

Terms & Conditions

of the Suffolk Life MasterSIPP

This is a legally binding document between you and Suffolk Life.
It is part of a set all of which should be read together:

- » Key Features
- » Personal Illustration
- » Schedule of Fees
- » Schedule of Allowable Investments
- » **Terms and Conditions**
- » Application Form

SIPP

SUFFOLKLIFE
THE INTELLIGENT APPROACH

This is an important document which sets out the terms and conditions of **your SIPP** and how it will be operated. You should read the whole document from paragraph 1 to the end of paragraph 22. Additionally, if you hold **property in your SIPP** or have protected rights held in a Trustee Investment Plan issued by Suffolk Life Annuities Limited (this may be applicable if you applied for your MasterSIPP between 1 October 2007 and 15 March 2010), you should also read the Appendices.

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i The Suffolk Life MasterSIPP (your SIPP) is a self-invested pension plan which allows you choice in how your pension assets are invested. You (or your employer) can contribute to your SIPP and you can arrange for pension benefits held in other pension arrangements to be transferred into your SIPP (though this is a specialist area and you must seek appropriate advice before taking action). For example, you might decide to consolidate several different pension entitlements currently with insurance companies or previous employers into one place in your SIPP.

Importantly, your SIPP allows you to hold “protected rights” benefits alongside your other pension benefits. This means that you can choose to invest your protected rights monies in a wider range of investment options than is normally available for them.

Your SIPP will have its own bank account and all monies paid into your SIPP will be credited to that account and benefits will be paid from it. Unless an investment manager has been appointed, investment income and proceeds from investments will be credited to the SIPP bank account and, when investments are purchased, these will be paid for from the bank account.

Please read through these terms for full details on how your SIPP operates. If you have any questions, please contact your adviser or call us on 0870 414 7000 or you can browse the information, factsheets, case studies and frequently asked questions at www.suffolklife.co.uk.

1 Understanding this document

- 1.1 This document is set out in numbered paragraphs and sub-paragraphs. References to a paragraph are references to all the sub-paragraphs which form part of that paragraph. For example, a reference to paragraph 1 is a reference to paragraphs 1.1 to 1.7 inclusive.
- 1.2 This paragraph 1 sets out the meaning of words and expressions used in this document and these defined words are printed in **bold** each time they are used. To make this document easier to read, we have sometimes also repeated these definitions in the main text.
- 1.3 Some explanatory notes are highlighted by the use of information boxes which appear directly below the content and are prefaced with a *symbol: these are intended to help explain the **terms** more clearly, but they do not form part of these **terms** and if there should be any conflict between the explanatory notes and these **terms**, these **terms** will take precedence.
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- *These notes aim to provide helpful explanation, but they don't have any legal effect.**
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- 1.4 Headings and sub headings in these **terms** are for ease of reference only and do not form part of these **terms**.
- 1.5 References to “we”, “us”, “our” or “ourselves” in these **terms** are references to Suffolk Life Pensions Limited of 153 Princes Street, Ipswich, IP1 1QJ, acting as scheme administrator and operator of the **scheme**. Subject to paragraph 13.2, references to “you” or “your” are to you as an investor in and a member of the **scheme** following acceptance by **us** of a properly completed and signed application form. It also, where appropriate, includes **your** personal representatives after **your** death and any person who is entitled to receive benefits (other than lump sum benefits) following **your** death.
- 1.6 The words and expressions in the box opposite have the meanings listed below (please note that if **your SIPP** invests in **property**, there are some additional definitions set out in the Appendices).
- 1.7 Any reference to a statute includes any re-enactment or modification of it and any regulations made under it.

Expression

What it means in this document

| | |
|--------------------------------|---|
| agent | <p>a person whom you appoint in accordance with paragraph 13.1 to act on your behalf in relation to your SIPP or any part of your SIPP.*</p> <hr/> <p>*You might want to appoint an investment professional/financial adviser or a member of your family to act on your behalf. Details are in paragraph 13</p> |
| allowable investments schedule | <p>the current schedule published by us listing the types of investment which may be held by your SIPP.</p> |
| arrangement | <p>as defined in section 152 of the Finance Act 2004.</p> |
| bank | <p>the Bank of Scotland and/or such one or more other approved credit institutions as we (or in respect of property investments, Suffolk Life Annuities) may from time to time decide.</p> |
| business day | <p>any day (other than a Saturday) on which banks are generally open in London for transacting normal banking business.</p> |
| costs | <p>includes fees, charges and expenses and other amounts referred to in paragraph 14.2.</p> |
| force majeure | <p>as described in paragraph 17.2.</p> |
| FSA | <p>the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.</p> |
| FSCS | <p>the Financial Services Compensation Scheme.*</p> <hr/> <p>*More information on the FSCS is available from www.fscs.org.uk or by telephone on 020 7892 7300.</p> |
| HMRC | <p>HM Revenue & Customs.</p> |
| investment | <p>any stocks, shares, units or other securities, property, loans, cash deposits or other investments, or rights to or interests in such investments.</p> |
| investment manager | <p>a person or organisation appointed in accordance with paragraph 7.1.*</p> <hr/> <p>*You can ask us to appoint an investment manager to handle investment transactions for your SIPP. The investment manager can be appointed to act on an execution-only basis (where you – or your agent – make all the investment decisions), or on an advisory or discretionary basis. Details are set out in paragraph 7.</p> |
| non-protected rights | <p>the part of your SIPP which does not relate to protected rights.</p> |
| property | <p>includes land and interests in land.</p> |
| protected rights | <p>any pension rights arising as a result of being contracted-out of the State Second Pension (formerly SERPS) and which have been transferred to the scheme.*</p> <hr/> <p>*Protected rights benefits can arise if you have been contracted out of the State Second Pension (formerly SERPS).</p> |
| schedule of fees | <p>the current schedule published by us setting out the fees and charges which will be due in respect of your SIPP.</p> |
| scheme | <p>The Suffolk Life Appropriate SIPP, a registered pension scheme established under the trust deed and rules.*</p> <hr/> <p>*The Suffolk Life MasterSIPP is a self invested personal pension plan established under the scheme.</p> |

| | |
|------------------------|--|
| SIPP bank account | <p>the designated bank account of the trustee opened with the bank for the purposes of your SIPP in accordance with paragraph 5.1.*</p> <hr/> <p>*Your SIPP will have its own bank account and all monies paid into your SIPP will be credited to that account and benefits will be paid from it. Unless an investment manager has been appointed, investment income and proceeds from investments will be credited to the SIPP bank account and, when investments are purchased, these will be paid for from the bank account. More details are in paragraph 5.</p> <hr/> |
| Suffolk Life Annuities | Suffolk Life Annuities Limited, an insurance company registered in England under company number 1011674 of 153 Princes Street, Ipswich, IP1 1QJ. |
| Suffolk Life | either Suffolk Life Annuities or us . |
| Suffolk Life Group | us , any of our subsidiaries or any holding company of ours , or any subsidiary of any such holding company. |
| terms | the terms and conditions of your SIPP , as set out in this document including the Appendices and in the other documents referred to in paragraph 3.1 below, as updated from time to time. |
| trust deed and rules | the trust deed under which the scheme is constituted, together with the rules annexed to the trust deed, as amended from time to time. This trust deed was signed by Suffolk Life Annuities , by the trustee and by us on 5 September 2007. |
| trustee | Suffolk Life Trustees Limited, a company registered in England under company number 6341296 of 153 Princes Street, Ipswich, IP1 1QJ, which has been appointed under the trust deed and rules to act as trustee of the scheme or its successor. |
| your SIPP | the Suffolk Life MasterSIPP in which you have invested. References to your SIPP include any investments or benefits held within it, except where the context otherwise requires. |

2 Legal and regulatory information

- 2.1 **Your SIPP** is established under the **scheme**. The **scheme** was established by **Suffolk Life Annuities** and **us** and is registered with **HMRC**. The **trustee** will hold all the assets of the **scheme** in accordance with the **trust deed and rules**. **We** are the operator and scheme administrator of the **scheme** and the company with whom **you** are contracting in respect of **your SIPP**. **We** administer the **scheme** in accordance with the **trust deed and rules**. In the event of any conflict in these **terms** with the **trust deed and rules**, the **trust deed and rules** will take priority.
- 2.2 Both **we** and **Suffolk Life Annuities** are authorised and regulated by the Financial Services Authority (**FSA**). Both **we** and **Suffolk Life Annuities** are each entered on the **FSA** Register. **Our** **FSA** register number is 116298 and **Suffolk Life Annuities'** **FSA** register number is 110468. **You** can check this information on the **FSA's** Register by visiting the **FSA's** website www.fsa.gov.uk/register or by contacting the **FSA** on 0845 606 1234.
- 2.3 Both **we** and **Suffolk Life Annuities** are covered by the **FSCS**. **You** or **your SIPP** may be entitled to compensation from the **FSCS** if **we** or **Suffolk Life Annuities** cannot meet **our** respective obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation arrangements is available from the **FSCS**. The correspondence address is 7th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN.
- 2.4 **Your SIPP** is a contract between **you** and **us**. These **terms** confer benefits on **Suffolk Life Annuities** and on the **trustee** and **you** agree that these **terms** are enforceable by them. Subject to that, **you** agree that nobody else has any rights under the Contracts (Rights of Third Parties) Act 1999 in relation to these **terms**.
- 2.5 **We** will treat **you** as a retail client (as defined by the **FSA**) in respect of the services **we** will provide **you**, which means that **you** will benefit from the highest level of customer protection. This means that **we** will provide **you** with information in a more straightforward way than **we** would to a financial services company.
- 2.6 These **terms** (and any policies issued by **Suffolk Life Annuities** in connection with these **terms**) shall be governed by and interpreted in accordance with English law.

3 Your membership of the scheme

- 3.1 By signing the application form for **your SIPP**, **you** are agreeing to establish **your SIPP** and to become a member of the **scheme** on these **terms**. **You** are also accepting:
- the **trust deed and rules**,
 - the **allowable investments schedule**,
 - the **schedule of fees**,
 - the *Suffolk Life MasterSIPP key features document*, and
 - (if **your SIPP** invests in property) *A guide to SIPP property purchase, property insurance notes, property form and group investment agreement* (where applicable)
- as they are updated from time to time. These are available online from www.suffolklife.co.uk or on request on 0870 414 7000 and form part of these **terms**. By giving **us** instructions or issuing requests to **us** in relation to **your SIPP**, **you** will be confirming **your** acceptance of these **terms** as amended by **us** from time to time in accordance with paragraph 20.2 below.
- 3.2 As a member of the **scheme**, **you** can choose subject to the then current **allowable investments schedule** how the assets making up the value of **your SIPP** are to be invested. The operation of this is explained in detail in paragraphs 5 to 10 below. Benefits under **your SIPP** will be determined wholly by reference to the value of the assets and liabilities which are held in respect of **your SIPP**, including the balance on the **SIPP bank account**.
- 3.3 **Pension benefits** held within **your SIPP** will represent a single **arrangement** for the purposes of the **scheme**, although **we** may decide that it should be split into two or more separate **arrangements** or where **we** are required to set up one or more separate **arrangements** to receive transfers of already crystallised benefits.
- 3.4 Each **arrangement** is initially treated as 1,000 separate units. Contributions and transfers will be apportioned equally among all the separate units from which benefits have not been taken or which have not been cancelled for partial transfers out.*

*3.4 Dividing your SIPP into separate units gives you more flexibility in drawing benefits.

