COMPOUND

Quai

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The Compound Workplace Pension
Key Features Document

Contents:

Introduction

This Key Features Document explains the key features of The Compound Workplace Pension which is provided by Quai Investment Services Limited (Product Provider) and is the personal pension product under The Compound Pension (the Scheme).

What is the purpose of this document?

The Financial Conduct Authority is the independent financial services regulator. It requires the Product Provider to give you this important information to help you to decide whether this product is right for you. You should read this document carefully so that you understand what you are buying and then keep it safe for future reference. This document is for information purposes only and should not be construed as financial or tax advice.

About The Compound Workplace Pension

The Compound Pension is a registered pension scheme governed by a Trust Deed and Rules, a copy of which is available from Compound on request.

Saving into a pension is a tax-efficient way to save towards your future. Your plan is automatically set up for you by your employer and is designed to build up a retirement fund that can provide income, cash lump sums, or a combination of both. You can take any of these options at your selected retirement age or any time after age 55.

A plan retirement date will be set by your employer, but once you have been enrolled you can change it any time. Please note that where your employer does not set a retirement date, Compound will use the state pension age, which is currently set at 66 years old.

Quai Investment Services Limited is the Operator and Scheme Administrator of the Compound Workplace Pension and has overall responsibility for the administration and management of the pension scheme. Quai Administration Services Limited has been appointed as the Scheme Practitioner, responsible for the day-to-day administration of the Compound Workplace Pension.

Quai Trustees Limited is the Trustee of the pension scheme. It is a non-trading company and is a bare Trustee. This means that its sole purpose is to hold the Scheme assets for the benefit of you and all the other members. The Scheme Trustee is not regulated by the FCA.

Compound are responsible for providing the Compound App and making The Compound Workplace Pension available to you.

This document provides an overview of all the things you need to know about The Compound Workplace Pension, and the facts you need to determine whether this product is right for you.

Full details of the terms on which The Compound Workplace Pension are contained in the Compound Pension Terms and Conditions which are available on the Compound website.

Technical terms and phrases used in this document are explained in the glossary at the back of this document.

The Product Provider and Compound strongly recommend that if you are unsure whether the Compound Workplace Pension, its features, investment options and charges are right for you, then you should take appropriate financial advice.

This document is based on the Product Providers interpretation of current legislation and HM Revenue & Customs (HMRC) practice, which may change in the future.

The Compound Workplace Pension Aims

The Compound Workplace Pension is designed to let you;

- Save for retirement in a tax-efficient and flexible way.
- Build up a pension fund to give you an income and a tax-free cash sum or a combination of both.
- Make transfers from other suitable pension arrangements.
- Specify to whom you would like benefits to go to on your death, although the decision rests with the Scheme Trustee.
- Take benefits after you reach the Minimum Pension Age.

Your Commitment

To join the Compound Workplace Pension, you and / or your employer will usually need to:

- Pay in a regular amount – your employer will let you know what that is; or
- Pay in a one-off lump sum – your employer will let you know what the minimum amount is. It can include transferring in other pension savings you've built up in other plans.
- Keeping those funds within a registered pension scheme until you take benefits, the earliest age at which is 55.
- To adhere to the Compound Pension Terms & Conditions.
- To tell Compound if you stop being eligible for a pension or you are aware that your contributions are not eligible for tax relief. Please see the Questions and Answers section for examples of where this could be the case.
- Paying the fees in accordance with the Compound Charges Guide and the Terms & Conditions. You must ensure that you understand the features, benefits, and risks of the Compound Workplace Pension; so that you can be sure it will meet your needs and expectations.

Risks

Below are outlined risks associated with saving for retirement through a pension plan. Some of the risks below refer to the investment performance of the funds in your Compound Workplace Pension. Remember that you are responsible for the investment decisions. In many instances, the funds you invest in will also have key investor information documents that outline the specific risks applicable to that investment and you should read these before making a decision to invest.

