



MC Trustees
(MALTA) LIMITED

Key Features Document

MCT Malta Private Retirement Scheme

Licensed and Regulated as a Personal Retirement Scheme by the Malta Financial Services Authority (MFSA)

**This is an important document.
Please keep it safe for future reference.**

It provides a summary of the key points of the MCT Malta Private Retirement Scheme which is administered by MC Trustees (Malta) Limited.

This document may be obtained from MC Trustees (Malta) Limited Emanuel 2, Triq Santa Tereza, Birkirkara BKR 1480, Malta

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Introduction and aims of the Key Features Document

About this Qualifying Recognised Overseas Pension Scheme

The MCT Malta Private Retirement Scheme ("MCTMPRS") is administered by MC Trustees (Malta) Limited ("MCTML") and is a Personal Pension which has the objective to provide retirement benefits for the members.

MC Trustees (Malta) Limited is under the same ownership as a group of companies based in the United Kingdom who have been administering pensions since 1986. Further information about the Company and the key functions of the principals can be obtained from our website or on request from us at the location detailed below.

You may transfer your existing UK benefits into a Malta-based pension scheme and receive your benefits free of Malta tax, but only if:

- you are not resident in Malta, and
- the payments are exempt in Malta through the terms of a Double Taxation Agreement in place between Malta and your country of residence.

If there is no such exemption, any pension (excluding capital sums received by way of commutation of pension benefits, such as lump sums) will be taxable in Malta. You are still however required in all circumstances to submit annual income tax returns to the Maltese tax authorities during the time you receive benefits from the MCTMPRS.

It is open to residents in any country (including Malta) and is included on HM Revenue & Customs ("HMRC") list of Qualifying Recognised Overseas Pension Schemes ("QROPS"), (www.hmrc.gov.uk/pensionschemes/qrops.pdf)

The MCTMPRS was established on 19 February 2010 by irrevocable trust and is governed by a Trust Deed and Rules adopted by the Trustee on the same date. You join the MCTMPRS by completing an application form. An interest bearing current account will be opened with Lombard Bank Malta plc specifically for your MCTMPRS on which MC Trustees (Malta) Limited will be the signatory. This account can be in Euros, GBP or USD. You should note that accounts held by the Scheme as beneficiary are not covered by the Depositor Compensation Scheme.

Investment management

You may give the Retirement Scheme Administrator a letter of wishes indicating how you would like your fund invested and whether you prefer a particular Investment Manager to manage your investment.

Parties involved

The parties involved in the MCTMPRS ("the Scheme") are:

Retirement Scheme Administrator/ Trustee MC Trustees (Malta) Limited, (Company Registration No C48412) a company registered by the Malta Financial Services Authority

Please note that MC Trustees (Malta) Limited is not registered by the Malta Financial Services Authority ("MFSA") to provide investment advice. **MC Trustees (Malta) Limited is registered by the MFSA as a Retirement Scheme**

Administrator.

Lombard Bank Malta plc, who provide the banking facilities.

MC Trustees (Administration) Limited will provide certain Back Office support

This document's aims and objectives

This document is intended to provide you with the key points of the MCTMPRS. It is not exhaustive and should not be relied upon for detailed advice or as a legal opinion or statement of law. It is based on our understanding and interpretation of current legislation, taxation and practice. Whilst we have made every effort to ensure its accuracy, we will not accept responsibility or liability for any inaccuracy or error contained herein and suggest you take whatever advice you deem to be appropriate before applying for an MCTMPRS.

MC Trustees (Malta) Limited

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Questions and answers

Basic information

1 What is the MCT Malta Private Retirement Scheme and can anyone have one?

1.1 It is a Malta personal pension scheme registered with the MFSA as a retirement scheme in terms of the Retirement Pensions Act 2011. Notwithstanding the registration of the Scheme with the MFSA, this does not amount to an endorsement by the MFSA of the Scheme's financial performance. Unless otherwise prescribed under the Retirement Pensions Act 2011, there exists no statutory provision for compensation in the case where the Scheme is unable to satisfy the liabilities attributable to it.

1.2 The Scheme is included in HMRC's list of Qualifying Recognised Overseas Pension Schemes. (www.hmrc.gov.uk/pensionschemes/qrops.pdf).

1.3 Anyone can have an MCTMPRS, but there is a requirement to report certain transfers and payments to HMRC. For those clients with "Relevant Transfer Funds" in their MCTMPRS (ie funds which originate from UK Registered Pension Schemes), certain payments (for example pension and lump sums, although this list is not exhaustive) made by the MCTMPRS to the member/dependants/beneficiaries must be reported to HMRC for a period of ten years. If you are still resident in the UK (or have been within the last five tax years) following the end of this ten year period, then payments must continue to be reported to HMRC.

