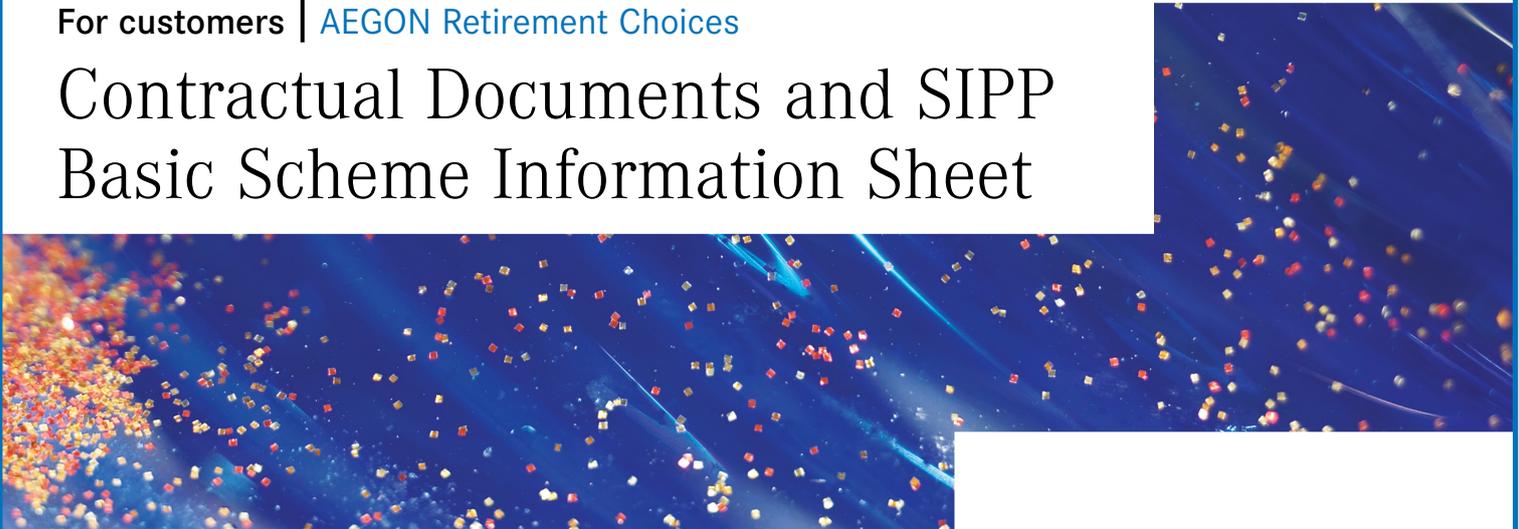




For customers | [AEGON Retirement Choices](#)

# Contractual Documents and SIPP Basic Scheme Information Sheet



Effective as at July 2012

# Welcome to AEGON Retirement Choices

In this booklet, you'll find the AEGON Retirement Choices (ARC) Terms and conditions and the ARC Insured Fund Policy, which along with your:

- application(s)
- declarations(s)
- first *Contract note*, or for SIPP *Confirmation of investment – contract note*, that we send you

form the basis of your contract with us for the AEGON Retirement Choices service.

ARC provides you with access to a range of product wrappers and investment choices through one online service.

This booklet also contains the Basic Scheme Information Sheet which we're obliged to give you in connection with the AEGON SIPP.

This booklet is made up of the following parts:

## Part 1 – ARC Terms and conditions

This document details the terms and conditions that apply generally to the AEGON Retirement Choices service and also to the individual product wrappers, provided by AEGON Investment Solutions Ltd and Scottish Equitable plc.

## Part 2 – ARC Insured Funds Policy

This document details the conditions for the policy of insurance which apply where you open an AEGON SIPP and invest in insured funds, provided by Scottish Equitable plc.

## Part 3 – Basic Scheme Information Sheet for the AEGON SIPP

We're obliged to issue to you a Basic Scheme Information Sheet in connection with the AEGON SIPP. This gives you information about the scheme, under which your SIPP is provided by Scottish Equitable plc.

# Part 1 – ARC Terms and conditions



These are the terms and conditions that apply generally to the AEGON Retirement Choices service and also to the individual product wrappers, provided by AEGON Investment Solutions Ltd and Scottish Equitable plc.

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## 1 Introduction

### 1.1 Purpose of this document

By opening a **product wrapper**, **you** have applied for use of the AEGON Retirement Choices service (**the Service**) provided by **us**. This booklet contains the *AEGON Retirement Choices Terms and conditions* for the use of **the Service** and for the **product wrappers**. In addition to these terms and conditions, **you** should also read other documents such as the *Key features document*, *your illustration*, *Key investor information document(s)*, *Charges guide*, *Confirmation of application*, *Contract note* or for SIPP, *Confirmation of investment – contract note*.

Words in **bold italics** are defined terms that are explained in the ‘Definitions’ section. References to ARC documents are in italics, and these, as well as any other documents are available from your adviser.

### 1.2 The role of AEGON

**We** provide the AEGON Retirement Choices service to **you**. This is mainly an online service that’s used to manage **investments** through one or more **product wrappers**. AEGON Investment Solutions provides the **General Investment Account (GIA)** and the **Individual Savings Account (ISA)**. Scottish Equitable plc provides the AEGON Self Invested Personal Pension (**SIPP**) within the AEGON Retirement Choices service. If **we** agree, the **GIA we** provide can also be available for use through a product, such as an offshore bond or a **SIPP**, with **another provider**.

**We** don’t give any advice in relation to the AEGON Retirement Choices service, **your product wrappers** or any **investments** that **you** hold with the AEGON Retirement Choices service. The fact that particular **product wrappers**, investments, investment planning tools or any other features are made available via **the Service** doesn’t constitute advice or imply that they’re suitable for **you**. **You** should always seek suitable advice before using **the Service**, purchasing a **product wrapper** and investing. If **you** need to find a new **adviser**, **you** can do this online at [www.unbiased.co.uk](http://www.unbiased.co.uk)

## 2 Definitions

### General items to note

Where we use the masculine form of a word, it also includes the feminine. The opposite also applies.

Words in the singular include the plural. The opposite also applies.

Where we refer to a piece of legislation, we also refer to any amendment or re-enactment of the legislation. We also refer to any regulations made under the legislation, and that includes any corresponding provisions in force in Northern Ireland.

**Additional subscription** – means additional subscription into an already opened **product wrapper**.

**Adviser** – means the financial adviser through which **you** access **the Service**, open **product wrappers** and transact **investments**, and who **you** can remunerate in the form of **adviser charge** through the **product wrappers you** hold. **Your adviser** must be registered with **us** and have appropriate **FSA** authorisation.

**Adviser charge** – means money that **you** agree to pay to **your adviser** through **your product wrappers**. This is more fully described in Clause 10.4.

**AEGON, we, us, ourselves** – means AEGON Investment Solutions Limited, in relation to the **ISA** and **AEGON GIA** and in relation to the **AEGON SIPP** means Scottish Equitable plc.

**AEGON initial charge** – means the one-off charge made by **us** when **you** make a subscription/investment into a **product wrapper** by paying money into the **cash facility**, either on a one-off or regular basis as detailed in condition 10.3.1.

**AEGON investments list** – means the list of **investments** that **we** make available via **the Service**.

**Aggregated trading** – means the trading of certain investments, where all instructions at a certain time from all **clients** using **the Service** are added together into a single trade for a particular investment. This is more fully described in Clause 7.8.

**AUT** – an authorised unit trust.

**Annual allowance** – means the limit, set by HMRC, of tax-free contributions or increase in value of a person’s pension rights in a pension input period. For this purpose, all of the person’s pension arrangements are taken into account. Contributions or increases in pension rights in excess of this allowance will give rise to a tax charge.

**Another provider** – means any provider of a financial product that isn’t available on **the Service** but uses that financial product to purchase a **GIA** under **the Service**.

**Benefit Crystallisation Event** – means an event or occurrence at which **we** must test **your SIPP** benefits against the **lifetime allowance**. The events and occurrences on which this must happen are set out in legislation. The amount which must be tested against **your lifetime allowance** is also determined by legislation.

**Block transfer** – means the transfer in a single transaction of all the investments held under the pension scheme from which the transfer is made, which relate to at least two members of that pension scheme.

**Business day** – means any full day on which banks, investment managers and the London Stock Exchange (LSE) are open for business.

**Cash facility** – means the account that’s set up for and within each **product wrapper** for the movement of money to and from, and within, a **product wrapper**. This is more fully described in Clause 5.4.

**Client, you, your** – means the individual, corporate or other entity in whose name **the Service** is held. If **you** have an **AEGON SIPP**, and following **your** death, **your** dependant chooses to postpone the securing of an annuity under Clause 15 in Section C, **you/your** refers to **your** dependant.

**Client profile** – means an account within **the Service** that holds **your product wrappers**. **You** can have more than one such account with each account being treated separately for the purposes of these *terms and conditions*.

**Collectives** – means collective investment schemes, which are arrangements that enable a number of investors to ‘pool’ their assets and have these professionally managed by an independent manager. Collective investment schemes come in a number of forms, the main ones being authorised unit trusts, open-ended investment companies and unauthorised unit trusts.

**Consultancy charge** – means a charge paid to the **scheme adviser** through **your product wrappers**. This is more fully described in Clause 10.5.

**Contribution** – means any payment by **you** or a third party or **your** employer (where allowed) into a **product wrapper** and includes subscriptions to **your ISA**. **Contribution** doesn’t include a transfer into a **product wrapper** from the same type of product with **another provider** of that product.

**Crystallise** – is what happens to **your SIPP investments** on a **benefit crystallisation event**. It can apply to different parts of **your SIPP** at different times. This is more fully described in Clause 9 of Section C.

**Crystallised** – means that part of **your SIPP** that has been through a **benefit crystallisation event**.

**Default fund** – means the **investment** that any payment into **your SIPP** that was taken out through **your employer**, and that **you** have not given an **investment** instruction for, will be invested in. This is more fully described in clause 4 in Section C.

**Discretionary fund manager** – means an appropriately FSA authorised manager that has entered into an agreement with us and **you** select to manage **your investments** on **your** behalf.

**Discretionary investment manager charge** – means the charge that **we** deduct from **your product wrapper** and pay to **your discretionary fund manager**. This is more fully described in clause 10.4.8.

**Distance contract** – is defined by the **FSA** and is a contract which makes exclusive use of one or more means of distance communication (where there is no simultaneous physical presence) up to and including the time at which the contract is concluded.

**Drawdown pension** – means a drawdown pension as set out in paragraph 4 of part 1 of schedule 28 to the Finance Act 2004. Broadly speaking, it is the payment of a pension directly from the funds in **your SIPP**.

**Drawdown pension fund lump sum death benefit** – means any part of the drawdown fund of a member of the **scheme** which is applied, on the death of the member, as a lump sum.

**Eligible AEGON pension products** – means any eligible pension contract, within the AEGON Group that **you** are entitled to the benefits of.

**Employer** – means the person (including a company or other legal entity) that employs **you** and through whom **you** are given initial access to **the service**. Once **you** have access to **the service**, this will continue even if **you** leave the employer that gave **you** access (as detailed in clause 7.3).

**Equity** – means company shares, investment trusts, corporate bonds or gilts. These are stock or any other security representing an ownership interest that can be traded publicly, for example via an exchange.

**Equity trading** – is the service by which **we** facilitate the purchase or sale of **equities** within **product wrappers**.

**Exchange traded fund** – means an investment fund, tracking an index, sector or commodity that is traded on a stock exchange.

**Financial dependant** – has the meaning given in paragraph 15 of schedule 28 of the Finance Act 2004. In summary, it includes **your** spouse, civil partner, children and any other person who is financially dependant on **you**, or is dependant on **you** due to physical or mental impairment. Where dependant’s drawdown pension is being provided, it means the dependant named in any documentation issued to the dependant.

**Forced disinvestment** – means that **we** will sell **investments** without **your** instruction, for example in order to maintain sufficient cash within **your cash facility** or to meet payments out.

**Force majeure events** – means any of the following and their effects:

riot, civil unrest, commotion or rebellion; war or civil war (whether or not declared) or armed conflict, invasion and acts of foreign enemies, blockades, embargoes (including as to trade); any act (or credible threat) of terrorism, acts of government, local authority or regulatory body; explosion or fire, earthquake, extraordinary storm, flood, abnormal weather conditions or other natural catastrophe; any nuclear, chemical or biological contamination; or any strikes, lock-outs or other industrial disputes (other than to the extent involving the workforce or other personnel of us):

in each case to the extent that such event is beyond the reasonable control of the party affected and has materially affected the ability of that party relying on the force majeure event to perform its obligations in accordance with these terms and conditions. It always excludes any such event insofar as it arises from or is attributable to the wilful act, omission or negligence of that party or the failure on their part to take reasonable precautions to prevent such force majeure event or its impact.

**FSA** – means the Financial Services Authority and any replacement of it.

**Fund manager** – means the individual responsible for making decisions related to a portfolio of collective investments, in accordance with the stated goals of the fund.

**Gate** – means the level of access that **you** have been given by **your adviser** or **employer** allowing **you** to apply for certain **product wrappers** and buy and sell certain **investments** as more fully described in clause 7.3.

**General Investment Account (GIA)** – means an account provided by **us** within **the service** that allows you to buy and sell **investments**. There are no specific tax benefits to such an account and the **investments** are treated as owned by **you** for tax purposes.

**Hedge fund** – means a fund allowing the use of aggressive strategies that are typically unavailable to **collectives**, including selling short, leverage, program trading, swaps, arbitrage, and derivatives.

**HMRC** – means HM Revenue & Customs and any replacement of it.

**Indemnify** – means being responsible to compensate for any loss, expenses or damage or one or more of these, caused and to provide financial reimbursement for this.

**Investment providers** – means providers of the **investments** made available through **the Service**.

**Investments** – means any assets that **we** make available for **you** to invest in through **your product wrappers** and includes cash in the **cash facility**.

**Investments list** – means the list of all **investments** available through **the Service**, **your adviser** can give you more information.

**ISA** – means the Individual Savings Account as regulated by **HMRC** and provided by **us**. This may be in the form of a Cash or Stocks and Shares ISA and is more fully described in Section B.

**Lifetime allowance** – means the overall limit on the value of tax-privileged pension benefits, in the form of **drawdown pension**, **pension commencement lump sum** or annuity purchase that any one individual can receive throughout their life. Benefits received in excess of the allowance may be liable to a tax charge as described in section 214 of the Finance Act 2004. For the avoidance of doubt, this includes any personal lifetime allowance under the Finance Act 2004.

**Model portfolio** – means a pre-selected portfolio of **investments** put together by either an **adviser** or **discretionary fund manager**. The portfolio can be selected by an **adviser** for any number of **clients**. The **client's** holdings can be amended automatically to reflect any changes to the **model portfolio**.

**Nominee company** – means the company or companies used by **us** to hold **your investments** in safe custody.

**Your investments** will be registered in the name of one of our **nominee companies** relevant to the **product wrapper(s)** **you** hold (which are subsidiaries of **us**). These are more fully described in Clause 7.1.

**Non-UCITS retail scheme** – means an investment company with variable capital or an authorised unit trust, which is neither a UCITS or a qualified investor scheme (which is an investment company with variable capital or an authorised unit trust designated as such by its constitution).

**Pension commencement lump sum** – means the lump sum **you** can take from a part of **your SIPP** when **you** first start

taking pension benefits from that part of **your SIPP**. If it satisfies certain conditions, this lump sum can be paid free of income tax. The conditions are set out in Paragraphs 1 to 3 of Schedule 29 of the Finance Act 2004.

**Platform terms of business** – means the **adviser** terms of business that **your adviser** must agree with us before **we** will allow them to use **the Service**.

**Product wrapper** – means a specific product provided by **us** within **the service**, being a **GIA**, an **ISA** or a **SIPP**, within which **you** can buy, sell and hold a variety of available **investments** and cash. **You** can receive some form of tax relief, this will depend on **your** personal circumstances and the type of **product wrapper** being chosen. **You** can have more than one type of **product wrapper**, and more than one of each type.

**Recognised UCITS** – a UCITS recognised under section 264 of the Financial Services & Markets Act 2000 (Schemes constituted in other EEA States).

**Relevant UK individual** – is defined in section 189 of the Finance Act 2004, further details are set out in clause 2.3 of section C.

**Regular contribution** – means the payment of a **contribution** on a regular basis. This payment will be into the **cash facility** of a **product wrapper** using a Direct Debit instruction.

**Regular withdrawal** – means regular periodic withdrawal from funds within the **cash facility** of a **product wrapper**. **Regular withdrawals** may be made monthly, quarterly or yearly. There are restrictions on how much you can withdraw from **your SIPP**, **your adviser** will provide **you** with details of these.

**Relevant UK earnings** – means earnings as defined in Section 189, Finance Act 2004. It includes:

- employment income such as salary, wages, bonus, overtime and commission providing it is chargeable to tax,
- income derived from the carrying on or exercise of a trade, profession or vocation that is chargeable to tax,
- income arising from patent rights and treated as earned income, and
- general earnings from an overseas Crown employment which are subject to tax.

Where relevant UK earnings are not taxable in the United Kingdom due to a double taxation agreement, those earnings are not regarded as chargeable to income tax and so will not count towards the annual limit for tax relief on pension savings.