The favourable tax treatment of pension savings and the age at which you can first start to take benefits could change in the future,

Investment performance or charges may be better or worse than expected, which could affect the potential size of your pension fund and therefore the benefits you receive. The charges or fees you pay in relation to the Compound Pension may be higher than expected, which could affect the potential size of your pension fund and therefore the benefits you receive.

Other things that can affect the potential size of your pension fund and the benefits you receive include the amount you pay or transfer into the pension, which could be lower than you anticipated, or if you take benefits earlier than you were aiming for.

Investment conditions can also affect your pension income - if you convert your pension fund to an annuity (i.e., purchase a policy from an insurance company that provides you with a regular income) then prevailing interest rates at the time of conversion will affect the amount of annuity you will receive. Generally speaking, lower interest rates mean lower annuity amounts, although annuity amounts are also affected by other factors such as life expectancy and your state of health.

Alternatively, if you decide to draw your pension income directly from your pension fund then investment returns may not sustain your income requirement.

There may be a delay in receiving benefits if some of your investments cannot be sold quickly.

Whilst the Compound Workplace Pension can accept transfers from other pension schemes, not all transfers may be suitable. For all transfers you are responsible, with the help of a financial adviser, if necessary, for ensuring that the transfer is suitable for you.

If, after considering these risks, you have any doubt about the suitability of the Compound Workplace Pension, or if you need advice, then you should seek advice from a qualified financial adviser.

Questions and Answers

What is the Compound Workplace Pension?

The Compound Workplace Pension is a pension plan that allows you to save for retirement in a tax-efficient and flexible way.

The benefits you can receive are subject to UK pension's legislation. This includes rules about limits on contributions that can qualify for tax relief, the earliest age you can take benefits and limits on what those benefits can be without incurring tax penalties, including the amount that be taken as tax-free cash.

What are the Trust Deed and Rules?

The Trust Deed and Rules are the legal documents that have established the Scheme under with The Compound Workplace Pension operates. References to "Product Provider" means Quai Investment Services Limited who are the FCA authorised and regulated Operator of The Compound Workplace Pension and were appointed by the establishing Trust Deed.

The Operator may delegate the administration of the Scheme and in the case of The Compound Pension, the administration services have been outsourced to Quai Administration Services Limited.

What will my pension be worth?

The final value of your Compound Workplace Pension will depend on how much is paid in, how long you invest for, the charges paid and how well the investments perform.

The Product Provider will place an electronic copy of your annual statement detailing the investments and transactions of your Compound Workplace Pension in the relevant area of the Compound App. You can log into your Compound Workplace Pension via the Compound App to obtain a current value at any time.

How much pension income will I get?

Once you have attained minimum pension age, you can draw as much or as little of your pension fund as income you like, when you like, along with offering different benefit options. How much pension income you will get therefore depends on your choices and many variable factors such as income tax, the value of your Compound Workplace Pension and investment performance.

Paying into my Workplace Pension

Contributions made from your net salary.

You may make your contributions from your salary after tax has been deducted.

You can make one-off lump sum contributions to your Workplace Pension at any time from your employer's payroll if they allow this, or directly to the Product Provider by electronic payment via the Compound App.

Contributions made using Salary Sacrifice, also known as salary exchange.
Your employer may offer you the option of paying by salary sacrifice, also known as salary exchange. This is an agreement between you and your employer whereby you voluntarily sacrifice/exchange part of your salary in return for a pension contribution This means that your contribution is taken from your pay before Tax and National Insurance Contributions are paid. You will not be able to reduce your earnings below the National Living Wage.

Your employer will confirm if they offer salary sacrifice.

Are there any limits on what I can contribute?
The Product Provider will only allow you to make contributions up to the limits allowed by HMRC.

All relevant UK individuals can pay, and get tax relief on, contributions up to £3,600 gross each year. Where your earnings are in excess of £3,600 you may make gross contributions of up to 100% of your earnings known as 'relevant UK earnings', subject to a maximum amount known as the Annual Allowance, which is set each year by the Government.

