

Terms and Conditions of the Cofunds Pension Account provided by Suffolk Life

The Cofunds Pension Account is provided by Suffolk Life Pensions Limited (Suffolk Life) 153 Princes Street, Ipswich, Suffolk IP1 1QJ. Registered in England and Wales number 1180742. Suffolk Life is authorised and regulated by the Financial Services Authority (FSA). FSA registration number 116298.

The assets of the Cofunds Pension Account are held on the Cofunds platform provided by Cofunds Limited (Cofunds) 1st Floor, 1 Minster Court, Mincing Lane, London EC3R 7AA. Registered in England and Wales No. 3965289. Authorised and regulated by the Financial Services Authority (FSA) under FSA Registration No. 194734.

The Cofunds Pension Account (your pension) is a personal pension plan provided by Suffolk Life Pensions Limited (Suffolk Life) which allows you to invest your pension assets in a wide range of funds available through the Cofunds platform. Cofunds will provide all of the fund dealing, custody, cash management and associated services and in most instances you and your nominated adviser will liaise directly with Cofunds. Suffolk Life will provide pension administration services as set out in these terms and be responsible for all legal, regulatory and tax aspects in respect of these services.

You (or your employer) can contribute to your pension and you can arrange for certain pension benefits held in other pension schemes to be transferred into your pension (this is a specialist area and you must seek appropriate advice before taking action).

The scheme under which your pension has been established is registered with HMRC and is deemed an appropriate personal pension scheme. Importantly, this means your pension is able to hold protected rights benefits alongside your other pension benefits. This means that you can choose to invest your protected rights monies in a range of funds available through the Cofunds platform. Your pension, however, cannot be used to contract out of the State Second Pension.

Please read through these terms for details on how your pension operates. These terms should be read in conjunction with the Terms and Conditions of the Cofunds platform, which incorporates the Cofunds Pension Account Customer Agreement. If there is any conflict between the Terms and Conditions of the Cofunds platform and these terms, these terms will prevail. If you have any questions relating to these terms or to the Terms and Conditions of the Cofunds platform, please contact your nominated adviser or call Cofunds on 0845 600 4001.

1. Understanding this document

- 1.1 This document is set out in numbered paragraphs and sub-paragraphs. References to a paragraph includes all of its sub-paragraphs. For example, a reference to paragraph 1 is a reference to paragraphs 1.1 to 1.7 inclusive.
- 1.2 Paragraph 1 sets out the meaning of words and expressions used in this document. 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 marked 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 do not 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", "Suffolk Life", "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. References to "Cofunds" in these terms relate to Cofunds Limited of First Floor, 1 Minster Court, Mincing Lane, London, EC3R 7AA as provider of the Cofunds platform through which this product is available. References to "you", "your" or "yourself" are to you as 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 Any reference to a statute includes any re-enactment or modification of it and any regulations made under it.
- 1.7 The words and expressions set out below have the meanings listed.

annual allowance: the maximum that you, your employer or a third party can pay into all your pension plans in a pension input period ending in any given tax year without penalty.

The annual allowance for the tax year 2011/12 is £50,000.

arrangement: a part of your pension scheme by reference to which the benefits payable are set. An arrangement can be your whole interest under a pension scheme or a part of your interest, so that you can have more than one arrangement under a pension scheme. Legislation governing pension schemes applies to each arrangement separately and so it may be necessary (or helpful to you) for your pension to be split into more than one arrangement.

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

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

capped drawdown: a way of taking a pension income as described in paragraph 9.8 directly from your drawdown pension fund.

Cofunds platform: the investment platform provided by Cofunds on which you are able to invest the pension assets contained within your pension in accordance with the terms and conditions of the Cofunds Pension Account.

connected party: 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, registered civil partner, children, parents, siblings and other direct descendants and ancestors of you and your spouse or registered civil partner.

contribution: a payment made into your pension by you, your employer or a third party.

costs: includes fees, charges and expenses and other amounts referred to in paragraph 15.

crystallise: a term used to describe taking benefits from your pension. When you decide to take benefits from all or part of your pension you are deemed to have crystallised all or a portion of your pension.

dependant: a person who at the date of your death is:

- a. your spouse or registered civil partner;
- b. your natural or adopted child:
 - i. under the age of 23; or
 - ii. aged 23 or over and in our reasonable opinion is dependent on you because of physical or mental impairment;
- c. not your spouse, registered civil partner or child and in our reasonable opinion is:
 - i. dependent on you because of physical or mental impairment;
 - ii. financially dependent on you; or
 - iii. financially inter-dependent with you.

drawdown pension fund: the whole or part of an arrangement which is in capped drawdown or flexible drawdown (even if you are not taking an income).

flexible drawdown: an alternative to capped drawdown that allows unlimited pension income withdrawals from your drawdown pension fund in respect of non protected rights benefits. You must meet the conditions in section 165 of the Finance Act 2004. In general terms, these conditions are that:

- a. you complete and we accept a declaration from you that:
 - i. no contributions have been paid to any of your registered pension schemes in the tax year of the declaration; and
 - ii. you are not an active member of a defined benefit pension scheme; and
- b. you are receiving an income of at least a minimum amount per annum (the minimum has been set at £20,000 pa from 6 April 2011) from the following sources:
 - i. State pensions;
 - ii. Lifetime annuities from registered pension schemes;
 - iii. Pensions from defined benefit pension schemes and similar types of registered pension scheme; and
 - iv. Pensions from certain overseas schemes.

Some other types of income, including capped drawdown and flexible drawdown, do not count towards the minimum annual amount.

force majeure: as described in paragraph 18.2.

FSA: the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.

fund: any investment fund available on the Cofunds platform which is allowable under the terms.

HMRC: HM Revenue & Customs.

in specie: the transfer of investments from one party to another without selling the investments.

insurance company: as described in section 275 of the Finance Act 2004.*

* This includes insurance companies in the United Kingdom and the European Economic Area

lifetime allowance: the standard amount an individual may accumulate within all pension plans during their lifetime without a tax penalty. You may have a personal lifetime allowance that is different from the standard lifetime allowance.

lifetime annuity: a contract bought from an insurance company that provides an income guaranteed for life, purchased by a lump sum such as an accumulated pension fund*.