**Re-registration** – means the process of transferring existing **investments**, such as **equities**, unit trusts or open-ended investment companies (OEICs) to or from **the Service** without selling or buying.

**Retirement age** – means that date specified in line with clause 1.5 in Section C.

**Retirement benefits** – means any one or more of **pension commencement lump sum**, **drawdown pension** or any annuity purchased by your **AEGON SIPP**. This is more fully described in Section C.

**Rules** – means the trust deed and rules that govern the **scheme**, as amended from time to time.

**Scheme** – means the AEGON Self Invested Personal Pension Scheme established by a Declaration of Trust executed by Scottish Equitable plc on 30 September 2011.

**Scheme Adviser** – means the person who advises *your employer* in relation to *the service*.

**Single investment** – means an individual or ‘one-off’ subscription into the *cash facility* of a *product wrapper*.

**SIPP** – means the self-invested personal pension provided by *us*. A self-invested personal pension is a specific type of UK personal pension that offers customers a wide choice of assets in which to invest, as opposed to just a selection of insured funds.

**The Service** – mean *the Service we* provide for *you* and *your adviser*, which contains *your product wrapper* and enables *you* and *your adviser* to manage *your investments* within your *product wrappers*, and is described in these *Terms and conditions*.

**Structured product** – any investment vehicle where the return is linked to the performance of an underlying asset.

**UCITS** – undertakings for collective investment in transferable securities.

**UK tax resident** – means a person considered to be a UK tax resident as defined by *HMRC*, as available on its website.

**Uncrystallised** – means that part of *your SIPP* that has not been through a *benefit crystallisation event*.

**Uncrystallised funds lump sum death benefit** – means any lump sum that is payable from *your SIPP* on your death from benefits that are *uncrystallised*.

**USA** – means all states, territories or possessions of the United States of America and the District of Columbia.

**Valuation point** – means the point at which all deals for a particular *investment* are aggregated by *us*. *Our valuation point* may be in advance of the *investment’s* dealing point to make sure all transactions are completed.

## 3 General information

### 3.1 Client classification

*Our* policy is to treat all *clients* as retail clients in line with the rules of the *FSA*.

However, please note that in some circumstances, particularly with regards to *investments, investment providers* may deem *AEGON* to be a professional client when buying or selling *investments* on *your* behalf. Therefore, the level of protection available to *you* may be less than had *you* purchased the *investment* directly from the *investment provider*.

### 3.2 Residency

For individuals *we* will only accept business from individuals who are habitually resident in the UK. *We* can’t accept an application for business from any citizen of the *USA*.

*You* or *your adviser* must immediately notify *us* of any change in *your* residency, tax status, citizenship or domicile.

On a change of residency, *we* reserve the right to suspend certain transactions. This might limit *your* ability to make additional *contributions*, buy/sell *investments* and make withdrawals.

*We* may be required to dispose of *investments you* hold due to a change in *your* residence, and *we* reserve the right to do this without reference to *you*.

If *you* need more information about how taxation, residency and related regulations may apply to *your* circumstances, please speak to an adviser.

*We* reserve the right to terminate *the Service* under Clause 11, following written notice given by *us*, if *you* no longer reside in the UK or *we* discover that *you* did not tell *us* of this change. Where this is the case, *we* will give three months’ written notice to *you* before terminating *the Service*.

### 3.3 Appointment and change of an adviser

*You* can apply for a *product wrapper* either through *your adviser, your employer*, or directly if you are already using *the service* and have access to do so at the correct *gate*. If *you* are using an *adviser* to apply for a *product wrapper, your adviser* must be authorised by the *FSA* and who has agreed to *our platform terms of business*.

#### 3.3.1 Where you have an adviser

If *you* have applied for *your product wrapper* through *your adviser*, we will assume that *you* have met and received suitable advice from *your adviser* and that this isn’t regarded as a *distance contract* for the purposes of the *FSA* regulations. *You* or *your adviser* must tell *us* if this isn’t the case.

*You* agree that *your adviser* is duly authorised to give *us* instructions on *your* behalf as if they had come directly from *you*. This includes authority to make withdrawals, trade *investments*, conduct switches and to add, amend or remove rebalancing on *your* behalf using *the Service*.

*You* agree to accept full responsibility for all instructions placed by *you* or *your adviser* and to release *us* from any liability for executing instructions which *you* or *your adviser* has placed using *the Service* (save for any direct loss or damage arising directly from *our* gross negligence, fraud or wilful default).

There are some instructions that must be given in writing, signed by all investors or authorised signatories and sent, where appropriate, with the relevant supporting documentation. These are explained in clause 9.

*We* will only accept instructions relating to payments of *adviser charge* to *your adviser* (see Clause 10.4) direct from *you* or from *your adviser*. Where the instruction is passed to *us*

by **your adviser**, **we** will send **you** details of the **adviser charge**, on **your Contract note** or for **SIPP**, **Confirmation of investment – contract note**. If **you** disagree with this amount, please contact **your adviser**.

**You** may only have one **adviser** for each **client profile**, and at any time **we** will only pay any **adviser charge** under Clause 10.4 to that **adviser we** have noted against your **client profile**. Notification of a new **adviser** will automatically result in the removal of the existing **adviser**.

Where participating in more than one arrangement on **the service**, through an **employer**, **you** may have more than one scheme adviser for each **client profile**. At any time **we** will only pay any **consultancy charge** under clause 10.5 to the **scheme adviser** for the relevant **product wrapper**.

**You** must tell **us** in writing if **you** want to change **your adviser** – please send confirmation of this change to ARC Client Services. This confirmation must also contain details of **your new adviser**. **You** can only appoint one **adviser** for each **client profile you** hold (containing one or more **product wrappers**).

**You** may hold more than one **client profile**, with different **advisers**, and the **client profiles** will be treated completely separately, including separate online access, separate post-sale documents and separate charges.

### 3.3.2 When you don't have an adviser

If **you** don't have an appointed **adviser**, during any periods that you use **the Service**, the following will apply to **your** account:

If **you** don't already have transactional online access to **the service**, then **we** will provide this to **you** so that **you** can manage **your** account online. **We** will do this when **we** are advised that **you** no longer have an **adviser**. **You** will only be able to transact at the **gate you** are in in terms of clause 7.3.

**You** can continue to make payments into any existing **product wrappers**, or choose to open new ones, based on the access that **you** have, determined by the **gate you** are in.

**We** will continue to accept and invest any **regular contributions** for any **product wrapper** or **investment** that **you** do not have access to transact on under clause 7.3.

**We** will continue to invest any **regular contributions** received in line with the current **investment** strategy, unless **you** alter this. This applies to an **investment** strategy that purchases **investments** that are in a **gate you** do not have access to transact under.

**You** will be able to buy and sell **investments** that are available within the **gate** that you are in. For any **investments** that **you** already hold, which are in a **gate** above **your** current access, **you** will be able to sell these but not make any further purchases.

Any rebalancing instruction that is in place for any of **your product wrappers** will remain in place until **you** take an action that stops this as more fully detailed in clause 7.13.

With the exception of a **SIPP**, **you** may still, at any point and without an **adviser**, request the closure of **your product wrappers** and request a return of any money due to **you**. For a **SIPP**, **you** can request a transfer out to another pension provider, as described in Section C Clause 8, at any time.

## 4 Overview of services

**We** are providing **the Service** as a means for **you** directly, through **your adviser**, or through **your employer**, to manage **your investments** within the **product wrappers** that **you** have taken out. The **product wrappers** that are available are:

- **AEGON GIA** – a general investment account that allows **you** to invest in a range of **investments**. This is more fully described in Section A. This may be a gross **GIA** where tax isn't deducted from payments within the **GIA**, or a net **GIA** where tax is deducted from payments within the **GIA**.  
  
The gross **GIA** may be taken out through a product with **another provider**, for example an offshore bond.
- **AEGON ISA** – an individual savings account (this can be a cash ISA or stocks and shares ISA) and is provided under the Income Tax (Trading and Other Income) Act 2005 and the Taxation of Chargeable Gains Act 1992 and in the ISA Regulations. This is more fully described in Section B.
- **AEGON SIPP** – a self-invested personal pension provided by **us**. This is more fully described in Section C.

The 'General' section of these **Terms and conditions** detail those general parts of **the Service** that apply to any **product wrapper** that **you** have on **the Service**. There are specific requirements for each **product wrapper** and these are separately detailed in the section relevant to that **product wrapper**. The specific requirements for a **product wrapper** will override the General Section for **the Service** if they conflict.

If **you** have access to transact through **the Service**, **you** will be able to open new **product wrappers** and buy and sell **investments** yourself, in line with the **gate** that **you** have access to under clause 7.3.

## 5 Opening a *product wrapper*

To use *the Service*, *you* must open one or more of the available *product wrappers*. *You* may open more *product wrappers* in the future, subject to the terms and conditions in force at the time.

In making *your* application, *you* agree that *you* will be responsible for any losses and/or expenses *we* incur that are due to any untrue, misleading or inaccurate information given by *you*, or on *your* behalf, either now or in the future in relation to that application and the *product wrapper* that *you* are applying for.

### 5.1 Methods of application

To open a *product wrapper*, the relevant application must be completed:

- online by *your adviser* acting as *your* agent
- through *your employer* with *your* authorisation
- online by *you*, if *you* have the relevant level of access to do this

*We* will open a *product wrapper* for *you* when we have a fully completed application, and any *contribution* or transfer will be applied to this *product wrapper* as instructed. *We* can require *you* to complete an additional form for certain kinds of application such as transfer to *your SIPP*. *We* will tell *you* or *your adviser* where this is the case.

Where *we* receive a sharesave rollover *contribution* to *your ISA* which exceeds the allowable contribution limit in the relevant tax year, *we* will open a *GIA product wrapper* for *you* to accept this *contribution*. *We* will return to *you* any other *ISA contribution* which exceeds the allowable limits.

### 5.2 Website access

Once *you* have opened a *product wrapper* with *us*, *you* may have direct access to *the service* at a level decided by either *your adviser* or *your employer*.

On request from *your adviser* to *us*, *we* will provide *you* with a unique username and password enabling *you* to either view or transact (or both) online. *Your adviser* may also give *you* access to transact online. If *you* are given access to transact online, this will be in accordance with clause 7.3.

If *you* opened *your product wrapper* through *your employer*, *you* will automatically have view and transactional access at a *gate* chosen by *your employer*. This will apply to all *your product wrappers* and *investments*, even if they have been taken out through *your adviser* rather than through *your employer*.

5.2.1 Once *you* have been issued with a username and password, *you* are responsible for maintaining the security of *your client profile*. *You* must not provide *your* log-in details to any third parties.

5.2.2 *You* agree to use *our* website in line with the website Terms of use and Privacy policy, which *you* can obtain from ARC Client Services.

5.2.3 If *you* believe or know that the security of *your* username and password has been compromised, *you* must tell *your adviser* and *us* immediately.

5.2.4 *You* can access *our* website from *your* own computer or public access points, but *you* are responsible for making sure any public access points are secure.

### 5.3 Cash facility

5.3.1 Each *product wrapper* will have its own separate *cash facility*. All *contributions* and cash transfers received will be placed into the *cash facility* within the specified *product wrapper*.

*We* can't hold *your* money as a deposit as *we* aren't a bank or building society. Therefore *we* will deposit it with HSBC Bank plc, who is the deposit taker for the *product wrappers*. *We* reserve the right to change *our* banking provider at any time, and *we* will tell *you* if *we* do this.

5.3.2 HSBC Bank plc is authorised and regulated by the *FSA*. Its registered office is: 8 Canada Square, London E14 5HQ.

5.3.3 HSBC Bank plc is subject to the Financial Services Compensation Scheme. If this bank enters insolvency then *you* may be eligible to claim compensation from the Financial Services Compensation Scheme (FSCS).

In respect of bank deposits, compensation under the FSCS is currently limited. The current limits can be obtained from the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk)

Any limits will apply to *your* total deposits within the HSBC group. This means that any other holdings that *you* have with HSBC will be included in calculating such limits.

5.3.4 *We* aren't liable for any acts, errors, omissions, defaults or frauds of the bank referred to in this Clause 5.3.

5.3.5 Only cleared funds will be credited to *your cash facility*, and dealing instructions will only be carried out when there are sufficient cleared funds in the relevant *cash facility*.

- 5.3.6 Where relevant, credits to the **cash facility** will be:
- i subscriptions, **contributions** and transfers in before investment
  - ii investment income payments, such as distributions and dividends, received from **investments** held through **the Service**
  - iii interest due on cash held within the **product wrapper**
  - iv proceeds from the sale of **investments**
  - v rebates received from fund managers
  - vi pension relief at source, which **we** prefund
- 5.3.7 Debits from the **cash facility** will be:
- i withdrawals
  - ii investment settlements
  - iii **AEGON** charges (see ‘Payments out’)
  - iv closures or transfers out
  - v any taxes relating to the **product wrapper**
  - vi other payments relating to the **product wrapper** and are due to a third party
- 5.3.8 Cash held within the **cash facility** will accrue interest at a daily rate on a daily basis. Interest will be credited on a monthly basis and will be paid at a rate **we** have agreed with the financial institution that has custody of our **client cash facility**. This will be updated at the discretion of the financial institution and the rate of interest on cash held in the **cash facility** will update in line with this. The current interest rate can be seen on **our** website at [www.aegon.co.uk/interest-rate](http://www.aegon.co.uk/interest-rate)
- 5.3.9 A minimum cash balance of 1% of the overall value of the **product wrapper** must be maintained in the **cash facility** of each **product wrapper** at all times.
- 5.3.10 When **you** make a contribution or transfer to **your product wrapper**, 1% of the value of the contribution will be retained in **your cash facility**.
- 5.3.11 It’s **your** and **your adviser’s** responsibility to make sure that there’s sufficient cash within **your cash facility** to make any payments due to be made. If the minimum balance of a **cash facility** falls below the minimum cash balance required of the total value of that **product wrapper** or, where the balance is greater than the minimum cash balance required but there isn’t enough money in the **cash facility** to meet any payment due, **we** reserve the right to:
- i delay or not execute any investment or withdrawal instructions
  - ii delay or not pay out any charges
  - iii sell **investments** as described in Clause 5.4

This will remain the case until the **cash facility** minimum explained above, and the amount required to make the **investment**, charge or withdrawal is restored.

## 5.4 **Cash facility maintenance and forced disinvestment**

- 5.4.1 Where the **cash facility** falls below the minimum described in Clause 5.3.10 or there is insufficient cash to make a payment under Clause 5.3.7, and **you** have not taken any action (such as selling **investments** or paying in further **contributions**) to ensure that there is sufficient cash in the **cash facility**, **we** can top up the **cash facility** without **your** agreement. **We** can do this automatically by selling the relevant amount of the largest holding in the following **investments; collectives**, insured funds and exchange traded funds, that has a daily **AEGON** dealing point or manually for any other **investments**.
- 5.4.2 If the largest holding does not give enough cash to meet any payment due, **we** will disinvest the next largest holding in that type of **investment**. If there are no other **investments** in that type of holding, **we** will disinvest from the next type of **investment** mentioned in Clause 5.4.1. **We** will continue this process until there is sufficient cash in the **cash facility** to make the payments due and ensure the minimum amount remains in the **cash facility**.
- 5.4.3 If **we** sell **investments** in a cash top-up, **we** aren’t responsible for any loss, charges or tax liabilities on **investments** that **we** sell, or other loss that may be incurred.
- 5.4.4 A forced disinvestment will only take place where **you** have taken no action to maintain the minimum cash balance as explained in Clause 5.3.10, make sure that sufficient money is in **your cash facility** to meet any charges, income payments or other payments that are due to be paid from **your cash facility**. **We** won’t provide **you** with any notice where **we** intend to or have carried out this process.
- 5.4.5 The **cash facility** maintenance process will be initiated on the first **business day** of each month, and proceeds from the sale of **investments** will be credited to **your cash facility** when **we** receive them. **We** don’t issue *Contract notes* or for *SIPP, Confirmation of investment – contract note*, for these transactions.

## 6 Contributing to your *product wrapper*

### 6.1 Methods of contributing

6.1.1 Each new *product wrapper* application (with the exception of *re-registrations*) must be accompanied by a cheque or bank transfer (BACS, Faster Payments or CHAPS), a fully and correctly completed Direct Debit instruction or a fully and correctly completed transfer request. For *re-registrations*, *we* will need a re-registration application form and stock transfer or re-registration authority form.

6.1.2 Cheques must be made payable to *AEGON*.

6.1.3 Cheques will be subject to the clearing rules of *our* banking partner. This will mean that, if *you* submit a cheque to make an initial or additional *contribution* into a *product wrapper*, any investment instructions will be delayed whilst the cheque is clearing.

*We* accept no liability for any loss arising within this period (for example, investment loss). Bank transfers (BACS, Faster Payments or CHAPS) must be made payable to *our* designated account appropriate for that *product wrapper*. The account details are indicated on the appropriate application.

6.1.4 *We* are not responsible or liable for any loss or costs incurred as a result of a Direct Debit payment being rejected by *your* bank or the incorrect initiation of a bank transfer (BACS, Faster Payments or CHAPS) to *our* bank account. Following the failure of a Direct Debit, *we* will attempt, where possible, to re-present the instruction to *your* bank once only.