3.5 If **you** are under 18 **your** legal guardian must sign the application form for **your SIPP** on **your** behalf. **Your** legal guardian will then be responsible for **your SIPP** as if they were the member until **you** reach the age of 18. Until **you** reach the age of 18, only **your** legal guardian will therefore be able to give instructions to **us** on **your** behalf. All **your** other rights and obligations under these **terms** will apply to **your** legal guardian until **you** reach the age of 18 at which point they automatically apply to **you**.

4 Contributions and transfers

4.1 If **you** are eligible, **you** and/or any other person, subject to any requirements that we have for verifying the other person's identity, may make contributions to **your SIPP** at any time. All contributions must be expressed in sterling. These may be single contributions or regular payments. Subject to the following provisions of this paragraph and any conditions from time to time imposed by **us** (whether that is a minimum amount for any contribution or otherwise), **you** may decide the amount and timing of any contribution.*

***4.1 You or your employer can contribute to your SIPP, as can other individuals. Personal contributions are usually paid net of basic rate tax and we reclaim that tax relief on your behalf and credit it to your SIPP.**

4.2 After giving **you** at least 30 days' prior written notice **we** may specify the minimum amount of any contribution, vary any other requirements subject to which **you** may pay any contribution or refuse to accept any further contributions that **we** receive from **you**.

4.3 Subject to **our** agreement on each occasion and to any **HMRC** requirements, a contribution may be satisfied by a transfer to **us** of assets. The terms of any such transfer, including the payment of **costs**, will be as agreed between **you** and **us**.

4.4 Under the law at the date of this document:

- a. **your** own personal contributions will normally be treated as being paid net of basic rate tax, which **we** will seek to reclaim from **HMRC** if and to the extent **you** are entitled to tax relief on that contribution. **You** are responsible for informing **us** if **you** are not entitled to tax relief on the whole or part of a contribution. Any sum reclaimed will not be available for investment until it is received from **HMRC**, which will normally take between 6 and 11 weeks from the date of **your** contribution. **You** are responsible for claiming any higher rate tax relief to which **you** are entitled; and
- b. any contributions paid by **your** employer will be paid gross.

4.5 If **you** make contributions to **your SIPP** which, with contributions to other registered pension schemes, are in excess of the amount on which **you** are entitled to tax relief, **we** may agree to repay the excess contributions to **you**, provided that sufficient monies are available in **your SIPP** and **we** are satisfied that any amounts due to be repaid to **HMRC** have been repaid out of **your SIPP**. If insufficient monies are available in **your SIPP**, **we** may at **our** discretion direct the **trustee** to dispose of assets to repay **you** or **HMRC**. If **you** have taken benefits under **your SIPP** or transferred out of **your SIPP**, **you** agree to be responsible for any losses and/or expenses in respect of any tax due by **HMRC** as a result of any excess contribution being paid that arise from any untrue, misleading or inaccurate information deliberately or carelessly given by **you** or on **your** behalf. Further provisions in respect of tax relief on contributions are set out in paragraph 18.1.

4.6 Unless **you** inform **us** otherwise, the pension input period for **your SIPP** will be from 6 April to 5 April each year (this is not a nomination by the scheme administrator).*

***4.6 A pension input period is specific to a registered pension scheme and is used to test all your pension contributions against the annual allowance. Where the total of all contributions to all registered pension schemes made during pension input periods for each scheme ending in any one tax year are more than the annual allowance, except in specific circumstances, you will be liable to an annual allowance charge.**

4.7 **Your SIPP** cannot be used to contract out of the State Second Pension to receive minimum contributions from the National Insurance Contributions Office.

4.8 Other pension benefits from a registered pension scheme may also be transferred into **your SIPP**, subject to **our** consent, applicable legislation and **HMRC** rules. The terms of any such transfer, including the payment of **costs**, will be as agreed between **you** and **us**. *

***4.8 If you have benefits in other pension arrangements, it may be possible for you to transfer these into your SIPP. This is a specialist area and you should take appropriate advice first.**

4.9 It is **your** responsibility to ensure that a transfer of pension benefits is in **your** best interests. **You** should take independent advice from a suitably qualified adviser. Neither **we** nor the **trustee** give or are authorised to give advice, nor does **Suffolk Life** or the **trustee** check **your** transfer application for suitability.

- 4.10 If, in relation to a contribution or transfer paid in respect of **your SIPP**, we act on investment instructions given under paragraph 8:
- before the contribution or transfer is received in cleared funds and that contribution or transfer subsequently fails to clear, or
 - before receiving a valid notice of cancellation signed by you,
- we may direct the **trustee** to dispose of any assets acquired in pursuance of those instructions without consulting you. If the amount realised upon the disposal of such assets is less than the cost of acquiring them, we will be entitled to charge to **your SIPP** an amount equal to the excess of the acquisition cost over the amount realised on disposal. We will notify you of the charge.

5 SIPP bank accounts

Default SIPP bank account

- 5.1 On receipt, all monies are deposited in the **SIPP bank account**. We will operate the **SIPP bank account** on behalf of the **trustee** and we will be the authorised signatory.*

***5.1 A separate bank account is set up for each SIPP: contributions and transfers are paid into this account, and benefits are paid from it. Unless an investment manager has been appointed, all investment transactions will be processed through your SIPP bank account. So, when investments are bought or expenses are paid, those are paid for from the bank account. Similarly, when investments are sold, and when income is received, those are credited to the bank account. If an investment manager has been appointed, then that manager may operate a separate bank account to handle transactions arranged by that investment manager. If your SIPP also holds monies in respect of property, a separate bank account will be opened for these in accordance with Appendices B and C.**

- 5.2 Where the **SIPP bank account** has a credit balance the account will earn interest at varying rates depending on the amount deposited. Interest is calculated gross on a daily basis and is credited to your account monthly. The rates of interest are based on the **bank's** base rate, which in turn generally mirrors the Bank of England base rate, and are paid on the whole balance, not just the part above the threshold.

The rates of interest at March 2010 are:

| Account balance | Interest paid |
|------------------------|----------------------------------|
| £0 to £49,999.99 | 1% below the bank's base rate |
| £50,000 to £249,999.99 | 0.5% below the bank's base rate |
| £250,000 and over | 0.25% below the bank's base rate |

- 5.3 The account balance bands and the variation from the **bank's** base rate may change in the future. The relevant interest rates at any time in the future will be available on our website www.suffolklife.co.uk or on request on 0870 414 7000.

- 5.4 Where the rate of interest earned by the **SIPP bank account** is less than the rate of interest paid by the **bank** to the **Suffolk Life Group** across all the accounts the **Suffolk Life Group** has with them, we will keep the difference.
- 5.5 For effective operation of **your SIPP**, we require you, at the time of making an investment or on transferring funds to an **investment manager**, to maintain a minimum balance in the **SIPP bank account**, appropriate to the regular transactions in your SIPP (eg unsecured income payments, loan repayments, fees, etc). We will advise you of this each time you ask us to make an investment or transfer funds to an **investment manager**. You are required to ensure that there are sufficient funds in the **SIPP bank account** to meet any expected ad hoc or regular payments. If there are insufficient funds in the **SIPP bank account** to make such payments, including payment of any benefits to you, we at our discretion will not make the payment.
- 5.6 The SIPP bank account may only be overdrawn in accordance with the terms set out in paragraph 10.
- 5.7 If:
- you give us instructions under paragraph 8 to acquire an **investment**, the amount to be invested will be transferred from the **SIPP bank account** to a central clearing client account held by us when we process your instruction;
 - we are required to pay expenses (including fees to your adviser authorised by you), the amount of the expenses will be transferred from the **SIPP bank account** to a central clearing client account held by us when we process the payment;
 - you request income payments to be made to you under paragraph 11, the gross amount of such payments will be debited to the **SIPP bank account** up to 5 **business days** prior to the payment date and transferred to a central clearing client account held by us;
 - we reclaim tax on contributions made by you under paragraph 4.4a, a single reclaim will be made in respect of all such contributions paid to the **scheme** and the resultant tax reclaim will be credited to a central clearing client account held by us pending allocation to **your SIPP**; or
 - we deduct tax under PAYE from income payments made to you, that tax will be credited to a central clearing client account held by us pending payment to **HMRC**, we will retain any interest arising on any such central clearing client account.
- 5.8 Provided Bank of Scotland's base rate does not fall below zero, the SIPP bank accounts will receive the higher of:
- the above rates; or
 - zero.

Alternative deposit accounts

- 5.9 In order to allow **your SIPP** to hold deposit accounts other than at the **bank, we** have established alternative bank accounts with Barclays Bank PLC (Barclays), Clydesdale Bank (Clydesdale), HSBC and Royal Bank of Scotland (RBS) (each referred to below as an **alternative deposit account**). The **alternative deposit accounts** are in addition to any fixed term deposits held for **your SIPP** - see paragraph 6.6.
- 5.10 The **alternative bank accounts** will always be in addition to the default **SIPP bank account**. The **alternative deposit accounts** are investment accounts and transfers to and from the **alternative deposit accounts** will incur investment transaction fees as set out in the **schedule of fees**. All cash transactions (including settlement of transactions, payment of income and receipt of contributions) will continue to be made through the **SIPP bank account**.
- 5.11 The **alternative deposit accounts** are pooled accounts held either in the name of the **trustee** as trustee of the **scheme** or by **us** as client accounts. The funds of **your SIPP** will therefore be pooled with those of other clients.
- 5.12 The interest **your SIPP** receives from the **alternative deposit accounts** will be in line with the respective bank's base rate, which in turn generally mirrors the Bank of England base rate, and are paid on the whole balance, not just the part above the threshold. The rates of interest at March 2010 are:
- | | £0 to £49,999.99 | £50,000 to £249,999.99 | £250,000 and over |
|------------|------------------|------------------------|-------------------|
| Barclays | 1.65% below | 1.15% below | 0.90% below |
| Clydesdale | 1% below | 0.5% below | 0.25% below |
| HSBC | 1.5% below | 1% below | 0.75% below |
| RBS | 1% below | 0.5% below | 0.25% below |
- 5.13 Interest on these **alternative deposit accounts** will be paid gross and credited to **your SIPP bank account** on a monthly basis. The account balance bands and the variation from the respective bank's base rate may change in the future. The relevant interest rates at any time in the future will be available on our website www.suffolklife.co.uk or on request on 0870 414 7000.
- 5.14 Where the rate of interest earned by **your SIPP** from the **alternative deposit account** is less than the rate of interest paid by the respective bank **we** will keep the difference.
- 5.15 Provided the respective **bank's** base rate does not fall below zero, the **SIPP bank accounts** will receive the higher of:
- the above rates; or
 - zero.

