. This will be from the the first anniversary of the pension year after your 75th birthday. You may elect to use the value at age 75 or within the 60 day window leading up to the anniversary.
- 12.4 Where your lifetime allowance is exceeded, Novia will calculate and deduct tax from your crystallised funds as per HMRC regulations applicable at the time.

### 13 Income Drawdown

- 13.1 On receipt and acceptance of a signed BCE request form, an Amend Income Drawdown form or Transfer in form, income drawdown can be made from your Novia SIPP.
- 13.2 Income drawdown payments will be made on the ninth business day of the month and should reach your nominated bank account no later than three business days following this.
- 13.3 Income drawdown payments can be made monthly, quarterly or annually or an ad hoc basis.
- 13.4 The minimum income drawdown payment is £25.
- 13.5 Income drawdown payments are spread evenly over the remaining payment dates in the pension year. The maximum for the pension year cannot be exceeded and this may result in income payments being capped.
- 13.6 The date that the income drawdown payment leaves the Cash Facility will be the date used to determine which pension year the income drawdown falls into.
- 13.7 If there are insufficient funds within the Cash Facility to pay income drawdown Novia will sell investments in order to meet these payments. Sales will occur proportionately across all investments held within your SIPP except for those investments traded through your Novia Stocktrade account and any non-daily dealing investments, which are excluded.
- 13.8 Income drawdown can be taken after age 55, as either capped or flexible drawdown. The level of income drawdown is limited dependent on either capped or flexible being taken and this is governed by levels set out in the Government Actuary's Department tables, which can be found at the HMRC website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

### 12 Age 75

- 12.1 You may contribute to your SIPP after age 75, but you will not receive tax relief on these contributions.
- 12.2 At age 75, your SIPP will be tested against the prevailing lifetime allowance. You will need to provide Novia with details of any lifetime allowance used previously - any crystallised benefits with other providers.

Current limits are as follows:

- i. Capped: Min 0%, Max 100%
- ii. Flexible: Min 0% , No Maximum

Income drawdown can be set to any level within these limits.

- 13.9 To move from capped drawdown and utilise flexible drawdown you must fully and correctly complete the appropriate form. Please speak to your Adviser for more details. You may move from capped to flexible drawdown but may not move back to capped after this change.
- 13.10 To move to flexible drawdown you must have met the Minimum Income Requirement (MIR) for the tax year concerned. This is currently the receipt of £20,000 of secure annual pension income, which will be reviewed every five years by HMRC. Flexible drawdown can result in the exhaustion of all holdings.
- 13.11 Flexible drawdown cannot make use of protected rights investments. Once you are taking flexible drawdown you may not make any further contributions from the start of the tax year in which you elect to start taking flexible drawdown.
- 13.12 Income drawdown will be paid net of income tax.
- 13.13 Novia will apply an income drawdown charge annually in advance of the payment of income drawdown within a SIPP. This will be £75 and will be taken from the Cash Facility of your SIPP Product Wrapper that is making income drawdown payments (includes all crystallised parts of your SIPP making income drawdown payments). The charge will be taken on the anniversary of the first income drawdown payment made. Further details can be found in clause 9 'Novia Charges' of this document.
- 13.14 A payslip will be issued with your first income drawdown payment. If a change is made to the income drawdown payment a further payslip will be issued with the first new payment. A P60 document will be issued at the end of each tax year in which income drawdown from your SIPP takes place. Your twice yearly statements in April and October will detail income drawdown that has taken place. Details of income drawdown made from your SIPP will also be available online.
- 13.15 Income drawdown reviews will take place every three years up to the age of 75, and annually

thereafter. However, you may request a review on the anniversary of a pension year. Such a request must be made in writing to Client Services and you must allow at least ten business days prior to the anniversary of a pension year for the request to be actioned.