6.1.5 All bank transfers sent to *us* must be accompanied by an identifying reference. If a bank transfer is sent to *us* without an identifying reference, *we* will endeavour to identify the source of the transfer. If *we* can't, *we* will initiate the return of money to the source bank account no later than three *business days* after receipt.

### 6.2 Contributions into a *product wrapper*

#### 6.2.1 Initial *contribution*

Minimum initial *contribution* levels apply for each of the *product wrappers* – please refer to Sections A, B and C.

#### 6.2.2 Additional *contributions*

There's no minimum amount for additional *contributions* into the *cash facility* for all *product wrappers*. However, there may be minimum amounts payable with certain payment methods. Speak to your *adviser* for more information.

*We* can accept additional contributions by bank transfers (BACS, Faster Payments or CHAPS), which must be made payable to *our* designated account appropriate for that *product wrapper*.

The account details are indicated on the appropriate additional *contribution* application.

Additional *contributions* are permitted into an *ISA* subject to the *HMRC* maximum yearly subscription limit. Additional *contributions* into a *SIPP* will be liable to tax where they exceed the allowances imposed by *HMRC*. It's *your* and *your adviser's* responsibility to make sure these limits aren't breached. Current limits are available at [www.hmrc.gov.uk](http://www.hmrc.gov.uk). *You* should check with *your adviser* the scope *you* have for making *contributions* that will attract tax relief.

#### 6.2.3 Regular *contributions*

If *you* are making *regular contributions*, minimum *regular contribution* levels apply for each of the *product wrappers* – please refer to Sections A, B and C.

*Regular contributions* must be paid by Direct Debit and will be initiated following receipt of a fully and correctly completed Direct Debit instruction. Direct Debits will typically be collected on the second *business day* of the month.

*You* can change or stop *regular contributions* to a *product wrapper* at any time. *You, your adviser, or your employer* must tell *us* that *you* are doing this. Instructions from *you* and *your adviser* must be in writing and must be received not less than 10 days before the collection of *your next contribution*. If *regular contributions* are being paid through *your employer, your employer* will advise *us* of any change by the method *we* have agreed with them.

### 6.3 *Re-registration of investments from other providers to the Service*

6.3.1 Before starting the transfer, *you* must provide *us* with a fully and correctly completed application and transfer authority signed by all holders or required authorised signatories. *We* will then contact *your* existing provider to arrange the transfer. *We* will not accept responsibility for any loss to *you* resulting from any delays or actions that are outside *our* control.

6.3.2 *We* will allow *re-registration* of allowable *investments* into the *ISA* and *GIA product wrappers*. *Investments* that are re-registered remain invested in the market.

## 6.4 Re-registration of collectives

6.4.1 When re-registering **collectives** to **the Service**, **we** will endeavour to register **your** units/shares with the same Group 1 and Group 2 units/shares that were held with the previous provider. However, where the information on the unit/share split isn't provided by the previous provider, all units/shares will be recorded as Group 1 and no equalisation will be shown on **your** tax credit. This will have no impact on the value of **your** units/shares. In this Clause:

- Group 1 units/shares have already been through a distribution or dividend period, so are considered units with no preferential tax handling.
- Group 2 units/shares have been recently issued to an investor and have not yet had a distribution paid against them. These units/shares are classified so as to permit identification for purposes of tax handling. When a distribution has been paid against them, they're reclassified/labelled as Group 1 units/shares.

## 6.5 Cash transfers from other product providers to the Service

6.5.1 **We** will accept transfers that are capable of being transferred into a **product wrapper**. Certain product-specific limitations exist for transfer in. For more information on transfers, please see clauses 3 and 8 in section B for **your ISA** and clauses 6 and 7 in section C for **your SIPP**.

6.5.2 Before starting the transfer, **you** must provide **us** with a fully and correctly completed application form and transfer authority form. **We** (where **you** do not have an **adviser**), will then contact **your** existing provider to arrange the transfer. **We** will not accept responsibility for any loss to **you** resulting from any delays or actions that are outside **our** control.

## 6.6 Outstanding dividends or distribution payments

Other than for **your SIPP**, if **we** receive any outstanding dividends or distribution payments under £50 from **your** previous provider which relate to a **re-registration** or transfer into an **AEGON product wrapper**, **we** may return this to the previous provider or investment manager depending on the size of the payment and the ease with which **we** can apply it to **your product wrapper**. Any payment applied will be placed into the **cash facility** of the **product wrapper** the **investment** has been re-registered to.

# 7 Managing your investments

## 7.1 Our nominee services

Any cash or **investments** held within **product wrappers** are held in the name of one of our **nominee companies**.

7.1.1 Depending on the **product wrapper** you hold, the **nominee company** will be:

Product wrapper	Nominee
GIA (gross)	AEGON Investment Solutions – Nominee 1 (Gross) Ltd
GIA (net)	AEGON Investment Solutions – Nominee 2 (Net) Ltd
ISA	AEGON Investment Solutions – Nominee 3 (ISA) Ltd
SIPP	AEGON SIPP Nominee Ltd

7.1.2 The **nominee companies** provide professional nominee services exclusively for **us** and can only hold assets belonging to **clients**. They don't carry on business in their own right and any assets held by them can't be lent or borrowed against. This means **your** assets are held separately from **our** own assets. These services are included as part of **our** overall services to **you**, at no additional charge.

7.1.3 Each of **your investments** will be registered in the name of the nominee relevant to the **product wrapper** in which they sit.

7.1.4 While **your** own name and details don't appear on the register of any of the companies or funds whose **investments** you have chosen to hold in **your product wrapper**, **your investments** are still held for **your product wrapper**. **We** keep detailed records of which **investments** are held for each of **your product wrappers**, so that **your** interests in the **investments** are fully documented.

7.1.5 The obligations of the **nominee companies** are guaranteed by AEGON UK Ltd and **we** reserve the right at any time to appoint an alternative nominee and/or custodian for **your investments**.

7.1.6 **You** may assign underlying **investments** within the **GIA** to a third party subject to **our** agreement. Doing so without **our** express permission may result in closure of the **product wrapper**. This excludes any **GIA** opened by a product with **another provider** where any rights **you** may have to assign the **GIA**, including the underlying **investments**, to a third party will be in line with the terms and conditions of that product. If the other provider allows **you** to assign the **GIA** on **the Service** to a third party, **you** must tell **us** about this assignment.

## 7.2 How your investments are managed

We offer the ability to trade a range of *investments*, via the *Service*.

7.2.1 Within each of the *product wrappers*, we offer the facility to buy and sell allowable *investments*, which are a subset of the entire range available, via *the Service*. The specific range of allowable *investments* is determined by each of the *product wrapper* providers (or in the case of the *SIPP*, the trustee of the *scheme*) and also by any permissibility criteria contained within relevant legislation and *HMRC* rules.

7.2.2 Details of all the *investments* we provide are available from *your adviser* or through *the Service*.

7.2.3 We reserve the right to vary the investment universe at any time.

7.2.4 If instructions are given to purchase any *investments* that aren't within the *investment list*, we will not initiate the purchase.

7.2.5 If an *investment* ceases to be allowable because it doesn't qualify under legislation or regulations as an *investment* that's permitted to be held within a *SIPP* or an *ISA*, we must sell the *investment* as soon as practicable after it has been identified as not being an *investment* that's allowed within *your SIPP* or *ISA*. You will be liable for the costs incurred in selling that *investment*, this will be taken from *your cash facility* or as part of the trade.

7.2.6 Where an *investment* is removed from *the Service* either by the *investment provider* or by *us*, and not replaced by a direct alternative, we will sell *your* holding in that *investment* and switch *your* holdings in to the *cash facility* unless *you* have provided alternative instructions to *us* in writing. Any future regular *investments* into that investment will be redirected into the *cash facility*.

## 7.3 Access to products and investments (gating)

*Your adviser* may, and *your employer* will authorise *you* to carry out certain transactions within *the Service*. The level of transaction that *you* will initially be able to carry out will depend on the transactional level of access that *you* have been given by *your adviser* or *your employer*. These transactional levels are referred to as "*gates*".

When choosing new *product wrappers* or *investments* and *you* have been authorised to carry out transactions on *the service*, *you* can choose to open up a new *gate* without the authorisation of *your adviser* or *your employer*.

The details of the *gates* and the *product wrappers* and *investments* that *you* can transact under each gate, with each gate being additional to the previous gate, are:

Gate	Product wrapper	Asset Type
1	SIPP (transacting on a SIPP that has been opened) Cash ISA	Cash facility Insured pension funds Sharesave rollover
2	Stocks & Shares ISA GIA Net	<i>Collectives</i>
3	Opening a new SIPP	<i>Equities</i>
4	GIA for International Bond SIPP Drawdown GIA Gross	All available <i>investments</i> not included in <i>gates</i> 1, 2 and 3

All transactions that require *gate 4* access may only be carried out by *your adviser*, other than selling any *investments* that *you* hold. All instructions will be carried out online, unless *we* tell *you* otherwise. Further details can be obtained from *your adviser* or by contacting *us*.

If *we* add new *investments* and/or *product wrappers* to the service, *we* will determine the *gate* that they are contained in.

The *gate* *you* are in cannot be reduced: when *you* are given access to a particular *gate*, that access will remain for as long as *you* have a *product wrapper* on *the service*. *You* will always be able to sell any *investment* (subject to any restrictions in place for any *investment* such as dealing minimums) even if *you* do not have transactional access at the correct level. If *you* do not have transactional access to instruct the sale of any *investment*, *you* can still instruct *us* directly as detailed in Clause 7.5.

If *you* have more than one *client profile* on *the service* then each will be treated separately for the purposes of this Clause 7.3.

If *you* leave *the service* so that *you* have no *product wrappers* on *the service* but, at a later date, rejoin *the service*, *your* previous level of access at a particular *gate* will not apply. *We* will require the relevant authorisation from *your adviser* or *employer* before *you* will be able to transact with *the service* at a particular *gate*.

## 7.4 Appointment of a discretionary fund manager

7.4.1 *You* can appoint a *discretionary fund manager* to manage *investments* on *your* behalf. To appoint a *discretionary fund manager*, *you* must have an *adviser*. *You* can only appoint a *discretionary fund manager* that *we* have entered into an agreement with. *Your discretionary fund manager* must abide by the Terms of Use *we* issue to them.

7.4.2 A list of the *discretionary fund managers* that *you* can appoint is available from *your adviser*. The appointment of a *discretionary fund manager* doesn't replace the need for an *adviser* on *the Service*.

7.4.3 To appoint a **discretionary fund manager**, an agreement must be entered into with them.

7.4.4 **Your** appointed **discretionary fund manager** will then provide investment management in line with **your** agreement with them, so they'll have access to view, instruct and amend investment transactions. For the avoidance of doubt, **we** won't allow **your discretionary fund manager** to change any personal or contact details.

7.4.5 For further information, **you** should check **your** agreement with **your discretionary fund manager** and speak to **your adviser**.

7.4.6 The appointment of a **discretionary fund manager** must be notified to **us** in writing. It must be signed by all **clients** and authorised signatories of the **product wrapper** that the **discretionary fund manager** is appointed in relation to.

7.4.7 It's **your** and **your adviser's** responsibility to make sure that any **discretionary fund manager you** appoint has **FSA** authorisation to carry out discretionary management of **your investments** on **your** behalf. It's the responsibility of **you** and **your adviser** to carry out any due diligence of the **discretionary fund manager** that **you** wish to use. If **you** no longer have an **adviser**, in relation to **the Service** you lose your **discretionary fund manager** because this is a service provided through **your adviser**.

7.4.8 On receipt of the agreement **we** are authorised to accept investment instructions from **your** appointed **discretionary fund manager** as if they had come directly from **you**.

Therefore, **we** aren't liable for any losses, expenses incurred as a result of the actions of **your** appointed **discretionary fund manager**, or any actions of or claims from the **discretionary fund manager** in respect of any **product wrapper you** hold through **the Service**. **You indemnify us** against any claim in respect of any actions taken by **your discretionary fund manager**.

7.4.9 Where **your discretionary fund manager** is to receive payment of their charges from the **cash facility** of the **product wrapper** they're managing **investments** for, this will be payable to them in the form of **discretionary investment manager charge** in line with and subject to Clause 10.4.8.

7.4.10 If **you** want to stop using **your** appointed **discretionary fund manager**, **you** must confirm this to **us** in writing. **You** will remain invested in the **investments** held at the time **you** stop using **your discretionary fund manager** until **you** or **your adviser** gives **us** alternative instructions. **You** will also stop paying charges to **your discretionary fund manager**.

## 7.5 General information about buying and selling investments

Within each **product wrapper**, **you** can build a portfolio of **investments** from **our** investment universe. Once **you, your adviser, or your discretionary fund manager** has selected **investments** for **you**, **we** will act on those investment instructions.

Investment instructions must be submitted online although some **investments** cannot be traded online. Where this is the case, **your adviser** will advise you of this.

7.5.1 Instructions to carry out investment transactions will be given by **you** (where **you** have access to do so), **your adviser** or using the online **Service**. For **investments** that cannot be traded online, **we** will require an instruction offline; **we** will inform **you** where this is the case and how to give the instruction, which will depend on the particular **investment**.

7.5.2 **We** accept all instructions in good faith. Once an instruction has been submitted and acknowledged online, **we** can't make any changes to that instruction.

7.5.3 Details of instructions are provided online within the transaction history. **We** will confirm to **you** all **investment** purchases and sales that are instructed by **you, your adviser, or your discretionary fund manager**. It's the responsibility of **you, your adviser, and your discretionary fund manager** to check the transaction history and make sure that any instructions have been received by **us**.

7.5.4 **We** have an **Order Handling Policy**, which describes the way in which **we** will manage and handle orders to ensure the fair treatment of all **clients**. **You** can obtain this from **your adviser** or by contacting ARC Client Services.

## 7.6 Investment provider charges and rebates

7.6.1 **Investment providers** may levy their own charges, which are in addition to the charges detailed in these **Terms and conditions** and the **Charges guide**. **You** can obtain details of these from **your adviser** or through **the service**.

7.6.2 Where the **investment providers** require **us** to do so, **we** will deduct these charges from the **cash facility** of **your product wrapper**.

7.6.3 Where **we** have negotiated for **clients** to receive rebates from **investment providers**, these will be paid into the **cash facility** of the **product wrapper** that the rebate relates to or held as an **investment** in that **product wrapper** if the rebate isn't paid as cash. **We** don't retain any of the rebate.

## 7.7 Trading methods

**Investments** that are traded online are traded in one of two ways – either real time or aggregated.

The following table gives an overview of which **investments** are traded by which method. If any **investment** is traded on a different basis than that detailed in this table, **we** will tell **you** of this within **the Service**:

Investment types	Aggregated	Real-time
Insured funds	Y	N
<b>Collectives</b>	Y	N
<b>Hedge funds*</b>	Y	Y
<b>Structured products</b>	Y	N
Exchange traded funds	Y	N
<b>Equities</b>	N	Y

\*How hedge funds are traded will depend on the particular hedge fund involved, further details can be obtained from **your adviser** or through **the Service**.

**7.7.1** **We** can change the method by which **investments** are traded. **We** will only do this where, if the **investment** is traded online **we** are no longer able to offer the trading of the **investment(s)** online or, if the **investment** is traded offline, **we** are now able to offer trading online. **We** can't accept any requests to trade an **investment** that is traded online by a method other than the method stated here unless **we** agree otherwise.

**7.7.2** For details of the charges related to trading **investments**, please see the *Charges guide*.

## 7.8 Aggregated trading

**7.8.1** **Investments** traded by this method will have a **valuation point**. At this **valuation point**, all instructions received from **clients** using **the Service** will be added together into a single trade for a particular **investment** and sent to the relevant **investment provider**. This means that a deal that **you** place may be combined with deals for the same **investment** made by other users of **the Service**. **We** will place all buy instructions separately from all sell instructions.

**7.8.2** **We** adhere to **FSA** rules on **aggregated trading** and conflicts of interest and keep records of transactions to make sure that **we** can allocate all deals fairly and in the order in which they were placed.

**7.8.3** For aggregated transactions **we** reserve the right to round the settlement proceeds when we apply them to **your** account.

**7.8.4** **Exchange traded funds (ETFs)** aggregated by **AEGON** will be traded through **the Service** once per **business day**. Following receipt of an acceptable instruction and cleared money, trades will typically be dealt between 2pm and 4pm on the following **business day**.

## 7.9 Dealing minimums

Some **investment managers** have their own dealing minimums. If **your** instruction doesn't meet the dealing minimums imposed by the **investment manager**, which may apply to both buys and sells, **we** won't be able to carry it out. In this instance, if **you** haven't specified an alternative investment, or cash, the instruction will be returned. **We** aren't liable for any loss incurred due to the instruction being delayed or not actioned due to investments not meeting the **investment manager's** minimum investment value.

## 7.10 Settlement

For **investment** sales, any settlement proceeds will be credited to **your cash facility** when received – the timing will be in line with the settlement of the individual **investments** being traded. For purchases, **we** will ringfence any money due for settlement from **your cash facility** when the instruction to purchase is placed with **us**.