The Annual Allowance applies as a total limit for contributions across all of your registered pension schemes, including an employer's scheme, in a tax year. It covers:

- Your payments.
- Employer or other third-party payments made on your behalf.
- The basic rate tax relief you receive on personal and/or third-party contributions.
- Retirement benefits you may earn from a defined benefit pension scheme.

The Annual Allowance does not apply in a tax year in which Serious Ill-Health benefit conditions are met or death occurs.

Transfers from other pension schemes do not count towards the Annual Allowance as contributions made to those pensions will have already been counted. This also means that transfers from other schemes do not attract extra tax relief when added to your Compound Pension.

Where you have started drawing income on which tax is paid (known as 'flexibly accessing') your pension) from any of your pensions, including an employer's pension, contributions to your Compound Pension and any other money purchase pension schemes will be subject to the Money Purchase Annual Allowance.
If you are a higher earner, i.e., have 'adjusted income' and 'threshold income' above the relevant HMRC prescribed level, then your Annual Allowance will be subject to a tapered reduction.

Any monies paid into your pensions that exceed the Annual Allowance may be subject to an Annual Allowance charge. The amount of tax charged will be your highest marginal rate of income tax and will ordinarily be paid by you to HMRC when declaring the excess payment on your self-assessment tax return.

Where you were a Member of a registered pension scheme but had not fully used your available Annual Allowance from the previous three tax years, you may be able to 'carry forward' that unused allowance and include it in your self-assessment tax return which may reduce or eliminate the Annual Allowance charge.

If you think you are close to, or have exceeded, the Annual Allowance and you are in any doubt about its impact, you should talk to a financial adviser.

Allowances such as the Annual Allowance, Money Purchase Annual Allowance, Lump Sum Allowance and Lump Sum and Death Benefit Allowance, and any tax relief provided on contribution are set by the Government from time to time. The current levels are shown on the Government website, www.gov.uk

How does tax relief work?

Your contributions can, subject to HMRC regulations, attract tax relief.

Tax relief is available on personal contributions. If you are a relevant UK individual; that is someone who is resident in the UK for tax purposes at some point during the tax year, or who otherwise has relevant UK earnings subject to UK income tax. Employer contributions are typically paid gross, so there is no need for the Product Provider to claim the tax relief on your behalf. Once you reach age 75, personal contributions do not qualify for tax relief although employer contributions may continue to qualify.

Your personal contributions are normally paid from income on which you have paid tax (this is known as a 'net' contribution). The Product Provider will claim basic rate tax relief from HMRC and, once received, pay it into your Compound Workplace Pension. For example, for each £80 net contribution you make into your Compound Workplace Pension the Product Provider will claim £20 from HMRC. (This example is based on a 20% basic rate tax).

If you pay income tax at a higher rate than the basic rate, you can claim the extra tax relief through your self-assessment tax return on your personal contributions.

You must tell Compound by the later of 5th April in the year of assessment or within 30 days of becoming aware that you are no longer entitled to tax relief on your contributions.

Can I change the amount I pay in?

You can increase or decrease your regular contributions, but you may have to contribute a minimum amount. Your employer may also restrict the number of times you can do this in a year.

You can stop paying in completely, but you will need to think about the following:

- The charges could mean that your pension savings are worth less than you have paid in, particularly if you stop contributing during the first few years after joining; and
- Your employer may stop paying in too.

If you stop paying in or your contributions fall below the minimums for auto-enrolment and you are still eligible, your employer must re-enrol you every three years. If this happens you can opt out if you wish.

Can I make contributions if I have 'Enhanced Protection' or 'Fixed Protection'?

You can, but where you have either Enhanced or Fixed Protection then it will be lost if you make, or someone on your behalf makes, a contribution. Losing protection could have serious tax consequences as you may have to pay a tax charge for any tax-free cash taken over the Lump Sum Allowance (See "Is there a limit on benefits I can take from my pension plan?" below for details about this charge).