* A lifetime annuity is often paid monthly for the rest of your life and can continue to be paid to a dependant such as a spouse or registered civil partner after your death. It can be for a fixed amount or can increase each year, for example according to changes in the cost of living.

market value: the price an investment may reasonably be expected to fetch on the open market calculated in accordance with section 272 of the Taxation of Chargeable Gains Act 1992.

nominated adviser: a financial adviser who is authorised and regulated by the FSA and is appointed by you to receive communications in respect of your pension and to give instructions on your behalf on all matters concerning your pension including buying and selling investments.*

* You may only become a Cofunds Pension Account customer if you have nominated an authorised financial adviser.

non protected rights: the part of your pension which does not relate to protected rights.

order of disposal policy: our policy that sets out the actions we will take where it is necessary to raise funds to settle outstanding liabilities on your pension where you have not arranged for sufficient funds to be available in the trustee bank account. A copy is available from us on request and will be sent to you before applied.

Pension Trading Account: an account held at Cofunds in which your pension monies will be held and from and into which all trades are settled and into which all investment income is paid.

personal lifetime allowance: the total value you may accumulate within all pension plans during your lifetime without a tax penalty. This may be different to your standard lifetime allowance.

pooled client bank account: has the meaning given in paragraph 7.1

protected rights: any pension rights arising as a result of being contracted-out of the State Second Pension or, previously, the State Earnings Related Pension Scheme (SERPS) and which have been transferred to the scheme.*

* Protected rights benefits can arise if you have been contracted out of the State Second Pension (previously SERPS). It has been proposed that protected rights will be abolished after 5 April 2012.

sale for regular payment: an optional service you can use to help manage payments you have set up to go out of your Pension Trading Account.

Where you have instructed Cofunds to make regular payments from your pension Trading Account (for pension drawdown or adviser fees, for example), but do not have enough money in that account to meet the payments due to be paid that month, you can set up a Sale for Regular Payment to instruct Cofunds to sell a portion of your Cofunds Pension Account investments to raise the required amounts.

scheme: the Suffolk Life Appropriate SIPP, a registered pension scheme established under the trust deed and rules. The HMRC reference number for the scheme is 00690610RC*.

* The Cofunds Pension Account is a pension product issued under the scheme.

scheme administrator: the person responsible for fulfilling certain functions including providing reports to HMRC and paying certain tax charges.

Suffolk Life Group: us, any of our subsidiaries or any holding company of ours, or any subsidiary of any such holding company. Subsidiary and holding company have the meanings given to them in section 1159 of the Companies Act 2006.

Suffolk Life MasterSIPP: a self invested product also issued under the scheme. You may convert your pension to a Suffolk Life MasterSIPP (with its own terms and conditions) in the situations detailed in paragraph 4.

terms: the terms and conditions of your pension, as set out in this document and any other documents referred to in paragraph 3.1, as updated from time to time.

Terms and Conditions of the Cofunds platform: The terms and conditions that you have entered into with Cofunds (which incorporates the Cofunds Pension Account Customer Agreement) for the provision of platform services in respect of Cofunds Pension Account.

trust deed and rules: the trust deed under which the scheme was established, together with the rules attached to the trust deed, as changed from time to time. This trust deed was signed by Suffolk Life Annuities Limited, 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.

trustee bank account: has the meaning given in paragraph 7.1

uncrystallised benefits: the whole or part of an arrangement from which benefits have not been taken.

your pension: the Cofunds Pension Account in which you have invested. References to your pension include any investments or benefits held within it.*

* Your pension may hold non protected rights and protected rights benefits which can be invested (or benefits taken from) as set out in the main part of these terms.

2. Legal and regulatory information

- 2.1 Your pension is established under the scheme. The scheme was established by Suffolk Life Annuities Limited 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.
- 2.2 We are the company with whom you are contracting in respect of your membership of the scheme and for the provision of your pension. Cofunds is the provider of the Cofunds platform on which your pension will be invested and also provides certain administration services in respect of your pension, such as dealing, custody, cash management and associated services. By taking out a Cofunds Pension Account you will also need to enter into an agreement with Cofunds, the terms for which are set out in the Terms and Conditions of the Cofunds platform. 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.

A copy of the trust deed and rules is available on request. Please ask your nominated adviser if you would like a copy.

- 2.3 We are authorised and regulated by the Financial Services Authority (FSA). Our FSA register number is 116298. Cofunds is also authorised and regulated by the FSA and their register number is 194734. 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.
- 2.4 Your pension is a contract between you and us. These terms give benefits to 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 under FSA regulation. For example we will provide you with information in a more straightforward way than we would to a financial services company.
- 2.6 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 pension, you are agreeing to establish your pension and to become a member of the scheme on these terms. You are also accepting, as updated from time to time:
- the trust deed and rules, and
 - Key Features of the Cofunds Pension Account

You will also need to accept the Terms and Conditions of the Cofunds platform.

These are available online at the Cofunds website from, your adviser or on request on 0845 600 4001.

- 3.2 As a member of the scheme, you can choose how the assets making up the value of your pension are to be invested from the range of funds available on the Cofunds platform. This is explained in detail in paragraph 8 below. Benefits under your pension will be determined wholly by reference to the value of the assets and liabilities which are held in respect of your pension, including any cash held in either the bank account or the Pension Trading Account.
- 3.3 If you have both non protected rights and protected rights benefits within your pension, these will be held as one so that you have a single sum available for investment. We will keep track of what proportion of the total fund represents protected rights and what proportion represents non protected rights. Your pension will be treated as a single arrangement for the purposes of the scheme, although we may decide that it should be split into two or more separate arrangements.
- 3.4 You may request that protected rights and non protected rights be held separately in which case we will establish two plans. Each plan will be subject to our standard fees.
- 3.5 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*.
- *3.5 Dividing your pension into separate units gives you more options in drawing benefits.

4. Conversion to the Suffolk Life MasterSIPP or equivalent Suffolk Life pension product

- 4.1 The Cofunds Pension Account offers a wide range of funds with flexible pension options. However if you wish to invest outside of the fund range or the agreement between you and Cofunds for the provision of platform services is terminated (either at your or Cofunds' request) you can convert your pension to a Suffolk Life MasterSIPP or equivalent Suffolk Life pension product within the scheme. Full details will be made available upon request. We will ask you to agree to new terms, including fees and investment range.