1.4 The MCTMPRS is governed by a Trust Deed and Rules, as may be amended from time to time. This Key Features Document summarises the main provisions of the Rules and the MFSA regulations that apply to your MCTMPRS. However, in the event of any discrepancy between the Key Features and the Trust Deed and Rules, the Trust Deed and Rules will prevail.

1.5 Please read these Key Features carefully before completing the application form.

1.6 The main objective of the Scheme is to provide retirement benefits for its members.

1.7 The MCTMPRS is a Defined Contribution Scheme.

2 What can the MCTMPRS do for me?

2.1 Enables you to transfer any existing UK pension funds out of the United Kingdom.

2.2 Provide benefits in retirement for you and/or your nominated beneficiaries.

2.3 Enable you to consolidate your existing pension benefits.

2.4 Provide pension and lump sum benefits for yourself and, following your death, your nominated beneficiaries.

2.5 Provide the facility to pay pensions from the fund. This allows you to continue to invest your pension following your retirement.

2.6 Provide you with flexibility to choose the level of pension you receive each year.

2.7 Provide flexibility for your nominated beneficiaries in the way death benefits can be paid.

Joining the Scheme

3 How do I join the MCTMPRS?

3.1 You need to tell us that this is what you wish to do and we will provide you with all the documentation to complete and return.

If you are introduced to us by a third party please note that MCTML will need to conduct due diligence on the introducer/adviser before we can proceed with your application.

You will need to inject funds to join the MCTMPRS. This may be by transfer from UK Registered Pension Scheme(s), QROPS, or by cash contributions if you are resident in Malta (see later).

If you wish us to consider an in-specie transfer you must provide full details to MCTML before submitting an application form. We will then advise you if the transfer is acceptable, and the likely costs.

3.2 We are required under anti-money laundering rules to formally identify you. This means we need to examine certain documents which confirm your name and address.

3.3 Please inform us before you apply for the MCTMPRS of any investments that you wish to make as some investments may not be acceptable to the Scheme due to our Reporting Requirements.

4 What happens next?

4.1 When we have received the completed documentation from you we will set up a bank account with Lombard Bank Malta plc. Cash transfer values and cash contributions if you are resident in Malta will be placed in this bank account and retained there until the Trustee, working with the Investment Manager, makes an investment in relation to your fund.

5 What must I do when monitoring my MCTMPRS?

5.1 Provide the Trustee with a letter of wishes concerning the investment strategy for your fund, and, if applicable, details of your preferred Investment Manager.

5.2 Regularly review the investment strategy and the benefits being drawn (if applicable).

5.3 Pay the charges set out in our MCTMPRS Charges Schedule. These will be deducted from your MCTMPRS account by the Trustee.

5.4 Notify us immediately of any changes to your personal circumstances that may affect your MCTMPRS eg change of tax residency.

6 What are the charges?

6.1 Our charges are set out in the MCTMPRS Charges Schedule, which is appended to this document.

6.2 If you have an adviser he will charge you for his advice. You must agree this but the charges may be paid from the fund. You can request a schedule of charges from your adviser.

6.3 When you invest in stocks and shares or any regulated investment product there will be charges made by the stockbroker or the product provider. We, or the investment provider can give you a schedule of charges relating to your particular investment product.

6.4 If you do not have sufficient cash in British Pounds Sterling to pay the fees, cash in any other currency will be converted to British Pounds Sterling at the rate current on the day that the fees are taken. Any bank charges will be borne by your fund.

6.5 Our charges at commencement will be calculated based on the total fund value when the transfers in have been completed. Subsequent Annual charges will be based on the fund value at the anniversary month.

6.6 There are additional charges when you start taking benefits from the MCTMPRS. These include an annual fee due to facilitate the preparation and submission of your personal Maltese tax returns to the Maltese tax authorities.

6.7 Further compliance related charges include:

- a) An annual fee due to facilitate the preparation and submission of your personal Maltese tax returns to the Maltese tax authorities.
- b) A proportion of the scheme annual audit fee
- c) Fees charged by service providers to the scheme.

Investments

7 Where can the Trustee invest my Scheme?

7.1 The investments are made by MCTML as the Trustee and are made under the powers contained in part 1.7 of the Trust Deed and Rules dated 19 February 2010. We may take account of your wishes when deciding where to invest the funds but you cannot determine which investments are made.

7.2 The Scheme Bankers are Lombard Bank Malta plc and cash deposits can only be held with them (see Terms and Conditions 5.1).

7.3 In accordance with the provisions of the Retirement Pensions Act 2011, Lombard Bank Malta plc has been appointed as Investment Manager.

7.4 Examples of investments which could be held (at the discretion of the Trustee) are:

- UK quoted stocks, shares, debentures and gilts
- Shares quoted on AIM
- Stocks and shares traded on a recognised overseas stock exchange
- Futures and options relating to shares quoted on a recognised stock exchange
- Unit trusts, investment trusts and OEICs
- Insurance company funds

7.5 It is not permissible for your MCTMPRS to enter into investment transactions with you or persons connected with you.

7.6 All quoted investments, eg equities, will be registered in the name of an authorised nominee company. Stockbrokers will usually offer this service to their clients.