6 Investments

- 6.1 You may ask **us** to invest amounts credited to the **SIPP bank account** in accordance with paragraphs 7, 8 and 9.*

*6.1 You choose what to invest in subject to these terms and other legal, tax and regulatory rules. Details are set out in this (and the following) paragraphs.

- 6.2 **Investments** held for **your SIPP** will be held by the **trustee**, or on the **trustee's** behalf by an **investment manager**, nominee or third party custodian. The **trustee** is a bare trustee and will act only in accordance with directions given to it by **us**. **Your** entitlement as a member of the **scheme** is to pension benefits calculated in accordance with these **terms** based on the net value of the **investments** and other assets comprising **your SIPP** after deduction of **costs** and any liabilities.
- 6.3 Any investment income or capital gains arising from the assets of **your SIPP** and interest earned on the balance on the **SIPP bank account** and any **alternative bank accounts** held will be credited to, and form part of, the assets of **your SIPP**. Any loan or interest expense relating to **your SIPP** will be debited to, and form part of, the liabilities of **your SIPP**. If any member of the **Suffolk Life Group** receives any discounts, rebates, commissions or marketing fees relating to the assets of **your SIPP**, they will not be credited to and form part of **your SIPP**, but will be retained by the relevant member of the **Suffolk Life Group**.
- 6.4 We may direct the **trustee** or **investment manager** to dispose of any **investment** without consultation with **you** or **your** prior agreement:
- a. if, in **our** reasonable opinion, continued retention of such **investment** would be unlawful or would impose tax or other **costs** on **Suffolk Life** or the **trustee** or **your SIPP** or expose **Suffolk Life** or the **trustee** or **your SIPP** to liabilities which in each case **your SIPP** may not be able to meet;
 - b. if, in **our** reasonable opinion, the **investment** needs to be disposed of to return any tax or any relevant part of a pension contribution in accordance with paragraph 4.5, or to make a charge in accordance with paragraph 4.10, or to pay **costs** or liabilities in accordance with paragraph 14, or to restore any minimum balance required to be held in the **SIPP bank account**;
 - c. if that **investment** is not or is no longer a type allowed by the current **allowable investments schedule**; or
 - d. disposal of the **investment** is required by the terms of any applicable agreement, for example a co-ownership agreement;
 - e. in order to comply with the terms of a court order; or

- f. following **your** death in order to secure the benefits under paragraph 11.
- We will tell **you** if an investment is disposed of in accordance with this paragraph 6.4.
- 6.5 We will make arrangements for the custody of any **investments** that are not held by an **investment manager**.
- 6.6 If **you** tell **us** that you wish to invest in deposits with a bank or building society, other than the **SIPP bank account** or any **alternative bank account** (see paragraphs 5.9 to 5.10) the account must be in accordance with the current **allowable investments schedule**. We will not direct the **trustee** to enter into a term deposit of more than one year unless the bank or building society will agree that the **trustee** may withdraw the deposit during the term. Any penalty charged by the relevant bank or building society as a result of the early withdrawal of a deposit will be payable from **your SIPP**.
- 6.7 We will not direct the **trustee** to exercise, or ask an **investment manager** to exercise, voting rights in respect of any investment unless **you** ask **us** to; however **we** are not obliged to direct the **trustee** and neither the **trustee** nor any **investment manager** is under any obligation to vote in accordance with **your** wishes. We will not direct the **trustee** to appoint (and nor will any **investment manager** appoint) a proxy in respect of any **investments** in **your SIPP**.
- 6.8 Suffolk Life may receive information from investment managers or fund providers notifying us of any corporate actions in respect of investments held. Whilst we will take all reasonable endeavors to send these notices to you in a timely manner, we shall not be responsible for any loss or foregone profit resulting from you not receiving these notices in good time.
- 6.9 Neither **Suffolk Life** nor the **trustee** will be responsible for any loss (including loss of profit) in relation to, or diminution in value of, any **investment**:
- acquired at **your** request unless such loss or diminution results from fraud, wilful misconduct, negligence or breach of regulatory duty on the part of any member of the **Suffolk Life Group**, or the fraud, wilful misconduct, negligence or breach of regulatory duty of any of their employees or agents;
 - not acquired or not disposed of in accordance with our rights under these **terms**;
 - disposed of in accordance with these **terms** unless such loss or diminution results from fraud, wilful misconduct, negligence or breach of regulatory duty on the part of any member of the **Suffolk Life Group**, or the fraud, wilful misconduct, negligence or breach of regulatory duty of any of their employees or agents; or
 - which results from any action or omission of any nature whatsoever by any **investment manager** or

by any nominee, banker, custodian or other person providing services to any **investment manager** or to any member of the **Suffolk Life Group**.

- 6.10 Neither **we** nor any member of the **Suffolk Life Group** will be under any duty to consider, or advise on, the general or specific merits, suitability or appropriateness of any actual or proposed **investment** purchase or disposal and neither **we** nor any member of the **Suffolk Life Group** will be responsible for advice given by an **investment manager** or any exercise of discretion by an **investment manager**.
- 6.11 We reserve the right to amend the types of **investments** stated in the **allowable investments schedule** at any time should certain **investments** impose taxation or other onerous liabilities on **us** or where required by law. The **allowable investments schedule** (as amended from time to time) will be made available on **our** website www.suffolklife.co.uk, or on request by telephoning **us** on 0870 414 7000, and **you** will be responsible for ensuring that **your investment** choices fall within the **allowable investments schedule** as amended.

7 Investment managers

- 7.1 If **you** ask **us** to, we will direct the **trustee** to appoint a person (**investment manager**) chosen by **you** to:
- open an investment dealing account or platform to enable **you** to give instructions to acquire and dispose of **investments** for **your SIPP** on an execution only basis;
 - open an account with the **investment manager** who will advise **you** on how **your SIPP** (or any part of **your SIPP**) should be invested; or
 - open an account with the **investment manager** who will make investment decisions on **your** behalf on a discretionary basis in relation to **your SIPP** (or any part of **your SIPP**).
- You** may ask **us** to appoint different **investment managers** for different parts of **your SIPP**. If **you** do not ask **us** to appoint any **investment manager**, **you** may be restricted in the types of **investment** **you** can instruct **us** to acquire. We reserve the right not to direct the **trustee** to appoint any person chosen if they do not meet **our** requirements.
- 7.2 Where an **investment manager** is appointed on a discretionary or advisory basis **you** will agree with the **investment manager** an appropriate investment strategy (after taking into account the level of risk to be assumed). Responsibility for each and every investment transaction and for the short and long-term performance of the **investments** held by an **investment manager** are entirely matters for **you** and for the **investment manager**.
- 7.3 Any appointment of an **investment manager** for **your SIPP** (or any part of **your SIPP**) will be on such **terms** as we direct the **trustee** to agree with that

investment manager. We may require you to enter into the agreement with the **investment manager.** The **investment manager** will be responsible for:

- a. setting up the requisite client account arrangements for **your SIPP**;
- b. the registration and safe custody of **investments** in relation to which the **investment manager** is appointed;
- c. accounting regularly for all transactions and interest in relation to the relevant **investments** in a form acceptable to us; and
- d. carrying out investment transactions for **your SIPP.**

The client account arrangements referred to in this paragraph 7.3 may include a bank account operated by the **investment manager** to pay for **investments** purchased and expenses arising, to receive income arising on **investments** and to receive the proceeds of **investments.** Monies in this bank account and **investments** for which the **investment manager** is appointed will all be held by the **investment manager** in accordance with the terms of the **trustee's** (and, where applicable, **your**) agreement with that **investment manager.** These terms may permit the **investment manager** to pool monies and **investments** held by the **investment manager** in respect of **your SIPP** with monies and **investments** held by the **investment manager** for its other customers. In the event of any shortfall arising in any such monies and/or **investments** on the default of the **investment manager, your SIPP** may be responsible for its share in the shortfall proportionately with the other customers of the **investment manager.** We will continue to operate the **SIPP bank account** alongside any account operated by an **investment manager.**

- 7.4 Where you ask us to appoint an **investment manager,** you are responsible for ensuring that the terms of appointment the **trustee** enters into are acceptable to you, including the fees payable to the **investment manager.**
- 7.5 You authorise us to accept written instructions from the **investment manager** to transfer funds from the **SIPP bank account** to the **investment manager.**
- 7.6 Where a person is appointed as an **investment manager,** we may direct the **trustee** to terminate the appointment in accordance with the terms of the relevant agreement with the **investment manager.** We will do this where the **investment manager** ceases to be regulated by the **FSA** or we have severe doubts as to the financial stability of the **investment manager.** If we do this, we will tell you in writing.
- 7.7 If you want your **SIPP** to hold a listed **investment** we require you to request us to appoint an **investment manager** for **your SIPP.** This can be our default direct execution-only dealing and nominee (custody) service provider, Stocktrade a division of Brewin Dolphin Investment Managers. The fees and charges applicable to this service provider are available on our website

(www.suffolklife.co.uk) or will be provided on request on 0870 414 7000.

- 7.8 If you do not request us to appoint an **investment manager,** then when making investments (including transferring investments into your **SIPP**), other than those **investments** referred to in paragraph 7.7 above, we may direct the **trustee** to appoint Cofunds or another platform provider which we at our discretion select to hold those **investments.** The fees and charges applicable to these service providers are available on our website (www.suffolklife.co.uk) or will be provided on request on 0870 414 7000.
- 7.9 Where an **investment manager** is appointed you are appointed by us for the purposes of giving **investment** instructions to the **investment manager** on our behalf. We may at our discretion at anytime remove this authorisation. You are not authorised to transfer cash or assets away from the **investment manager.**
- 7.10 Neither **Suffolk Life** nor the **trustee** are responsible for your choice of any **investment manager** and are not liable for any loss caused by any **investment manager,** or by any nominee, banker, custodian or by any other person providing services to an **investment manager** unless such loss is attributable, directly or indirectly, to any fraud, negligence, wilful default or breach of regulatory duty on the part of any member of the **Suffolk Life Group** or their employees or agents.
- 7.11 We, the **trustee** or **Suffolk Life Annuities** will not act as **investment manager** for **your SIPP.**

8 Investment instructions

- 8.1 You may give instructions to us (or any relevant **investment manager** appointed in accordance with these terms) to acquire an **investment** for **your SIPP.** Where we are instructed, we in turn will direct the **trustee** to acquire that **investment.** An instruction given either to us or to an **investment manager** to acquire an **investment** will be subject to:
 - a. the limitations set out in the **allowable investments schedule** on the types of **investment** that may be acquired;
 - b. the minimum investment size, if any, for that type of **investment**;
 - c. the retention on the **SIPP bank account** of any minimum balance as may be specified by us in accordance with paragraph 5.5;
 - d. the appointment of an **investment manager** where we so require;
 - e. the execution by you of additional documentation if requested by us, for example, if you wish to purchase a **property**;
 - f. payment of fees to us in accordance with the **schedule of fees**;
 - g. the legislation applicable to registered pension schemes and to personal pension schemes holding