5 Contributions

- 5.1 You and/or any other person, subject to any requirements that we have for verifying the other person's identity, may make single or regular contributions to your pension at any time before your 75th birthday. No contributions can be made on or after your 75th birthday. All contributions must be paid in sterling. Contributions paid into your pension may only be applied in respect of non protected rights benefits.
- 5.2 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.
- 5.3 Any contributions paid by your employer will be paid gross.

5.4 You will only be eligible for tax relief on your contributions if you are a UK relevant individual and the level of contributions made to any pension scheme in a tax year does not exceed £3,600 (as amended by the Government) or 100% of your earnings (whichever is higher) but subject to the annual allowance. A UK relevant individual is one who:

- a. has relevant UK earnings chargeable to income tax for that year; and
- b. is resident in the UK at some time during that tax year;
- c. was resident in the UK at some time during the five tax years immediately before the tax year in question and was also resident in the UK when the individual joined the pension scheme; or
- d. has general earnings for that tax year from overseas Crown employment subject to UK tax (as defined by Section 28 of the Income Tax (Earnings and Pensions) Act 2003); or
- e. is the spouse or registered civil partner of an individual who has general earnings for that tax year from overseas Crown employment subject to UK tax (as defined by Section 28 of the Income Tax (Earnings and Pensions) Act 2003).

5.5 Contributions may be single contributions or regular payments and can be paid via direct debit, direct credit, telegraphic transfer or cheque.

5.6 The value of a contribution is up to you and the amount of any contribution is not subject to any minimum. However you will not receive tax relief on contributions that exceed your UK relevant earnings or which exceed the annual allowance (as increased by any annual allowance that you have not used from the previous three tax years to the current tax year (although you must use the current tax year's allowance first) providing that you were a member of a registered pension scheme in that year).

5.7 When making a contribution you should have regard to the annual allowance. If the total payments to all of your pension plans are less than the annual allowance in one tax year, you may be able to carry forward any unused annual allowance. We recommend that you speak to your nominated adviser. Any amount paid into a pension above the annual allowance, as increased by the carry forward rules, will be subject to a tax charge at your marginal rate.

5.8 After giving you at least 90 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. Should you not agree with these changes you will be able to transfer your pension to another pension scheme in accordance with the terms under paragraph 22.3.

5.9 If you make contributions to your pension 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, your employer or third party, provided that sufficient monies are available in your pension and we are satisfied that any amounts due to be repaid to HMRC have been repaid out of your pension. If insufficient monies are available in your pension, we may dispose of assets in accordance with our order of disposal policy to repay you or

HMRC. If you have taken benefits under your pension or transferred out of your pension, 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 arises from any untrue, misleading or inaccurate information deliberately or carelessly given by you or on your behalf.

5.10 The pension input period for your pension will be from 6 April to 5 April each year.*

*5.10 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. Please consult your nominated adviser or your tax adviser for details regarding the annual allowances.

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

6 Transfers in

6.1 Other pension benefits from a registered pension scheme may also be transferred into your pension, subject to our consent, applicable legislation and HMRC rules.*

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

6.2 Your pension cannot accept transfers of pension benefits from a registered pension scheme if they have already been crystallised. However, you can choose to convert your pension as set out in paragraph 4.1 into the Suffolk Life MasterSIPP which can accept transfers of crystallised benefits.

6.3 It is your responsibility to ensure that any 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 do we or the trustee check your transfer application for suitability.

6.4 Where benefits from a registered pension scheme have been transferred to us, we will issue you with a cooling off notice which gives you the right to cancel the transfer. You will have 30 days from receipt of the cooling off notice to change your mind. If you do change your mind about the transfer, we cannot guarantee that the pension provider who transferred the benefits to us will receive them back and you may therefore need to find a suitable alternative pension provider.

6.5 If, in relation to a transfer paid in respect of your pension, Cofunds have acted on investment instructions:

- a. before the transfer is received in cleared funds and that transfer subsequently fails to clear; or
- b. before receiving a valid notice of cancellation signed by you.

We may direct Cofunds to dispose of assets in accordance with our order of disposal policy. If the amount received upon the disposal of such assets is less than the cost of acquiring them, we will be entitled to charge to your pension an amount equal to the excess of the purchase cost over the amount received on disposal. We will notify you of the charge.

7 Money Movements

- 7.1 On receipt, monies in respect of your pension may be deposited in a Suffolk Life pooled client bank account ("pooled client bank account") before being transferred to the trustee bank account opened in respect of your pension ("trustee bank account"). All monies held in the trustee bank account will then be transferred to the Pension Trading Account via a pooled client bank account. We will operate the trustee and pooled client bank accounts and we will be the authorised signatory. All such bank accounts will be opened with the bank.
- 7.2 We will collect contributions and transfers into a pooled client bank account and any tax reclaims due in respect of your contributions will be credited to one of these pooled client bank accounts prior to being transferred to the trustee bank account.
- 7.3 Cleared monies relating to your pension held in any of the trustee and pooled client bank accounts will be transferred to the Pension Trading Account promptly. However from time to time there may be instances when monies will need to remain within a trustee and pooled client bank account for example where we receive monies in respect of a pension transfer without any supporting documentation.
- 7.4 Additionally all monies being paid out of your pension (whether income payments, transfer out payments etc) will be paid from a pooled client bank account.
- 7.5 Any interest earned in respect of monies held in these trustee and pooled client bank accounts shall be retained by us and will not be added to your pension.
- 7.6 Once monies have cleared in the trustee bank account these will be transferred to the Pension Trading Account via a pooled client bank account. All fees relating to your pension will be deducted from the Pension Trading Account and any funds purchased will be settled from the Pension Trading Account. Similarly any investment income and sale proceeds will be credited to the Pension Trading Account.
- 7.7 Details of the rate of interest earned on monies held in the Pension Trading Account can be found at www.Cofunds.co.uk/docs/cofundrates.pdf. Alternatively please contact your nominated adviser.