7.7 The Trustee of the Scheme may borrow funds on a short term basis in relation to the management of its assets. Long term borrowing to leverage a portfolio is not permitted.

7.8 Please note that the Trustee does not accept responsibility for the performance of any investment or liabilities associated with any investment.

7.9 The Trustee will monitor all investments so that the principles of prudence and diversification are adhered to in the exercise of its trusteeship obligations.

7.10 If you would like a specific Investment Manager to be appointed for your Individual Fund, please let us know.

7.11 Member Directed Investment may be permitted by choosing from one of the following options.

a) You can select from a carefully selected range of investments tailored to your risk profile.

b) You can take investment advice from a regulated financial adviser and/or place investments through a regulated investment manager.

Note that you would still have to contact us to confirm investment choices. We do not give investment advice ourselves.

In all cases sufficient diversification and liquidity of investment must be made in the light of your risk profile and requirement for benefits.

Risks

8 What are the risks with the MCTMPRS?

The risks include:

8.1 Transferring in

8.1.1 By transferring other pension benefits into your MCTMPRS, you may be giving up:

- the right to guaranteed benefits, and or guaranteed increases in benefit, and
- the right to receive a terminal bonus on with-profits pension plans.

8.1.2 You should also be aware that a penalty may be applied to your existing pension plan on transfer so you should seek appropriate professional advice before transferring existing pension benefits into your MCTMPRS.

8.1.3 If you move country of residence you may have to move your QROPS again. We offer a free transfer to the MC Trustees Simple SIPP in the UK.

8.2 Investments

8.2.1 The value of investments can fall as well as rise and is not guaranteed. Past performance must not be taken as an indication of future performance.

8.2.2 The cost effectiveness of your MCTMPRS will depend upon a number of factors, including:

- its size in relation to the initial and ongoing costs (including our charges which will increase in the future)
- the type of investments held
- the frequency with which you deal
- the size of transactions you undertake

If you have a smaller fund the value of your MCTMPRS may be eroded and the costs may be disproportionate to its value.

8.2.3 Some investments may take longer to sell than others, and the sale price may be lower than expected.

8.2.4 The performance of your member account sub fund is separate from others in the scheme. The scheme makes no investments for the scheme as a whole. We set no criteria against which the scheme or the member's fund can be measured. Any unrealised or actual gains or losses remain as part of your member account and will alter the levels of the benefits you could be entitled to in future.

8.3 Income withdrawal and Taxation

8.3.1 Taking income withdrawal may erode the capital value of your fund, especially if investment returns are lower than expected and a high level of income is taken. This may result in a lower income than you had anticipated in future.

8.3.2 The higher the pension you elect to receive, the higher the probability that your pension may reduce in the future and the lower the provision for your beneficiaries following your death.

8.3.3 You can choose to receive your pension via income withdrawal in line with the rules issued by the MFSA or by purchasing an annuity from a regulated insurance company.

8.3.4 There is no guarantee that annuity rates will improve in the future. If you choose to purchase an annuity, the level of pension you receive when you purchase the annuity may be lower or higher than the pension previously being paid under income withdrawal and/or the annuity you could have purchased initially.

8.3.5 Any income paid from the MCTMPRS is taxable in Malta, whether or not you are resident or non-resident in Malta for tax. However, there are a number of Double Taxation Agreements in place between Malta and other jurisdictions. Many of these provide exemptions to tax in Malta, giving priority to the country of residence on taxation. With some, the exemption is restricted where you have the option to be taxed in the relevant country on a 'remittance' basis (here there will only be exemption if the income is 'remitted' to that other country i.e. received in and taxed in that country). With some countries there are no such agreements (or they exist, but allow Malta to tax). You need to take tax advice before joining the MCTMPRS as the position will depend on where you are tax resident when receiving the income. MCTML cannot give tax advice.

8.3.6 You will be required to register for tax with the Inland Revenue in Malta (if only to apply for exemption to tax under a particular Double Taxation Agreement). You will also have to complete a Maltese tax return. For all members who are not Malta resident, MCTML has agreed a simplified process with the Inland Revenue Malta.

8.4 General

8.4.1 The tax benefits, laws and regulations relating to the MCTMPRS could change to your disadvantage in the future.

8.4.2 The Trustee accepts no liability if the status of the MCTMPRS as a QROPS is withdrawn by HMRC.

Transfers

9 What can I transfer in?

9.1 You can transfer in cash or assets from any UK Registered Pension Scheme or QROPS. Any other assets may also be transferred. You may also transfer in cash from any Retirement Scheme registered in Malta. Before transferring an asset you will need to check with us that it is an acceptable investment. Any assets transferred in specie will be valued on the date of transfer in accordance with generally accepted accounting principles acceptable in Malta, as the Trustee may deem appropriate.