- an appropriate scheme certificate;
- h. all other relevant statutory provisions; and
 - i. any other provisions of these **terms**.
- 8.2 **We** will be entitled not to direct the **trustee** to acquire an investment in accordance with **your** instructions if:
- a. **your** instructions are not given or, if **we** request it, confirmed to **us** in writing;
 - b. insufficient cleared funds are available in relation to **your SIPP**;
 - c. **you** cancel a transfer into **your SIPP** to which the investment instructions relate;
 - d. the amount to be invested is less than the minimum investment size, if any, for that type of investment;
 - e. in **our** reasonable opinion, the carrying out of the instruction is impossible, unlawful, impracticable or contrary to any agreement by which **we** or the **trustee** are bound, or to any applicable court order;
 - f. **we** have given **you** notice to transfer **your SIPP** to another pension scheme in accordance with these **terms** and in **our** reasonable opinion the investment is illiquid or it is not practicable to complete the acquisition of the investment before the date on which **your SIPP** must be transferred;
 - g. in **our** reasonable opinion, the acquisition of such an investment may impose tax or other costs on any member of the **Suffolk Life Group** or **your SIPP** or expose any member of the **Suffolk Life Group** or **your SIPP** to liabilities which in each case **your SIPP** may not be able to meet;
 - h. in **our** reasonable opinion, acquiring any investments may require an offer to be made to purchase further shares pursuant to the City Code on Takeovers and Mergers or any other code or legislation, or any further assets;
 - i. in **our** reasonable opinion, making or holding the investment may give rise to an unauthorised payments charge, unauthorised payments surcharge or a scheme sanction charge, each in accordance with the Finance Act 2004; or
 - j. in **our** reasonable opinion, making or holding the investment may expose any member of the **Suffolk Life Group** or their directors or employees or members of their families to threats of or actual violence.
- We** will tell **you** if **we** direct the **trustee** not to acquire an investment in accordance with this paragraph 8.2.
- 8.3 If **you** instruct **us** to, **we** will instruct the sale or encashment of some or all of the investments within **your SIPP** as selected by **you** and apply the proceeds of sale or encashment, less any appropriate charge (and the expenses of sale), in the acquisition of further investments in accordance with **your** instructions. The proceeds of any sale or encashment will not be reinvested until such time as cleared funds have

been credited to the **SIPP bank account**. Any reinvestment will be subject to these **terms**. Pending reinvestment, any cash proceeds received will be credited to the **SIPP bank account**.

- 8.4 **We** will be entitled not to direct the **trustee** to dispose of an investment in accordance with **your** instructions if:
- a. **your** instructions are not given or, if **we** request it, confirmed to **us** in writing; or
 - b. in **our** reasonable opinion, the disposal of the investment is impossible, unlawful impracticable or contrary to the terms of any agreement by which **we** or the **trustee** are bound, or to any applicable court order.
- We** will tell **you** if **we** do not dispose of an investment in accordance with this paragraph 8.4.
- 8.5 **We** (or any relevant investment manager) will use all reasonable endeavours to transmit for execution any instructions **we** receive in accordance with these terms from **you** promptly. This is not always possible, so provided neither **we** nor the investment manager acts unreasonably, then neither **we** nor the investment manager will be liable for any loss or profit forgone between the time an investment instruction was received and when it was executed. **We** will not be responsible for any non-performance on behalf of any third party manager or provider.
- 8.6 All instructions, unless **we** are required to check the investment meets the allowable investments schedule, will be transmitted for execution in the order they are received by **us**.
- 8.7 Where **we** are instructed to arrange for the purchase or sale of an investment for **your SIPP** **we** shall request details from **you** of where **you** wish for the deal to be transmitted for execution. Where such information is not received within the timescale set out in **our** correspondence **we** will transmit the order in accordance with **our** order transmission policy. A copy of this is available on request.
- 8.8 If:
- a. **you** have not asked **us** to appoint an investment manager under paragraph 7 and have given **us** no instructions as to the investment or application of the whole or any part of any monies paid to **us** by way of contribution to, or transfer into, **your SIPP**;
 - b. any instructions that **we** receive from **you** or any investment manager cannot be implemented; or
 - c. pending implementation of any instructions, the relevant monies will, subject to paragraph 5.7, be held in the **SIPP bank account**.
- 8.9 Subject to paragraphs 11.2, 11.5 and, where applicable, paragraph B2.11, if any investment or property transaction is to be carried out between **your SIPP** and **you** or any person connected with **you** then the transaction must take place at market value. Market value is as defined in section 272(3) of the Taxation

and Chargeable Gains Act 1992. For this purpose a person is connected with **you** if that person falls within the definition of a connected person in section 993 of the Income Tax Act 2007. This includes amongst others, **your** spouse, civil partner, children, parents, siblings and other direct descendants and ancestors.

- 8.10 Where an **investment manager** is appointed, we are entitled to direct that **investment manager** not to acquire an **investment** in the circumstances referred to in paragraph 8.2 and we may direct that **investment manager** not to dispose of an **investment** in the circumstances referred to in paragraph 8.4. We will tell **you** if we direct the **investment manager** in accordance with this paragraph 8.10.

9 Investments in property

- 9.1 If **you** wish to purchase **property** for **your SIPP** or to transfer **property** into **your SIPP** in accordance with paragraphs 4.3 or 4.8, or otherwise to hold **property** as an asset of **your SIPP**, the provisions of Appendices B and C will apply.

10 Borrowing and overdrafts

- 10.1 In addition to using monies held in the **SIPP bank account** to purchase an **investment**, **you** may ask us to agree to borrowing. All borrowing must comply with Section 182, Finance Act 2004 and any other legal or regulatory requirements. The borrowing must be arranged in the **trustee's** name as trustee of the **scheme** and on terms satisfactory to us but we will not take responsibility for arranging a lender. As for **property**, please refer to Appendix C, paragraph C3.*

***10.1 Your SIPP can usually borrow up to 50% of its net value to fund a property acquisition or other investments.**

- 10.2 The **SIPP bank account** may be overdrawn only with **our** and the **bank's** prior agreement. We and the **bank** may agree to an overdraft, for example, to meet any **costs** or liabilities that we are entitled to charge to **your SIPP** or to pay unsecured income or alternatively secured benefits to **you** pending our receipt of sale proceeds for, or income from, an **investment**. Borrowing will not generally be permitted to pay benefits due under **your SIPP**.
- 10.3 If we agree to an overdraft, we or the **bank** may require it to be repaid or reduced by written notice at any time. All interest charged by the **bank** in respect of any overdrawn balance will be a liability of **your SIPP**. We will provide **you** with the details of the applicable interest rate on request. If the **SIPP bank account** becomes overdrawn without **our** or the **bank's** prior agreement, for example because a cheque paid into the **SIPP bank account** does not clear, the **bank** may charge a higher rate of interest. Our overdraft arrangement fees and renewal fees will be due and payable to **us** in accordance with the **schedule of fees**

in addition to any fees charged by the **bank**.

- 10.4 Any lender must be a bank, building society or similar organisation. In no case may the lender be **you** or anyone connected with **you**.

11 Transfers out and payment of benefits

- 11.1 **You** can require us by written notice to transfer the value of **your SIPP** to another pension arrangement at any time, subject to applicable legislation and HMRC rules. This will be done as soon as reasonably practicable and without penalty save that **your SIPP** will be liable for **costs** in accordance with paragraph 14.*

***11.1 If you choose to transfer out of your SIPP, the assets in your SIPP will generally be sold and the net value, after costs, will be transferred to your new pension arrangement.**

Alternatively, instead of realising assets and transferring a monetary amount, you can ask us to transfer assets "in specie". This avoids the costs involved in sale (and perhaps in repurchase in the new scheme), but will incur transaction and re-registration fees. We are not obliged to do this.

You can also ask us to pay lump sum benefits in specie, for example, asking for an asset to be transferred to you as part of your pension

- 11.2 If we agree, we may direct the **trustee** to transfer assets out of **your SIPP**:
- to **you** in satisfaction of benefits payable under **your SIPP**;
 - to another pension scheme that is a registered scheme within the meaning of section 153 of the Finance Act 2004 or which under that section is treated as a registered scheme;
 - to the person entitled after **your** death; or
 - in accordance with any court order.
- 11.3 We will not pay benefits, purchase an annuity or make a transfer in accordance with these **terms** and the **trust deed and rules** unless:
- we have received a signed instruction from **you** or the appropriate person to make the relevant payment or transfer;
 - we have received all required documentation and information from **you** or the appropriate person that we in our reasonable opinion believe is necessary;
 - we have received all charges due to us; and
 - all costs chargeable to **your SIPP** and all liabilities of **your SIPP** (including all **costs** arising in relation to any transfer) have been satisfied.
- 11.4 Where the **trustee** is unable to realise or transfer all or any of the **investments** of **your SIPP**, or is unable to do so on what we consider to be reasonable terms, we may in our absolute discretion defer the payment of benefits, the purchase of an annuity or a transfer

payment out requested under these terms until the trustee is able to realise the relevant investments (or able to do so on what we consider to be reasonable terms) and has received the cleared funds. We may also defer the transfer of all or any of the investments of your SIPP where it is impracticable or impossible to give effect to the transfer, until it becomes practicable or possible (as appropriate) to do so. We will inform you of any deferral under this paragraph 11.4.*

***11.4 If you wish to draw benefits or transfer out in cash, or to purchase an annuity, there must be sufficient cash in your SIPP. If investments have to be sold to raise the required cash, this may take time.**

Most quoted equities, gilts and unit trusts can be sold for cash very quickly. But property and some investment funds are illiquid and may take some considerable time to realise. Please think about this and plan ahead so that cash is available when you require it.

In particular, if you are drawing a regular income from your SIPP, it is your responsibility, with your adviser, to ensure that there is sufficient cash available to meet each income payment (including the associated PAYE) as it falls due.

- 11.5 Where the trustee has been unable to realise an investment, or has been unable to realise it on reasonable terms, we may, if we so choose:
- a. direct the trustee to transfer that investment to you in part or full satisfaction of any payment of benefits under your SIPP; or
 - b. require you to buy the investment from the trustee at fair market value or £1, whichever is the greater.

You must do all things and execute all documents that we may reasonably require to give effect to our rights under this paragraph 11.5.

- 11.6 After satisfaction of all liabilities of your SIPP and transfer of all assets out of your SIPP or payment of all benefits under your SIPP, we will close your SIPP and you will cease to be a member of the scheme.
- 11.7 You may choose to declare a trust over your interest in your SIPP. If you wish to do so you should take your own professional advice and contact us in advance. We reserve the right to review and approve any proposed documentation (although we are not obliged to do so). If documentation is used that we have not approved, we will not be obliged to deal with or recognise the trustees of that arrangement, save to the extent required by law.

12 Valuation and reporting

- 12.1 Your SIPP is operated primarily in sterling. If we acquire an investment or open a bank account for your SIPP which is denominated in another currency, we will maintain separate records in the other currency. If an investment is acquired (or a bank account is opened) by an investment manager which is denominated in another currency, we will hold records in the currency reported to us by the investment manager. We will produce a report for

each currency and a valuation summary showing all currencies converted to sterling will be sent to you at the appropriate reporting date set out in paragraph 12.3 below.