8 Investments

- 8.1 Your pension can be invested in a wide range of funds available through Cofunds. The range is frequently updated. Please ask your nominated adviser for up to date information or go to www.Cofunds.co.uk
- 8.2 Funds will be held for your pension by Cofunds in accordance with the Terms and Conditions of the Cofunds platform. Any investment income or capital gains arising from the assets of your pension and interest earned on the balance of the Pension Trading Account will be credited to, and form part of, the assets of your pension. Any expense relating to your pension will be debited to, and form part of, the liabilities of your pension.

- 8.3 Your entitlement as a member of the scheme is to benefits calculated in accordance with these terms based on the net value of the funds and any cash comprising your pension after deduction of costs and any liabilities.
- 8.4 You or your nominated adviser will be able to purchase or sell funds online via the Cofunds platform. We will not undertake these on your behalf. We do however reserve the right to dispose of funds held within your pension in the circumstances set out in paragraph 15 or paragraph 22.6.
- 8.5 Responsibility for each and every investment transaction and for the short and long-term performance of the funds held within your pension are entirely matters for you and for your nominated adviser. Please note that neither we nor the trustee are responsible for your or your nominated adviser's choice of fund and are not liable for any loss caused by you or your nominated adviser purchasing or selling such funds within your pension. Neither we nor the trustee are responsible for notifying you or your nominated adviser of any corporate action that may occur in respect of a fund held as part of your pension.
- 8.6 We may direct Cofunds to dispose of any investment without consultation with you or your prior agreement:
- if, in our reasonable opinion, continued retention of such investment would be unlawful or would impose tax or other costs on us or the trustee or your pension or expose us or the trustee or your pension to liabilities which in each case your pension may not be able to meet;
 - 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 5.9, to pay costs or liabilities in accordance with paragraph 15 or to meet any tax liability in accordance with paragraph 19;
 - if that investment is not or is no longer a type allowed by the current schedule of allowable investments;
 - if disposal of the investment is required by the terms of any applicable agreement, for example a co-ownership agreement;
 - in order to comply with the terms of a court order; or
 - following your death in order to secure the benefits under paragraph 11.

We will direct Cofunds to dispose of investments in accordance with our order of disposal policy. We will tell you if an investment is disposed of in accordance with this paragraph 8.6

- 8.7 Neither we nor the trustee will be responsible for any loss (including loss of profit) in relation to, or reduction in value of, any investment:
- unless such loss or reduction 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;

- c. disposed of in accordance with these terms unless such loss or reduction 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 Cofunds or by any nominee, banker, custodian or other person providing services to any member of the Suffolk Life Group.
- 8.8 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 Cofunds or any exercise of discretion by Cofunds.
- 8.9 Neither funds nor cash held within the pension trading account may be moved away from the Cofunds platform unless authorised by us.
- 8.10 If any investment transaction is to be carried out between your pension and you or any of your connected parties then the transaction must take place at market value.
- 8.11 If any tax charge were to arise as a result of a fund being deemed taxable property by HMRC, that charge will be suffered by you personally or by your pension. Neither we nor the trustee will be responsible.
- 8.12 Cofunds will receive an annual fee from the providers of funds, part of which is shared with us. The amount we receive varies between 0.04% and 0.16% of the value of your pension's investment, depending on fund choice. This fee has no impact on the fund charges your pension pays. The fee is calculated daily and paid to us on a monthly basis. Details of the fees we receive in respect of your pension's specific investments are available upon written request by writing to us at our address: Suffolk Life Pensions Limited, 153 Princes Street, Ipswich, IP1 1QJ.
- 8.13 Certain investments may also result in your pension holding taxable property. Taxable property may include residential property and physical assets, for example cars, art or stamps. Where taxable property is held as part of a pension scheme HMRC may apply tax charges on both the scheme and the scheme member personally. Should tax charges arise under these taxable property rules in respect of an investment purchased for your pension, you agree that such tax charge shall be borne by your pension or from yourself personally as the case may be.

9 Payment of benefits

- 9.1 We will pay you pension benefits to which you are entitled under your pension.
- 9.2 You may normally choose to crystallise some or all of the separate units of your pension at any time on or after your 55th birthday.
- 9.3 You may be able to crystallise units before age 55 if:
- 9.3.1 we are satisfied that you are, and will continue to be, incapable of carrying on your current occupation due to physical or mental impairment. You will have to provide any medical evidence that we require;
 - 9.3.2 you had transitional rights at 6 April 2006 to a protected pension age under Schedule 36 of the Finance Act 2004 and you satisfy the conditions;* or
 - 9.3.3 you satisfy the conditions in paragraph 10.1 for a serious ill health lump sum.
- * This protects pension rights built up under the pensions tax regime in force before 6 April 2006. Please contact your nominated adviser for further details.
- 9.4 When you crystallise part or all of your pension to draw benefits, you can normally choose to take up to 25% of the amount crystallised (subject to the lifetime allowance) as a pension commencement lump sum without incurring a tax charge. A higher or lower amount may be available if you had transitional rights at 6 April 2006 under Schedule 36 of the Finance Act 2004 and you satisfy the conditions.
- 9.5 If the value of the benefits crystallised exceeds your personal lifetime allowance, there will be a lifetime allowance charge of 55% on the excess if it is paid as a lump sum ("lifetime allowance excess lump sum") or 25% if you take it as pension income.
- 9.6 The remainder of the amount crystallised after the payment of any pension commencement lump sum, any lifetime allowance excess lump sum and any lifetime allowance charge will be allocated to provide a pension income for you in the form of:
- a. capped drawdown taken from your drawdown pension fund;
 - b. if you meet the conditions, flexible drawdown in respect of the portion of your drawdown pension fund for non protected rights benefits *;
- * Legislation does not allow flexible drawdown from protected rights funds.
- c. a lifetime annuity bought from an insurance company you choose; or
 - d. a combination of these.
- You do not have to start taking a pension income until you choose to.
- 9.7 If you crystallise part of your pension and hold both non protected rights and protected rights benefits in an arrangement then we will crystallise them proportionately (except where paragraph 9.10 applies) unless you instruct us otherwise in writing or if required by law.