9.2 For transfers of benefits from UK Registered Pension Schemes, you will need to complete form APSS263. This form has been produced by HMRC and provides a declaration in respect of the information you are providing, together with an acknowledgement by you that if the transfer is not a "recognised transfer" it will lead to unauthorised payment tax charges. You must supply the completed APSS263 to the transferring Scheme Administrator within two months of the date you requested the transfer.

9.3 Transfers made to the MCTMPRS must be reported to HMRC within 60 days of the transfer date by the Scheme Administrator of your UK Registered Pension Scheme. The report will include details of all assets transferred (if an in specie transfer), together with each asset value at the date of transfer.

9.4 Some assets which may be held in a UK Registered Pension Scheme are designed solely for the UK market. It may not be possible to transfer these assets to the MCTMPRS as it is not registered in the UK.

9.5 The MCTMPRS application form contains a section in respect of pensions you wish to transfer to your MCTMPRS.

10 Can I transfer out?

10.1 Yes, but all transfers in respect of funds from a Registered Pension Scheme will be reported to HMRC in the UK.

10.2 The transfer may be made in cash or in specie.

10.3 There may be additional charges or a penalty for encashing or transferring funds from your MCTMPRS.

10.4 The reporting requirement applies only to individuals who have transferred in funds from UK Registered Pension Schemes.

11 Is there a maximum fund I can have?

11.1 No, but there is a Lifetime Allowance and the transfer of amounts greater than this may be subject to additional taxation unless protected (see below). The Lifetime Allowances have been set as follows:

■ 2010/11	£1.80 million
■ 2011/12	£1.80 million
■ 2012/13	£1.50 million
■ 2013/14	£1.50 million
■ 2014/15	£1.25 million
■ 2015/16	£1.25 million
■ 2016/17	£1.00 million

11.2 The Lifetime Allowance and associated taxation is only applicable to individuals who have transferred in pensions from UK Registered Pension Schemes and who have been/are subject to UK taxation.

Member benefits

12 What benefits can I get?

12.1 Benefits are available at any time between age 50 (or age 55, if a QROPS) and age 75 and are calculated in accordance with the regulations issued by the MFSA.

If you have transferred funds derived from a UK Registered Pension Scheme then you will need to wait until age 55 to avoid UK tax charges.

12.2 You can ask the Trustee to purchase a lifetime annuity with some, or all, of your pension fund at any time.

12.3 Pension payments may be subject to the deduction of tax in your country of residence. You are responsible for paying any tax which is due. Pension payments are subject to tax in Malta, but relief may be available under the Double Taxation Agreement, if any, that Malta has entered into with your country of residence. If you are tax resident in a jurisdiction which has a Double Taxation Agreement with Malta and you wish to take advantage of this, you will need to complete a Tax Return in Malta. Also see section 8.3.

12.4 The majority of benefits shall be paid out in a form that generates a stream of income payments in line with any rules issued by the MFSA.

12.5 Benefits will be calculated based on the fund value at the point in time when benefits become due.

12.6 All benefits paid (including the purchase of a lifetime annuity) will be reported to HMRC if the MCTMPRS contains funds which originated from a UK Registered Pension Scheme.

13 What is a lifetime annuity?

13.1 A lifetime annuity provides a guaranteed pension for life and is provided by an insurance company.

13.2 The annuity available will depend on the value of your fund and the annuity rates at the date of purchasing the annuity. It may also be possible to obtain "impaired life" rates, which will provide a higher income if you are in poor health.

13.3 The annuity income may increase each year, may be guaranteed for up to ten years (ie paid irrespective of whether you are alive) and may continue, normally at a reduced level, to your surviving spouse or dependant.

13.4 If an annuity is purchased, you will cease to have any involvement with the investment of your pension fund, but will receive a guaranteed income for life. If you use your entire fund to buy an annuity your MCTMPRS will be wound up.

14 How flexible are the benefits?

14.1 There is substantial flexibility. You can take your benefits at times and in amounts that you wish, but only up to 30% of your fund can be taken out in the form of a cash lump sum (subject to restrictions where transferred in rights derived from a UK registered Pension scheme which limit the cash lump sum to 25%). All of the initial Cash Lump Sum must be taken in one go or in the same year. The remaining assets must be used to provide a retirement income, or flexible benefits. Benefits must be taken between the ages of 50 (55 if a QROPS) and 75. All benefit payments are subject to the Regulations issued by the MFSA. Additional lump sums may be available provided you meet the criteria set out in the regulations issued by the MFSA and HMRC.

15 How do I go about taking my benefits?

15.1 You need to give us details of the benefits you wish to take or the amount of your funds you wish to use to provide these benefits.