## 7.11 Individual purchase and sale transactions

**7.11.1** Once **we** have received and acknowledged the instruction online and have identified and applied appropriate cleared funds to **your cash facility**, any purchase will then typically be made within the next two **AEGON** dealing points, subject to acceptance of the instructions by the relevant **investment provider**.

**7.11.2** In order to initiate **your** sale instructions, **we** must have received and acknowledged the instruction. Any sale will then typically be placed within the next two **AEGON** dealing points, subject to acceptance of the instructions by the relevant investment institution.

**7.11.3** **AEGON's** dealing point is in advance of the investment manager's own **valuation point**. **Your adviser** will be able to provide details of **AEGON's** dealing points for each **investment**.

## 7.12 Switching within a product wrapper

**7.12.1** Switching (or a switch transaction) comprises selling an **investment** and buying another **investment**, in other words it's one instruction, comprising a sale instruction and a related purchase instruction.

**7.12.2** Where a switch instruction is received, the sale of the **investments** will be in line with sale information in Clause 7.11 above. **We** will then await settlement of all of the sale instructions before initiating the purchase instruction(s).

7.12.3 Once a switch instruction has been submitted, no aspects of that switch can be changed or cancelled.

## 7.13 Rebalancing

7.13.1 *The Service* allows automatic realignment of *investments* within a *product wrapper* to the proportions that *you* have previously specified – this process is called rebalancing. There are some *investments* which cannot be included for rebalancing. Rebalancing can only be set up by *your adviser* or *discretionary fund manager*. Please speak to *your adviser* for further information.

7.13.2 Rebalancing can be set up to be carried out on a quarterly or yearly basis. The rebalancing timetable will be from the start of the month following the establishment of *your product wrapper*.

7.13.3 Where dealing minimums have been met for all *investments*, *your investments* will be rebalanced to the *investment* choice selected when the proportions of *investments* held have moved 0.01% or more from that stated *investment* choice.

7.13.4 Where dealing minimums haven't been met, or the *investment* has been removed from the *product wrapper* either by *us* or by the *investment provider*, at the time rebalancing next occurs, the remaining *investments* will be rebalanced as closely as possible to the investment choice selected. This will happen when the proportions of *investments* held have moved 0.01% or more from that stated *investment* choice.

7.13.5 Rebalancing can be initiated on the application when a *product wrapper* is opened or at a later date.

7.13.6 When making an additional *investment*, any rebalancing instructions in place will cease. To continue with any rebalancing instruction, *your adviser* will need to confirm the existing rebalancing instruction or set up a new rebalancing instruction.

7.13.7 *Re-registration* of new *investments* onto *the Service* doesn't automatically cancel any existing rebalancing instructions. If *you* don't review and alter *your* rebalancing instruction to take account of any re-registered *investments*, the re-registered *investments* will be all or partly sold at the next rebalancing depending on the existing rebalancing instructions.

7.13.8 When a portfolio is rebalanced, *investments* that aren't available for rebalancing (for example *equities*) will be excluded from rebalancing transactions.

7.13.9 Rebalancing will only maintain the balance in the *cash facility*, subject to the minimum, for the value of *investments* included in the rebalancing instruction. If *you* hold *investments* that are not included in the rebalancing instruction, the rebalancing will not take the value of those *investments* into account when rebalancing the *cash facility*. If the balance in the *cash facility* falls below the minimum, *we* may require to take action as detailed in Clause 5.4.

7.13.10 Cancellation of existing rebalancing instructions, new rebalancing or amendments to *your* existing rebalancing instructions can only be initiated by *your adviser* or *discretionary fund manager* on *your* behalf. The exception to this is if *you* don't have an *adviser* *you* can write to *us* to cancel *your* rebalancing instruction.

7.13.11 Valuation calculations for the rebalancing of a *product wrapper* will be made on the last *business day* of the quarter or year end, depending on the rebalancing instruction. Valuations are performed in line with clause 8.1.

7.13.12 Any sales required to rebalance will be initiated within the first two *business days* of the rebalancing valuation. Purchases will be initiated once settlement of all sales has completed and cleared funds are available within the *cash facility*.

7.13.13 There may be costs associated with buying and selling an *investment*, levied by the investment manager – please speak to *your adviser*.

7.13.14 Exchange traded funds will incur *equity trading* charges as explained in Clause 10.3.6.

## 7.14 Model portfolios

7.14.1 *We* provide the facility for *advisers* and *discretionary fund managers* to set up and maintain *model portfolios*.

7.14.2 Where *we* receive an instruction from *your adviser* or *discretionary fund manager* to alter the *investments* within a *model portfolio*, to which *your product wrapper* is linked, this will result in transactions to change the *investments* within that *product wrapper* to realign with any change to the *model portfolio*, in line with the switching process described in clause 7.12.

## 7.15 Equity trading

7.15.1 Via *the Service*, investments traded in real time are those listed in clause 7.7.

7.15.2 To buy an *investment* using *equity trading*, there must be sufficient cleared funds within *your cash facility* to pay for the trade and any associated charges.

- 7.15.3 There will be a dealing charge and potentially other costs associated with the trading of **equities** – more details can be found in Clauses 10.3.5 and 10.3.6. These will be taken from the **cash facility** at the time **you** instruct the trading of **equities**.
- 7.15.4 **You** will receive *Contract notes*, detailing **equity** trades through **the Service**.
- 7.15.5 For sales, **we** will credit any settlement proceeds due to **your cash facility** when **we** receive them. This will typically be three days after the date of **your** trade.
- 7.15.6 For purchases, **we** will ringfence any money due for settlement from **your cash facility** at the time **you** instruct the trading of **equities**.
- 7.15.7 All stock market transactions will be undertaken in line with the rules of the London Stock Exchange, or the regular terms, customs and usages of the exchange or market in which the transactions are made. Details of how we ensure best execution can be found in our *Best Execution Policy*. **You** can obtain this from **your adviser** or by contacting ARC Client Services.
- 7.15.8 **Investments** traded by this method aren't available for switching, in **model portfolios** or rebalancing.

## 8 Investment servicing and administration

### 8.1 Valuation of **investments**

**We** rely on data supplied by third parties to provide a valuation of the **investments** in **your product wrappers** each **business day**. Valuations are used for certain transactions, such as cash top-up, rebalancing and the calculation of charges.

From time to time this information may be delayed, assumed or estimated by the third party data provider. **We** don't accept any liability resulting from delays, assumptions, estimates or errors in any such third party information.

### 8.2 Corporate actions, income events, voting and accounts/reports

- 8.2.1 Corporate actions are events that occur periodically and may affect **investments** that **you** hold. These may change the **investments**, including but not exclusively, in terms of ownership, structure and features and may involve different options, charges or returns for investors.
- 8.2.2 Where a corporate action doesn't require **you** to take any action, **we** will notify **you** or **your adviser** of a corporate action that affects an **investment you** hold through **the Service**.

- 8.2.3 Where **we** receive sufficient notice from an **investment provider** regarding a corporate action that requires **you** to make a decision, **we** will contact **you** in writing to seek **your** instructions. This communication will be issued as soon as reasonably practicable, following notification from the **investment provider** concerned.
- 8.2.4 Where **we** don't receive sufficient notice from an **investment provider** regarding a corporate action that requires **you** to make a decision, **we** will apply the **investment provider's** default instruction.  
**You** should consult **your adviser** for more information and to undertake any response that may be prompted.
- 8.2.5 Where **you** hold **investments** when the action is processed, but haven't provided specific instructions, you will receive the **investment provider's** default option where available, depending on the corporate action concerned. Any proceeds in cash will be credited to **your cash facility** after **we** have received them.
- 8.2.6 For any corporate actions affecting **investments** held within a **model portfolio**, we will contact the **adviser** or **discretionary fund manager** that established the model to seek their instruction. Therefore, **we** won't contact **you** directly in relation to this corporate action.
- 8.2.7 **Investments** affected by corporate actions will be unavailable for transaction while **we** process the corporate action. Depending on the type of corporate action this could take up to seven **business days** before the effective date of the action and up to five **business days** after the effective date. During this period the **investment** can't be bought, sold or switched.

### 8.3 Income events

- 8.3.1 This type of corporate action includes dividends, distributions and rebates, where **we** receive income in connection with an **investment you** hold. **We** will credit these to **your cash facility** as soon as reasonably practicable.
- 8.3.2 Some **fund managers** won't distribute income in the form of interest or dividends if this is below a minimum level, in line with the fund prospectus and set by them. Whether income distributions will be made below a certain minimum level depends on the **fund managers** concerned and details of this will be available from the relevant **fund managers**.

## 8.4 Voting rights

- 8.4.1 *We* won't exercise voting rights for any of *your investments* unless *you* have specifically requested *us* to do so and *we* have agreed to this request.
- 8.4.2 If *you* want to exercise voting rights associated with *investments you* hold, *you* must put this in writing to ARC Client Services, detailing the relevant investments in full, each time *you* want to do so.
- 8.4.3 *You* must allow 15 *business days* before the voting date to inform *us* of *your* wish to exercise any voting rights. If *we* receive *your* instruction less than this number of days before the voting date, *we* won't be able to action *your* request.
- 8.4.4 If *we* vote on *your* behalf following such an instruction, *we* can charge a reasonable fee to cover *our* expenses in carrying out the vote, where this applies *we* will notify you in advance of the fee. This fee will be deducted from *your cash facility*.

## 8.5 Exercising voting rights for quoted companies

- 8.5.1 The rules governing voting rights for shareholders of quoted companies are detailed in the Articles of Association of the individual company in question.
- 8.5.2 There are two basic forms of voting rights – one vote per shareholder and one vote per share. If *you* ask *us* to exercise *your* voting rights, then the rules of the company will dictate the action that *we* can take on *your* behalf.
- 8.5.3 Where there is one vote per shareholder, also known as non apportioned voting, *we* cannot exercise a vote on *your* behalf.
- 8.5.4 Where there is one vote per share, also known as apportioned voting, the *nominee company* will vote the number for, against and abstained, as the example in the table below shows:

Client	Holding	Vote	Nominee action
A	10,000	Against	<i>Nominee company</i> would vote: 10,000 against 5,000 for
B	1,000	For	
C	4,000	For	
Total	15,000		

## 9 Servicing

### 9.1 General enquiries

For general enquiries, in the first instance *you* should speak to *your adviser*. If *you* want to contact *us*, please use the following contact details.

ARC Client Services  
AEGON Retirement Choices  
PO Box 5070  
Bath  
BA1 0QE

08456 80 12 34

clientservices@aegon-arc.co.uk

### 9.2 Change of *client profile* and *product wrapper* information

The following instructions can't be made online, so must be given in writing and signed by *you* (or all authorised signatories where there's more than one authorised signatory) and sent, where appropriate, with the relevant supporting documentation (for example a marriage certificate for a change of name):

- i Change of name
- ii Change of *adviser*
- iii Increases in levels of any *adviser charge* and/or *discretionary investment manager charge*
- iv Assignments or changes to *product wrapper* holders
- v Changes to the UK bank account *you* have nominated for *the service*
- vi *Product wrapper* closures
- vii Notification to send correspondence to a third party

### 9.3 Documentation and communications from *us*

9.3.1 *We* will operate within the rules set out by the *FSA* and will send *you* and/or *your adviser* such documents as required by all regulations, including, but not limited to:

- i *Contract notes* or for SIPP, *Confirmation of investment – contract note*, detailing *investments*, subscriptions and *contributions* and *investment* purchases and sales made through *the Service*. *Contract notes* or for SIPP, *Confirmation of investment – contract note*, won't be issued for transactions resulting from maintenance of the *cash facility*, rebalancing or changes made to a *model portfolio*. Initial or additional *investments* into a *model portfolio* will show the name of that *model portfolio* on the *Contract notes* or for SIPP, *Confirmation of investment – contract note*.

- ii Periodic statements detailing all transactions that have taken place in the period (including those not previously notified to **you** in a *Contract note* or for SIPP *Confirmation of investment – contract note*) and a valuation of **investments** held through **the Service**. These statements will be generated twice a year, as at 5 April and 5 October and will be sent to your correspondence address thereafter.
- iii In respect of the **ISA** and **GIA**, **you** have the right to request the provision of a periodic statement every three months.
- iv In respect of the **SIPP**, where **you** have crystallised some or all of **your** benefits, and some of **your SIPP** is providing or available to provide drawdown, **we** will issue an annual review to **you**.

**9.3.2** In addition, **we** will make the information detailed above available to **you** or **your adviser** online.

## 9.4 Complaints

**9.4.1** If **you** have a complaint about **the Service** or **product wrapper**, **you** should write to **our** Compliance Manager at the following address:

Compliance Manager  
AEGON Retirement Choices  
Cambridge House  
Henry Street  
Bath BA1 1JS

**9.4.2** **We** are authorised and regulated by the **FSA** and bound by its rules. **We** will send **you** details of **our** complaints procedure and what **you** can expect when **we** acknowledge **your** complaint.

**9.4.3** If **your** complaint isn't dealt with to **your** satisfaction and **you** have a complaint, **you** can write to the Financial Ombudsman Service at the following address:

Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR  
08450 80 18 00

complaint.info@financial-ombudsman.org.uk

**9.4.4** Where complaints relate to a third party, **we** reserve the right to refer these to the third party and inform **you** that **we** have done this.

## 9.5 Cancellation

**9.5.1** When **you** cancel **your product wrapper** within the cancellation period, all **contributions** and transfers will be repaid. The amount to be repaid will depend on what action has been taken in respect of **your product wrapper** at the time **you** cancel.

### 9.5.2 General

Costs at the start of **your** plan can't be specific due to the wide range of options available to **you**. Amounts deducted on cancellation will be restricted to **our** own costs, **adviser charges** and **consultancy charges**, and those costs incurred in relation to **your investment** choices and transactions.

If **your investments** are held only within the **cash facility** during the cancellation period and no trading has occurred, **we** will return any **contribution** or transfer in full to the person who paid it (e.g. to **you**, **your employer**, a third party or another provider for a transfer) less any **adviser charge** or **consultancy charge** that has been deducted from your cash facility.

If **you** start trading within the cancellation period **you** will be liable for any charges levied by 3rd parties such as investment managers or stockbrokers. In addition, if **your investment** has fallen in value before **we** received the cancellation request, **you** may get back less than **you** invested.

The maximum repayment that is possible when **you** cancel is 100% of **your** original **investment**.

On receipt of **your** cancellation instruction, **we** will sell any **investments you** have purchased and return any monies to the place from which it was paid, less any charges taken by investment managers and **discretionary fund managers** and any **adviser charges** or **consultancy charges** already deducted from **your cash facility**. **Your investment** may also suffer a loss from market movement and **you** may still be liable to pay any outstanding **adviser charges** under the terms of **your** agreement with **your adviser**.

If **you** cancel after purchasing **investments** that are not easily convertible to cash, **we** may have to delay the return of the monies to **you**. **You** should be aware that this may involve a significant delay. Please note that for any **investments you** have purchased through the stockbroking service, **you** or **your adviser** will need to arrange the sale of these. **We** cannot instruct the sale of such **investments** on **your** behalf.

Where **you** have transferred funds to **us** from **your** previous provider, it may not be possible to reverse the transfer as the previous provider is not obliged to take back the transfer and/or may levy charges in order to do so. If this happens, **you** should seek the advice of **your adviser**.

### 9.5.3 **Regular contributions**

It is only the first **regular contribution** that **you** choose to make that will have cancellation rights. If **you** choose to cancel, any **regular contributions** will be returned to **you** in full, less any **adviser charge** or **consultancy charge** already deducted from **your cash facility**.

### 9.5.4 **Single contributions and transfer**

For single **contributions** or transfers, **you** may get back less than **you** invested if **your investment** value has fallen before **we** received **your** cancellation request. If the value of **your investments** has increased between investing **your contributions**, or transfers, and receiving **your** cancellation, then the sum refunded will be no more than the original value of **your contributions** or transfer.

### 9.5.5 **Cash ISA**

All **contributions** will be returned in full less any **adviser charge** that has been deducted.

### 9.5.6 **Adviser/Consultancy Charges**

Any **adviser charges** or **consultancy charges** that have left **your cash facility** when **we** receive the cancellation request cannot be refunded to **you**.

## 10 **Payments out (withdrawals, transfers, charges and fees)**

### 10.1 **Withdrawals from a product wrapper**

10.1.1 Whether withdrawals are allowed from a **product wrapper** is closely governed by the individual **product wrapper rules**, so **you** should refer to Section A, B and C.

10.1.2 All withdrawals will be deducted from the **cash facility** of the **product wrapper** as instructed by **you**. **You** and **your adviser** must make sure that there's sufficient cleared money available in the **cash facility** for these withdrawals to be paid.

10.1.3 **We** will pay all proceeds received directly to the UK bank account **you** have nominated for this purpose on application or notification to **us** in writing.

10.1.4 Payments are made by BACS and are subject to the bank clearing rules.

10.1.5 All payments made by **us** will be made by bank transfer. Payments won't be made by cheque.

10.1.6 With the exception of payments related to a **SIPP**, **we** won't make any payments with a value of less than £1.

10.1.7 **We** won't make withdrawal payments to third parties.