Protection used to be applicable to the Lifetime Allowance, however there are now transitional protections in place to protect the Lump Sum Allowance and the Lump Sum and Death Benefit Allowance.

Protection from these allowances is a complex area and if you are in any doubt as to whether making a contribution will affect any protection you have, you should seek financial advice.

Can I transfer other pensions into my Workplace Pension?

If you have a registered pension scheme with another company, you can transfer its value into your Workplace Pension. There is no minimum or maximum amount you can transfer.

Transfers can be made in cash and/or acceptable investments from other eligible pension schemes that you hold. Your existing pension provider may however require you to sell investments and move the proceeds as a cash transfer. Where your existing pension scheme includes investments that are not available within your Workplace Pension, the Product Provider will not be able to accept them.

Transfers from defined benefit pension schemes and schemes that provide safeguarded benefits are not accepted.

Please note that if you are transferring benefits from another pension scheme that has tax-free cash protection this protection may be lost on transfer.

If you are in any doubt about the benefit of transferring, you should seek the assistance of a qualified financial adviser.

Where will my money be invested?

When you are enrolled into your Workplace Pension, a default investment option is selected based on your retirement age. This investment option is a Vanguard Lifestyle fund and details of this will be provided to you by your Employer. After your first contribution has been made, you will be able to change your plan from the default to another option from Compound's wide range of pension-eligible investment options at any time in the Compound App.

These options include a range of funds with varying risk ratings and asset focusses. Further information about these options are available on the Compound App.

The Compound Workplace Pension is an execution only service and neither the Product Provider `or Compound provide advice on which investments to choose. If you are unsure as to the suitability of any investment for you, we recommend you seek advice from a regulated independent financial adviser.

How are my investments taxed?

Investment gains in your Compound Workplace Pension are free from UK capital gains tax and UK income tax. Any dividends received will not count towards your annual dividend allowance and any interest received will not count towards your personal pension savings allowance.

Taking benefits from your pension.

Is there a limit on benefits I can take from my Compound Pension?

There is no limit on the benefits that you can take from your pension arrangements, however you should be aware that there are limits on how much tax-free cash you can take. The maximum tax-free cash you can take from all of your pension arrangements is called the Lump Sum Allowance, which is currently set at £268,275.00.

In addition, there is a Lump Sum and Death Benefit Allowance, which is currently set at £1,073,100.00. This is also used each time you take tax-free cash from your pension arrangements; however, this also includes any Serious Ill-Health Lump Sums and Death Benefit payments to your beneficiaries in the event of your death before age 75.

Previously, there was a limit on the amount of benefits you could take from your pension arrangement, which was known as the Lifetime Allowance. The Government has made it possible for individuals potentially affected by a reduction in the Lifetime Allowance to apply for various types of protection. These protections still exist; however, they now protect the Lump Sum Allowance and the Lump Sum and Death Benefit Allowance.

You can still apply for Fixed Protection 2016 and Individual Protection 2016 provided that you have not had contributions paid to any pension schemes from 6th April 2016 and you do not already have Enhanced or Primary Protection.

Every time you take tax-free cash from a pension plan, some of your Lump Sum Allowance and your Lump Sum and Death Benefit Allowance is used. Below lists the type of benefits that can be tested against each allowance:

Lump Sum Allowance

- Taking any applicable tax-free cash upon designating benefits to create a Flexi-access Drawdown Pension Fund
- Taking 25% tax-free cash when taking benefits via an Uncrystallised Fund Pension Lump Sum
- Taking any applicable tax-free cash upon designating benefits to purchase a Lifetime Annuity.

Lump Sum and Death Benefit Allowance:

- All of the above situations
- All benefits paid in the event of your death before age 75
- Any Serious Ill-Health Lump Sum Payments.

At each of the above stages, an allowance is made for any tests that have already been carried out.

When can I take benefits?

