

Terms and Conditions

for the Suffolk Life SIPP (Deed Poll scheme)

**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**
- » Policy Provisions



This is an important document which sets out the terms and conditions of **your SIPP** and how it will be operated. These terms and conditions replace any terms between **you** and **us** issued prior to 1 December 2008. **You** should read the whole document from paragraph 1 to the end of paragraph 22.

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i The Suffolk Life SIPP (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.

Your SIPP will have its own bank account and all monies relating to ordinary pension benefits 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 information 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 1.8 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 printed in *italics* and 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.
- *These notes aim to provide helpful explanation, but they don't have any legal effect.**
- 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 Annuities Limited of 153 Princes Street, Ipswich, IP1 1QJ, acting as provider 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 following words and expressions have the meanings listed below.
- 1.7 The singular includes the plural and vice versa. The masculine includes the feminine. Use of the expressions "includes", "including" and "for example" shall, except in paragraph 17.2, be interpreted without limitation.
- 1.8 Any reference to a statute includes any re-enactment or modification of it and any regulations made under it.

Expression

actuary

agent

allowable investments schedule

arrangement

bank

business day

costs

deed poll and rules

What it means in this document

the **actuary** at the relevant time appointed under section 340 of **FSMA** and the **FSA Handbook** by Suffolk Life Annuities.

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**.*

***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**

the current schedule published by **us** listing the types of **investment** which may be held by **your SIPP**.

as defined in section 152 of the Finance Act 2004.

Bank of Scotland and/or such one or more other approved credit institutions as **we** may from time to time decide.

any day (other than a Saturday) on which banks are generally open in London for transacting normal banking business.

includes fees, charges and expenses and other amounts referred to in paragraph 14.2

the deed under which the scheme is constituted, together with the rules annexed to the deed, as amended from time to time. This deed poll was signed by **us** on 21 February 1996.

force majeure	as described in paragraph 17.2.
FSA	the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.
FSA Handbook	the rules from time to time made by the FSA under FSMA insofar as they may relate to Suffolk Life.
FSCS	the Financial Services Compensation Scheme.*
	*More information on the FSCS is available from www.fscs.org.uk or by telephone on 020 7892 7300.
FSMA	the Financial Services and Markets Act 2000.
HMRC	HM Revenue & Customs.
ICTA	Income and Corporation Taxes Act 1988.
investment	any stocks, shares, units or other securities, property, loans, cash deposits or other investments, or rights to or interests in such investments.
investment manager	a person or organisation appointed in accordance with paragraph 7.1.*
	*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.
property	includes land and interests in land.
protected rights	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.
policy provisions	the provisions, as amended by us, issued by us to you when your SIPP was established.
schedule of fees	the current schedule published by us setting out the fees and charges which will be due in respect of your SIPP.
scheme	The Suffolk Life Self-Invested Personal Pension, a registered pension scheme established under the deed poll
SIPP bank account	the corporate bank account of ours identified as relating to your SIPP opened with the bank for the purposes of your SIPP in accordance with paragraph 5.1.*
	Your SIPP will have its own bank account and all monies relating to ordinary pension benefits 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.
Suffolk Life Pensions	Suffolk Life Pensions Limited, a company registered in England under company number 1180742 of 153 Princes Street, Ipswich, IP1 1QJ, who have been appointed by us to act as the scheme administrator.
Suffolk Life	either Suffolk Life Pensions 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.
your SIPP	the plan issued by us to you under the Suffolk Life Self-Invested Personal Pension 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** is a registered pension scheme under the Finance Act 2004 and has been registered with **HMRC**. **We** are the provider of the plan and the operator of the **scheme** and the company with whom you are contracting in respect of **your SIPP**. **We** have appointed **Suffolk Life Pensions** to administer the **scheme** in accordance with the **deed poll and rules**. You may give instructions to **Suffolk Life Pensions** in relation to **your SIPP** and they will receive and transact them, subject to these **terms**, on **our** behalf. In the event of any conflict in these **terms** with the **policy provisions** and rules, the **policy provisions** and rules will take priority.
- 2.2 **We** are authorised and regulated by the Financial Services Authority (**FSA**). **We** are entered on the **FSA** Register. **Our 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 **We** are covered by the **FSCS**. You may be entitled to compensation from the **FSCS** if **we** cannot meet **our** obligations. This depends on the type of business and the circumstances of the claim. Most long-term insurance policies (including pension policies) are covered for 100% of the first £2,000 and 90% of the remaining value of the policy. Further information about compensation arrangements is available from the **FSCS**. The correspondence address is 7th Floor, Lloyd's Chambers, Portoken Street, London E1 8BN.
- 2.4 **Your SIPP** is a contract between **you** and **us**. 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 in the **FSA Handbook**) 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 **Your SIPP** is a policy issued by **us** to **you**. **Investments** held for **your SIPP** will be part of the fund maintained by **us** for the purpose of **our** long-term insurance business (as defined in the **FSA Handbook**). The value of **your SIPP** will be determined wholly by reference to the value of the assets and liabilities which **we** hold in respect of **your SIPP**, including the balance on the **SIPP bank account**. These assets and liabilities are notionally allocated to **your SIPP** 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 SIPP** are to be interpreted accordingly.
- 2.7 Any **investment** income or capital gains arising from the assets of **your SIPP** and interest earned on the balance on the **SIPP bank account** 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**.
- 2.8 **Your SIPP** is made available to **you** strictly on the condition that the issue of the plan is pension business as that term is defined in section 431B of **ICTA**.
- 2.9 If **we** discover that the issue of any such plan as is referred to in paragraph 2.8 above does not constitute, has ceased to constitute or never constituted pension business as so defined:
- we** will tell **you** of this;
 - we** will treat **you** as having instructed us to encash **your SIPP** (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
 - you** will take such other action as may reasonably be required by **us**.
- 2.10 **We** are entitled to reinsure **our** liabilities under **your SIPP** in whole or in part at any time. **We** are entitled to do this without notice to or consent from **you**.
- 2.11 Any person to whom liabilities are reinsured by **us** 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.
- 2.12 **Your SIPP** policy may not be assigned or surrendered except to the extent permitted by the **policy provisions** and applicable legislation and then only with **our** prior written consent.
- 2.13 These **terms** and any policies **we** issue 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 **policy provisions** and rules,
 - the **allowable investments schedule**,
 - the **schedules of fees**,
 - the *Suffolk Life SIPP 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 how the assets subject to the then current **allowable investments schedule** 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 **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 may make contributions to **your SIPP** at any time. All contributions must be expressed in sterling. These may be single contributions or regular payments. Any contributions to **your SIPP** will be paid in the form of a premium under **your SIPP** policy. 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 current law (as at November 2008):
- 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
 - 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 repayment of 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 disposal 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 to **HMRC** as a result of any excess contribution being paid that are the result of any untrue, misleading or inaccurate information deliberately or carelessly given by **you** or given 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 a tax 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. In addition **your SIPP** cannot accept transfer of **protected rights**, guaranteed minimum pensions or requisite benefits.
- 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 All contributions and transfer values we receive will be applied to **your SIPP**, subject to paragraph 4.1 above.
- 4.10 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 **Suffolk Life Pensions** give advice, nor does **Suffolk Life** check **your** transfer application for suitability.
- 4.11 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 arrange the disposal 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** 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 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.**