- 13.16 Interim Reviews are also possible from your SIPP. Such reviews will be triggered either; by additional designations to Income Drawdown; following part of your crystallised investments being used to purchase an annuity; or when transferred out following a pension sharing on divorce transaction.
- 13.17 Interim reviews triggered by an additional designation will be effective immediately. However a new maximum level of drawdown will not apply immediately if it is lower than the previous maximum. Interim reviews triggered following an annuity purchase or pension sharing transfer will be effective from the start of the next pension year.

#### 14 Annuity Purchase

Novia does not offer an annuity, however these are available on the open market. You may purchase an annuity on the open market with investments accumulated through your Novia SIPP. This can be at any point after you are able to take benefits from your SIPP, usually age 55. If you wish to purchase an annuity please contact your Adviser.

#### 15 Death Benefits

- 15.1 We, as the scheme administrator, may pay all or part of the death benefit in any way it thinks fit, imposing any trusts, powers and provisions and taking into account any nomination or request made by the investor or dependent as well as all other relevant facts and circumstances.
- 15.2 The death benefit will be used to provide a lump sum, income drawdown or purchase an annuity on the open market in line with HMRC regulations.
- 15.3 On notification of the death of the SIPP investor the following options are available:
  - i. income drawdown for financial dependents
  - ii. annuity purchase for financial dependents
  - iii. and/or lump sum for financial dependents
  - iv. lump sum to beneficiaries.
- 15.4 You must indicate the nominated beneficiaries of your SIPP on the original application form when you open the Product Wrapper. Alternatively you

may nominate or amend your beneficiaries by writing to Client Services at any time.

- 15.5 On receipt of satisfactory evidence of death from your executors, Novia, as the scheme administrator, will have the right to act at their discretion but will take into account and give due consideration to such issues as probate and any nominations made by you.
- 15.6 Where you have not indicated your nominated beneficiaries the scheme administrator will administer any death benefit at their complete discretion.
- 15.7 Income drawdown for child dependents will cease on their 23rd birthday unless they are mentally or physically impaired.
- 15.8 Lump sum death benefits payable from crystallised investments will be subject to a tax charge at the prevailing rate. This will be deducted from the lump sum payment by Novia and paid to HMRC.
- 15.9 Alternatively to a lump sum death benefit payment, a dependent's drawdown can be provided or paid to charity free of tax.
- 15.10 Inheritance tax implications may apply, according to personal circumstances, for all options available regarding death benefits payable from a SIPP. In all cases you should consult your Adviser for more information.

## / Section D –

# The Novia Offshore Bond provided by Royal London 360 Insurance Company Limited

### 1 The Novia Offshore Bond provided by Royal London 360 Insurance Company Limited

- 1.1 The Novia Offshore Bond Product Wrapper is provided by Royal London 360 Insurance Company Limited, which is based in the Isle of Man. For the Offshore Bond you enter into a contract with the Life Company as Policyholder.
- 1.2 Royal London 360 Insurance Company Limited hold your money in their Life Assurance Fund. Within that fund your money is held in a Policy Investment Fund which is made up of 100 equal segments. Your money can be invested in a range of investments and a Cash Facility. Novia will carry out your investment transactions on behalf of Royal London 360 Insurance Company Limited. Your investments will subject to the Novia Terms & Conditions subject to any changes detailed below.
- 1.3 The Royal London 360 Insurance Company Limited terms and conditions in this section apply specifically to the Offshore Bond and should be read with the Service Terms & Conditions.

### 2 Definitions

All previous definitions apply to the Novia Offshore Bond. Additional definitions are detailed below. In the event of any conflict the definitions below will apply.

**Actuary** – The qualified actuary appointed to act on behalf of the Life Company in accordance with section 13 of the Isle of Man Insurance Act 1986.

**Amount Paid** – The single sum paid by the Policyholder to the Life Company, the amount of which is set out in the Schedule.

**Cash Facility** – Used for cash credits into, and debits from, the Offshore Bond Product Wrapper.

**Commencement Date** – The date against that heading in the Schedule, the start date of the contract.

**Death Benefit** – The lump sum payable on the death of a Life Assured.

**Encashment Value** – The selling or disposal value of the assets allocated to the Policy Investment Fund.

**Endorsement** – An additional schedule to the Policy which sets out a revision or addition to the terms or conditions of the Policy.