### 10.2 **Re-registration and transfers from the Service to another provider**

10.2.1 **We** will allow **re-registration** and cash transfers out from the **ISA**, **SIPP** and **GIA** where **we** have received a fully and correctly completed transfer authority signed by all holders or required authorised signatories. Current year **ISAs** must be transferred out in full.

10.2.2 Not all providers will accept **re-registration** to them.

10.2.3 Where **you** are re-registering **investments** away from **the Service**, **we** accept no liability for any loss incurred as a result of a delay in **your re-registration** from **the Service**, unless this delay is caused by **our** wilful default or negligence.

10.2.4 Where **you** want to transfer out part of a **product wrapper**, the value of what remains, after the transfer must not be less than £1,000. Where the value of **your product wrapper** remaining would be less than £1,000, **we** reserve the right to transfer the whole value and close **your product wrapper**.

10.2.5 If **you** have outstanding **AEGON charges** related to **your product wrapper**, **we** will deduct **our** charges from the **cash facility** of that **product wrapper** before transferring any money out. For an in-specie transfer out, **we** will not carry out any transfer requested until the outstanding charges are paid.

### 10.3 **AEGON charges and fees**

This section details the charges **we** take for the provision of the **product wrapper** and **the Service** by **us**. The actual amounts of these charges are detailed in the **Charges guide**.

#### 10.3.1 **Initial charge**

10.3.1.1 The initial charge is a percentage amount and is deducted by **us** from the value of the gross **contribution** that's deposited by **you** or on **your** behalf into the **cash facility** of any **product wrapper** held on **the Service**. The initial charge will be taken when money has cleared into the **cash facility** and before any **investments** are made.

10.3.1.2 If applicable, the initial charge will be taken from all initial and regular gross **contributions** made into the **cash facility** of the specified **product wrapper**.

10.3.1.3 **We** will confirm the amount of the initial charge to **you** in the **Contract note** or for SIPP, **Confirmation of investment – contract note**.

10.3.1.4 **We** will calculate the AEGON charge before **we** have deducted any **adviser charge** and/or **consultancy charge** due.

10.3.1.5 Where **you** are contributing to a **SIPP**, and take the maximum **pension commencement lump sum**, **we** will calculate the **AEGON** initial charge after the deduction of any excess lifetime allowance charge and **pension commencement lump sum**.

10.3.1.6 Where **you** are contributing to a **SIPP**, and take less than the maximum **pension commencement lump sum**, **we** will calculate the **AEGON** initial charge after the deduction of any excess lifetime allowance charge but before any **pension commencement lump sum** has been deducted.

### 10.3.2 Annual charge

10.3.2.1 The annual charge is based on the total value of all **your product wrappers**, held under the same **client profile**. The annual charge is calculated as a percentage of this total, as detailed in the *Charges guide*.

10.3.2.2 The annual charge will be applied to each **product wrapper** and taken from the **cash facility** of each **product wrapper**.

10.3.2.3 Where possible, **we** will take into account the value of **your** other **eligible AEGON pension products** that are shown on **the Service** under **your client profile** when calculating the cumulative value of all **product wrappers** held. This could have the effect of reducing the percentage of the annual charge **you** pay through **your product wrapper**.

10.3.2.4 The annual charge is calculated monthly on an annualised basis and will be deducted monthly in arrears from the **cash facility** of the relevant **product wrapper**. The valuation date of **your** total **investments** on which the charge is based is the last **business day** of the month. The annual charge will then be deducted from **your cash facility** on or around the first **business day** of the next month. Any valuation is based on the latest valuation **we** hold for the particular **investment** it relates to.

10.3.2.5 **Your** annual charge may be discounted from **our** standard tiered scale if **we** have reached an agreement with **your adviser** or **your employer**. If **we** have reached an agreement with both **your employer** and **adviser**, **you** will only receive the discount **we** have agreed with **your employer**. If **you** change **advisers**, or **you** leave **your employer's** arrangement with **us**, any discount agreed with them will no longer apply unless **you** and **we** agree otherwise. However, if **we** have agreed a discount with **your adviser**, then this discount will now apply. If **you** appoint a new **adviser** or have a new **employer** who offers access to **the service**, and **we** have reached agreement with that **adviser** or **employer** to discount our standard tiered scale, this new discount will apply to **your** annual charge.

10.3.2.6 Uncleared funds and incomplete transfers aren't included in the calculation of the annual charge.

10.3.2.7 If **you** have an **AEGON SIPP**, any portion of the annual charge that relates to the **ARC insured funds policy** are charges that arise under that policy. These charges are payable to Scottish Equitable plc as the provider of that policy.

### 10.3.3 Income drawdown fee

10.3.3.1 **AEGON** will apply a drawdown fee, to set up the income payment following the start of **drawdown pension** payments and each year after that. This will be deducted from **your cash facility** on or around the first **business day** of the next month.

10.3.3.2 If no **drawdown pension** payments are taken in the 12 months since the last drawdown pension payment, there will be no charge.

10.3.3.3 If **you** restart **drawdown pension** payments after a 12-month gap, charges will apply as if **you** have set up a new **drawdown pension** payment.

### 10.3.4 Withdrawals

10.3.4.1 No charges will be made for withdrawals (other than **drawdown pension** payments, where an income drawdown fee is charged).

- 10.3.4.2 No charges will be made for transferring out to another provider either via **re-registration** or cash transfers from **the Service**.
- 10.3.5 Stockbroker fee**  
**AEGON** will apply a stockbroker fee when **you** buy or sell **equities** using **the Service**.
- 10.3.6 Aggregated stockbroker fee**  
When **you** buy or sell an **exchange traded fund** using **the Service**, **we** will apply a fee.
- 10.3.7 Sharesave rollover fee**  
A fee which is taken for facilitating the rollover of shares from a matured sharesave scheme, into **your product wrapper(s)**.
- 10.3.8 Changes to AEGON charges**
- 10.3.8.1 During the lifetime of a **product wrapper**, **we** may need to change **our** charges. This includes levying new types of charges, setting minimum charges, removing charges and varying the level of an existing charge.
- 10.3.8.2 The change to charges may be due to a number of circumstances. **We** retain the right to vary these charges where **we** feel it's necessary and reasonable to do so. In setting a new level or charge, **we** will set an amount that **we** believe isn't excessive.
- 10.3.8.3 Charges may be changed:
- i to reflect market conditions and general industry practice
  - ii to take account of changes to the law, codes of practice or the way in which **we** are regulated
  - iii to reflect any changes to the way in which **we** provide **our** services
  - iv to reflect any changes in the cost of providing **our** services
  - v to reflect changes to technology
  - vi to take account of a decision by a court, ombudsman, regulator or similar body
  - vii each year in line with the consumer price index or any replacement of this index. The consumer price index is an official method of calculating inflation in the UK. It is a measure of the cost of living and reflects changes in the general price level.
- 10.3.8.4 Where possible, **we** will communicate any changes to **you**, in advance, in line with Clause 13.7, no less than one calendar month before any changes take effect.
- 10.4 Adviser charge (including discretionary investment manager charge)**
- In this section **we** describe how **we** can facilitate payments from **your product wrapper**, to **your adviser**.
- 10.4.1** Payments of **adviser charge** to **your adviser** are specific to each **product wrapper**. **We** facilitate the payment of initial, ongoing and ad hoc **adviser charges** that have been agreed between **you** and **your adviser** and notified to **us** by **you**, or **your adviser** on **your** behalf.
- 10.4.2** Payments of **adviser charge** will be deducted from the **cash facility** within the relevant **product wrapper** and paid to **your adviser** by **us** on **your** behalf. At any time **you** can ask **us** in writing to alter or stop paying any **adviser charge**. However, once the payment of **adviser charge** has been deducted from **your cash facility**, it will be held by AEGON Investment Solutions Ltd as agent for **your adviser**. This means that once it has left **your cash facility** it has been paid to **your adviser** and cannot be altered or returned by **us**.
- 10.4.3** **We** will confirm to **you** the total amount of initial and ongoing **adviser charge** that has been paid or is due to be paid to **your adviser** when **we** confirm the purchase of the **investments** for that application. This will be contained in the *Contract note* or for SIPP, *Confirmation of investment – contract note* that **we** send to **you**.
- 10.4.4** Please contact **your adviser** if **you** consider the amount **we** have deducted and paid to **your adviser** on **your** behalf to be incorrect. If there's a dispute between **you** and **your adviser** about the amount of any **adviser charge**, **you** should in the first instance contact **your adviser** and then **us**.
- 10.4.5 Initial adviser charge**  
An initial **adviser charge** is a payment **you** agree to make to **your adviser** from a gross **contribution** or cash transfer into **your product wrapper**.
- 10.4.5.1 The initial **adviser charge** is paid to **your adviser** based on:
- a) a percentage of the value of a gross **contribution** or cash transfer to be made, calculated by deducting the stated percentage from the amount placed into the **cash facility**, or
  - b) a specified monetary amount deducted from the gross **contribution** or cash transfer amount

- 10.4.5.2 If **you** are making a lump sum, a cash transfer and regular **contribution** at the same time, only one initial **adviser charge** amount can be applied. This initial **adviser charge** will be apportioned across all the methods of payment contained in any single application.
- 10.4.5.3 Where **you** are contributing to a **SIPP**, and take the maximum **pension commencement lump sum**, **we** will calculate the initial **adviser charge** after the deduction of any excess lifetime allowance charge and **pension commencement lump sum**.
- 10.4.5.4 Where **you** are contributing to a **SIPP**, and take less than the maximum **pension commencement lump sum**, **we** will calculate the initial **adviser charge** after the deduction of any excess lifetime allowance charge but before any **pension commencement lump sum** has been deducted.
- 10.4.6 Ongoing adviser charge**  
Any ongoing **adviser charge** is a charge paid to **your adviser** on a regular basis, based on the total value of **your product wrapper**.
- 10.4.6.1 The ongoing **adviser charge** is calculated and paid on a monthly basis as follows:
- a percentage based ongoing **adviser charge**, **we** will value **your product wrapper** on the last **business day** of each month and apply the percentage to this value to calculate how much ongoing **adviser charge** is to be paid. The ongoing **adviser charge** will then be deducted on or around the first **business day** of each month.
  - a specified monetary amount deducted on or around the first **business day** of each month.
- 10.4.6.2 Ongoing **adviser charge** may be set up or amended following the opening of a **product wrapper**. **We** will only accept instructions in writing to increase ongoing **adviser charge** signed by **you**.
- 10.4.7 Ad hoc adviser charge**  
Ad hoc **adviser charges** are one-off charges that **you** agree to be paid to **your adviser**.
- 10.4.7.1 Ad hoc **adviser charges** are calculated and paid as follows:
- a percentage based on the value of **your product wrapper**
  - a specified monetary amount
- 10.4.7.2 **Your adviser** must instruct the payment of the ad hoc **adviser charge** online. After **we** have paid this charge, **we** will send confirmation to **you** of the amount that **we** have paid to **your adviser**.
- 10.4.8 Discretionary investment manager charge**
- 10.4.8.1 Payments to your **discretionary fund manager** are specific to each **product wrapper**. The level of this is as **you** and **your adviser** agree with the **discretionary fund manager**.
- 10.4.8.2 Payments will be deducted from the **cash facility** within the relevant **product wrapper** and paid to **your discretionary fund manager** by **us** on **your** behalf. Once the payment has been deducted from **your cash facility**, it will be held by AEGON Investment Solutions Ltd as agent for **your discretionary fund manager**. This means that, once it has left **your cash facility**, it has been paid to **your discretionary fund manager** and can't be altered or returned by **us**.
- 10.4.8.3 The **discretionary investment manager charge** due is calculated based on the value of the **investments you** hold within the relevant **product wrapper** on the last **business day** of each month. Payments to **your discretionary fund manager** are calculated as a percentage of that value. The **discretionary investment manager charge** will then be deducted on or around the first **business day** of each month.
- 10.4.9** The **adviser charges you** have agreed to pay **your adviser** are a matter between **you** and **your adviser**. When **we** pay the **adviser charge**, this is a payment **we** are making at **your** direction and on **your** behalf. It is not a payment for any services provided by **your adviser** to **us**. Payment of the **adviser charge** is separate to any charges that **you** may be required to pay **us** or for **your product wrapper**.
- 10.4.10** **We** will pay the **adviser charge** while **your product wrapper** is in force. **You** may remain liable to pay **your adviser** the **adviser charge** if there is insufficient money in the **cash facility** of **your product wrapper**, or the **adviser charge** is stopped, unpaid or re-credited to **your product wrapper**. **You** should check the terms of **your** agreement with **your adviser** for details about **adviser charges**.

10.4.11 **We** will not pay interest to **you** or **your adviser** for the non-payment or late payment of an **adviser charge**.

10.4.12 **We** can stop the payment of all or part of an **adviser charge** for any of the following reasons:

- **we** no longer have a relationship with **your adviser**;
- **we** reasonably believe the payment of **adviser charge** would be contrary to law or regulation;
- **your adviser** is no longer authorised;
- **your adviser** ceases to trade.

**We** will notify **you** as soon as possible of the action **we** have taken.

10.4.13 **We** expect that most **adviser charges** will not be subject to VAT, however some may be so. **We** will treat all instructions from **you** to pay **adviser charges** as including any VAT where it is applicable at the rate prevailing at the time of the payment of the **adviser charge** and taking into account any changes to the rate of VAT howsoever occurring. **We** will not require **you** to provide any further instructions where the rate of VAT has changed. **You** should discuss this with **your adviser** who will be responsible for accounting for VAT where this is applicable.

## 10.5 Consultancy Charge

In this section **we** describe how payments are facilitated to the **scheme adviser** who advised **your employer** when setting up **your SIPP** and/or **ISA**.

10.5.1 Payments to the **scheme adviser** are specific to each **product wrapper** taken out through **your employer**. **We** facilitate the payment of initial and ongoing **consultancy charges** that have been agreed between the **scheme adviser** and **your employer** and notified to **us** by **your employer**.

The level of **consultancy charge** will be agreed between **your employer** and the **scheme adviser**. When applying for a **product wrapper** through **your employer**, **you** are agreeing to the terms of any **consultancy charge** that **your employer** has advised **us** will apply. If **you** leave **your employer** or leave their arrangement with **us**, any **consultancy charge** will stop from the time **we** are advised by **your employer** that **you** have left.

10.5.2 Payments will be deducted from the **cash facility** within the relevant **product wrapper** and paid to the **scheme adviser**. **You** can ask **us** in writing to alter or stop paying any future **consultancy charge**. However, once the payment has been deducted from **your cash facility**, it will be held by AEGON Investment Solutions Ltd as agent for the **scheme adviser**.

This means that once it has left **your cash facility** it has been paid to the **scheme adviser** and cannot be altered or returned by **us** (subject to any rights on cancellation, please see Clause 9.5).

If **you** instruct **us** to stop paying the **consultancy charge**, **we** will advise **your employer** of this. **You** are still able to make **your own contributions** to **your product wrappers** and **we** will accept any **contributions** that **you** or **your employer** continues to make or passes to **us**.

**We** are not responsible or liable to **you** if **your employer** stops **contributions**. If **you** have any questions on this, **you** should discuss this with **your employer**.

10.5.3 **We** will confirm to **you** the total amount of initial and ongoing **consultancy charge** that has been paid or is due to be paid to the **scheme adviser** when **we** confirm the purchase of the **investments** for that application.

10.5.4 Please contact **your employer** if **you** consider the amount **we** have deducted and paid to the **scheme adviser** to be incorrect. If there's a dispute between **you** and **your employer** or **scheme adviser** about the amount of any **consultancy charge**, **you** should contact **your employer** or **scheme adviser**.

### 10.5.5 Initial Consultancy Charge

An initial **consultancy charge** is a payment **you** agree to make to the **scheme adviser**. An initial **consultancy charge** arises at the commencement of **your SIPP**.

10.5.5.1 An initial **consultancy charge** is paid to the **scheme adviser** as a specified monetary amount deducted from the **cash facility**.

10.5.5.2 Any initial **consultancy charge** will be deducted over a period of time and paid to the **scheme adviser** over this period. How the initial **consultancy charge** is to be deducted and paid, and any time period over which it is paid, is decided between **your employer** and the **scheme adviser**. **We** will be advised how to deduct the initial **consultancy charge** and will confirm to **you** the amount and frequency of payment of the initial **consultancy charge**. Each payment made to meet the initial **consultancy charge** will never be greater than the regular **employer contributions** being made at that time.

### 10.5.6 Ongoing Consultancy Charge

An ongoing **consultancy charge** is a charge paid to the **scheme adviser** on a regular basis. It is deducted from the **cash facility** of each **product wrapper**.

- 10.5.6.1 The ongoing **consultancy charge** is calculated and paid on a monthly basis as follows:
- a) as a percentage of every regular **contribution** being made through **your employer**. **We** will calculate and deduct the ongoing **consultancy charge** when each regular payment is received; or
  - b) as a percentage of **your product wrapper**. **We** will value **your product wrapper** on the last **business day** of each month and apply the percentage to this value to calculate how much ongoing **consultancy charge** is to be paid. The ongoing **consultancy charge** will then be deducted from the **cash facility** on or around the first **business day** of each month.

The ongoing **consultancy charge** will be payable for either a set period of time, or on an ongoing basis with no fixed date on which it will end. **Your employer** will tell **us** how long it will be paid for.