- 12.2 Your SIPP will be valued each business day using the latest available valuation information and this value will be used in most day-to-day administration activities, including values shown on our secure internet portal. The *Important Notes* page on our secure internet portal gives more detail about the basis on which the daily valuation is calculated. Please ask if you would like a copy. Additionally, each year a formal valuation will be carried out, as described in paragraph 12.3.*

***12.2 If you or your adviser sign up to use our secure internet portal, you or your adviser can check the value of your SIPP online at any time. This will show you the latest value according to our records.**

Additionally, each year we will carry out a formal valuation, ensuring that our investment and cash records are fully reconciled.

- 12.3 At least once each year, we will provide you, without additional charge, with a fully reconciled report which will include a formal valuation of your SIPP calculated as at the reporting date. The reporting date will usually be the first day of the calendar month in which the anniversary of the establishment of your SIPP falls, but we reserve the right to amend the reporting date by written notice to you. You may request us to provide such statements more frequently or on a different date, but we reserve the right to make an additional charge for providing statements in those circumstances.
- 12.4 The formal valuation of your SIPP is based on totalling the value of the assets of your SIPP at the reporting date less the value of its liabilities at that date. For these purposes, the investments of your SIPP will be valued at the close of business on the last business day before the relevant reporting date. Where there are no published prices for an investment (for example, property) it will usually be valued at its original cost price or last valuation where available. Subject to HMRC and other regulatory rules, we may, from time to time, adopt such valuation rules as we in our opinion consider appropriate.
- 12.5 You agree to review the formal valuation issued under paragraph 12.3 within three months of receipt by you or your adviser and to tell us of any discrepancies. In the absence of any questions raised by you, we shall be entitled to assume that the formal valuation fairly reflects all instructions given by you and is an accurate statement of the investments you wish to be held by your SIPP as at the reporting date.
- 12.6 Where Suffolk Life is required by legislation or other regulations to value your SIPP at market value, we will arrange for your SIPP's investments to be so valued. This will include, but is not limited to, the appointment

of an appropriately qualified valuer in respect of unquoted **investments** and interests in **property**. Where **we** need to appoint such a valuer **we** will notify **you** in advance for confirmation of the valuer **you** wish **us** to use and agreement to the valuer's fees. If **you** do not reply within 30 days **we** reserve the right to appoint valuers of **our** choice to carry out the valuation. The valuer's fees and any other **costs** associated with the valuation will be payable from **your** SIPP.

13 Agents

- 13.1 **You** may authorise one or more persons (each an **agent**) to act on **your** behalf in relation to **your** SIPP, including:
- to give instructions for the purposes of paragraphs 8.1 or 8.3,
 - to request the appointment of an **investment manager**, and/or
 - to receive communications in relation to **your** SIPP.
- For example, **you** may wish to appoint an investment professional and/or a financial adviser or a member of **your** family to do all or any of these things for the purposes of these **terms** on **your** behalf. Any such authority must be given in the application form for **your** SIPP or in such other form as **we** may require.*

***13.1 You might want to appoint a financial adviser, investment professional or a member of your family to act on your behalf in relation to your SIPP. For example, an agent can give investment instructions on your behalf or can ask us to arrange for an investment manager to be appointed.**

This role as agent is not the same as that of an investment manager (see paragraph 7). An investment manager will usually hold some of the assets of your SIPP and will carry out investment transactions.

An agent will never hold any assets or undertake transactions, but may instruct us (or an investment manager) to undertake transactions. More information is available on our website, www.suffolklife.co.uk.

- 13.2 If **you** appoint an agent in accordance with paragraph 13.1 above, references in these **terms** to "**you**" will include **your** agent.
- 13.3 **We** are entitled to assume that any **agent** remains authorised to act on **your** behalf until such time as **we** receive written notice of the withdrawal of that person's authority. **You** agree that **you** will ratify and confirm all actions which **your** agent takes on **your** behalf under these terms if **we** ask **you** to.

14 Fees, charges and expenses of your SIPP

- 14.1 The fees and charges payable to **us** in respect of **your** SIPP and the circumstances in which they may be increased are set out in the **schedule of fees** as amended from time to time.*

***14.1 Please read the schedule of fees and ask us if you have any questions about it.**

- 14.2 **We** will also be entitled to charge the following **costs** to **your** SIPP:
- all expenses incurred by **us** or the **trustee** (including claims, losses and liabilities) in acquiring, holding, disposing of, transferring or valuing any **investment** or other asset of **your** SIPP;
 - any administration costs incurred by **us** or the **trustee** in the purchase of an annuity in relation to **you**;
 - any administration costs incurred by **us** or the **trustee** and which **we** are entitled in law to recover in complying with any court order or provision made in relation to benefits under **your** SIPP in consequence of a divorce or dissolution of a civil partnership;
 - all fees, commissions, charges, disbursements and other costs charged by any **investment manager**, nominee, banker, custodian, solicitor, surveyor, mortgagee or anyone else providing related services or any **agent** (including any financial adviser) appointed in relation to **your** SIPP or any part of **your** SIPP;
 - all taxes, duties, levies or other liabilities to which **we** or the **trustee** become liable as a result of acquiring, holding, disposing of or transferring any **investment** or other asset allocated to **your** SIPP;
 - any other liabilities or scheme sanction charges payable or tax refunds due;
 - any amounts returned to **you** or to **HMRC** in accordance with paragraph 4.5;
 - any taxes, duties or levies (including VAT) in respect of fees, charges or **costs**, or amounts to which **we** or the **trustee** become liable as described in paragraph 18; and
 - any administrative costs incurred by **us** or the **trustee** (including legal expenses, disbursements or other costs) in complying with any court orders served on **Suffolk Life** and/or the **trustee** relating to **you**, **your** SIPP or **investments** relating to **your** SIPP.

Provided that this paragraph 14.2 will not apply to the extent to which such costs are attributable, directly or indirectly, to any fraud, negligence, wilful default or breach of regulatory duty on the part of any member of the **Suffolk Life Group** or any of their employees or agents.

14.3 Subject to paragraph 14.4, if **we** or the **trustee** become liable to:

- a. pay any tax or levies imposed on **your SIPP** or on any contribution paid or monies allocated in respect of it; or
- b. make any other payment to the UK Government or any governmental agency or self regulatory organisation of which **we** are or become a member, to the extent directly attributable to **your SIPP**,

we may reimburse **ourselves** in respect of the levy, tax, liability, charges or other payment by way of making a charge to **your SIPP** as **we** may reasonably determine. This will be on a basis similar to how the levy, tax, liability, charge or other payment has been calculated.

14.4 Paragraph 14.3 will not apply to the extent that the relevant event is attributable, directly or indirectly, to any fraud, negligence, wilful default or breach of regulatory duty on the part of any member of the **Suffolk Life Group** or any of their employees or agents.

14.5 All **costs** and liabilities which **we** are entitled to charge to **your SIPP** will be deducted from the **SIPP bank account**. If at any time the credit balance on the **SIPP bank account** is not enough to cover all such **costs** and liabilities in full, **we** may require **you** to dispose of **investments** and/or ask **you** to make an additional contribution, if allowed and having taken suitable advice, to **your SIPP** so that all amounts due can be paid. **We** will give **you** 30 days' written notice to do this. If **you** do not comply with these requirements, **we** may:

- a. overdraw the **SIPP bank account** and/or direct the **trustee** to dispose of **investments** at **our** discretion and without liability in order to pay the amounts due; or
- b. require **you** to pay **us** the amounts due.

14.6 If for any reason the value of the **investments** held in respect of **your SIPP** is insufficient to meet any such **costs** or liabilities or scheme sanction charges payable or tax refunds due, **you** agree to pay to **us** on demand the amount of any such shortfall.

14.7 **We** will continue to be entitled to **our** charges and to recover all **costs** and liabilities as referred to in paragraphs 14.1 to 14.6 above (including any such charges falling due and any such **costs** and liabilities incurred after **your** death) until all the assets of **your SIPP**, including the balance on the **SIPP bank account**, have been transferred out of **your SIPP** in accordance with these **terms**.

15 Information and communications

15.1 **We** may request, and **you** must provide, such information as **we** may reasonably require to give effect to these **terms**.

15.2 Unless otherwise specified in these **terms**, communications (including instructions) for the purpose of these **terms** may be given orally, in writing or via our secure internet portal. Communications in writing may be delivered personally, posted or sent by fax but may not be sent by email. All communications, whether from **you** or **us**, must be in English.

15.3 Communications to **us** from **you** must be made to **us** at the address set out in the application form (or any other address which **we** may specify by giving **you** notice in writing). Any communication in writing from **us** to **you** or **your agent** will be sent to the relevant address provided in **your** application form until **we** are told by **you** that **you** or **your agent** would like communications sent to a different address.

15.4 **We** may:

- a. telephone **you** at any time to discuss **your SIPP** without having been expressly invited by **you** to do so;
- b. in good faith rely on any communication which **we** reasonably believe to have been issued by **you** or **your agent**;
- c. rely upon any information provided by **you** in accordance with these **terms**;
- d. require **you** to make an instruction to **us** in writing before acting upon it;
- e. decline to accept or act upon any communication which **we** reasonably believe not to have been issued in accordance with the provisions of these **terms**, or if **we** reasonably consider that compliance with such communication would be impracticable or would give rise to a breach of any applicable law or regulation. In such circumstances **we** will use **our** reasonable endeavours to tell **you** promptly;
- f. record telephone conversations for training, monitoring and fact verification purposes; and
- g. deem any communication received after 5.00 pm on a **business day**, or on a day other than a **business day**, to have been received on the following **business day**.

15.5 Where, in these **terms**, a period of notice is to be given to **you**, that period of notice will be calculated from the date on which the notice was sent to **you**.

16 Data protection and confidentiality

- 16.1 We may record all telephone conversations relating to **your SIPP** including, but not limited to, recordings of investment instructions.
- 16.2 We will take all reasonable technical and organisational security measures to prevent the unauthorised or unlawful processing of **your** personal data and accidental loss or destruction of, or damage to, such data.
- 16.3 We will comply with the Data Protection Act 1998. Please ask **us** if **you** would like details.
- 16.4 For the purposes of the Data Protection Act 1998 we will be the data controller in relation to personal data provided by **you**. We may in exceptional circumstances in connection with **your SIPP** process sensitive data as defined under the Data Protection Act 1998. This could include information relating to **your** physical or mental health or condition and/or sexual life. The collection and processing of sensitive information would be on a strictly need-to-know basis.
- 16.5 We may disclose information orally, in writing (including by email) or via **our** secure internet portal concerning **you** and **your SIPP**:
- subject to law, to any person anywhere in the world in the proper performance of **our** obligations under these **terms**, including to any other companies within the **Suffolk Life Group** and any of **our** agents, delegates and advisers; or
 - as required by law or any competent authority; or
 - to any person we reasonably believe to have been appointed by **you** as **your agent** or as an **investment manager**; or
 - with **your** prior written consent.
- 16.6 We may use any sources that we consider appropriate, including electronic data sources, for the purposes of verifying **your** identity or any other information that **you** provide to us. Where we carry out an electronic identity check this will be with a reputable referencing agency. A record of this check will be maintained by the referencing agency.
- 16.7 The **bank** or any **investment manager** appointed may carry out an electronic identity check on **you**. The **bank/investment manager** and the referencing agency used will maintain a record of the check.