15.2 You must nominate a personal bank account to receive payments of cash and pension.

Expatriates and the Lifetime Allowance

16 I am an expatriate wishing to transfer to your scheme and my fund is larger than the Lifetime Allowance, how does this affect me?

16.1 If you have claimed Primary Protection, when you take benefits your protected fund is compared with the increase in the Lifetime Allowance in force at that time. If the value of your fund has increased at less than the rate of the increase in the Lifetime Allowance no further tax will be payable. If your fund has increased at a higher rate, the excess will be taxed.

16.2 If you have claimed Enhanced Protection, this will be lost if any contributions are made to any pension scheme after 05 April 2006.

16.3 Your Lifetime Allowance does not restrict the amount of pension fund you can have but it does restrict the amount that is tax privileged. This means that if your pension fund exceeds your Lifetime Allowance, in the absence of Enhanced Protection the excess will be subject to an additional tax charge of 25% if you take this excess as an income or 55% if as a lump sum.

Death benefits

17 What happens on my death?

17.1 The investments held under your MCTMPRS will be realised and their full cash value used to provide benefits for your beneficiaries.

17.2 The Trustee will decide who will receive benefits and the form of the benefits, in its absolute discretion. However, it will take into account any wishes you have expressed through the completion of the Nomination of Beneficiaries on your application form. Following your death the Trustee will determine conclusively who will receive benefits and the form of benefits.

17.3 Death benefits will normally be paid as a lump sum but pensions may be provided for a spouse and/or dependant, either under income withdrawal or by annuity purchase.

17.4 The recipient of any benefits will be responsible for any tax payable in their country of residence. Depending on the nature and form of payment, the benefit may also be subject to tax in Malta unless exempted through a Double Taxation Agreement with the country the recipient is tax-resident in. A tax return will also need to be made each year in Malta. See point 12.3 for more information.

17.5 The value of your fund can be used to pay benefits in the form of:

- a lump sum and/or
- applied to provide a pension for your spouse and/or dependant, either by way of an annuity purchase or income withdrawal.

17.6 If you die after an annuity has been purchased then the benefits payable, if any, will be determined by the terms of the annuity contract.

17.7 All sums which originate from a UK Registered Pension Scheme payable following your death will be reported to HMRC in the UK.

Valuations and General

18 How will I know what my fund is worth?

18.1 We will send you annual statements showing the value.

19 Can MC Trustees (Malta) Limited provide me with investment or tax advice?

19.1 No.

20 What if I have further questions?

20.1 For further information please contact your adviser or the Trustee.

Additional information for those members who are resident in Malta

21 Are there other points of which I should be aware?

21.1 The MCTMPRS should not be considered as the primary or only source for the provision of retirement benefits in Malta and should be considered in the light of other retirement schemes that may be introduced by the Government of Malta.

Terms and conditions of business

These terms and conditions set out the contract between you (the Member) and us (MC Trustees (Malta) Limited) and should be read in conjunction with the MCT Malta Private Retirement Scheme Key Features Document. For your own benefit and protection you should read these terms carefully before signing to confirm you agree to be bound by them. If you do not understand any point please ask us for further information.

All queries and correspondence should be sent to:

MC Trustees (Malta) Limited

Emanuel 2,
Triq Santa Tereza,
Birkirkara BKR 1480,
Malta

1 Definitions

Individual Fund means the individual MCT Malta Private Retirement Scheme (MCTMPRS) for a Member. HMRC means HM Revenue & Customs.

MC Trustees means all the companies named in this section where relevant in the particular context and unless a specific company name is mentioned.

MC Trustees (Administration) Limited is the company providing back-office administration services to MC Trustees (Malta) Limited for a contracted period. During this period, MC Trustees (Malta) Limited will remain the Retirement Scheme Administrator and Trustee.

MC Trustees (Malta) Limited is the company providing and operating the MCT Malta Private Retirement Scheme. This company is registered as a Retirement Scheme Administrator by the Malta Financial Services Authority.

Member means the person who completed the application form for the MCTMPRS and in whose name it has been opened.

Scheme means the MCT Malta Private Retirement Scheme which has been Licensed and Regulated as a Personal Retirement Scheme by the Malta Financial Services Authority.

Qualifying Recognised Overseas Pension Scheme or **QROPS** means the MCT Malta Private Retirement Scheme.

Us and **we** means MC Trustees (Malta) Limited.

You and **your** means the person who completed the application form for the MCTMPRS and in whose name it has been opened.

2 Terms of the Agreement

2.1 This Agreement is between the Member and MC Trustees (Malta) Limited of Emanuel 2, Triq Santa Tereza, Birkirkara BKR 1480, Malta (registered number C48412) ("the Trustee/ Retirement Scheme Administrator").