**Investment Element** – The amount invested in the Investment Fund.

**Life Assured** – The person or persons named against that heading in the Schedule.

**Life Company** – Royal London 360 Insurance Company Limited whose Registered Office is based in the Isle of Man.

**Policy** – Consists of the terms and conditions of the agreement between the Policyholder and the Life Company as set out in:

- a. The application form
- b. This edition of the Novia Offshore Bond provided by Royal London 360 Insurance Company Limited terms and conditions
- c. The Policy Schedule
- d. Any Endorsement
- e. Any document that evidences a change in the agreement between the Policyholder and the Life Company
- f. The current edition of the Novia Service Terms & Conditions.

**Policyholder** – The person or persons who own the Policy and are named against that heading in the Schedule, or subsequent assignees.

**Policy Investment Fund** – The fund maintained for holding the assets of this Policy.

**Registered Office of the Life Company** – Royal London House, Isle of Man Business Park, Cooil Road, Douglas, Isle of Man, IM2 2SP, British Isles.

### 3 Introduction

- 3.1 The Novia Offshore Bond consists of 100 separate Policies. Each is separately numbered and shown in the Schedule. These terms and conditions apply to each Policy.
- 3.2 In return for the Amount Paid as shown in the Schedule, the Life Company will pay the benefits described here, to the Policyholder(s) or to

anyone later becoming the legal owner of the Policy, only at our Registered Office.

- 3.3 The Novia Offshore Bond provided by Royal London 360 Insurance Company Limited is issued by the Life Company in the Isle of Man and is payable in the currency shown in the Schedule and shall be subject to and construed in accordance with the laws of the Isle of Man. Where the context allows or requires, any reference to the singular includes the plural and reference to the masculine includes the feminine.
- 3.4 The minimum age for a policy holder to open an Offshore Bond is 18 years of age. There is no minimum age for lives assured, either the sole or youngest life assured must be age 75 or younger at Policy commencement.

#### 4 Investments

##### 4.1 Investment

The Amount Paid to the Life Company, and the Investment Element are as set out in the Schedule. The minimum initial investment is £50,000.

##### 4.2 Additional Investment

The Policy is a Life Assurance Policy and the Policyholder may make additional investments, with a minimum of £5,000, at any time provided the Life Company is still offering this type of Policy.

##### 4.3 Payment

All investments can be made either by cheque or bank transfer. Details are provided on the appropriate application form. Please ask your Adviser for more details.

#### 5 Investment Funds

##### 5.1 Description

Each Policy Investment Fund is a separate and identifiable fund forming part of the Life Assurance Fund of the Life Company. All investment funds are maintained solely for the purpose of determining benefits under the Policies issued by the Life Company. The investment funds can be invested in any type of investment which is permissible for linking under the applicable legislation, subject to the Policy conditions laid down by the Life Company. Income from the assets of an investment fund accrues to and forms part of the Investment Fund. The Investment Fund to which this Policy is linked is shown in the Schedule. It is maintained solely for determining the benefits of this Policy.

##### 5.1 Selecting Investments

The only investments allowed within the Investment Fund are those available as indicated on the Investments List which may be amended from time to time and can be found at [www.novia-financial.co.uk/information](http://www.novia-financial.co.uk/information)

They may include:

- a. a UK authorised unit trust within the meaning of section 468 ICTA 1988
- b. an investment trust within the meaning of section 842 ICTA 1988
- c. an open-ended investment company (OEIC) within the meaning of section 236 of the UK Financial Services and Markets Act 2000
- d. an interest in an open-ended collective investment scheme which is constituted by
  - i. a company which is resident outside the UK
  - ii. a unit trust scheme the trustees of which are not resident in the United Kingdom
  - iii. any arrangements which do not fall within paragraph (i) or (ii), which take effect by virtue of the law of a territory outside the United Kingdom and which, under that law, create rights in the nature of co-ownership.