17 Force majeure

- 17.1 As a result of **force majeure**, we may be unable, wholly or in part, to carry out some or all of **our** obligations in relation to **your SIPP**. In this event, unless **you** might reasonably be expected to be aware of the circumstances, we will to the extent practicable give **you** prompt notice of that **force majeure** with reasonable particulars of it and, insofar as known, the

probable extent to which we will be unable to perform or be delayed in performing the relevant obligation(s). Following this notice, and for as long as the **force majeure** continues, the obligations which cannot be performed because of the **force majeure** will be suspended.*

***17.1 We expect to be able to look after your SIPP and respond to you efficiently in most circumstances. We've also prepared/rehearsed a business continuity plan, to help us continue to run our business in the event of an unusual interruption. This included activating our alternative premises here in Ipswich. However, some incidents outside our control may mean that we are unable to carry out instructions or administer your SIPP for a period and this paragraph sets out details.**

- 17.2 For the purposes of these **terms**, **force majeure** includes:
- nationalisation, expropriation, prohibition, intervention, direction or embargo;
 - imposition by any Governmental or quasi-governmental authority of currency restrictions, exchange controls or other charges or restraints affecting **your SIPP** or the assets allocated to it;
 - inability or delay in obtaining governmental or quasi-governmental approvals, consents, permits, licences, authorities or allocations;
 - acts of war (declared or undeclared), terrorism, insurrection, revolution, civil disturbance, riot, blockade or other disturbance;
 - strikes, lockouts, other industrial action or other interferences with work;
 - failure or disruption of any relevant stock exchange, including depositories, settlement systems or markets;
 - widespread failure or disruption of computer systems, including electronic mail systems; or
 - earthquake, storms, floods, lightning, fire, explosions or similar natural events.

This is in each case where the **force majeure** is beyond **our** reasonable control or the reasonable control of **our** agents.

18 Tax provisions

- 18.1 **You** are entitled to pay contributions to **your SIPP** net of tax relief within limits laid down by law. If **you** pay contributions in excess of these limits or if tax relief is not otherwise available, we may deduct from **your SIPP** an amount in respect of the excess tax relief and account for it to **HMRC**.
- 18.2 The total pension benefits available under **your SIPP** and other pension **arrangements** combined are subject to the lifetime allowance, a figure set by the government. Any amount above this figure that has been accumulated within a registered pension scheme

will, subject to any protection you have, be liable to a lifetime allowance charge. Any lifetime allowance charge will be deducted from your SIPP by us as soon as you commence taking benefits where your accumulated crystallised pension funds exceed your personal lifetime allowance. You agree to us making such deductions as necessary after consultation with you or your agent. You also agree to provide us with such information necessary to calculate any lifetime allowance charge payable and agree to be responsible for any further tax charges that may arise as a result of that information being incorrect or failing to be provided.*

***18.2 Protection is a mechanism designed to shelter, in part or in full, the pension funds and benefits accumulated before 6 April 2006 (A-Day) from the effects of the lifetime allowance charge. There are two main sorts of protection:**

- **Primary protection: this was only available to individuals with benefits in excess of £1.5m on A-Day**
- **Enhanced protection: this offered complete protection from the lifetime allowance charge.**

It is possible to have primary or enhanced protection, or both. HMRC will have provided you with a certificate detailing what protection you have, if any once you made the claim. The claim needed to have been made by 5 April 2009.

- 18.3 We may, from time to time, become liable to a scheme sanction charge in relation to your SIPP. A scheme sanction charge is a charge to tax that becomes payable by us as scheme administrator when a scheme chargeable payment is made in accordance with the Finance Act 2004 and will be deducted from your SIPP. You agree to be responsible for, and remain responsible for, any such scheme sanction charge, except to the extent that the scheme sanction charge is attributable, directly or indirectly, to any fraud, negligence, wilful default or breach of regulatory duty on the part of any member of the Suffolk Life Group or any of their employees or agents. Where we are unable to meet these charges from your SIPP, you agree to pay to us on demand any such shortfall.*

***18.3 A scheme chargeable payment is a payment by your SIPP that is not an authorised payment as defined in the Finance Act 2004. Authorised payments for your SIPP are:**

- **permitted pension and income payments;**
- **permitted lump sum payments;**
- **permitted death benefit payments;**
- **recognised transfers to UK registered pension schemes or certain qualifying overseas pension schemes;**
- **pension sharing orders.**

- 18.4 Any VAT on external charges or expenses will be payable in addition to the charges and expenses unless the charge is in respect of property on which we have on your instructions opted to tax the property, in which case the tax should be recoverable.
- 18.5 The tax charges mentioned in this paragraph are based on our understanding of the relevant legislation as at March 2010 and may be subject to change.

19 Complaints

- 19.1 You can address any complaints about our services, in writing, to the Chief Executive Officer, Suffolk Life Pensions Limited at 153 Princes Street, Ipswich, Suffolk IP1 1QJ.
- 19.2 If the matter is not dealt with to your satisfaction, you can write to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR; telephone 0845 080 1800. Making a complaint will not prejudice your right to take legal proceedings.

20 Variation and termination

- 20.1 These terms will apply until:
- a. you cease to be a member of the scheme; or
 - b. we amend these terms.
- 20.2 Without prejudice to your rights to transfer, we reserve the right to amend these terms by written notice to you to such an extent as we reasonably consider appropriate in all the circumstances:
- a. to comply with the law, or any change in law or practice (or change in our understanding of law or practice), affecting or likely to affect:
 - (i) taxation or operational matters affecting us or assets allocated to your SIPP or to SIPPs generally;
 - (ii) our or the trustee's investment rights or powers;
 - (iii) pension schemes; or
 - (iv) the requirements of any relevant regulatory or supervisory authority;
 - b. in the event of any alteration in circumstances which in our reasonable opinion materially affects the implementation of any of the provisions of these terms; or
 - c. in any other case, after giving you at least three months' prior written notice.
- 20.3 Where these terms are to be amended we will give you as much notice as is reasonably practicable in the circumstances, which will generally be at least one month's written notice. In the event that any amendment of the terms made by us under paragraph 20.2 c. are unacceptable to you and provided you are acting reasonably, you may within three months of receiving notice of the amended terms request a transfer of your SIPP in accordance with paragraph 11.1. In such circumstances, we will not charge you any fee in respect of the transfer, although you will be liable for any other costs.
- 20.4 We may after giving you at least six months' prior written notice, require you to transfer the investments and cash held in respect of your SIPP net of any liabilities (less the amount required to satisfy all charges due to us and all costs chargeable to your

SIPP) to another pension scheme that is a registered scheme within the meaning of section 153 of the Finance Act 2004 or which under that section is treated as a registered scheme as chosen by **you**. Investment transactions already initiated by **us** will be completed. **We** will not charge **you** any fee or any **costs** in respect of the transfer.

- 20.5 If **you** fail to comply with the requirements made under the above paragraph 20.4, **we** may treat you as having instructed **us** in writing to encash the whole of **your SIPP** and to transfer the cash proceeds (less the amount required to satisfy all charges due to **us**, all costs chargeable to **your SIPP** and all liabilities of **your SIPP**) to such other pension scheme that is a registered scheme within the meaning of section 153 of the Finance Act 2004 or which under that section is treated as a registered scheme as **we** in **our** discretion may choose and **you** authorise **us** to execute any documentation on **your** behalf necessary to do so.

21 Waiver

- 21.1 **Suffolk Life** may agree in writing with **you** to waive any condition contained in these **terms**.
- 21.2 Any waiver under paragraph 21.1 of any condition on any occasion does not bind **us** to waive that condition on any other occasion.

22 Conflicts of interest

- 22.1 During the period where we are administering **your SIPP** conflicts of interest may arise between you and **us**, **our** employees or **our** associated companies. A conflict of interest is where **our** duties to **you** as **our** customer may conflict with what is best for **ourselves** or other customers. To ensure that we treat customers consistently and fairly, we have a policy on how to manage these conflicts. A copy is available on request from our contact address shown at the foot of the back page.

Appendix A if your SIPP holds protected rights in a Trustee Investment Plan issued by Suffolk Life Annuities Limited

i This appendix only applies if you took out your Suffolk Life MasterSIPP between 30 October 2007 and 15 March 2010, transferred in protected rights benefits between these dates and these are still held via a Trustee Investment Plan (TIP) issued by Suffolk Life Annuities Limited to the trustee. If you established a MasterSIPP between the above dates and wish to transfer in protected rights benefits for the first time, then this appendix does not apply and the terms as set out in parts 1-22 shall apply.

Since this TIP is designed for protected rights pension benefits, it is called a protected rights TIP, or PR TIP. The trustee will hold your PR TIP on your behalf as an asset of your SIPP:

- You can choose investments from those marked as acceptable for protected rights on the relevant allowable investments schedule (some investments which are allowed for your non-protected rights benefits are not acceptable for your protected rights benefits).
- You can also appoint an investment manager in the same way as for the non-protected rights benefits in your SIPP. Please note, however, that any investment manager must invest only in investments which are marked as acceptable for protected rights on the allowable investments schedule.
- The investments and other assets in respect of your protected rights benefits will be owned by Suffolk Life Annuities and the value of your PR TIP will be based on the net value of those assets.
- We will include the value of your PR TIP, and the investments which comprise it, in valuations on the secure internet portal and in formal annual valuations, so you will see a combined view of your protected rights benefits and ordinary pension benefits.
- Additional fees will apply to your PR TIP, as set out in the relevant schedule of fees.

You can check an up-to-date version of the allowable investments schedule or schedule of fees on our website www.suffolklife.co.uk or request a copy by calling 0870 414 7000.

A1 Introduction

Expression

What it means in this appendix

PR TIP

the trustee investment plan insurance policy issued by **Suffolk Life Annuities** in accordance with these **terms** to the **trustee** for the purposes of holding **protected rights** benefits.

PR TIP bank account

the bank account opened with the **bank** for the purposes of **your PR TIP** in accordance with paragraph A1.3.

your PR TIP

the self-invested fund under the **PR TIP** established in respect of **your protected rights** benefits held by the **scheme**. **Your PR TIP** is held by the trustee as an asset of your SIPP. References to your PR TIP include any **investments** or benefits held within it, except where the context otherwise requires.