- 10.5.6.2 An ongoing **consultancy charge** may be set up or amended following the opening of a **product wrapper**. If there is a change to ongoing **consultancy charge**, this will be confirmed to **us** by **your employer**. Before **we** will deduct an increased ongoing **consultancy charge**, **your employer** must confirm to **us** that **you** have been informed of this increase. **We** confirm to **you** any increase to the ongoing **consultancy charge**. If **you** do not agree with any increase, please speak to **your employer**.
- 10.5.6.3 **We** will not pay interest to **you**, **your employer** or the **scheme adviser** for the non-payment or late payment of any **consultancy charge**.
- 10.5.6.4 **We** can stop the payment of all or part of any **consultancy charge** for any of the following reasons:
- **we** no longer have a relationship with the **scheme adviser**;
  - **we** reasonably believe the payment of **consultancy charge** would be contrary to law or regulation;

- **the scheme adviser** is no longer authorised;
- **the scheme adviser** ceases to trade.

**We** will notify **you** as soon as possible of the action **we** have taken.

## 11 Product wrapper cessation

11.1 **We** are entitled to cease to accept further **contributions** or transfers, or to close a **product wrapper**, if **we** deem it appropriate and reasonable to do so. **We** may close a **product wrapper** either:

- by giving reasonable notice;
- without notice where there are serious grounds that require the termination; or
- without notice where there is a valid reason for the termination, provided **we** inform you of this immediately.

Reasons for terminating include but is not limited to, the following situations:

- i Following receipt of a court order obliging **us** to close the **product wrapper**
- ii **Your product wrapper** has a balance of less than £1,000 for three or more consecutive months and **you** aren't paying in **regular contributions**
- iii **You** have assigned **your investments** to a third party without **our** agreement (with the exception of any **GIA** that has been taken out through a product with **another provider**)
- iv **You** cease to become eligible to contribute to the **product wrapper** by ceasing to be a habitually resident in the UK
- v **You** are using **the Service** for illegal purposes
- vi **You** aren't observing these **terms and conditions** or any other documents that apply to **the Service**
- vii Allowing **you** to contribute or transfer in would breach legislation, **HMRC** or **FSA** regulations
- viii Where **we** determine that there has been no movement on **your cash facility** balance for a period of at least six years

11.2 Where **we** will give **you** notice in advance of **our** intention to close a **product wrapper**, **we** will do this by writing to the address **we** hold for **you** against **your client profile**, giving **you** 28 days to respond. **We** will confirm in writing to **you** the closure date of your **product wrapper**. **We** will accept no further instructions from **you** from the date of the letter until the date of closure.

11.3 On the date of closure, all remaining **investments** will be sold and the proceeds deposited in the **cash facility**. After the deduction of any outstanding charges, the balance of **your cash facility** will be paid into **your** nominated bank account, with the exception of the **SIPP**, which must be paid to a registered pension scheme or qualifying registered overseas pension scheme.

## 12 AEGON

12.1 AEGON Investment Solutions Ltd, trading as **AEGON**, is authorised and regulated by the **FSA** and provide the **ISA** and **GIA**. AEGON Investment Solutions Ltd's **FSA** Registration Number is 543123.

AEGON Investment Solutions Ltd, a company registered in Scotland with registered number 394519 of Edinburgh Park, Edinburgh, EH12 9SE.

12.2 Scottish Equitable plc, trading as AEGON, is authorised and regulated by the **FSA** and provides the **SIPP**. Scottish Equitable plc's **FSA** Registration Number is 165548.

Scottish Equitable plc is a company registered in Scotland with registered number SC144517 of Edinburgh Park, Edinburgh EH12 9SE.

**You** can check these details on the **FSA** register at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the **FSA** on 08456 06 12 34.

The **FSA's** address is:

Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS

12.3 **Our nominee companies** are wholly owned subsidiaries of AEGON UK Ltd and the actions of these **nominee companies** remain **our** full responsibility at all times, in compliance with **FSA** regulations including the Regulated Activities Order, which provides the exemption for nominees from **FSA** authorisation. **We** undertake to be responsible for the safeguarding and administration of investments as if **we** were the nominee itself.

## 13 Legal notices

### 13.1 Conflicts of interest policy

**AEGON** maintains a conflicts of interest policy in accordance with all **FSA** Conduct of Business rules. The policy is available on request by writing to ARC Client Services, in Clause 9.

### 13.2 Order execution policy

**AEGON** maintains an order execution in accordance with all **FSA** Conduct of Business rules. The policy is available on request by writing to ARC Client Services, in Clause 9.

### 13.3 Best execution policy

**AEGON** maintains a best execution policy in accordance with all **FSA** Conduct of Business rules. The policy is available on request by writing to ARC Client Services, in Clause 9.

### 13.4 Limitation of liability

13.4.1 Where **you** receive any correspondence from **us** that contains any incorrect details or errors in relation to **your product wrappers** that relate to:

- **your, your adviser's** or **your employer's** details
- any changes to those details
- any transactions carried out within **the Service**
- any charges
- any payments to or from a **product wrapper**
- any other information provided by, or action taken by, **you, your adviser** or **your employer**

**you** must notify **us** of any such error(s) within 30 days of receiving any incorrect details or errors. The 30-day period will be from the time of sending of any electronic correspondence or the third **business day** after **we** send out any written correspondence.

- If **you** notify **us** within 30 days, **we** will correct the details or error where it is possible to do so. **We** won't be liable for any loss unless this was as a direct result of **our** negligence, wilful default or fraud.
- If **you** notify **us** outside of this 30-day period, **you** accept and acknowledge that any compensation payable for loss suffered or sufferable will be restricted to the value of the loss within the 30-day period, and **you** will **indemnify us** against any payment **we** make in relation to a claim in respect of any loss suffered as a result of any such discrepancy or error to the extent that such payment exceeds the value of the loss within this 30-day period.

13.4.2 **We** aren't liable to **you** for any **adviser charges, discretionary investment manager charges, consultancy charges**, costs, charges, expenses, taxes, levies or other liability of whatever description that have occurred or accrued or have been triggered by **us** following an instruction from **you, your adviser** or **your employer** (or which **we**, acting in good faith, believe to be from **you, your adviser** or **your employer**), or by **us** exercising **our** rights under the **terms and conditions** of **the Service** or any particular **product wrapper you** hold.

13.4.3 **You** agree to release and **indemnify us** from, and against, any and all costs, claims, demands, losses, expenses and liabilities suffered by **us** in acting in reliance on an instruction given by **you, your adviser** or **your employer** (or which **we**, acting in good faith, believe to be given by **you, your adviser** or **your employer**).

13.4.4 Neither **you**, nor **we**, will be liable to the other in contract or otherwise for any indirect loss or damage. **We** won't pay for any losses that aren't directly associated with the incident that caused **you** to claim (for example, loss of business, loss of data, loss of profits and third-party claims), whether or not that loss or damage was foreseeable.

**13.4.5** *You indemnify us* against all liabilities incurred by *us* in connection with *your investments* and *client profile*, other than liabilities caused as a direct result of *our* negligence, knowing default, fraud or breach of the *FSA* rules or breach of contract.

In general, *we* aren't liable for:

- any *force majeure events* and for events outside *our* reasonable control
- any acts or omissions of any third-party service provider to the extent that these are outside of *our* control
- fluctuations in *investment* values (including those occurring during any period in which any verifications necessary under the money laundering regulations requirements are being undertaken)
- any loss resulting from any delay in the payment or transfer of funds to *us*

**13.4.6** *We* aren't liable or responsible for *investments* or instructions received in relation to *investments* until clear funds are received from *you* or any other source of funds such as a third party, employer or transfer.

**13.4.7** Notwithstanding the foregoing, the limitations in this Clause will not be applied where it would limit liability for death, personal injury, negligence, wilful default, or any other liability in respect of which limitation is prevented by law from time to time.

**13.4.8** Nothing in these terms and conditions will exclude or restrict to an extent prohibited by the rules of the *FSA*, any duty or liability *we* may have under the regulatory system (as defined by the rules of the *FSA*). Nothing in these terms and conditions will exclude any obligations *we* may have in law.

## 13.5 Taxation

Tax treatment depends on *your* individual circumstances. Any tax information provided is based on *our* understanding of current law and *HMRC* practice, which may change.

## 13.6 Data protection

### 13.6.1 How information about *you* will be used

The following section explains how *we* (including Scottish Equitable plc) will use any personal information *we* collect about *you*.

**13.6.2** *We* will only use the information *you* have provided for the operation of the *client profile* and *product wrapper(s)* *you* hold with *us*. *We* will only give out this information to people with whom *we* deal with in the day-to-day operation of *your product wrapper(s)* (including the provider of any product through which *you* have a *GIA*), to people acting as *our* agents, to *your adviser* or as required by law on the understanding that the information will be kept

confidential. *We* won't use *your* information for marketing purposes without *your* permission.

**13.6.3** *We* may transfer *your* information to other countries, which could involve processing information outside of the European Economic Area (EEA). However, where such processing takes place, appropriate controls are in place to ensure the protection of *your* information.

**13.6.4** *You* have the right to request the information *we* hold about *you*. If *you* want to exercise this right, please write to *our* Compliance Manager at the following address:

Compliance Manager  
AEGON Retirement Choices  
Cambridge House  
Henry Street  
Bath BA1 1JS

Please note: *we* are entitled to charge up to £10 to provide this information.

## 13.7 Amendments to the terms and conditions

**13.7.1** *We* may amend these *Terms and conditions* from time to time, in a reasonable and proportionate manner where it's necessary or prudent to do so. This may include, for example:

- i where *we* consider it will make these conditions easier to understand or fairer to *you*
- ii to allow *us* to provide an improved, more efficient or lower-cost service to *you*
- iii to reflect market conditions and general industry practice
- iv to reflect any changes to the costs *we* face in providing services to *you*
- v because of changes in the way *we* do business
- vi to take account of any changes to legislation, codes of practice or regulations and to take account of any decisions made by a court, ombudsman, regulator or similar body
- vii because of changes in technology

**13.7.2** *We* will only use *our* discretion to vary these terms and conditions in a reasonable manner and will only do so where *we* provide prior notice. *We* will provide at least one month's prior written notice of any change to the terms and conditions unless doing so would result in *us* being unable to comply with legal or regulatory changes. This notice will be sent to *you*.

**13.7.3** *You* have the right to terminate *your* use of *the Service* at any time. If *you* want to do so following variation of these *Terms and conditions*, termination will be in line with Clause 11.

**13.7.4** These *Terms and conditions* will be superseded by any more recent versions, which will incorporate any changes made under this Clause.

## 13.8 Law and jurisdiction

- 13.8.1** *Your terms and conditions* and all matters connected with them will be subject to the jurisdiction of the courts of law in that part of the UK in which **we** treat it as having been effected. When **you** apply for any **product wrapper**, if **you** tell us on **your** application form that **you** live in:
- England, **we** will treat **your product wrapper** and the *terms and conditions* as having been effected in England
  - Wales, **we** will treat **your product wrapper** and the *terms and conditions* as having been effected in Wales
  - Scotland, **we** will treat **your product wrapper** and the *terms and conditions* as having been effected in Scotland
  - Northern Ireland, **we** will treat **your product wrapper** and the *terms and conditions* as having been effected in Northern Ireland
- 13.8.2** If **you** apply for additional **product wrappers**, each **product wrapper** will be treated separately for the terms of this Clause but the *terms and conditions* will always be governed by the jurisdiction of the courts that they were first effected in.
- 13.8.3** When **you** apply for any **product wrapper**, if **you** tell us on **your** application form that **you** live elsewhere, **we** will treat **your product wrapper** and the *terms and conditions* as having been effected in Scotland.
- 13.8.4** The law that applies to **your product wrapper** and the *terms and conditions* will depend on the country **you** tell us on **your** application form **you** live in. When **you** apply for **your terms and conditions**, if **you** tell us on **your** application form that **you** live in:
- England or Wales, the law of England will apply
  - Scotland, the law of Scotland will apply
  - Northern Ireland, the law of Northern Ireland will apply
- 13.8.5** When **you** apply for **your product wrapper** and the *terms and conditions*, if **you** tell **us** on **your** application form that **you** live elsewhere, the law of Scotland will apply.

## 13.9 Notices

- 13.9.1** Unless otherwise directed in these *Terms and conditions*, all notices should be sent to ARC Client Services (at the address shown in clause 9).
- 13.9.2** If **you** make a request, instruction or notification under these *Terms and conditions*, **you** must do this in writing. **We** will only accept or act upon it when **we** receive it at ARC Client Services. **You** must also send **us** any

documents and information that **we** need to carry out **your** request or instruction. All written instructions must be in English and must be clear and easy to understand. No one else is authorised to accept any requests, instructions or notifications on **our** behalf.

- 13.9.3** When **we** write to **you** or any other person on **your** behalf, **we** will treat **our** letter as having been received by **you**, or that other person, three **business days** after posting **our** letter to:
- your** last known address (or the other person's last known address), or
  - the last known address of **your** agent (or the other person's agent)

## 13.10 Electronic messages

**13.10.1** **The Service** is conducted mainly in an online environment. Any electronic message that's given through **the Service** in this online environment will be treated as a written communication in line with this Clause.

**We** will tell **you** within these *Terms and conditions* where actions under these *Terms and conditions* aren't conducted in an online environment. Other parts of **the Service**, for example statements, *Contract notes*, some items that **we** must send to **you** or **you** must send to **us**, and some correspondence won't be conducted in the online environment.

**13.10.2** **We** will treat an electronic message as a written communication received at ARC Client Services if:

- we** have told **you** in writing that **we** will accept an electronic message for a specific purpose and **your** electronic message is for that specific purpose
- we** have told **you** what type of electronic message **we** will accept for that specific purpose from time to time
- we** have told **you** where to send that message

**13.10.3** **We** will treat the message as being received when **we** receive it at that electronic address. This will be when it enters **our** system provided that no error message indicating failure to deliver has been received by **us**.

**13.10.4** While **we** will try to ensure best endeavours at all times, **we** don't guarantee:

- that any electronic messages sent to or by **us** will be secure
- that any electronic messages sent to or by **us** will be free from interception and/or change
- the routing of any electronic message or the time of delivery or receipt

**We** are not liable for any viruses received by **you** through electronic messaging.

- 13.10.5 Where an electronic message is sent by **you** or **your** agent, **you** are liable for any damage or loss caused either directly or indirectly by the use of the electronic message or in relation to that use.
- 13.10.6 **We** can act on an electronic message that **we** reasonably believe comes from **you** or **your** agent. **We** don't need to verify the sender of the message or their authority to send it.
- 13.10.7 It's **your** responsibility to make sure that any electronic message **you** or **your** agent sends **us** is actually received by **us**. **We** have no liability for messages sent to an incorrect electronic address.
- 13.10.8 An electronic message that doesn't comply with this Clause isn't a valid communication for **your terms and conditions**.

### 13.11 Fax

- 13.11.1 **We** will treat a fax as a written communication received at ARC Client Services if:
- (a) **we** have told **you** in writing that **we** will accept a fax for a specific purpose and **your** fax is for that specific purpose, and
  - (b) **we** have told **you** the fax number to send that fax to
- 13.11.2 **We** will treat the fax as being received when **we** receive it at that fax number.
- 13.11.3 **We** can act on a fax that **we** reasonably believe comes from **you** or **your** agent. **We** don't need to verify the sender of the fax or their authority to send it.
- 13.11.4 It's **your** responsibility to make sure that any fax **you** or **your** agent sends **us** is actually received by **us**. **We** have no liability for faxes sent to an incorrect fax number.
- 13.11.5 A fax that doesn't comply with this Clause 13.11 isn't a valid communication for your **terms and conditions**.

# Product wrapper specific terms

In the following sections A, B and C you will find terms that specifically relate to the individual product wrappers.

## Section A – the AEGON General Investment Account (GIA)

### 1 Opening an AEGON GIA

1.1 To open a **GIA**, **you** must be 18 years of age or over.

1.2 A **GIA** can be opened under a product with **another provider**. This can only happen where **we** agree with **your** other provider to accept such an application.

### 2 Joint holders

2.1 **We** allow up to four joint holders for the **GIA**.

2.2 Joint holders are jointly and severally liable for their obligations under the *terms and conditions* of the **GIA**.

2.3 Where there is more than one holder of the **GIA**, and where instructions are required in writing (see ‘Servicing’ clause 9 of the General section), **we** can only accept instructions signed by all the holders. Where the **GIA** is owned under a trust agreement or by a corporate body, **we** will require the relevant number of signatures identified in the authorised signatory list and any associated trust documents.

2.4 Only one copy of any documentation will be sent by **us**. It will be addressed to all holders using either the correspondence address recorded or the address of the first named holder if no correspondence address has been recorded.

2.5 The **adviser** can only give one set of user credentials to allow access to view the joint **GIA** account online.

### 3 Tax treatment within a GIA

3.1 For all individuals, all interest paid on cash held within the **cash facility** of **your GIA** will be paid net of basic rate tax, which will be deducted at source and paid to **HMRC**.

3.2 Corporate entities, trusts or charities may choose to receive interest paid on cash held within their **GIA** either gross or net of tax. Corporate entities and charities should choose either net or gross **GIA** by indicating this on the application. Where **you** receive interest gross, **you** must declare that **you** are entitled to do so and **we** accept no liability for incorrect or false claims for such tax treatment.