2.2 This Agreement details the terms of business and the services which will be provided under the Scheme for the Member. The Scheme is included in HMRC's list of Qualifying Recognised

Overseas Pension Schemes. (www.hmrc.gov.uk/pensionschemes/qrops.pdf). The Scheme has been established for the sole purpose of the provision of pension and lump sum benefits for eligible individuals, including residents of Malta.

2.3 The Scheme is governed by a Trust Deed and Rules ("the Rules") and any subsequent deeds amending these. MC Trustees (Malta) Limited is the Retirement Scheme Administrator and Trustee of the Scheme. MC Trustees (Administration) Limited is appointed by the Retirement Scheme Administrator/ Trustee to provide it with back-office administration services for a limited period and hereby undertakes to provide such services in accordance with the Rules, and this Agreement. A copy of the governing documentation is available from the address in 2.1 (above) upon written request.

3 Transfers

3.1 The Member may arrange for a transfer to the Scheme of any other pension entitlement he/ she may have.

4 Income withdrawal transfers

4.1 The Member may arrange for a transfer of any Registered Pension Scheme that is currently providing income withdrawal benefits in respect of the whole of the assets transferred.

5 Member Bank Accounts (also referred to as the MCTMPRS Bank Account)

5.1 All monies in respect of the Individual Funds, not applied for investment purposes, will be held in separate designated Member accounts with Lombard Bank Malta plc (the "Bank"). No other bank or other deposit taker's accounts may be used. The Trustee will be mandatory signatory to these accounts.

5.2 Where monies are held in the designated Member accounts the credit balance will attract interest at a rate offered by the Bank from time to time.

5.3 Any charges applicable to the designated Member accounts will be determined by the Bank. Details of the Bank's charges can be obtained from 67 Republic Street, Valletta, VLT 1117, Malta.

5.4 Where monies are transferred to an Investment Manager/Adviser permitted to hold funds in respect of the Individual Funds, the Investment Manager/ Adviser will be responsible for the establishment of Member accounts in a form acceptable to the Trustee and shall account for all transactions and interest periodically.

6 Accounting and investment statements

6.1 The Trustee maintains records of all transactions and provides the Member with annual statements.

6.2 Assets are valued in accordance with generally accepted accounting principles acceptable in Malta as the Trustee may deem appropriate.

6.3 The Scheme produces annual audited accounts. The accounts may also be audited at such other times as the Trustee shall think fit.

7 Investments

7.1 The Trustee may make any investments, at its discretion.

7.2 The investment objectives of the Individual Funds must have due regard to the overall objective to provide retirement benefits.

7.3 The Trustee does not provide investment or pensions advice, nor act as Investment Manager to the Individual Funds, nor accept any liability for the performance or choice of investments or performance or choice of Investment Fund Provider or execution only stockbroker.

7.4 All investment transactions must be carried out on a commercial basis. We reserve the right to decline to make an investment in a particular asset for any reason we deem appropriate.

7.5 The Trustee, having considered your letter of wishes, may choose the investments of the Individual Funds and obtain advice from any person or body appropriately authorised and regulated.

7.6 The Trustee may appoint a stockbroker. All investments made by this stockbroker will be held in its nominee company.

7.7 The Trustee will enter into any necessary agreements with the stockbroker. We will limit our liability to the value of the Individual Fund in question.

7.8 The Trustee does not accept liability for any loss occasioned by any Investment Manager/ Adviser/ Stockbroker or other person or body which is responsible for any fund management or ancillary services connected therewith.

7.9 The fees and charges of any financial adviser or stockbroker are in addition to the Trustee's charges and shall be payable from funds in the Member's Individual Fund.

7.10 The Trustee reserves the right to realise investments to pay benefits or fees and charges under the Individual Fund.

7.11 There exists no statutory provision for compensation, in the case where the scheme is unable to satisfy the liabilities attributed to it.

7.12 The licensing of the scheme is not an endorsement by the MFSA as to the performance of the scheme and the MFSA shall not be liable for the performance or default of the scheme

8 Complaints and compensation

8.1 Should you wish to register a complaint in relation to the services provided under this Agreement then such a complaint can be made in writing and addressed to The Administration Manager, MC Trustees (Malta) Limited, Emanuel 2, Triq Santa Tereza, Birkirkara BKR 1480, Malta.

8.2 If your complaint is not resolved to your satisfaction, you can refer it to the Consumer Complaints Unit within the Malta Financial Services Authority, Notabile Road, Attard BKR 3000, Malta.

9 Variation

9.1 The Terms and Conditions of this Agreement may be amended by the Trustee by giving the Member 30 business days' written notice. This notice will be sent to the Member's home address as last advised to the Trustee.

9.2 We may remove, change, or add to these conditions or any details forming part of the contract between us:

- To conform with or anticipate any changes in law, order, code of practice or to react to any change in the interpretation of any of these.
- To comply with the recommendations of the Malta Financial Services Authority.
- To introduce new or improved systems, methods of operation, services or facilities.
- To enable us to harmonise our banking or charging arrangements.
- To reflect market conditions.
- To reflect general banking or other financial services practice.
- To make them clearer or more favourable to you.
- To rectify any mistake that may be discovered in due course.
- To enable us to change the provider of banking services to another bank.
- We may also remove, change or add to these Terms and Conditions for any reason which we may consider is valid.