- A1.1 In addition to the meanings set out in Paragraph 1.6 above, the meanings of some additional words and expressions used only in Appendices A and C are set out above.
- A1.2 To the extent that any transfer into **your SIPP** under paragraph 4.8 above is in respect of **protected rights** benefits, the **trustee** will secure the **protected rights** benefits by investing **your protected rights** benefits in a self-invested fund of the **PR TIP** with **Suffolk Life Annuities** as described in paragraph C2.1. **Your PR TIP** will be held by the **trustee** as an asset of **your SIPP**.
- A1.3 In respect of **your protected rights** benefits, **Suffolk Life Annuities** will maintain a bank account with the **bank** solely for **your PR TIP**. This will be a corporate account of **Suffolk Life Annuities**. Any credit balance will attract interest at varying rates depending on the amount deposited. The relevant interest rates at any time in the future (see paragraph 5.2 for the rates at March 2010) will be available on **our website** www.suffolklife.co.uk or on request on 0870 414 7000. Any credit balance on the **PR TIP bank account** is not aggregated with a credit balance on **your SIPP bank account** in calculating interest rates. Where the rate of interest earned by the **PR TIP bank account** is less than the amount of interest paid by the **bank** to **Suffolk Life Annuities** across all the accounts it has with them, it will keep the difference.
- A1.4 The provisions of paragraph 5.7 other than the accounts being client accounts shall apply as if references **we** or **us** are to **Suffolk Life Annuities** and references to the **SIPP bank account** and **your SIPP** are to the **PR TIP bank account** and **your PR TIP** respectively.
- A1.5 More details about the operation of **your PR TIP** are set out in Appendix C.
- A1.6 Benefits held within a **PR TIP** held as part of **your SIPP** will constitute a separate **arrangement**.
- A1.7 Under current law, if **you** choose to purchase an annuity from **your** benefits held under a **PR TIP** and **you** have a spouse or civil partner, the annuity must provide a spouse's or civil partner's pension.
- A1.8 If **you** wish to acquire **property** this may be acquired by your **PR TIP** and the provisions of Appendices B and C should be read accordingly.

Appendix B if your SIPP holds property

i If you wish your SIPP to hold property it will be held through an insurance policy issued by Suffolk Life Annuities to the trustee of your SIPP through a trustee investment plan or TIP. Since this TIP is designed for property investments, it is called a property TIP.

- The trustee will hold your property TIP on your behalf as an asset of your SIPP
- The property will be purchased by Suffolk Life Annuities. The purchase can be funded by borrowing in the same way as a direct SIPP property purchase.
- The property and other assets in respect of your property TIP will be owned by Suffolk Life Annuities and the value of your property TIP will be based on the net value of those assets.
- We will include the value of your property TIP, and the property and other assets which relate to it, in valuations on the secure internet portal and in formal annual valuations.
- Additional fees will apply to the property acquisition, disposal and management, as set out in the schedule of fees.

If you have a PR TIP and you wish the protected rights benefits of your SIPP to hold property, this will be done through your PR TIP and the provisions of this appendix should be read accordingly.

Detailed information about our approach to SIPP property purchase is contained in A Guide to SIPP Property Purchase on our website www.suffolklife.co.uk or you can request a copy by calling 0870 414 7000. request a copy by calling 0870 414 7000.

B1 Introduction

Expression

property TIP

property TIP bank account

your property TIP

What it means in this appendix

the trustee investment plan insurance policy issued by **Suffolk Life Annuities** in accordance with these **terms** to the **trustee** for the purposes of holding **property**.

the bank account opened with the **bank** for the purposes of **your property TIP** in accordance with paragraph B2.3.

the self-invested fund under the **property TIP** established in respect of **property** to be held as an **investment** of the **scheme** in respect of **you**. **Your property TIP** is held by the **trustee** as an asset of **your SIPP**. References to **your property TIP** include any **investments** or benefits held within it, except where the context otherwise requires.

B1.1 In this Appendix, references to **we, us, our** or **ourselves** include references to **Suffolk Life Annuities**.

B1.2 In addition to the meanings set out in Paragraph 1.6 above, the meanings of some additional words and expressions used only in Appendices B and C are set out above.

B2 Purchasing a property

B2.1 If **you wish your SIPP** to purchase a **property**, **you** must:

- a. read *A Guide to SIPP property purchase and property insurance notes* (each available from our website www.suffolklife.co.uk, or by telephone from 0870 414 7000), which set out how the proposed **property** purchase or transfer will proceed;
- b. complete a *Suffolk Life property form* giving details of the **property** and how the proposed purchase or transfer is to be funded, including details of any joint owners;
- c. accept the terms of the *Suffolk Life property form* and sign both the *investor's declaration* and *insurance declaration*;

- d. agree that **our costs** and the **costs we** incur in appointing third parties to act for **us** in relation to the proposed purchase or transfer will be calculated and payable from **your SIPP** as described in paragraph 14 even if the proposed purchase or transfer is not completed; and
- e. accept and sign a *Suffolk Life group investment agreement*, where appropriate.

The *Suffolk Life property guide*, *property insurance notes*, *property form* and *group investment agreement* may be amended and/or updated from time to time and any **property** investment will be on the basis of the then current documentation.

B2.2 If you wish **your SIPP** to acquire a **property**, we will establish **your property TIP**.

- B2.3 On receipt of the premium in respect of the **property** proposed to be acquired, **Suffolk Life Annuities** will open a bank account with the **bank** solely for **your property TIP**. This will be a corporate account of **Suffolk Life Annuities**. Any credit balance will attract interest at varying rates depending on the amount deposited. The relevant interest rates at any time in the future (see paragraph 5.2 for the rates at March 2010) will be available on **our** website www.suffolklife.co.uk or on request on 0870 414 7000. Any credit balance on the **property TIP bank account** is not aggregated with a credit balance on **your SIPP bank account** in calculating interest rates. Where the rate of interest earned by the **property TIP bank account** is less than the amount of interest paid by the **bank** to **Suffolk Life Annuities** across all the accounts it has with them, it will keep the difference.
- B2.4 **We** may appoint solicitors and/or surveyors chosen by **you** also to act for **us** if **we** and they are satisfied that there is no conflict of interest and that it is otherwise appropriate. Their fees, including applicable VAT, together with Stamp Duty Land Tax and disbursements (for example, Land Registry fees and out of pocket expenses) will be payable from **your property TIP**.
- B2.5 **We** reserve the right if **we** consider it appropriate to appoint a surveyor or equivalent person to manage any **property** acquired for **your SIPP**. The fees of the surveyor or equivalent person, including applicable VAT, will be payable from **your property TIP** in accordance with paragraph 14.2. If **we** do not make such an appointment, **we** will manage the **property** on the terms detailed in the **Suffolk Life** property form and fees and **costs** will be calculated and charged in accordance with paragraph 14.
- B2.6 **We** may acquire and hold **property** or any interest in property in the name of a nominee.
- B2.7 As the owner of the **property** **we** will make any decisions that are necessary and reasonable with respect to it. This will wherever possible be after consultation with **you**. But **we** will not be obliged to take into account any representations **you** make if **we** do not consider them to be appropriate in the interests of maintaining **your property** investment. **We** will advise **you** in a timely fashion of any decisions **we** make.
- B2.8 **We** will make arrangements for the custody of title deeds if these are not held by the solicitors or any lender acting on any purchase of **property** for **your property TIP** and any **costs** will be payable from **your property TIP**.
- B2.9 **We** will also make arrangements for insuring on our block policy **property** held in **your property TIP**. The insurance premiums payable for such insurance will be payable from **your property TIP**. If any income is earned in respect of such arrangements, **we** will retain it.
- B2.10 Prior to any proposed sale of a **property** which is held as an asset of **your property TIP**, **we** will require an appropriately qualified valuer to undertake a formal valuation of the **property**. If **you** do not nominate a valuer for **us** to instruct, **we** will appoint a valuer of **our** choice. The valuer's fees and any other **costs** associated with the valuation will be payable from **your property TIP**.
- B2.11 **You** agree to be responsible, for and to remain responsible for, all claims, losses and liabilities of any nature (including environmental claims, losses and liabilities) arising out of **property** held in **your property TIP**. Without prejudice to the generality of this provision, if in **our** reasonable opinion **our** continued holding of any **property** in **your property TIP** may expose **us** to any such claims, losses or liabilities which **we** may not be able to meet from **your SIPP**, **we** may at any time, if **we** so choose, require **you** to buy that **property** from **us** at fair market value or £1, whichever is the greater. **You** must do all things and execute all documents that **we** may reasonably require to give effect to **our** rights under this paragraph. The above provision applies also to any liability **we** incur in respect of any borrowing **we** undertake in respect of **your SIPP** or **your property TIP** (see paragraph 10 and Appendix C, paragraph C3.)

Appendix C how the trustee investment plan works

i This Appendix summarises how a **PR TIP** and a **Property TIP** are operated. Please contact your adviser or call us on 0870 414 7000 if you have any questions.

C1 Introduction

Expression

actuary

ICTA

TIP

TIP bank account

your TIP

What it means in this appendix

the actuary at the relevant time appointed under section 340 of **Financial Services and Market Act 2000** and as required by the FSA by **Suffolk Life Annuities**.

Income and Corporation Taxes Act 1988.

the trustee investment plan issued in respect of **protected rights** benefits or **property** purchase, as the case may be.

the **PR TIP bank account** and/or the **property TIP bank account** as appropriate.

your PR TIP and/or **your property TIP**, as appropriate.

- C1.1 In this Appendix, references to **we, us, our** or **ourselves** include references to **Suffolk Life Annuities**.
- C1.2 In addition to the meanings set out in Paragraph 1.6 above, the meanings of some additional words and expressions used only in this Appendix are set out above.

C2 How the Trustee Investment Plan (TIP) works

- C2.1 Each TIP is a policy issued to the **trustee** by **Suffolk Life Annuities**, an authorised insurance company. **Investments** held in a TIP will be part of the fund maintained by **Suffolk Life Annuities** for the purpose of its long-term insurance business (as defined by the **FSA**). **Pension benefits** held under a **PR TIP** or **property investments** under **your SIPP** will be determined wholly by reference to the value of the assets and liabilities which **Suffolk Life Annuities** hold in respect of **your TIP**, including the balance on the **TIP bank account**. These assets and liabilities are notionally allocated to **your TIP** but neither **you**, nor any other person who may be entitled to benefit under **your SIPP**, have or will acquire any legal or beneficial interest in them directly. All references in these **terms** to assets and liabilities of **your TIP** are to be interpreted accordingly.
- C2.2 For effective operation of **your TIP**, **Suffolk Life Annuities** requires **you**, at the time of making an investment or transferring funds to an **investment manager**, to maintain a minimum balance in the **TIP bank account**, appropriate to the regular transactions in **your TIP** (eg unsecured income payments, loan repayments, fees, etc). **We** will advise **you** of this each time **you** ask us to make an **investment** or transfer funds to an **investment manager**. **You** are required to ensure that there are sufficient funds in the **TIP bank account** to meet any expected ad hoc or regular payments. If there are insufficient funds in the **TIP bank account** to make such payments, including payment of any benefits to **you, we** at **our** discretion will not make the payment.
- C2.3 The **TIP bank account** may only be overdrawn in accordance with these **terms**.
- C2.4 Any investment income or capital gains arising from the assets of **your TIP** and interest earned on the balance on the **TIP bank account** will be credited to, and form part of, the assets of **your TIP**. Any loan or interest expense relating to **your TIP** will be debited to, and form part of, the liabilities of **your TIP**.
- C2.5 Under the terms of an agreement between **Suffolk Life Annuities** and **us, we** will administer the **TIP**. **You** may give **us** instructions in relation to **your TIP** and **we** will receive and transact them, subject to these **terms**, on behalf of **Suffolk Life Annuities**. Any reference in these **terms** to **us** directing the **trustee** shall be read, in the context of a **TIP**, as a reference to **our** administering the **TIP** on behalf of **Suffolk Life Annuities**.