You may take income from your Compound Workplace Pension from age 55 (however this is rising to age 57 from 6 April 2028). You may also take benefits earlier if you suffer serious ill-health or an illness or an accident which leaves you permanently unable to carry out your current occupation and you cease that occupation.

If you are 50 or over the Government provides a free and impartial service to help you understand what your choices are and how they work. This can be accessed online, over the telephone or face-to-face - see https://www.moneyhelper.org.uk

It is strongly recommended that prior to accessing your pension benefits you seek advice from a suitably qualified financial adviser or obtain guidance from Moneyhelper.

On death, different tax treatments apply depending on whether you die before or after age 75 - please see the section 'Death benefits from your Compound Workplace Pension' below.

Taking benefits from your pension

The type of benefits you can typically take from a pension are summarised below:

Option	From age 55
Pension Commencement Lump Sum (tax free cash sum)	Up to 25% of your fund can normally be taken as a tax-free lump sum when combined with designating funds to flexi-access drawdown or purchase of an annuity. **Note**: receiving the Pension Commencement Lump Sum does not trigger the Money Purchase Annual Allowance
Use your fund to purchase an income from an annuity	When you want to be certain about receiving a specific income, rather than remaining fully or partially invested, you can use some or all of your pension value to purchase an annuity. The income you can get from an annuity will depend on various factors, including your age, life expectancy, the value of your pension fund, the options you choose and prevailing annuity rates. For example, if you are in poor health or have a lifestyle that could adversely affect your life expectancy (e.g., heavy smoker), then you may get an enhanced annuity rate. An annuity can be purchased from funds in drawdown as well as from uncrystallised funds. We do not provide annuities, once you have chosen your annuity provider, we will transfer the funds to them. **Note**: Income received via an annuity does not trigger the Money Purchase Annual Allowance.
Draw a pension income directly from your pension fund	There are two ways of taking benefits directly from your pension:

	Flexi-access drawdown - You can allocate some or all of your fund for flexi-access drawdown. The fund remains invested, and you can draw as much or as little income from the drawdown fund as you wish, when you wish (subject to the Terms and Conditions). The income you draw this way will be subject to income tax at your marginal rate. **<u>Note</u>**: Having allocated an amount for flexi-access drawdown, you can choose when you start taking an income, although there is no obligation to do so. Once you do, the Money Purchase Annual Allowance is triggered. **Uncrystallised Funds Pension Lump Sum** – You can use some or all of your fund to withdraw one or more lump sums. 25% of each lump sum is tax free, the remainder will be subject to income tax at your marginal rate. **<u>Note</u>**: Taking a lump sum will trigger the Money Purchase Annual Allowance.
A combination of the above to meet your individual requirements	You could take a combination of the benefits described above and you do not have to take benefits all in one go. An annuity can be purchased from funds in drawdown as well as uncrystallised funds. The way in which you take benefits is flexible and can be structured to meet your individual requirements.

Can I opt out of the plan?

As this is a workplace pension scheme, you can choose to opt out within one month of your employer adding you to the scheme. This would mean you receive a full refund for any money you have contributed and you will be treated as if you never joined the scheme. Your employer will tell you how you can do this.

If you don't opt out by this date you can stop contributing at any time. If you do this, both your contributions and any made up by your employer up to that point will remain invested in your Compound Workplace Pension until you take your benefits.

Your employer must automatically re-enrol you every three years if you're still eligible although you can opt out again if you wish.

What happens to my pension pot if I opt out or change my mind about a transfer or one-off contribution on joining?

This depends on how money was paid in.

Regular Payments

Any contributions made by your employer will be returned to them. If you contributed to your Compound Pension through salary exchange any money paid in will be returned to your employer. Please speak to your employer about what will happen next.

One-off payments

If you have made a lump sum personal contribution, it will be returned to you. If you've paid in a one-off amount through bonus exchange it will be returned to your employer.

The amount we return will reflect any fall in the value of the investments or funds that your pension was invested in.