- 9.8 If you choose to take capped drawdown from your drawdown pension fund, then:
- 9.8.1 the amount of capped drawdown you take each year must not exceed the maximum amount allowed under Schedule 28 of the Finance Act 2004;
- 9.8.2 we will recalculate the maximum amount every 3 years (called a reference period) and each year after you have reached age 75. If benefits were crystallised before 6 April 2011, there are transitional rules for when the maximum amount will first be calculated after that date.
- 9.8.3 We will also recalculate the maximum amount:
- (i) each time you crystallise a further portion of an arrangement;
 - (ii) if you choose to buy a lifetime annuity with part of your drawdown pension fund;
 - (iii) because of the application of a pension sharing order; or
 - (iv) if we agree to your request, received by us before the end of the current reference period, to end the current reference period and start a new reference period.
- 9.9 If you meet the conditions for flexible drawdown, you can choose flexible drawdown instead of capped drawdown in respect of your non-protected rights benefits. Under flexible drawdown there is no limit to the amount that can be withdrawn each year from the non protected rights portion of your drawdown pension fund.
- 9.10 If both non protected rights benefits and protected rights benefits are held in an arrangement, you cannot choose flexible drawdown for the non protected rights benefits and capped drawdown for the protected rights benefits.
- 9.11 The following apply to capped drawdown and flexible drawdown:
- 9.11.1 we will pay your pension income monthly unless you ask us to pay it quarterly, half-yearly or yearly. We will make the payments on the last business day of the month by direct credit to your personal bank account. We will stop payments when you die;
- 9.11.2 you can ask us to increase, reduce, stop or restart payments or make one-off payments from time to time. If you want to change the level of your payment you must ask us at least 10 business days before the payment date;
- 9.11.3 you must ensure that sufficient cleared funds are held in your pension bank account 10 business days before the payment date or we may not make the payment; and
- 9.11.4 you can choose to buy a lifetime annuity at any time with part or all of the drawdown pension fund as set out in paragraph 9.12 below. You cannot buy a lifetime annuity from part of the protected rights benefits in an arrangement.
- 9.12 If you choose to buy a lifetime annuity, you must select the features the insurance company* allows that you require on the contract; for example:
- 9.12.1 how often your pension will be paid, for example monthly;
- 9.12.2 whether a pension will be payable for the rest of your life only or will continue to a dependant after your death. For protected rights benefits, if you are married or in a registered civil partnership when the lifetime annuity is bought, it must provide a pension payable to your surviving spouse or registered civil partner of 50% of your protected rights pension when you die;
- 9.12.3 whether the pension payable during your lifetime will continue in any event for a guaranteed period of up to 10 years (5 years for protected rights benefits); or
- 9.12.4 whether the amount of your pension will be the same each year or will increase each year by a fixed percentage or in line with the cost of living.
- * A lifetime annuity must be purchased from an insurance company; we do not offer this.
- 9.13 A tax charge may arise as a result of taking a pension commencement lump sum under paragraph 9.4 if you have recycled the lump sum in whole or in part. Recycling will arise if:
- a. the amount of contributions from all sources paid to all registered pension schemes in respect of you is greater than 30% more than might have been expected based on previous contributions; and
 - b. the pension commencement lump sum plus any similar lump sums from any registered pension scheme taken in the previous 12 months exceeds 1% of the lifetime allowance; and
 - c. the cumulative amount of the additional contributions exceeds 30% of the pension commencement lump sum under paragraph 9.4; and
 - d. the recycling was pre-planned.
- This is not a full definition. Full details are in Schedule 29 of the Finance Act 2004. Please consult your adviser for more details.
- 9.14 Should a tax charge arise under paragraph 9.13, you agree that such tax charge shall either be paid from your pension or paid by you personally as the case may be.

10 Serious Ill Health Lump Sum

- 10.1 If all the following conditions apply you can take the benefits from an arrangement as a lump sum:
- 10.1.1 you have provided evidence from a registered medical practitioner that you are expected to live for less than one year; and
 - 10.1.2 no benefits in the arrangement have been crystallised; and
 - 10.1.3 you have not used up all of your lifetime allowance; and
 - 10.1.4 if you are married or in a registered civil partnership, 50% of the protected rights benefits under the arrangement have been transferred to a separate arrangement to provide a pension income to your spouse or registered civil partner following your death.
- 10.2 If, you are aged 75 or older at the date of payment, we will deduct tax at 55% from the lump sum.

11 Death

- 11.1 If you die, the nature of the death benefits will depend on:
- 11.1.1 whether the benefits are uncrystallised or crystallised;
 - 11.1.2 whether the benefits are non protected rights or protected rights;
 - 11.1.3 your age at death; and
 - 11.1.4 the beneficiaries to whom benefits will be paid.

This paragraph sets out the benefits payable.

- 11.2 We will decide who should receive death benefits, and how much, from the list of beneficiaries described in the trust deed and rules. You can however notify us of your wishes by completing a nomination of beneficiaries form (available as part of the application form or on request) which we will consider prior to paying any death benefits.
- 11.3 You may wish for any lump sum death benefits payable on your death to be paid to a trust, in which case you will need to provide us with a copy of the trust documentation in advance. Please be aware that we are unable to provide any advice as to the validity of any trust and you should take your own professional advice on this.
- 11.4 Death benefits comprising non protected rights:
- 11.4.1 if you die, we will pay a lump sum to your beneficiary(ies):
 - i. in respect of crystallised funds, we will deduct tax at 55% from the lump sum, unless you do not have any dependants and you have nominated that the lump sum is to be paid to a charity or charities of your choice;
 - ii. if you are aged 75 or older at your death, we will deduct tax at 55% from the lump sum;

- 11.4.2 Instead of paying a lump sum, the whole or the appropriate part of your pension can be used to provide an income for one or more dependants in the form of:

- i. capped drawdown;
- ii. if the dependant meets the conditions, flexible drawdown; or
- iii. a lifetime annuity bought from an insurance company chosen by the dependant.

- 11.4.3 If a dependant chooses to take capped drawdown then the amount of capped drawdown taken each year must not exceed the maximum amount allowed by relevant legislation and HMRC rules. We will recalculate the maximum amount every 3 years and each year after reaching age 75.

- 11.4.4 If a dependant meets the conditions in the relevant legislation and HMRC rules, the dependant can ask us to provide flexible drawdown instead of capped drawdown. Under flexible drawdown there is no limit to the amount that can be withdrawn.