C2.6 You may:

- a. ask us to appoint an **investment manager** in relation to **your TIP**. The provisions of paragraph 7 will apply, save that the appointment will be made by **Suffolk Life Annuities** and the **investment manager** will thereafter be acting on behalf of **Suffolk Life Annuities** in relation to **your TIP**. The **investment manager** must undertake not to acquire **investments** which fall outside those listed as acceptable for the **TIP** on the **allowable investments schedule**; and *
- b. ask us to invest amounts credited to the **TIP bank account** in accordance with paragraphs 8 and 9. In this event:
 - (i) instructions given under paragraph 8 are given to us as agent for **Suffolk Life Annuities**;
 - (ii) paragraph 4.10 shall be read as if references to **your SIPP** are to **your TIP** and references to us include references to **Suffolk Life Annuities**;
 - (iii) in paragraphs 6.3 to 6.5 inclusive and 6.7 to 6.10 inclusive, references to **your SIPP** shall be read as references to **your TIP**, and references to the **SIPP bank account** shall be references to the **TIP bank account**, and all references to "we", "us", "our" and "ourselves" shall be read as references also to **Suffolk Life Annuities**; and
 - (iv) you agree that any instruction to acquire **investments** for **your TIP** will be subject to the legislation and rules, regulations and directions applicable to insurance companies generally or to **Suffolk Life Annuities** in particular.

***C2.6 If you wish, the same investment manager can be appointed in respect of your PR TIP and your non-protected rights. In this case, as explained here, the investment manager will operate two separate investment accounts, one for each of your pension entitlements, and the range of allowable investments will be different for each account.**

- C2.7 If you tell us that you wish **your TIP** to invest in term deposits with a bank or building society, **Suffolk Life Annuities** will at its discretion endeavour to establish such an account or accounts. It will not enter into a term deposit of more than one year unless the bank or building society will agree that **Suffolk Life Annuities** may withdraw the deposit during the term. Any penalty charged by the relevant bank or building society as a result of the early withdrawal of a deposit will be payable from **your TIP**.
- C2.8 Any agent appointed to act on **your** behalf in accordance with paragraph 13 may also act in respect of **your TIP**.

C3 Borrowing

- C3.1 In addition to using monies held in a **TIP bank account** to purchase an **investment**, you may ask us to agree to borrowing. The provisions of paragraph 10 will apply to **your TIP**, with references to **we**, **us**, **our** or **ourselves** being read as including references to **Suffolk Life Annuities**, and with the reference to borrowing being arranged in the **trustee's** name as **trustee** of the **scheme** being read as borrowing being arranged in the name of **Suffolk Life Annuities**.

C4 Transfers out and payment of benefits from your TIP

- C4.1 Any transfer out or payment of benefits under paragraph 11 will be subject to satisfaction of all **costs** chargeable to **your TIP** and all liabilities of **your TIP** (including any costs arising in relation to any transfer) having been satisfied. If you ask us to transfer assets out of **your SIPP** in accordance with paragraph 11.2, **your TIP** may not itself be transferred, but the assets allocated to **your TIP** may be transferred, if we agree.
- C4.2 The provisions of paragraphs 11.4 to 11.6 inclusive apply to **your TIP** as they do to **your SIPP** and references to **trustee** being read as references to **Suffolk Life Annuities**.

C5 Valuation and reporting of your TIP

- C5.1 The value of **your TIP** will be included in the valuation reports referred to in paragraph 12.
- C5.2 **Suffolk Life Annuities** may, from time to time, adopt such valuation rules in relation to assets allocated to **your TIP** as may be required by law and/or approved by its actuary.

C6 Fees, charges and expenses of your TIP

- C6.1 The fees and charges payable to **Suffolk Life Annuities** in respect of **your TIP** and the circumstances in which they may be increased are set out in the **schedule of fees** as amended from time to time.
- C6.2 The provisions of paragraphs 14.2 to 14.7 shall apply to **your TIP** as to **your SIPP**, so that references to **your SIPP** shall be read as references to **your TIP**, references to the **SIPP bank account** shall be read as references to the **TIP bank account** and references to "we", "us" and "our" shall be read as references to **Suffolk Life**. If there is insufficient cash in **your TIP bank account** to settle fees or charges or other amounts due under paragraphs 14.2 or 14.3, you agree that we may invest monies credited to **your SIPP bank account** as a further premium into **your TIP** to settle the outstanding fees, charges or amounts due.

- C6.3 Subject to paragraph C6.5, **Suffolk Life Annuities** will also be entitled to charge the following costs to **your TIP**:
- a. all expenses incurred by **Suffolk Life Annuities** (including claims, losses and liabilities) in acquiring, holding, disposing of, transferring or valuing any **investment** or other asset of **your TIP**;
 - b. all fees, commissions, charges, disbursements and other costs charged by any **investment manager**, nominee, banker, custodian, solicitor, surveyor, mortgagee or anyone else providing related services or **agent** (including any financial adviser) appointed in relation to **your TIP** or any part of **your TIP**;
 - c. all taxes, duties, levies or other liabilities to which **Suffolk Life Annuities** become liable as a result of acquiring, holding, disposing of or transferring any **investment** or other asset allocated to **your TIP**; and
 - d. an amount equal to any tax for which **Suffolk Life Annuities** becomes (or reasonably expects to become) liable in respect of **your TIP** if the policy does not constitute or ceases to constitute pension business as defined in section 431B of ICTA.
- C6.4 Subject to paragraph C6.5, if **Suffolk Life Annuities** becomes liable to:
- a. pay any levies directly or indirectly attributable to **your TIP** in relation to the FSCS; or
 - b. pay any tax or levies imposed on **your TIP** or on any premium paid or monies allocated in respect of it; or
 - c. make any other payment to the UK Government or any governmental agency or self regulatory organisation of which it is or becomes a member, to the extent directly or indirectly attributable to **your TIP**,
- Suffolk Life Annuities** may reimburse itself in respect of the levy, tax, liability, charges or other payment by way of making a charge to the **TIP** as it may reasonably determine. This will be on a basis similar to how the levy, tax, liability, charge or other payment has been calculated.
- C6.5 Paragraphs C6.3 and C6.4 will not apply to the extent that the relevant event is attributable, directly or indirectly, to any fraud, negligence, wilful default or breach of regulatory duty on the part of any member of the **Suffolk Life Group** or their employees or agents.

C7 General

- C7.1 The provisions of paragraphs 15 to 17 and 19 apply to **your TIP** as to **your SIPP** so that references to **your SIPP** shall be read as references to **your TIP** and references to "we", "us" and "our" shall be read as references to **Suffolk Life**.

C8 Tax provisions of the TIP

- C8.1 **Your TIP** is made available to **your SIPP** strictly on the condition that the issue of the policy is pension business as that term is defined in section 431B of ICTA.
- C8.2 If **Suffolk Life Annuities** discovers that the issue of any such policy as is referred to in paragraph C8.1 above does not constitute, has ceased to constitute or never constituted pension business as so defined:
- a. we will tell **you** of this;
 - b. we will treat **you** as having instructed **us** to encash **your TIP** (in whole or in part as we may specify) and to transfer the resulting monies to a suitable arrangement as chosen by **you** (or if **you** do not give **us** instructions, as chosen by **us** in our discretion); and
 - c. **you** will take such other action as may reasonably be required by **us**.

C9 Reinsurance

- C9.1 **Suffolk Life Annuities** is entitled to reinsure its liabilities under any insurance policy issued to the **trustee** that relates to **your SIPP** in whole or in part at any time. **Suffolk Life Annuities** is entitled to do this without notice to or consent from **you**.
- C9.2 Any person to whom liabilities are reinsured by **Suffolk Life Annuities** in accordance with the preceding paragraph may be permitted further to reinsure all or any liabilities that are reinsured to it in accordance with the preceding paragraph.

C10 Variation and termination of the TIP

C10.1 Without prejudice to **your** rights to transfer, in the event that the terms of the **TIP** are amended by **Suffolk Life Annuities** in accordance with this paragraph, we reserve the right to amend Appendices A, B and C by written notice to **you** to such an extent as we reasonably consider appropriate in all the circumstances. Such amendment by **Suffolk Life Annuities** may be made:

- a. where necessary to comply with the law, or any change in law or practice (or change in **Suffolk Life Annuities'** understanding of law or practice), affecting or likely to affect:
 - (i) taxation or operational matters affecting **Suffolk Life Annuities** or assets allocated to **your TIP**; or
 - (ii) **your TIP** (including HMRC declining or ceasing to treat the issue of policies of insurance by **Suffolk Life Annuities** to us as pension business); or
 - (iii) **Suffolk Life Annuities'** investment rights or powers; or
 - (iv) pension schemes; or
 - (v) the requirements of any relevant regulatory or supervisory authority; or
- b. in order to correct any errors or in the event of any alteration in circumstances which in **Suffolk Life Annuities'** reasonable opinion materially affects the implementation of any of the provisions of the Appendix; or
- c. to enable **Suffolk Life Annuities** to reinsure liabilities under **your TIP**; or
- d. in any other case, after giving **you** at least 3 months' prior written notice.

C10.2 Where the Appendix is to be amended under paragraph C10.1a, C10.1b or 10.1c, **Suffolk Life Annuities** will give **you** as much notice as is reasonably practicable in the circumstances, which will generally be at least one month's written notice. In the event that any amendment of the **terms** made by **Suffolk Life** under paragraph C10.1c or C10.1d. are unacceptable to **you** and provided **you** are acting reasonably, **you** may within three months of receiving notice of the amended **terms** request a transfer of **your SIPP** in accordance with paragraph 11.1. In such circumstances, we will not charge **you** any fee in respect of the transfer, although **you** will be liable for any other **costs**.

C10.3 After giving **you** at least six months' prior written notice:

- a. we may require the **trustee** to terminate **your TIP**;
or
- b. **Suffolk Life Annuities** may terminate **your TIP**.

If **your TIP** is so terminated then **Suffolk Life Annuities** will transfer the **investments** and cash held in respect of **your TIP** net of any liabilities (less the amount required to satisfy all charges due to us and all **costs** chargeable to **your TIP**) to the **trustee**. Transactions already initiated by us will be completed. We will not charge **you** any fee or any **costs** in respect of the transfer.

www.suffolklife.co.uk

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 Pensions Limited is the operator and scheme administrator of the Suffolk Life MasterSIPP.

Suffolk Life Trustees Limited (registered in England and Wales number 6341296) is the trustee.

Suffolk Life Annuities Limited is an insurance company that provides the trustee investment plans to the trustee to hold commercial property investments or into which protected rights benefits may be invested.

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