##### 5.2 Cash Facility

The Cash Facility in the Offshore Bond will be managed as previously detailed in the Service and GIA Terms & Conditions.

##### 5.3 Investment Fund Transactions

Transactions will be permitted as previously detailed in the Service and GIA Terms & Conditions.

##### 5.4 Valuation of the Investment Fund

The Investment Fund to which this Policy is linked will be valued in full and a statement will be issued twice yearly by Novia.

##### 5.5 Investment Fund Charges

All charges relating to the investments held within the investment fund are as previously detailed in these Terms & Conditions and the Investments List which is available at [www.novia-financial.co.uk](http://www.novia-financial.co.uk)

##### 5.6 Discontinuance of the Investment Fund

The Life Company reserves the right to terminate any investment fund including the Investment Fund to which this Policy is linked at its absolute discretion. In this condition termination shall include circumstances where the Life Company no longer permits investments into an investment fund or is unable to determine its value. In the event of such termination the Life Company shall

calculate the benefits under the Policy on such a basis as it shall consider fair and reasonable.

#### 5.7 **Deferment of Payment**

The Life Company may defer the payment of any amount to the Policyholder if this results in the need to sell investments within the Investment Fund that may not be readily realisable.

#### 5.8 **Investment Allocation**

On the Commencement Date or the date of payment of an Additional Investment, the Life Company will apply an amount equal to the Investment Element shown in the Schedule or Endorsement to the purchase of assets of the Investment Fund at the then current purchase prices.

### **6 Policy Charges**

6.1 All Policy charges are taken as debits to the Cash Facility. In addition to charges previously identified within these Terms & Conditions there is a 0.2% charge per annum on the value of all investments held within the Offshore Bond Product Wrapper. This is as described in the Novia Charges section of the Service Key Features. Please see section 9 of the Service Terms & Conditions.

#### 6.2 **Mortality Charges**

There will be a mortality charge to meet the cost of providing the Death Benefit if the youngest Life Assured is 80 years of age or more and if the total of the Amount Paid exceeds £250,000.

### **7 Withdrawals**

#### 7.1 **Regular Withdrawals**

At any time the Policyholder may withdraw a cash sum from the Investment Fund each year, quarter or month. This can be arranged through your Adviser.

Such withdrawals shall not be less than the Life Company's then permitted minimum for the frequency requested and the remaining value of the Investment Fund shall not fall below the then permitted minimum value. Regular withdrawals will be made from the Cash Facility, where insufficient funds are within the Cash Facility the Life Company will sell investments proportionately. This is subject to the Service Terms & Conditions as detailed.

#### 7.2 **Single Withdrawals**

At any time the Policyholder may request to sell such investments from the Investment Fund as may be necessary to produce a single cash withdrawal

from the Policy. This can be done through your Adviser, but will still require your signature.

Such withdrawals shall not be less than the Life Company's then permitted minimum and the remaining value of the Investment Fund shall not fall below the then permitted minimum value.

#### 7.3 **Full Withdrawal**

At any time the Policyholder may make a full withdrawal and encash the Policy through their Adviser by informing Novia Client Services.

The cash sum payable will be the Encashment Value. When a full withdrawal is made the Policy will come to an end.

##### 7.3.1 **Death Benefit**

The sum payable on death of the only or last surviving Life Assured will be 101% of the Encashment Value as at the date of notification of death. When this benefit is paid by the Life Company the Policy will come to an end.

##### 7.3.2 **Assignment**

The Policyholder may assign the Policy to another party by giving Notice of the third party to whom it is to be assigned and the date the assignment took place. However, acceptance by the Life Company of such assignment will be subject to such terms and conditions as the Life Company may require at that time.

### **8 General**

#### 8.1 **Lapse**

The Policy will lapse without value should the value of investments within the Investment Fund reduce in value to a minimum of £1,000. Where this happens your offshore bond Product Wrapper will close.