3.3 For individuals, all income/distributions/dividends received from **investments** held within **your GIA** will be paid net of withholding tax.

3.4 Corporate entities, trusts or charities may choose to receive income on **investments** held within their **GIA** either gross or net of tax. Corporate entities and charities should choose either net or gross **GIA** by indicating this on the application. Where **you** receive interest or income gross, **you** must declare that **you** are entitled to do so and **we** accept no liability for incorrect or false claims for such tax treatment.

### 4. Contributions

The following limits apply:

Type of contribution	Minimum amount	Maximum amount
Initial	£1,200	No maximum
Regular	£100 a month or £1,200 a year	No maximum
Additional lump sum	No minimum	No maximum
Re-registration of <b>investments</b>	£250	No maximum

### 5. Withdrawals

#### 5.1 Partial withdrawals

5.1.1 The minimum amount for a partial withdrawal is £100.

#### 5.2 Regular withdrawals

5.2.1 The minimum **regular withdrawal** is £25 per payment with a maximum of 10% of the total value of the **product wrapper** per year. A **regular withdrawal** can be set up to be paid monthly, quarterly or yearly. **Regular withdrawal** instructions will leave the **cash facility** on or around the sixth **business day** of the month.

## 6 Death of a *GIA* holder

- 6.1 Where one individual holds a *GIA*, on notification of the death of the *GIA* holder **we** will automatically sell all *investments* as soon as **we** are able, and keep the proceeds in the *cash facility* until **we** receive the appropriate appointment of the executors as the personal representatives of the estate. When **we** receive this, **we** will recognise the executors of the estate as the holder of the *GIA*.
- 6.2 It's possible that *investments* may not be readily realisable, such as *investments* that deal irregularly or infrequently, or have dealing minimums that haven't been reached. In these circumstances, **we** will defer payment of the proceeds of the sale of the *investments*. The proceeds of any *investments* that aren't readily realisable will be made available as soon as **we** can sell these *investments*. **You** and **your** executors should be aware that this may involve a significant delay.
- 6.3 **Your** executors will need to instruct the sale of any *equities you* have purchased. **We** can't instruct the sale of such *investments* on behalf of **your** estate.
- 6.4 Where the *GIA* has multiple holders and **we** are notified of the death of one of the holders, the *GIA* will automatically pass to the surviving holders.
- 6.5 Where **your** *GIA* is through a product with *another provider*, that product will determine what happens on death. **Your** other provider will tell **us** what action to take in the event of **your** death.

## Section B – the AEGON Individual Savings Account (ISA)

### 1 Opening an AEGON ISA

To be eligible to subscribe to an *ISA*, *you* must:

- be an individual
- be aged 16 or over if subscribing to a cash *ISA*, or 18 or over if subscribing to a stocks and shares *ISA*
- be resident and ordinarily resident in the United Kingdom or, if not so resident, be performing duties as a Crown employee serving overseas and paid out of the public revenue of the United Kingdom (typically a serving member of the armed forces, or a diplomat), or be married to, or in a civil partnership with, such a person
- not have subscribed to another *ISA* of the same type in that tax year (unless *you* have transferred a cash *ISA* to a stocks and shares *ISA* – see Clause 4.2), and
- not have exceeded the overall subscription limit details of which can be found on *the service* or from *HMRC*.

### 2 General

- 2.1 The *ISA* Regulations (the Individual Savings Account Regulations 1998/1870) will take precedence over these terms and conditions.
- 2.2 AEGON Investment Solutions Ltd, an *HMRC* – approved *ISA* manager, will undertake to operate *your ISA* in accordance with the *ISA* Regulations. *Our* registered plan manager number is Z1775.
- 2.3 *We* will satisfy ourselves that any person to whom *we* delegate any functions or responsibilities under the *terms and conditions* agreed with *you* is competent to carry out those functions and responsibilities.
- 2.4 *We* must notify *you* if, by reason of any failure to satisfy the provisions of the *ISA* Regulations, your *ISA* has, or will, become void.

### 3 Transfers and withdrawals

- 3.1 If *you* instruct us to do so, an *ISA*, with all rights and obligations, shall be transferred to another *ISA* manager in accordance with the *ISA* Regulations relating to transfers, within the time stipulated by *you*.
- 3.2 If *you* instruct *us* to do so, all of the *investments* held in the *ISA* and proceeds arising from those *investments* shall be transferred or paid to *you*, within the time stipulated by *you*.
- 3.3 *We* can specify a minimum period which must not exceed 30 days on the time stipulated by *you* to carry out the transfer to another *ISA* manager. This period is required to allow us sufficient time to carry out the

transfer. *You* will be informed of this minimum period when *you* request a transfer.

- 3.4 *We* can specify a minimum period which must not exceed 30 days on the time stipulated by *you* to carry out a withdrawal. This period is required to allow *us* sufficient time to carry out the withdrawal request. *You* will be informed of this minimum period when *you* request a withdrawal.
- 3.5 If *you* have subscribed to a stocks and shares *ISA* which contains units or shares in a *UK UCITS*, a *non-UCITS retail scheme* or a *recognised UCITS* and dealings in such units and shares have been suspended in accordance with the rules of the *FSA* (or any direct foreign equivalent), the minimum period which is specified by us for transfers and withdrawal requests may be extended to 7 days after the suspension ends.

### 4 Subscription levels

- 4.1 *Your ISA* subscription will take effect on the later of the receipt of the application form or the receipt of the subscription to the *ISA*.
- You* are responsible for making sure *you* don't breach the current *ISA* subscription levels stated in the *ISA* Regulations for the tax year in which *you* are investing.
- 4.2 In applying for the *ISA*, *you* are confirming that *you* have not, and will not, breach the prevailing *ISA* Regulations and subscription levels. This includes any *ISAs* that *you* may hold, or intend to open with any other *ISA* manager. In each tax year, *you* may subscribe to one cash *ISA* and one stocks and shares *ISA*. *You* may not subscribe to two (or more) cash *ISAs*, or two (or more) stocks and shares *ISAs* in the same tax year. Where *you* make a transfer of current year subscriptions from a cash *ISA* to a stocks and shares *ISA*, the subscriptions to the cash *ISA* are treated as if they were made to the stocks and shares *ISA* so *you* can subscribe to a cash *ISA* following the transfer. This is subject to the overall subscription limits.
- 4.3 *You* may apply to open an *AEGON* cash *ISA* and/or stocks and shares *ISA* depending on *your* eligibility (see Section B Clause 1).
- 4.4 If *you* make *contributions* in excess of the current *ISA* *contribution* limits, *we* will refund any *contributions* to *you* unless they are made through a sharesave scheme. If the *contribution* is made through a sharesave scheme, *we* will open a *GIA* for *you* in *your* name and place any excess shares from that scheme into that *GIA*. *You* will then be able to access that *GIA* at the *gate you* have access to *the Service* at (see Clause 7.3 of the General section).

## 5 Investments and related information

- 5.1 The *ISA investments* will be, and must remain in, the beneficial ownership of *you* and must not be used as security for a loan.
- 5.2 Except for cash deposits in cash *ISAs*, the title to the *ISA investments* will be registered in the name of *our nominee company*.
- 5.3 Except for cash deposits/National Savings products in cash *ISAs* and for insurance policies held with an insurer who is also an *ISA* manager, share certificates or other documents evidencing title to *ISA investments* will be held by *us* or as *we* may direct.
- 5.4 Except for cash deposits/National Savings products in cash *ISAs*, *we* will arrange, if *you* elect, for *you* to receive a copy of the annual report and accounts issued by every company or other concern in respect of *investments* that are held directly in the *ISA*.
- 5.5 Except for cash deposits/National Savings products in cash *ISAs* and insurance policies, *we* are under an obligation (subject to any provisions made by or under any other enactment), if *you* so elect, to arrange for *you* to be able:
- i to attend shareholders', securities holders' or unit holders' meetings
  - ii to vote
  - iii to receive, in addition to the annual report and accounts, any other information issued to shareholders, securities holders or unit holders
- 5.6 A charge may be made for the arrangement of the above (section B, Clause 5.5, parts i, ii and iii), which is explained and detailed in Clause 8.2 of the General section.
- 5.7 If instructions are given to purchase any *investment* that doesn't qualify under the *ISA* Regulations, and those *investments* are purchased, *we* must sell the *investment* as soon as practicable after *we* have identified the non-permissible holding. In such circumstances *you* will be liable for the costs to rectify the matter and will have to bear any losses due to price movement.

## 6 Cash ISA

- 6.1 Only cash may be held within *your* cash *ISA*. *We* will be the *ISA* manager for the cash *ISA* and *your* point of contact for any queries *you* may have on the cash *ISA*. *We* don't hold *your* money but will deposit it with HSBC Bank plc, who is the deposit taker for the cash *ISA*.
- 6.2 *We* can't hold *your* money as a deposit as *we* aren't a bank or building society. Interest accruing will be paid gross to the *cash facility*.
- 6.3 HSBC Bank plc is authorised and regulated by the *Financial Services Authority*. Its registered office is: 8 Canada Square, London E14 5HQ. *We* won't meet the obligations of the HSBC Bank plc if it fails.
- 6.4 *We* aren't liable for any acts, errors, omissions, defaults or frauds of the bank referred to in Clause 6.3.

## 7 Cash held within a stocks and shares ISA

Cash held within *your* stocks and shares *ISA* will be held on deposit with HSBC and must be held on a temporary basis and be destined for *investment*. Interest paid on cash held within *your* stocks and shares *ISA* will be net of tax, which will be deducted at source and paid to *HMRC*. Under *HMRC* guidance this can't be reclaimed by *us*.

Clauses 6.3 and 6.4 in this section B apply to this Clause 7.

## 8 Contributions

- 8.1 The minimum contribution for regular *contributions* is £20 per month or £240 per year and the minimum single premium is £1. Subject to the maximum allowed under current *ISA* limits.
- 8.2 *We* will accept the transfer in of existing *ISA* accounts subject to the minimum initial transfer in value, which is currently £250 for both a cash *ISA* and a stocks and shares *ISA*.
- 8.3 *We* will accept *ISA* transfers in cash, or *re-registration* in of *investments*. This is with the exclusion of employee SAYE share schemes.
- 8.4 Where dividends/income/distribution payments are paid as the result of transfer, *we* reserve the right to reject any payments less than £50.

## 9 Withdrawals

- 9.1 **Partial withdrawals**  
The minimum amount for a partial withdrawal is £100.
- 9.2 **Regular withdrawals**  
The minimum *regular withdrawal* is £25 per payment with a maximum of 10% of the total value of the *product wrapper* per year. A *regular withdrawal* can be set up to be paid monthly, quarterly or yearly. *Regular withdrawal* instructions will leave the *cash facility* on or around the sixth *business day* of the month.

## 10 ISA application policy

- 10.1 *We* operate a continuous *ISA* application form. This means that, once *we* have received and accepted *your* application form, it remains valid for the current year and each subsequent year that *we* receive subscriptions.
- 10.2 If there is a break in subscriptions to *your* cash or stocks and shares *ISA* of one full tax year, *we* will require a new application form, which must be sent to ARC Client Services with any subsequent new subscription.
- 10.3 *We* reserve the right to require a new application form for each new tax year.

## 11 UK residency

- 11.1 **You** undertake to inform **us** as soon as reasonably practical that **you** have ceased to be resident in the UK or a Crown employee overseas, or become resident, or ordinarily resident, outside the UK.
- 11.2 **We** cannot advise **you** of the tax consequences and do not accept any liability for any tax charges or penalties arising from changes of **your** residency. **You** should seek advice from a qualified tax adviser in such circumstances.
- 11.3 If **you** cease to be resident in the UK, or a Crown employee overseas, **you** are required to cease subscriptions into an **ISA**.

## 12 Void accounts

- 12.1 **We** will manage **your ISA** in accordance with the regulations. **We** will notify **you** if, for any reason, **your** account has or will become no longer exempt from tax.
- 12.2 On notification by **HMRC** of a breach of regulations, **we** will make every effort to repair **your ISA** within the guidance set out by **HMRC**. **We** will confirm in writing the action taken where **your ISA** has been repaired.
- 12.3 If **your ISA** is voided, **we** will deduct any cash available to cover any tax **we** have to pay or repay. If there's insufficient cash in the **cash facility** to cover **your** liabilities as a result of the **ISA** being made void, **we** reserve the right to sell some or all of **your investments** to meet these liabilities.
- 12.4 **We** will also deduct all outstanding charges due to **us** in respect of **your ISA** and any expenses incurred in termination of the **ISA** will be deducted.

## 13 Death of an ISA investor

- 13.1 On **your** death, **your ISA** ceases to be tax exempt.
- 13.2 On notification of **your** death, **we** will sell all **investments** held in **your ISA** and move these to cash, close **your ISA product wrapper**, open a **GIA** and move this cash to the **cash facility** of this **GIA**. **We** will do this and the holding will remain in that **GIA** until **we** receive the appropriate appointment of the executors as the personal representatives of the estate. When **we** receive this, **we** will recognise the executors of the estate as the holder of that **GIA**.
- 13.3 From the date of the death of an ISA investor, any interest on the cash held in this **cash facility** will be paid net of tax. Any tax reclaimed between the date of **your** death and notification to **us** will be deducted by **us**.
- 13.4 When **we** receive the grant of probate, **we** will accept instructions from **your** personal representatives. **We** will continue to hold **your investment** in the form of cash until **we** receive instructions from **your** personal representatives.

# Section C – the *AEGON SIPP*

## Definitions

In this section C ‘we’, ‘us’ and ‘our’ refers to Scottish Equitable plc.

### 1 General

1.1 The *AEGON* Self Invested Personal Pension Scheme (the **scheme**) is a registered pension scheme. It has been established for the purpose of providing pension and lump sum benefits.

1.2 The **scheme** is established under a trust deed and scheme **rules**, the **scheme** will be governed and administered according to the **rules**.

1.3 Scottish Equitable plc is the **scheme** provider and administrator of the **scheme**. AEGON Pension Trustee Ltd is the trustee of the **scheme**. We will administer the scheme in accordance with the **rules** of the **scheme** and these *Terms and conditions*.

1.4 When **you** open a *SIPP product wrapper*, **you** become a member of the **scheme** and, as a member, the trust deed and **Rules** apply to **your SIPP**. **You** can obtain a copy of the **rules** on request from ARC Client Services. Where there is any conflict between the **rules** of the **scheme** and these *terms and conditions*, the **rules** of the **scheme** will override the conflicting provision in these *terms and conditions*.

### 1.5 Retirement age

When **you** open a *SIPP*, **you** will be given a **retirement age**. Where **your SIPP** is taken out through **your** employer, they will advise us of a **retirement age** for **you**.

We will use **your retirement age** in benefit illustrations that show **you** what **your** benefits might be at that **retirement age**. When **you** are getting close to **your retirement age**, we will send **you** information about putting **your** benefits into payment.

**You** are not required to take **your** benefits at **your retirement age**. We will use **your retirement age** where **you** have chosen to invest in a lifestyle fund, as detailed in clause 4.5 of the *ARC insured funds policy*.

## 2 Eligibility for the *AEGON SIPP*

2.1 **You** can apply for the *AEGON SIPP* if **you** are 16 years or older. However, if **you** are under the age of 18 and not resident in Scotland, the *SIPP* application form and applicable declarations must be made by a parent or guardian unless **your** application is through **your employer**.

2.2 **You** can make **contributions** at any time. We will not claim any tax relief under Clause 3.4 for any **contribution** made on or after **you** have reached age 75.

2.3 **You** may only apply for an *AEGON SIPP* if **you** are resident in the UK and are a relevant UK individual.

The granting of **tax relief** is a matter between **you** and **HMRC**, or **your employer** and **HMRC**. What follows is a description of some of the provisions that may apply in connection with that **tax relief**, and is set out just for information purposes. **You** should check **your** actual position and proceed accordingly.

Tax relief will only be available in respect of **contributions** under this clause 2 paid during a tax year if **you** are a **relevant UK individual** for that year.

**You** are a **relevant UK individual** for a tax year if at least one of the following applies:

- **you** have **relevant UK earnings** chargeable to income tax for that year;
- **you** are resident in the UK at some time during that year;
- **you** were resident in the UK both at some time during the five tax years immediately before that year and when **you** became a member of the **scheme**;
- **you**, or **your** spouse or civil partner, has for the tax year general earnings from overseas Crown employment subject to UK tax (such earnings being as defined in section 28 of the Income Tax (Earnings and Pensions Act 2003).

**Contributions** in excess of £3,600 or **your relevant UK earnings** if higher, will not receive tax relief.

## 3 Contributions to the *SIPP*

3.1 **Contributions** can be made by **you**, **your employer** or a third party.

3.2 The minimum contribution is £1.

3.3 There's no maximum **contribution** that can be paid into **your AEGON SIPP**. However, **contributions** in excess of the current **annual allowance**, as defined by **HMRC**, may attract a tax charge. **You** should discuss this with **your adviser** before contributing to **your SIPP** in excess of the **annual allowance**.