- 11.4.5 The following apply to capped drawdown and flexible drawdown:

- i. the dependant must agree to be bound by these terms;
- ii. we will pay the pension monthly unless the dependant asks us to pay it quarterly, half-yearly or yearly. We will make the payments on the last business day of the month by direct credit to the dependant's personal bank account. We will stop payments when the dependant dies;
- iii. the dependant can ask us to increase, reduce, stop or restart payments or make one-off payments from time to time. If the dependant wishes to change the level of their payment they must ask us at least 10 business days before the payment date;
- iv. the dependant must ensure that sufficient cleared funds are held in the bank account 10 business days before the payment date or we may not make the payment;
- v. if the dependant is a child, payments will usually stop on reaching age 23; and
- vi. the dependant can choose to buy a lifetime annuity at any time with part or all of their portion of the fund.

- 11.5 Death benefits comprising protected rights:

- a. If you are survived by your spouse or registered civil partner, the protected rights benefits must be used to provide an income for your spouse or registered civil partner in the form of:
 - i. capped drawdown;
 - ii. a lifetime annuity bought from an insurance company chosen by your spouse or registered civil partner.
- b. If you are not married or in a registered civil partnership when you die, the options described in paragraph 11.4 will also apply to protected rights benefits.

12 Transfers out

- 12.1 You can require us by written notice to transfer the value of your pension to another pension scheme at any time, subject to applicable legislation and HMRC rules. This will be done as soon as is reasonable following your instruction.
- 12.2 Transfers out may be made in cash or in specie. You will be required to notify us in writing how you wish for the transfer out to be completed. It may not always be possible to comply with your request, ie Cofunds may not be able to sell certain investments in order to carry out a transfer in cash or transfer investments in specie to your new pension provider. Where this is the case we will notify you and make you aware of your options.
- 12.3 We will only complete a transfer out once payment of all fees and costs have been paid. If you instruct us to transfer out in specie and there is inadequate cash within your pension to settle any outstanding fees or costs, we reserve the right to sell investments in accordance with our order of disposal policy in order to cover the payment of those fees or costs prior to completing the transfer out.
- 12.4 Any annual fee already paid to us prior to a transfer out being requested will not be rebated either in full or in part.

13 General provisions on the payment of benefits and transfers out

- 13.1 We are required to obtain a true market value for your pension in the following circumstances:
- you commence capped drawdown or flexible drawdown;
 - a lifetime annuity is purchased;
 - you die before age 75;
 - you reach age 75; or
 - we need to, or you request us to, carry out an income limit review under capped drawdown.
- This means that we will need to fully reconcile your pension and obtain current market values for the investments held.
- 13.2 If we agree, we may direct Cofunds to transfer assets out of your pension:
- to you in satisfaction of benefits payable under your pension;
 - 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.
- 13.3 We will not pay benefits, purchase a lifetime 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 pension and all liabilities of your pension (including all costs arising in relation to any benefit payment, annuity purchase or transfer) have been satisfied.

- 13.4 Where the trustee is unable to realise or transfer all or any of the investments of your pension, 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 a lifetime annuity or a transfer payment out requested under these terms until the trustee is able to realise the relevant investments (or is 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 pension 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 13.4.*

- *13.4 If you wish to draw benefits or transfer out in cash, or to purchase a lifetime annuity, there must be sufficient cash in your pension. If investments have to be sold to raise the required cash, this may take time.

Most funds can be sold for cash very quickly. But some specialist funds are illiquid and may take some considerable time to realise. Please think about this when making investment decisions and plan ahead so that cash is available when you require it.

In particular, if you are drawing a regular income from your pension, 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.

- 13.5 Where you have instructed Cofunds to make payments from your Pension Trading Account, but do not have enough money in that account to meet the payments due to be paid that month, you can set up a Sale for Regular Payment to instruct Cofunds to sell a portion of your Cofunds Pension Account investments to raise the required amounts.

Please speak to your nominated adviser for more information. Alternatively please see the Sale for Regular Payment Instruction form (<https://iws.cofunds.co.uk/docs/SfRPIInstruction.pdf>) for details.*

- * 13.5 Cofunds offers the Sale for Regular Payment service as a way to help you to ensure that your regular income payments are met.

- 13.6 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:

- direct the trustee to transfer that investment to you in part or full satisfaction of any payment of benefits under your pension; or
- 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 13.6.

13.7 After satisfaction of all liabilities of your pension and transfer of all assets out of your pension or payment of all benefits under your pension, we will close your pension and you will cease to be a member of the scheme.

14 Valuation and reporting

14.1 Your pension is operated in sterling.

14.2 Your pension 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 the Cofunds platform. This daily valuation is no guarantee of the true value of your pension and is solely provided as an indicative value. Additionally, each year a formal valuation will be carried out, as described in paragraph 14.3.

14.3 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 pension 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 pension falls, but we reserve the right to amend the reporting date by written notice to you.

14.4 A valuation can also be obtained online by your nominated adviser, or directly (if your nominated adviser has given you this access).

14.5 The formal valuation of your pension is based on totaling the value of the assets of your pension at the reporting date less the value of its liabilities at that date. For these purposes, the investments of your pension will be valued at the close of business on the last business day before the relevant reporting date. Subject to HMRC and other regulatory rules, we may, from time to time, adopt such valuation rules as we in our opinion consider appropriate.

14.6 You should review the formal valuation issued under paragraph 14.3 within three months of receipt by you or your adviser and tell us of any discrepancies so that these can be promptly corrected.

15 Fees, charges and expenses of your pension

15.1 The fees and charges payable to us in respect of your pension and the circumstances in which they may be increased are set out in the Key Features of the Cofunds Pension Account as amended from time to time.*

* 15.1 Please read the Key Features of the Cofunds Pension Account and ask your nominated adviser or Cofunds if you have any questions about it.