Transfer Payments

Each time you transfer a pension from another registered pension scheme into your Compound Workplace Pension, you will have 30 days from the commencement of the transfer to cancel and ask us to return this transfer payment to your previous scheme. This money cannot be returned directly to you.

The amount that we'll return will reflect any fall in the value of investments or funds that your pension was invested in.

Please bear in mind that the transferring scheme may not agree to accept back your transfer value or may only accept it on revised terms which may not be acceptable to you; in which case you will be responsible for finding an alternative scheme to transfer the funds to.

The Compound Workplace Pension Cancellation notice is in Schedule 2 of this Key Features Document.

Death Benefits from your Compound Pension

What benefits can be provided?
Your Compound Pension is available to provide your beneficiaries with a lump sum payment, pension income or to purchase an annuity.

Who can receive a lump sum payment?
Most people will qualify as an eligible beneficiary for lump sum death benefits under the Scheme Rules. It is highly recommended that you complete and keep updated an "Expression of Wish" showing who you would like your beneficiaries to be. This expression of wish is not binding, but the Scheme Administrator will take your wishes into account and use its discretion to choose who to make the payments to having made reasonable enquiries to identify the eligible dependants and other beneficiaries.

How are death benefits claimed?
Once Compound has been notified by the person dealing with your affairs, they will liaise with the Executor of your estate to obtain details of any dependants and other beneficiaries and gather any additional information that we need.

Are death benefits taxable?
How benefits paid to beneficiaries are taxed depends upon when, and how, their inherited benefits are paid.

- **Death before age 75** - benefit payments are not subject to income tax provided the lump sum is paid or an annuity is set up within two years from the date of notification of death to the Scheme Administrator. If benefits exceed the Lump Sum and Death Benefit Allowance, the recipients of the death benefits will be personally liable to pay a tax charge to HMRC.
- **Death after age 75** - benefit payments are subject to income tax at the recipient's marginal rate.
- **Inheritance tax** - this is not normally payable although it may arise in the event that payments are made to your estate.

You can find out more about the taxation of payments to beneficiaries on the Government's Moneyhelper website www.moneyhelper.org.uk

Can I transfer my Compound Workplace Pension to another pension plan?

You can transfer the full, or partial value of your Compound Workplace Pension to another UK registered pension scheme at any time.

The transfer can be in the form of a cash payment, in which case you will have to sell all of the investments held under your Compound Pension before the transfer is completed, or you may be able to transfer them in their existing form (known as an "in-specie transfer").

You should be aware that transfers to an overseas pension scheme may be subject to a 25% tax charge. Further information is available if required.

If you choose to transfer your plan in full, your employer may commence another plan for you to adhere with Auto-enrolment rules, unless you specifically cancel your contributions with them.

Can I obtain up-to-date valuations?

You can see the up-to-date value of your pension at any time on the Compound App.

How is banking & Administration carried out?

When you apply for your pension, any money paid into or out of your pension will go via the Scheme bank account, which is a pooled bank account designated as a trust account, chosen by Quai Investment Services Limited

What protection is available on my Compound Pension?

The Financial Services Compensation Scheme (FSCS) may provide protection if the Scheme Operator or Scheme Administrator cannot meet claims made against it or if investments or money cannot be returned.

If you are eligible, the maximum level of compensation for claims against firms declared in default on or after 1st April 2023 is £85,000 per person per firm. Further information about compensation arrangements is available from the FSCS website at www.fscs.org.uk

Pensions are regulated contracts in their own right and hence are covered by the FSCS. Investments with regulated investment providers or insurance companies will be covered separately by the FSCS. Those companies will provide information about the levels of cover provided.

Your status under the FSCs does not affect any statutory right you may have to compensation. Some, but not all, investments held by your pension fund may also be similarly covered by compensation schemes. It is your responsibility to establish where this is and is not the case.

How do I complain?