- 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 February 2009 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 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 of 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 account held by **us** when we process **your** instruction; or
 - 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 account held by **us** when we process the payment; or
 - 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 account held by us; or

- d. 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 account held by us pending allocation to your SIPP; or
- e. we deduct tax under PAYE from income payments made to you, that tax will be credited to a central clearing account held by us pending payment to HMRC,

we will retain any interest arising on any such central clearing 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 schedules 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 by us. The funds of your SIPP will therefore be pooled with those of other SIPPs.
- 5.12 The interest your SIPP receives from 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 November 2008 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 us, or on our behalf by an investment manager, nominee or third party custodian. Your entitlement as a member of the scheme is to 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 account 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 decide, or direct the 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 your SIPP or expose Suffolk Life 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 4.11, 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**;
- 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 other than the **SIPP bank account** or any **alternative bank account** (see paragraphs 5.8 to 5.13) the account must be in accordance with the current **allowable investments schedule**. We will not enter into a term deposit of more than one year unless the bank or building society will agree that **we** 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 exercise, or ask an **investment manager** to exercise, voting rights in respect of any **investment** unless **you** ask **us** to; however neither **we** nor any **investment manager** is under any obligation to vote in accordance with **your** wishes. We will not appoint (and nor will any **investment manager** appoint) a proxy in respect of any **investments** in **your SIPP**.
- 6.8 We will not be responsible for any loss (including loss of profit) in relation to, or diminution in value of, any **investment**:
 - a. 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**; or
 - b. not acquired or not disposed of in accordance with **our** rights under these **terms**; or
 - c. 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
 - d. 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**.

- 6.9 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**.
- 6.10 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 appoint a person (**investment manager**) chosen by **you** to:
 - a. open an **investment** dealing account to enable **you** to give instructions to acquire and dispose of **investments** for **your SIPP** on an execution-only basis; or
 - b. 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
 - c. 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 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** 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 agreement we (and, where applicable, you) have agreed 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 we enter 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 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 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 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 We are not 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 Neither we nor Suffolk Life Pensions will 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. 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 **schedules of fees**;
 - g. the legislation applicable to registered pension schemes;
 - h. all other relevant statutory provisions; and
 - i. any other provisions of these terms.

- 8.2 We will be entitled not 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** 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** do not 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 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;
 - 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** 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 of where **you** or **your** adviser 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 5.5, be held in the SIPP bank account.
- 8.9 Subject to paragraphs 11.2 and 11.5 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 your SIPP to purchase a property, you must:
- 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;
 - 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;
 - accept the terms of the *Suffolk Life property form* and sign both the investor's declaration and insurance declaration;
 - 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
 - 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.**

***9.1 Additional fees will apply to the property acquisition, disposal and management, as set out in the schedule of fees. 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.**

- 9.2 If you wish your SIPP to acquire a property or interest in a property, we will establish a separate property internal linked fund for that property.
- 9.3 Once funds are made available for the property proposed to be acquired, we will open a bank account with the bank solely in respect of the property. This will be a corporate account of ours. 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 November 2008) will be available on our website www.suffolklife.co.uk or on request on 0870 414 7000.