10 Termination

10.1 We have the right to make any amendment to these provisions in order to comply with a change of applicable law or regulation, by giving you 30 business days' written notice. If the change is to the Member's advantage then notice can be given within 30 business days of the change.

10.2 These provisions as varied, if appropriate, shall continue until the Individual Funds have been terminated by the payment of a transfer value to another Pension Scheme or the provision of annuity/death benefits in the appropriate form.

10.3 No fees or charges at that time paid shall be refunded and those payable shall remain so. Termination will be without prejudice to the completion of transactions already initiated and the Trustee is authorised to continue to operate the bank accounts relating to the Individual Funds after notice has been given for the purpose of settling or receiving monies in respect of transactions already initiated and paying any expenses or fees due to the Trustee or other parties.

11 Confidentiality

11.1 The Trustee undertakes not to disclose, at any time, information coming into its possession during the continuance of the Individual Funds except to the Member's agents (including their Financial Adviser and Investment Manager) or any investment provider with whom the Individual Fund has been invested or the organisation through which the Individual Fund has been introduced, unless expressly authorised to do so or where required to do so by law or any regulatory purpose and such information will be held in accordance with the provisions of Data Protection legislation.

11.2 We may also give essential information about the Individual Fund to others, but only if necessary to run the Individual Fund.

11.3 You should give all instructions and written notices regarding the Scheme to the Trustee.

11.4 Any written notice or communication should be posted or delivered to MC Trustees (Malta) Limited or faxed to +356 21 384943 or as may be notified from time to time. In the event of a dispute no instruction or notice shall be deemed to have been given by or on behalf of the Member unless by proof of receipt.

Conflict of Interest

12.1 MC Trustees (Malta) Limited recognises that conflicts of interest do exist in our business. Due to this, we take all reasonable steps to identify conflicts of interest and maintain and operate effective controls around such conflicts of interest.

12.2 When MC Trustees (Malta) Limited acts in its capacity as Trustee of MCTMPRS we, or some other person connected with us, may have an interest, relationship or arrangement that is material in relation to the investment, transaction or service concerned. However our employees are required to comply with a policy of independence and disregard any such interest, relationship or arrangement.

13 Jurisdiction

13.1 This agreement shall be construed in accordance with the laws of Malta and the parties submit to the exclusive jurisdiction of the Maltese courts and appellate courts therefrom.

14 Charges

14.1 The charges for the Scheme form part of this Agreement and are set out in the current MCT Malta Private Retirement Scheme Charges Schedule, a copy of which you acknowledge has been supplied to you.

14.2 If additional services are offered in the future or additional forms of investment are permitted, then charges for these may not be reflected in the MCT Malta Private Retirement Scheme Charges Schedule and you should ensure you refer to the latest MCT Malta Private Retirement Scheme Charges Schedule for up to date information.

14.3 All figures are exclusive of any Value Added Tax (VAT).

14.4 All charges will be deducted when required by the Trustee from the Member's designated bank account unless there are insufficient funds available.

14.5 The Trustee reserves the right to realise investments to pay charges if there are insufficient funds otherwise available and may require sufficient funds to be maintained in the Member's designated bank account to cover charges. The Trustee shall be entitled by 30 business days' notice given to the Member to increase the level of fees and charges above the level of any predetermined increases herein provided for.

14.6 All fees and charges must be deducted from funds held in the Scheme.

14.7 The Trustee reserves the right to charge interest on late payment of fees at 3% over base rate as determined by the Central Bank of Malta, subject to any limitations prescribed in terms of applicable Maltese legislation.

15 Services

The following management and administration services are provided:

15.1 Establishment of Individual Funds

15.2 Setting up administration record systems.

15.3 Receipt of transfer payments into/out of the Scheme.

15.4 Maintenance of records.

15.5 Carrying out of investments.

15.6 Annual statements detailing assets and transfer payments received in the year.

15.7 Setting up bank accounts.

15.8 Maintaining records of investment transactions.

15.9 Settlement and payment of benefits.

15.10 Such other services as may from time to time be necessary to efficiently administer the Individual Funds and to comply with the requirements of the MFSA.

15.11 Reporting to HMRC in accordance with the provisions of SI2012 No 884.

15.12 The MCTMPRS has no other responsibilities or liabilities to Beneficiaries.

16 Miscellaneous

16.1 We may operate a telephone recording system and calls may be recorded for training and monitoring or security purposes.