If ever you need to complain then please contact Compound by email at complaints@compoundapp.co.uk

Compound will immediately carry out an investigation of your complaint and will provide a written response.
If we are unable to resolve your complaint to your satisfaction, and you are an eligible complainant as defined by the Financial Conduct Authority, you will have recourse to the Financial Ombudsman Service.

If it is regarding the administration of your pension to:

The Pensions Ombudsman
10 South Collonade
Canary Wharf
London
E14 4PU
Tel No: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

For all other complaints to:

Financial Ombudsman Service
Exchange Tower
London, E14 9SR
Tel No: 0800 023 4567
Email: complaint.info@financial-ombdusman.org.uk
Website: www.financial-ombudsman.org.uk

Important Notes

The information in this key feature document is provided based on our understanding of current law, practice and taxation which may be subject to change.

Full details of the legally binding contract between you, Compound and Quai Investment Services Limited can be found in the Compound Pension Terms and Conditions, which you should read as part of your application, and which is available on the Compound Website and Compound App.

The law of England and Wales will apply in all legal disputes.

This Key Features Document is issued by Quai Investment Services Limited who is the Scheme Operator and Scheme Administrator of the Compound Pension. Quai Investment Services Limited is registered in England and Wales No. 09919243, registered office is 16 Tesla Court, Innovation Way, PE2 6FL and is authorised and regulated by the Financial Conduct Authority, Registration No. 922590.

GLOSSARY

Term	Definition
Annual Allowance	The cap on the total amount of tax-relievable contributions paid into an individual's pension schemes over an input year, as described in the Finance Act 2004.
Beneficiary	The person(s) that will receive the benefit paid out from your account. They may, or may not, also be a dependent.
Benefit	An actual or prospective entitlement to any benefit under the Scheme (including any part of the pension and any payment by way of pension).
Compound App	The Compound application, as updated from time to time.
Compound Website	www.compoundapp.co.uk
FCA	Financial Conduct Authority
Flexi-access Drawdown	Income drawdown with no maximum or minimum income limit.
HMRC	His Majesty's Revenue and Customs
In-specie	In relation to a Transfer-In or a Transfer-Out, a transfer in the form of investments without converting them to cash.
Income	To provide a pension income from your Compound Pension other than by a purchase of an annuity
Lump Sum Allowance	A limit on how much tax-free cash you can take from your pension, either via a Pension Commencement Lump Sum (PCLS) or the 25% tax-free cash portion of an Uncrystallised Fund Pension Lump Sum (UFPLS). This will be set at £268,275.00.
Lump Sum and Death Benefit Allowance	The Lump Sum and Death Benefit Allowance (LSDBA) is the total limit on tax-free withdrawals from your pension, along with any Serious Ill-Health Lump Sums and Deceased Payments where they are paid tax-free. This will be set at £1,073,100.00.
Minimum Pension Age	The age at which the Finance Act permits you to take benefits from your pensions including your Compound Pension.
Money Purchase Annual Allowance	A restriction on the amount you can pay into all of your pensions and still receive tax relief when you start to access your pension pot for the first time.

Pension Commencement Lump Sum	A sum of money withdrawn from each pension as a tax-free amount.
Registered Pension Scheme	A pension scheme which is registered under Chapter 2 of Part 4 of the Finance Act.
Scheme	The Compound Pension Scheme
Scheme Administrator	Quai Investment Services Limited, a company incorporated in England and Wales with company number 09919243 whose registered office is at 16 Tesla Court, Innovation Way, Peterborough, PE2 6FL and authorised and regulated by the Financial Conduct Authority, Registration No. 922590.
Scheme Operator	Quai Investment Services Limited.
Scheme Trustee	Quai Trustees Limited, a company incorporated in England and Wales with company number 11821001 whose registered office is at 16 Tesla Court, Innovation Way, Peterborough, PE2 6FL.
SIPP	A self-invested personal pension.
Transfer-In	Any transfer of cash or assets to your Compound Pension from another Registered Pension Scheme.
Transfer-Out	Any full or partial transfer of your Compound Pension to another Registered Pension Scheme, in cash or assets.
Uncrystallised Fund	The part of a pension fund which has not been crystallised as defined by the Taxation of Pensions Act 2014.
Uncrystallised Fund Pension Lump Sum	A lump sum, of which a proportion is taxed at the basic income tax rate, paid directly from your Uncrystallised Fund, as defined by the Taxation of Pensions Act 2014.