Any credit balance on the property 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 bank account is less than the amount of interest paid by the bank to us across all the accounts we have with them, we will keep the difference.

- 9.4 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 SIPP.
- 9.5 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 SIPP 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.
- 9.6 We may acquire and hold property or any interest in it in the name of a nominee.
- 9.7 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.
- 9.8 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 SIPP and any costs will be payable from your SIPP.
- 9.9 We will also make arrangements for insuring on our block policy property held in your SIPP. The insurance premiums payable for such insurance will be payable from your SIPP. If any income is earned in respect of such arrangements, we will retain it.
- 9.10 Prior to any proposed sale of a property which is held as an asset of your SIPP, 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 SIPP.
- 9.11 You agree that you will be and will remain responsible for all claims, losses and liabilities of any nature (including environmental claims, losses and liabilities) arising out of property held in your SIPP. Without prejudice to the generality of this provision, if in our

reasonable opinion our continued holding of any property in your SIPP 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. Without prejudice to the generality of this paragraph, it applies also to any liability we incur in respect of any borrowing we undertake in respect of your SIPP.

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 our name as provider of the scheme and on terms satisfactory to us but we will not take responsibility for arranging a lender.*

***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 schedules 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 commencement lump sum.**

- 11.2 If we agree, we may 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, the policy provisions and scheme 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 we are unable to realise or transfer all or any of the investments of your SIPP, or are 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 we are able to realise the relevant investments (or able to do so on what we consider to be reasonable terms) and have 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 we have been unable to realise an investment, or have been unable to realise it on reasonable terms, we may, if we so choose:
- transfer that investment to you in part or full satisfaction of any payment of benefits under your SIPP; or
 - require you to buy the investment 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 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 reported to us 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.*

***12.3 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 and calculate any tax reclaims due.**

- 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 schedules 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. mation is available on our website, www.suffolklife.co.uk.**

- 14.2 We will also be entitled to charge the following costs to your SIPP:
- all expenses incurred by us (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 in the purchase of an annuity in relation to you;

- any administration costs incurred by us 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 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 become liable as described in paragraph 18; and
- any administrative costs incurred by us (including legal expenses, disbursements or other costs) in complying with any court orders served on us 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 become liable to:
- pay any levies in relation to the FSCS;
 - pay any tax or levies imposed on your SIPP or on any contribution paid or monies allocated in respect of it;
 - 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 or indirectly attributable to your SIPP;
 - an amount equal to any tax for which Suffolk Life Annuities becomes (or reasonably expects to become) liable in respect of your SIPP if your SIPP does not constitute or ceases to constitute pension business as defined in section 431B of ICTA, 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:
- overdraw the **SIPP bank account** and/or dispose of **investments** at **our** discretion and without liability in order to pay the amounts due; or
 - 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:
- telephone **you** at any time to discuss **your SIPP** without having been expressly invited by **you** to do so;
 - in good faith rely on any communication which **we** reasonably believe to have been issued by **you** or **your agent**;
 - rely upon any information provided by **you** in accordance with these **terms**;
 - require **you** to make an instruction to **us** in writing before acting upon it;
 - 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;
 - record telephone conversations for training, monitoring and fact verification purposes; and
 - 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 eight data protection principles set out in Part 1 of Schedule 1 to 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**:

- a. 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;
- b. as required by law or any competent authority;
- c. to any person we reasonably believe to have been appointed by you as your agent or as an investment manager; or
- d. 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:

- a. nationalisation, expropriation, prohibition, intervention, direction or embargo;
- b. 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;
- c. inability or delay in obtaining governmental or quasi-governmental approvals, consents, permits, licences, authorities or allocations;

- d. acts of war (declared or undeclared), terrorism, insurrection, revolution, civil disturbance, riot, blockade or other disturbance;
- e. strikes, lockouts, other industrial action or other interferences with work; or f. failure or disruption of any relevant stock exchange, including depositories, settlement systems or markets;
- f. widespread failure or disruption of computer systems, including electronic mail systems; or
- g. 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 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 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 have made a claim. The claim needs to be made by 5 April 2009. Full protection details are on our website, www.suffolklife.co.uk

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 November 2008 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 Annuities 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) **your SIPP** (including **HMRC** declining or ceasing to treat the issue of policies of insurance by **us** as pension business);
 - (iii) **our investment rights** or powers;
 - (iv) pension schemes;
 - (v) 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**;
 - c. to reinsure **our** liabilities under **your SIPP**; or
 - d. 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. or 20.2.d. 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 We 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.

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 are to be invested.

The registered address of all companies is 153 Princes Street, Ipswich, Suffolk, IP1 1QJ, United Kingdom

Tel: 0870 414 7000 Fax: 0870 414 8000

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