16.2 A copy of this document, and the Scheme Trust Document and profiles of the Principals of the Administrator can be found on our website at <http://www.mctrustees.com.mt>

16.3 The accounting date of the scheme is at each December calendar year end.

MCT Malta Private Retirement Scheme Charges Schedule 2016

- **This document should be read in conjunction with the MCT Malta Private Retirement Scheme Key Features Document and the MCT Malta Private Retirement Scheme Terms and Conditions of Business**
- **It lists all the charges we may make and breaks them down into categories**
- **The terms we use are defined on page 15 in the order they appear on this page**
- **Fees are not subject to VAT (unless specified)**
- **There will be additional charges made by the provider of any investment products**
- **If you have a financial adviser they will also charge for their services**
- **Other external fees applied to the scheme will be charged pro rata. These will include Auditors and Investment Manager fees.**
- **All fees are in British Pounds Sterling**

Joining	£
The joining fee includes establishing the scheme and arranging for the transfer in of up to 3 pension arrangements	1,400 or 0.4% of fund value (if greater). Maximum fee 4,500

Annual	
The annual fee includes the following investments and services:	1,400 or 0.4% of fund value (if greater). Maximum fee 4,500

- Equity based discretionary, advisory or execution only portfolio management using one stockbroker
- Cash
- Insured products subject to no more than 5 holdings
- Annual valuations
- Receipt of contributions
- Illustrations

Further transfers in (after joining)	£
▪ Transfer in of additional cash from another pension scheme	300
▪ In specie transfer in	800

Payment of Benefits	
Setting up pension and cash payments	250
Pension Payment (per annum)	250
Registering you for tax and submitting tax returns in Malta (per annum)	100
Purchase of Annuity	250
Distribution of Death Benefits	1000

Transfers Out	£
year 1	4500
year 2	3000
year 3	1500
year 4 onwards	800
Transfers to MCT Simple SIPP	Free
Other Occasional Fees	
	£
Excessive correspondence – more than 50 items sent in 3 months	10 per item
New unlisted investments	400
Change of Investment Manager or Platform after initial set up	400
Change of currency after initial set up	200
5 year annuity certificate	150
Change of Financial Adviser Firm after set up	200
Adhoc investment valuation	50
Certification for certain specialised investments	50
Group of Sales and Purchases (Switches)	First 5 pa free then £30 per switch

Notes

- Lombard Bank Malta plc will charge 0.125% for transfers into any account held with them. For accounts opened in Euros the charge only applies for payments received over €5,000. The maximum charge to be applied is €30.
- For all other payments received the charge is min. 5 GBP or USD; max. 30 GBP or USD.
- For funds leaving Lombard Bank Malta plc accounts, the charges are as follows:
 - For SEPA (Single Euro Payments Area) requested payments, the charges are:
 - For €1,000 or under the charge is €1
 - For over €1,000 the charge is €4
 - For all other transfers the charge is 0.125% (min. €5; max. €30)
 - If transfer is for Same Day Value then the above charges are doubled
 - For all SWIFT payments the charge is €5 per transfer
 - For non-Standard Transfer Payments:
 - For payments made in Euros the charge is €10 per transfer
 - For all other payments the charge is min. 5 GBP or USD; max. 30 GBP or USD
- Additional fees will be charged for unduly time-consuming transactions or work not listed above. External professional fees will be met by the fund.
- Annual fees are deducted from the fund in advance, the effective date being determined by the date the first cash was deposited in the bank account, which is when the joining fee is taken.
- Other fees, as detailed on the MCTMPRS Charges Schedule, are deducted from the fund on completion of the transaction.
- Fees will increase in accordance with the Retail Price Index issued by the Maltese National Statistics Office for the preceding calendar year. Any such increase will be effective from 1 January and will be applicable for 12 months.

Definitions

Joining fee	This is the charge for preparing and processing the documentation to make you a member of the MCTMPRS. It includes opening the bank account.
Transfer in	Taking a cash amount into the MCTMPRS from another pension you have.
Annual fee	This is the basic charge we make for running the MCTMPRS.
In specie transfer	The transfer of an asset from another pension scheme to this one.
Annuity	A policy issued by an insurance company whereby it provides a guaranteed income for life in exchange for a lump sum



MCT Malta Private Retirement Scheme

Licensed and Regulated as a Personal Retirement Scheme by the Malta Financial Services Authority (MFSA)

If you would like a copy of this document in larger print, please contact us on +356 21 383943.

The MCTMPRS is administered by MC Trustees (Malta) Limited.

Tel: +356 21 383943

Fax: +356 21 384943

Email: mail@mctrustees.com.mt

Website: www.mctrustees.com.mt

MC Trustees (Malta) Limited is registered in Malta at
93 Mill Street, Qormi QRM3102, Malta
Co Reg No C48412

MC Trustees (Malta) Limited is authorised and regulated by the Malta Financial Services Authority

MC Trustees (Malta) Limited is registered as an Administrator for retirement schemes with the Malta Financial Services Authority