15.2 We will also be entitled to charge the following costs to your pension:

- a. 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 pension;
- b. any administration costs incurred by us or the trustee in the purchase of a lifetime annuity in relation to you;
- c. 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 pension in consequence of a divorce or dissolution of a registered civil partnership;

- d. all fees, commissions, charges, disbursements and other costs charged by Cofunds in relation to your pension;
- e. all fees, commissions, charges, disbursements and other costs charged by your nominated adviser in relation to your pension;
- f. all taxes, duties, levies or other liabilities to which we, the trustee or Cofunds become responsible for as a result of purchasing, holding, disposing of or transferring any fund or other asset allocated to your pension;
- g. any other liabilities or scheme sanction charges payable or tax refunds due;
- h. any amounts returned to you or to HMRC in accordance with paragraph 5.9;
- i. any taxes, duties or levies (including VAT) in respect of fees, charges or costs, or amounts to which we or the trustee become responsible for as described in paragraph 15; and
- j. any administrative costs incurred by us the trustee or Cofunds (including legal expenses, disbursements or other costs) in complying with any court orders served on us and/or the trustee relating to you, your pension or funds relating to your pension.

Provided that this paragraph 15.2 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.

15.3 Subject to paragraph 15.4 if we or the trustee are required to:

- a. pay any tax or levies imposed on your pension or on any contribution paid or monies allocated in respect of it; or
- b. make any other payment to the Government, any governmental agency or regulator or self regulatory organisation of which we are or become a member, to the extent directly attributable to your pension, we may reimburse ourselves in respect of the levy, tax, liability, charges or other payment by way of making a charge to your pension as we may reasonably determine. This will be on a basis similar to that on which the levy, tax, liability, charge or other payment has been calculated.

15.4 Paragraph 15.3 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.

15.5 All costs and liabilities which we are entitled to charge to your pension will be deducted from the Pension Trading Account. If at any time the credit balance on the Cofunds Trading 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 pension 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. direct Cofunds to dispose of funds in accordance with our order of disposal policy in order to pay the amounts due; or
 - b. require you to pay us the amounts due.
- 15.6 To meet costs and liabilities, if there is not enough money in your Pension Trading Account, Cofunds will sell your investments using the Sale for Regular Payment method - please speak to your adviser and see the (Sale for Regular Payment Instruction form <https://iws.cofunds.co.uk/docs/SfRPInstruction.pdf>) for details on how this service works.
- 15.7 If for any reason the value of the funds held in respect of your pension 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.
- 15.8 We will continue to be entitled to our charges and to recover all costs and liabilities as referred to in paragraphs 15.1 to 15.7 above (including any such charges falling due and any such costs and liabilities incurred after your death) until all the assets of your pension, including the balance on the Pension Trading Account, have been transferred out of your pension in accordance with these terms.

16 Information and communications

- 16.1 All communication in respect of your pension should in the first instance be directed to Cofunds. Communications in respect of your pension may be issued by us or Cofunds as appropriate.
- 16.2 We or Cofunds may request, and you must provide, such information as may reasonably be required to give effect to these terms.
- 16.3 Unless otherwise specified in these terms, communications (including instructions) for the purpose of these terms may be given orally, in writing or via the Cofunds website. Communications in writing may be delivered personally, posted, emailed or sent by fax. All communications, whether from you or us, must be in English.
- 16.4 Use of email is not a secure means of communication and in particular third parties may be able to view or alter information sent by email without either the sender or recipient knowing. We cannot guarantee that the content of any email we receive from you or send to you will remain private during transmission over the internet. By sending information to us by email you are accepting this risk.
- 16.5 All postal communications to Cofunds from you must be made to the address set out in the application form (or any other address which Cofunds may specify by giving you notice in writing). Any communication in writing from us to you or your nominated adviser will be sent to the relevant address provided in your application form until we are told by you that you or your nominated adviser would like communications sent to a different address.
- 16.6 All correspondence sent by us will be made available to your nominated adviser on the Cofunds website. Where documents need to be sent to you directly these will be sent via post or via any other medium as we deem appropriate.
- 16.7 We or Cofunds may:
- a. telephone you at any time to discuss your pension 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 nominated adviser;
 - 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 impossible 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; and
 - f. 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.

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.

17 Data protection and confidentiality

- 17.1 We will record all telephone conversations relating to your pension for training, monitoring and fact verification purposes.
- 17.2 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.
- 17.3 We will comply with the Data Protection Act 1998. Please ask us if you would like details.
- 17.4 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 pension 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.
- 17.5 We may disclose information orally or in writing (including by email) concerning you and your pension:
- 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, advisers and Cofunds; or
 - b. as required by law or any competent authority; or
 - c. to any person we reasonably believe to have been appointed by you as your nominated adviser; or
 - d. with your prior written consent.

- 17.6 You agree that 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.
- 17.7 We or Cofunds may be required to pass your personal details to the bank or provider of an underlying investment to enable that party to carry out an electronic identity check on you. The bank or investment provider and the referencing agency used will maintain a record of the check.
- 17.8 Alternatively we or Cofunds may be required to forward copies of any verification of identity and address documents that we or Cofunds have obtained from you or your adviser.

18 Force majeure

- 18.1 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 pension. In this event, unless you might reasonably be expected to be aware of the circumstances, we will to the extent possible 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.*

*18.1 We expect to be able to look after your pension and respond to you efficiently in most circumstances. We've also prepared and 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 pension for a period and this paragraph sets out details.

- 18.2 For the purposes of these terms, force majeure includes:
- (i) nationalisation, expropriation, prohibition, intervention, direction or embargo;
 - (ii) imposition by any Governmental or quasi-governmental authority of currency restrictions, exchange controls or other charges or restraints affecting your pension or the assets allocated to it;
 - (iii) inability or delay in obtaining governmental or quasi-governmental approvals, consents, permits, licences, authorities or allocations;
 - (iv) acts of war (declared or undeclared), terrorism, insurrection, revolution, civil disturbance, riot, blockade or other disturbance;
 - (v) strikes, lockouts, other industrial action or other interferences with work;
 - (vi) failure or disruption of any relevant stock exchange, including depositories, settlement systems or markets;
 - (vii) widespread failure or disruption of computer systems, including electronic mail systems; or
 - (viii) 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.

19 Tax provisions

- 19.1 The total benefits available under your pension and other pension schemes 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 charged with a lifetime allowance charge. Any lifetime allowance charge will be deducted from your pension 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 nominated adviser. 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.*

* 19.1 Protection is a mechanism designed to shelter, in part or in full, the pension funds from the effects of the lifetime allowance charges. There are three main sorts of protection:

- Primary protection: this was only available to individuals with benefits in excess of £1.5million on 6 April 2006;
- Enhanced protection: this offered complete protection from the lifetime allowance charge at 6 April 2006; and
- Fixed protection enables protection of the pension fund (including future growth) built up before 6 April 2012 against the lifetime allowance.