SCHEDULE 1

EXAMPLE ILLUSTRATION

Quai Investment Services Limited is required to give you this important information to help you decide whether the Compound Pension is right for you.

The following are general examples to show the effect of charges, time and performance could have on the returns you could receive. In reality, your circumstances may differ, so you could achieve more or less than the amount shown. Here's what you might get back from your Compound Pension:

Years to Retirement		Single Contribution £10,000	Transfers £50,000	Regular Personal Contributions £200	Regular Employer Contributions £300
30	Value	£23,500	£94,100	£97,700	£117,000
	Income	£1,080	£4,320	£4,480	£5,380
25	Value	£21,100	£84,700	£79,700	£95,600
	Income	£980	£3,920	£3,680	£4,420
20	Value	£19,000	£76,200	£62,500	£75,100
	Income	£889	£3,550	£2,910	£3,500
15	Value	£17,100	£68,600	£46,200	£55,400
	Income	£807	£3,220	£2,170	£2,600
10	Value	£15,400	£61,700	£30,400	£36,500
	Income	£732	£2,930	£1,440	£1,730
5	Value	£13,800	£55,500	£15,100	£18,100
	Income	£663	£2,650	£721	£865

The above table shows what the value of your Compound Pension could be, and the annual income it could provide using a range of possible contributions and periods to retirement. These figures account for the effects of inflation, so are in 'real terms'. The figures are based on the following assumptions:

- 2.9% annual growth
- An inflation rate of 2.5%
- Retirement age of 65
- Income is the annual amount that would be payable from a single life, level annuity paid monthly in advance with no guarantee and no tax-free cash.

The actual rates of return and charges incurred will depend on the fund(s) in which you are invested, the value of your fund(s) and the performance of your investments. As such, returns may differ from those shown above.

The effect of charges on your Compound Pension.

The table below shows the effect of charges on your Compound Pension, assuming a one-off Transfer In of £50,000.00.

Years to Retirement	Total Paid into Date	Before Charges are Taken	After all charges are taken
1	£50,000	£51,400	£51,000
3	£50,000	£54,400	£53,200
5	£50,000	£57,600	£55,500
20	£50,000	£102,000	£84,700

SCHEDULE 2

COMPOUND PENSION CANCELLATION FORM

You have a right to cancel your Compound Workplace Pension if you change your mind. You have a 30 calendar day cancellation period from the commencement of your Transfer-In to cancel. If you do wish to cancel your Compound Workplace Pension, please complete this form, and return it to the address shown below within the cancellation period.

Your Compound Workplace Pension will be invested in assets during the cancellation period. If you choose to cancel your Compound Workplace Pension during the cancellation period, the amount returned in cash will be the amount realised from the sale of investments less any costs associated with the investment and subsequent disinvestment. This may be lower than the amount invested. For a cancelled Transfer-In where no changes have been made to any received investments, it may be possible to transfer the investments back to the originating scheme. It is your responsibility to ensure the originating scheme will accept the transfer back, or to arrange for the transfer to be sent to another registered pension scheme.

Name____

Address____

Phone Number____

Date of Birth____

I hereby inform Compound that I wish to cancel the Compound Pension and instruct Quai Investment Services Limited to sell all investments and return the funds to the original pension provider or other pension provider that I have arranged to accept the transfer (subject to the Compound Pension Terms and Conditions).

Signed____

Dated____

Return this form to Compound Pension, 16 Tesla Court, Innovation Way, Peterborough, PE2 6FL.