

Fact Sheet - Alternative Deposit Accounts

Fact Sheet | August 2011

This factsheet is intended for information purposes only. Its contents are not to be used as legal, financial or tax advice. The tax treatment and tax benefits are based on our understanding of current tax and other legislation, and depend on a customer's individual circumstances. They may be subject to change in the future.

To provide our SIPP investors with a facility to invest their cash in banks other than Bank of Scotland (part of Lloyds Banking Group), Suffolk Life (we/us) have established alternative bank accounts with the Clydesdale Bank (Clydesdale), Royal Bank of Scotland (RBS), Barclays Bank (Barclays) and HSBC (collectively referred to as the Alternative Bank Accounts). You (or your adviser) have recently instructed Suffolk Life to transfer funds from your Bank of Scotland (BOS) SIPP bank account to an Alternative Bank Account. The following sets out the terms on which this service is provided:

Your Suffolk Life SIPP has a default, individual designated bank account with the Bank of Scotland (BOS).

Alternative Bank Accounts are pooled accounts held in the name of a Suffolk Life group company and are not individually designated.

These Alternative Bank Accounts will always be in addition to the default BOS SIPP bank account.

Fees and Charges

We will charge a fee of £25 for the initial transfer into the Alternative Bank Account.

If you instruct us to transfer any additional sums either to or from the Alternative Bank Account we will charge a transaction fee of £25, in addition to any bank charges, for each transfer.

Interest

The interest you receive will be in line with the respective bank's base rate. The BOS (default account) interest rates below are valid from September 2011 and the interest rates for the Alternative Deposit Account will be effective from 1st January 2012:

| | £0 to £49,999.99 | £50,000 to £249,999.99 | £250,000 and over |
|-----------------------|---------------------|---------------------------|----------------------|
| BOS (default account) | 1% below* | 0.5% below* | 0.25% below* |
| Barclays | 1.5% below | 1.0% below | 0.75% below |
| Clydesdale | 1.5% below | 1.0% below | 0.75% below |
| HSBC | 1.5% below | 1.0% below | 0.75% below |
| RBS | 1.5% below | 1.0% below | 0.75% below |

*Subject to a minimum of 0.15% provided Bank of Scotland's base rate does not fall below 0.5%.

If the bank's base rate does fall below 0.5%, but remains above zero, the BOS SIPP bank account will receive the higher of the above rates or zero.

If the bank's base rate does fall below zero, we will contact you and notify you of the situation and provide you with three months' notice of any change to our current policy.

Interest on these Alternative Bank Account(s) will be paid gross and credited to your BOS SIPP bank account on a monthly basis. Interest on your BOS SIPP bank account will be paid monthly.

Should the rates of interest or banking terms change, we reserve the right to amend these terms by giving you 30 days notice.

Minimum balance

We require you, at the time of making an investment, to keep a minimum balance in your BOS SIPP bank account appropriate to the regular transactions in your SIPP (pension income payments, loan repayments, etc).

Use of the Alternative Bank Account

The Alternative Bank Account is only a deposit service; no transactions can be carried out through the Alternative Bank Account (including settling of transactions, payment of income and receipt of premiums). All such transactions will continue to be made through your BOS SIPP bank account.

Financial Services Compensation Scheme (FSCS)

Our understanding is that these Alternative Bank Accounts are covered by the FSCS to the current limit of £85,000 per institution. Please see our separate fact sheet on how we believe the FSCS would apply in respect of your SIPP should a bank fail.

Suffolk Life is the trading name of Suffolk Life Pensions Limited (registered in England and Wales number 1180742) and Suffolk Life Annuities Limited (registered in England and Wales number 1011674). Both companies are authorised and regulated by the Financial Services Authority. Suffolk Life operates and administers self-invested pensions and similar pension products. The registered address of both companies is 153 Princes Street, Ipswich, Suffolk, IP1 1QJ , United Kingdom. Tel: 0870 414 7000 Fax: 0870 414 8000 Telephone calls to Suffolk Life are recorded for training, monitoring and fact verification purpose