It is possible to have primary or enhanced protection, or both. HMRC will have provided you with a certificate detailing what protection you have when the claim for protection was made. The claim needed to have been made by 5 April 2009. Applications for fixed protection need to be made to HMRC prior to the 5 April 2012.

- 19.2 We may, from time to time, be charged with a scheme sanction charge in relation to your pension. A scheme sanction charge is a tax charge 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 pension.
- 19.3 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 pension, you agree to pay to us on demand any such shortfall.*
- * 19.3 A scheme chargeable payment is a payment by your pension that is not authorised as defined in the Finance Act 2004. Authorised payments for your pension 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.
- 19.4 Any VAT on our or external charges or expenses will be payable in addition to the charges and expenses.

- 19.5 The tax charges mentioned in this paragraph are based on our understanding of the relevant legislation as at March 2011 and the Government's proposed changes from 6 April 2011 published in draft legislation on 9 December 2010 and may be subject to change.

20 Complaints

- 20.1 Complaints in the first instance should be addressed in writing to

Cofunds
PO Box 1103
Chelmsford CM99 2XY.

Where appropriate, Cofunds may forward your complaint to us. Alternatively, you can address any complaint about our services, in writing, to:

Managing Director
Suffolk Life Pensions Limited
153 Princes Street
Ipswich
Suffolk IP1 1QJ.

- 20.2 If the matter is not dealt with to your satisfaction, you can write to:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR.

telephone 0800 0 234 567
www.financial-ombudsman.org.uk.

- 20.3 Alternatively you may also refer a complaint about pension administration to:

Pensions Ombudsman
11 Belgrave Road
London SW1V 1RB

telephone 020 7630 2200
www.pensions-ombudsman.org.uk.

- 20.4 Making a complaint, unless made to the Pensions Ombudsman, will not prejudice your right to take legal proceedings.

- 20.5 For free help and advice regarding your pension, you can also contact

Pension Advisory Service
11 Belgrave Road
London SW1V 1RB

telephone 0845 601 2923
www.pensionsadvisoryservice.org.uk

21 Financial Services Compensation Scheme (FSCS)

- 21.1 We are covered by the FSCS. This paragraph sets out our understanding of the level of compensation available to you should we be unable to meet our obligations to you.
- 21.2 In the event that we are unable to meet our obligations to you then you may be eligible to make a claim for compensation under the FSCS. This is limited to 100% of the first £50,000, therefore the maximum amount available would be £50,000.
- 21.3 In the event that Cofunds is unable to meet its obligations to us, then we or you may be eligible to make a claim for compensation under the FSCS.
- 21.4 In the event that the bank is unable to meet its obligations to us, then we or you may be eligible to make a claim for compensation under the FSCS. This is limited to 100% of the first £85,000 held on deposit with the bank in respect of your pension, therefore the maximum amount available would be £85,000.
- 21.5 In the event that a provider of an underlying investment is unable to meet its obligations to us, then we or you may be eligible to make a claim for compensation under the FSCS. The maximum amount that can be claimed will depend on the investment type.
- 21.6 For further details of the FSCS, their contact address is 7th Floor, Lloyds Chambers, Portsoken Road, London E1 8BN. Their contact telephone number is 0207 892 7300 and their website is **www.fscs.org.uk**

22 Variation and termination

- 22.1 These terms will apply until:
- you cease to be a member of the scheme; or
 - we amend these terms.
- 22.2 Without affecting your rights to transfer, we may amend these terms by written notice to you. We will only make reasonable changes for fair and valid reasons, as follows:
- to comply with:
 - any changes to applicable law, regulation, the judgement of any court, regulator or ombudsman or any industry guidance or code likely to affect the operation of your pension or pension schemes generally;
 - any changes to the taxation regime of your pension or pension schemes generally;
 - any changes to our or the trustee's investment rights or powers; or
 - due to changes to the administration of your pension, changes to relevant staff, systems and related technology; or
 - due to the addition of a new Cofunds platform facility or service applicable to the Cofunds Pension Account.

22.3 Where these terms are to be amended in accordance with a. above we will give you as much notice as is reasonably possible in the circumstances, which will generally be at least 30 days' written notice. Where these terms are to be amended in accordance with b. or c. above we will give you at least 90 days' written notice. In the event that any amendment of the terms made by us under b. or c. above 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 pension in accordance with paragraph 12.1. In such circumstances, we will not charge you any fee in respect of the transfer, although you will be responsible for any other costs.

22.4 Where these terms are amended we may notify you where the revised terms can be accessed via Cofunds website **www.cofunds.co.uk**. Paper copies of the terms will be available on request by calling 0845 604 4001.

22.5 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 pension (less the amount required to satisfy all charges due to us and all costs chargeable to your pension and all liabilities of your plan) 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.

22.6 We may ask you to transfer your pension in accordance with the provisions of paragraph 22.5 for reasons including but not limited to the following;

- a. changes in legislation;
- b. where the scheme becomes too expensive for us to operate;
- c. if we make an alternative scheme available that provides the same benefit; or
- d. if the registration of the scheme is removed by HMRC.

We also reserve the right to ask you to transfer your pension in accordance with paragraph 22.6 in those cases whereby in our reasonable opinion your behaviour is deemed inappropriate or unreasonable, including but not limited to abuse, offensive and or threatening language or action.

22.7 If you fail to comply with the requirements made under the above paragraph 22.5, we may treat you as having instructed us in writing to encash the whole of your pension and to transfer the cash proceeds (less the amount required to satisfy all charges due to us, all costs chargeable to your pension and all liabilities of your pension) 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.

23 Waiver

23.1 We may agree in writing with you to waive any condition contained in these terms.

23.2 Any waiver under paragraph 23.1 of any condition on any occasion does not bind us to waive that condition on any other occasion.

24 Conflicts of interest

24.1 During the period where we are administering your pension 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 by contacting us at Suffolk Life, 153 Princes Street, Ipswich, IP1 1QJ.