#### 8.2 **Legislation**

Notwithstanding anything in this Policy, if the country in which the Policyholder is or becomes resident has or changes any requirement of law or regulation (statutory or otherwise) affecting directly or indirectly this Policy, the Life Company or any assets of the Life Company, the Life Company may make such adjustments to the Offshore Bond terms and conditions of this Policy and at such time as the Life Company considers necessary to prevent infringement of such law or regulation. Such action may include but is not limited to the making Additional Investments, changing the assets of the Investment Fund and any other options under the Policy.

The Life Company will also be entitled to make such alteration to the terms and conditions of this Policy as it deems appropriate in respect of any levy or other charges payable by the Life Company for the protection of policyholders pursuant to any existing or future requirements of law or regulation (statutory or otherwise).

**8.3 Notification of a Change of Personal Circumstances**

Any change in the residence, citizenship or domicile of the Policyholder or a Life Assured must be notified to the Life Company at its Registered Office within three months of the event. The Life Company reserves the right to alter the benefits payable under the Policy or otherwise amend the terms and conditions of the Policy as deemed appropriate, if notification is made outside of this period.

**8.4 Suicide**

Should the death of the only or surviving Life Assured occur by suicide within one year from the Commencement Date, then this Policy and all claims under this Policy shall cease. In these circumstances, only the Encashment Value (if any) shall be payable by the Life Company. This Condition shall not affect bona fide interests of third parties, of which Notice has been given in accordance with clause 7.3.2 (of section D) prior to the death of the Life Assured.

**8.5 Proof of Age**

The age of the sole or surviving Life Assured must be proved before a claim is paid. If the age has been incorrectly stated in the application form or Schedule the terms of the Policy will be adjusted by the Actuary to such Offshore Bond terms and conditions are considered appropriate having regard to the true age.

**8.6 Changes**

Notwithstanding Condition 8.2 if in the reasonable opinion of the Life Company it is appropriate to alter the Policy conditions the Life Company will give at least three months' written notice to the Policyholder at his last recorded address.

**8.7 Cancellation rights**

The Policyholder has 30 days to change their mind. If they do wish to cancel they would be entitled to have repaid the Amount Paid subject to a deduction of the amount (if any) by which the value of the investment has fallen at the time at which the cancellation form is received by the

Life Company. Cancellation forms are issued at policy commencement.

**8.8 Data Protection**

Information supplied to the Life Company in connection with your Policy will be held in both electronic and paper records. Under the Isle of Man Data Protection Act 2002 this information may be disclosed to and processed by companies within its group, its reinsurers, Novia or any third parties which provide services relating to the policy.

Your details will remain confidential and will not be used for any other purpose other than as required by law.

You have the right to see certain information held by the Life Company on payment of a fee, and you should make your request in writing to the Life Company Registered Office address.

**8.9 Complaints and Compensation**

If you wish to complain about any aspect of the service you have received please write to Novia's Compliance Manager at the address below:

**Compliance Manager  
Novia Financial plc  
Cambridge House  
Henry Street  
Bath BA1 1JS**

On receipt of your complaint, you will receive a letter of acknowledgement together with notification of Novia's complaints procedure. Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle Of Man or Financial Ombudsman Service in the UK, depending on the parties involved.

**Financial Services Ombudsman Scheme  
for the Isle Of Man  
Government Buildings  
Lord Street  
Douglas  
Isle of Man IM1 1LE**

**Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR**

8.9.2 Royal London 360 Insurance Company Limited investors receive the protection of the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991. Royal London 360 Insurance Company Limited reserves the right to adjust the returns from the investments to cater for any levy or charge made on Royal London 360 Insurance Company Limited under these regulations or similar legislation.

Holders of policies issued by Royal London 360 Insurance Company Limited will not be protected by the Financial Services Compensation Scheme established under the UK Financial Services and Markets Act 2000 if Royal London 360 Insurance Company Limited should be unable to meet its liabilities to them.



Cambridge House, Henry Street, Bath BA1 1JS  
T / 0845 680 8000 F / 01225 460 859 W / [novia-financial.co.uk](http://novia-financial.co.uk) E / [info@novia-financial.co.uk](mailto:info@novia-financial.co.uk)