3.4 We will claim basic rate tax relief on all new personal **contributions** made to **your SIPP**, other than **contributions** made on or after **you** have reached age 75. **Contributions** made by a third party (not **your employer**) will be treated as personal **contributions**. The gross amount of such **contributions** (this is the net amount of the **contributions you** (or a third party) paid, together with the tax relief that we claim) will be placed within **your cash facility** and invested in line with **your** instructions.

We won't claim any tax relief on **contributions** made by **your employer** – these are paid to us gross.

- 3.5 We accept no liability for any tax charges or penalties resulting from **contributions** made to **your SIPP**. We will deduct the amount of any such charge, fine or claim from **your SIPP cash facility** without needing **your** consent to do so. If there are insufficient funds in **your cash facility** to cover any such charge, fine or claim **we** will sell the **investments** in **your SIPP** in accordance with Clause 5.4 of the General section to the extent necessary to cover such charge, fine or claim. If the value of the **investments** in **your SIPP** is insufficient to cover the amount of such charge, fine or claim **you** agree to pay any outstanding amounts to us.
- 3.6 We won't be liable in the event that we are unable to proceed with an **investment** due to an error or omission of a payment/payment schedule from an employer or third party or due to any delay in a **contribution** or transfer reaching the **cash facility**.
- 3.7 We won't accept new **contributions** to the **SIPP** by way of a transfer of contribution of shares or **re-registration** of an investment fund.

#### 4 Default fund for your SIPP through your employer

If **you** have taken out **your SIPP** through **your employer**, a **default fund** will be available under **your SIPP**. This is the fund into which any **contributions** and transfers to **your SIPP** are invested if **you** do not make an **investment** choice. The minimum amount must be maintained within the **cash facility**, as detailed in clause 5 of the General section. If **you** have taken out **your SIPP** through **your adviser** or directly, any **contributions** or transfers will be placed into the **cash facility** and remain there until an **investment** instruction is received by **us**.

The provisions of the **default fund** are:

- (i) The **default fund** will be selected by **your employer** or the **scheme adviser**.
- (ii) Where **you** do not make a valid selection for the **investment of contributions** or transfers to **your SIPP** or any part of them, then the **contribution**, transfer or that part of them will be invested in the **default fund** that applies to **your SIPP**, subject to the minimum amount remaining in **your cash facility**.
- (iii) If the **default fund** for **your SIPP** is changed by **your employer** or the **scheme adviser**, **you** will be advised of this by **your employer**. **Your contributions** will continue to be invested in **your** current **investment** selection. If **you** want to invest in the new **default fund** **you** will have to update **your** investment strategy online.

If **you** have actively selected the **investment** that was the previous **default fund**, rather than investing in it as the **default fund**, **your investment** instruction will not

be altered and **contributions** and transfers will continue to be invested in **your** chosen **investments**, subject to clause 7 of the General section.

- (iv) Where a **default fund** changes, all **investments** into the previous **default fund** will remain in that fund unless:
  - **you** instruct a change to this **investment** under clause 7 of the General section of these **terms and conditions**; or
  - the fund is no longer available and all **investments** are being moved out of that fund. In these circumstances, the provisions of the **ARC insured funds policy** for closing a fund will apply if the **default fund** is an **investment** under the **ARC insured funds policy**. If the **default fund** is not an **investment** under the **ARC insured funds policy**, the provider of the **default fund** will provide details to **you** of what is to happen to **your investment** in that fund.

#### 5 Permitted investments

**You** may have a different **investment** choice for **crystallised** and **uncrystallised** funds within the same **SIPP product wrapper**.

#### 6 Transfers in

- 6.1 We can accept transfers from other UK registered pension schemes, including pension credits that are granted on divorce. We will also consider requests for us to accept transfers from qualifying recognised overseas pension schemes (QROPS), subject to us agreeing that we are able and willing to accept these transfers, and any conditions that we may impose. We are under no obligation to accept any transfer request from **you**.
- 6.2 To transfer an existing pension to **your AEGON SIPP**, **you** must complete the relevant pension transfer authority and obtain a discharge form from **your** existing pension provider.
- 6.3 It's **your** responsibility to make sure that the trustees, scheme administrator or provider of the existing scheme or pension will allow the pension to be transferred to **your AEGON SIPP**.
- 6.4 We accept no liability for any penalties, charges or liabilities arising from the transfer of an existing pension.
- 6.5 We will only accept transfers in cash and won't accept a transfer by way of a transfer of **investments** and/or **re-registration** of **investments**.
- 6.6 Each separate drawdown-to-drawdown transfer will result in a new **crystallised** arrangement being created within **your SIPP product wrapper**.
- 6.7 **You** may apply new **uncrystallised contributions** or transfers to a **SIPP product wrapper** already containing post A-day (6 April 2006) **crystallised** funds and, if the existing **crystallised** funds are in respect of a pension in payment before A-day, **you** may not apply new **contributions** or transfers to that arrangement.

## 7 **Block transfers**

- 7.1 The **scheme** will inherit the scheme protection being block transferred.
- 7.2 **You** may only apply a **block transfer** if **you** haven't held an **AEGON SIPP product wrapper** within the last 12 months.
- 7.3 For a **block transfer** to take place, at least two investors in the scheme being transferred must transfer to the **AEGON SIPP** at the same time.
- 7.4 At least one of the **clients** in a **block transfer** must have a scheme protected low pension age or protected **pension commencement lump sum**.
- 7.5 All **your SIPP** benefits (**block transfer** plus others) under the scheme must crystallise on the same day for scheme protection to apply.
- 7.6 Only one scheme protected **pension commencement lump sum block transfer** is allowed for each **client**. Any additional transfers of the same type will lose their protection.

## 8 **Transfers out**

Clause 10.2 of the General section details the general provisions for transferring out. That clause is qualified by this Clause 8, of this Section C for **your AEGON SIPP**.

- 8.1 Where **you** are transferring **your SIPP**, on receipt of a valid transfer request from the trustees or scheme administrator of a registered pension scheme or QROPS, **AEGON** will transfer out **your investments** from **your SIPP**, this will involve the sale of all **investments** unless the transfer is by way of a direct transfer or **re-registration** of **investments**. However, we are entitled to delay any transfer while we satisfy ourselves that we can make the transfer from a Legal and Regulatory perspective and have received any discharge that we require.
- 8.2 We will complete all transfers out as soon as reasonably practical after receipt and acceptance of the relevant paperwork from **your** new scheme provider and **you** complying with these **Terms and conditions**, including providing us with a fully and correctly completed discharge form.
- 8.3 We will transfer **your investments** to **your** new pension provider either in cash or through a **re-registration** of **investments**.
- 8.4 **AEGON** will make no charge for transferring out **your SIPP**.

## 9 **Retirement benefits and the lifetime allowance**

- 9.1 **You** may only start taking retirement benefits from the age of 55 or a scheme protected low pension age or due to serious ill health, in line with the **rules**. We reserve the right to allow **you** to continue with both **uncrystallised** and **crystallised investments** after **your** 75th birthday if **you** and we agree and it's allowed in terms of the **rules**.
- 9.2 When **you** choose to have a **benefit crystallisation event**, **you** must designate all or part of the **investments** within **your SIPP product wrapper** to provide a **drawdown pension** or to purchase an annuity, unless you are transferring to a QROPS.
- 9.3 The amount being used to provide benefits will be tested against **your** available **lifetime allowance**. If **your** available **lifetime allowance** is exceeded, **you** will be subject to an excess **lifetime allowance** charge, as determined by **HMRC**— this will be deducted from **your SIPP** and paid to **HMRC**. Any charges, penalties or tax payments not paid as detailed in this Clause, that arise from a breach of the **lifetime allowance** must be met by **you**.
- 9.4 An instruction to take retirement benefits from **your SIPP** must be made in writing by fully and correctly completing a **benefit crystallisation event** request form and sending the completed form to us at ARC Client Services.
- 9.5 Where **you** want to **crystallise** part of **your uncrystallised SIPP**, the value of **your** remaining **uncrystallised product wrapper** must not fall below £1,000. If the remaining **uncrystallised** balance is below £1,000, **you** will be required to fully **crystallise** all of **your product wrapper**.

## 10 **Age 75**

- 10.1 Any **uncrystallised investment** held before **your** 75th birthday will remain **uncrystallised** on and after your 75th birthday until you take your benefits under Clause 11 or 12 of this Section C. Any **uncrystallised investment** will, along with any already **crystallised investment**, be tested against the **lifetime allowance** on **your** 75th birthday.
- 10.2 **You** can still purchase an annuity after **your** 75th birthday, although **your** funds will need to be transferred to an annuity provider as **AEGON** doesn't currently provide this facility.
- 10.3 During the 12 months leading up to **your** 75th birthday, we will endeavour to contact **you** to inform **you** of the options available to **you** at that time and to obtain **your** instructions.

If we can't contact **you** or **you** haven't given us an instruction, by **your** 75th birthday, your **investments** will remain **uncrystallised**.

10.4 We will calculate and deduct any applicable tax from **your SIPP** in line with the **rules** and **HMRC** rules applicable at the time.

## 11 Drawdown pension

11.1 On receipt and acceptance of a signed **benefit crystallisation event** request form, an amend drawdown pension form or transfer in form, **drawdown pension** can be paid from **your AEGON SIPP**.

The **rules** set out provisions for the calculation of the minimum and maximum **drawdown pension** from time to time.

11.2 We will pay **drawdown pension** payments on or around the sixth **business day** of the month and it will reach **your** account sometime after that, subject to the clearing rules of our and **your** bank.

11.3 **Drawdown pension** payments can be made monthly, quarterly, yearly or an ad hoc basis.

11.4 **Drawdown pension** payments are spread evenly over the remaining payment dates in the pension year, taking into account any ad hoc **drawdown pension** that **you** have taken.

11.5 The date that the **drawdown pension** payment leaves the **cash facility** will be the date used to determine which pension and tax year the **drawdown pension** falls into.

11.6 The level of **drawdown pension** is limited to the maximum and minimum levels set out in the **rules**. If the minimum payment is £0, no drawdown needs to be taken. If any **drawdown pension** is taken, this can be set to any level within these limits, subject to the minimum payment of £25.

11.7 For **drawdown pension** payments to start on the next payment date, **your** instruction must be received and accepted at least 10 **business days** before the payment date.

11.8 Cleared funds must be available within **your product wrapper cash facility** for a **drawdown pension** payment to be made. We accept no liability for loss or charges incurred as a result of cleared funds not being available for **drawdown pension** payments.

## 12 Annuity purchase

12.1 If **you**, or **your financial dependant**, want to buy an annuity, the provider setting up the contract or policy must agree to provide the annuity.

12.2 On receipt of a valid instruction, we will arrange for the purchase price of the annuity to be paid to the provider of your annuity. The purchase price will be obtained through the sale of **investments** in **your SIPP**.

12.3 The annuity to be paid must be allowed by the **rules**.

12.4 We are not liable for any acts or omissions of an annuity provider that **you** or **your financial dependant** choose.

## 13 Death benefits

13.1 We, as the scheme administrator, will pay all or part of the death benefit available in line with the **rules**.

13.2 On notification of the death of the **SIPP** investor, the following options are available, all as detailed in the **rules**:

- i **drawdown pension** for **financial dependants**
- ii annuity purchase for **financial dependants**
- iii and/or lump sum for **financial dependants**
- iv lump sum to beneficiaries

Unless we have a nomination of a **financial dependant** from **you** (or where **you** haven't nominated a **financial dependant**, as nominated by us), or a written direction from **you** to purchase or provide an annuity or **financial dependant's drawdown pension** for a named dependant, we will sell the **investments** as soon as we are able after we receive notification of **your** death.

On receipt of satisfactory evidence of **your** death, where an **uncrystallised funds lump sum death benefit** is payable, we will pay the **uncrystallised funds lump sum death benefit** on the basis set out in the **rules**.

On receipt of satisfactory evidence of death, where a **drawdown pension fund lump sum death benefit** is payable, we will pay the **drawdown pension fund lump sum death benefit** on the basis set out in the **rules**.

## 14 Financial dependant's annuity

Where we are to buy an annuity for **your financial dependant** on the basis set out in the **rules**, the value obtained when the **investments** are sold will be used to buy an annuity in line with the **rules**.

## 15 Financial dependant's drawdown pension

15.1 **Your financial dependant** may be allowed, under the **rules**, to postpone buying an annuity. If **your financial dependant** is allowed and wants to postpone buying an annuity, the following applies:

- (a) **Your financial dependant** can tell us in writing, having given us all of the details we reasonably require, to continue **your AEGON SIPP** so that the **investments** can be used to provide **financial dependant's drawdown pension**.
- (b) Where we receive **your financial dependant's** instruction in terms of Clause 15.1 (a), we will change **your AEGON SIPP** so that it will be **your financial dependant's AEGON SIPP**. Where more than one of **your financial dependants** want **financial dependant's drawdown pension** to be provided for them, the **investments** to be applied for each **financial dependant** will be applied to an **AEGON SIPP** for each **financial dependant**.

We shall make the change at the time **financial dependant's drawdown pension** is to start. We can make the change without the agreement of **your financial dependant**, or any other person.

- 15.2 For **your financial dependant's AEGON SIPP**, the **rules** and the rights and obligations **you** and we have under **your AEGON SIPP**, in so far as they remain relevant, will apply to **your financial dependant**.

## 16 Death of **your financial dependant**

On receipt of satisfactory evidence of death, where a **drawdown pension fund lump sum death benefit** is payable, we will pay the **drawdown pension fund lump sum death benefit** on the basis set out in the **rules**.

## 17 Lifetime allowance charge

- 17.1 **HMRC** may apply a **lifetime allowance** charge as set out in section 214 of the Finance Act 2004. Where it is to be deducted from **your SIPP**, we will deduct from **your cash facility** an amount equal to the **lifetime allowance** charge on the basis set out in clause 17.2 of section C. The amount deducted will either be paid to **HMRC** or, where the **lifetime allowance** charge has already been paid by us, it will be retained by us for our own use. Please note that a **lifetime allowance** charge may apply to any death benefits that are payable from **your SIPP**.
- 17.2 We will recover the **lifetime allowance** charge by taking this from the **cash facility** or, if there are insufficient funds in the **cash facility**, by carrying out a **forced disinvestment** to pay for the **lifetime allowance** charge.
- ## 18 Divorce
- 18.1 If we receive a pension sharing order and are to make a payment under this, we will pay the pension debit from the **cash facility** to the qualifying arrangement. If there's an insufficient balance in **your cash facility** to pay the pension debit, we will carry out a **forced disinvestment** to enable the full pension debit to be paid.
- 18.2 If **you** are in receipt of a pension credit, **you** can transfer this pension credit to **your SIPP** as a transfer in.

# Part 2 – ARC Insured Funds Policy



Here is what you need to know about the policy of insurance where you open an AEGON SIPP and invest in insured funds, provided by Scottish Equitable plc.

# Introduction

You have taken out an AEGON SIPP with AEGON, a brand name of Scottish Equitable plc. This booklet of policy conditions sets out the terms on which we, Scottish Equitable plc, issue you, the member, with a policy of insurance within your AEGON SIPP. You should read this booklet together with your contractual documents and any document we give you that makes changes to your policy.

## Contents

1. Definitions and interpretation
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14. Evidence of age, existence and other information
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## 1. Definitions and interpretation

1.1 In this booklet and the rest of your *policy*, we use some words and phrases that have particular meanings. We call these defined terms. 'We'/'us'/'our' refers to Scottish Equitable plc. 'You'/'your' refers to the *member*. (If, following your death, your *financial dependant* chooses to postpone the securing of an annuity under your *AEGON SIPP*, you/your refers to your *financial dependant*.)

1.2 If you see a word or phrase in *italics* in this booklet, this word or phrase is a defined term and its meaning is set out below:

*Adviser* means the financial adviser through which you access the *service*, open *product wrappers* and transact investments and who you are able to remunerate in the form of adviser charge (as defined and detailed in the *terms and conditions*). Your *adviser* must be registered with us and have appropriate FSA authorisation.

*AEGON SIPP* means the self-invested personal pension that you have as a member of the *Scheme*.

*ARC insured fund* means the Scottish Equitable insured funds available on the ARC platform. We describe these in condition 4.

*Arrangement* has, during the lifetime of the *member*, the meaning set out in the *rules*. After the death of the *member*, it means an arrangement under the *scheme* from which we will provide *dependant's drawdown pension*.

*Business day* means any full day on which banks, investment managers and the London Stock Exchange (LSE) are open for business.

*Cash facility* means the account that is set up for and within your *AEGON SIPP* for the movement of money to and from, and within, your *AEGON SIPP*.

*Cash-in value* means the total value at *unit price* of the *units* being cashed-in.

*Confirmation of application* means the document called 'confirmation of application' that we issue to you or any additional, amended or updated version of it that we issue at a later date.

*Confirmation of investment – contract note* means the document called 'Confirmation of investment – contract note' that we issue to you.

*Deed* means the *deed* or declaration of trust establishing the scheme and any amendment or modification to it that is made at any time and from time to time. If you ask us for a copy of the *deed*, we will give you the version that applies at that time.

*Discretionary fund manager* means an appropriately authorised manager you select to manage investments within your *AEGON SIPP* on your behalf.

*Drawdown pension* – means a drawdown pension as set out in paragraph 8 of part 1 of schedule 28 to the Finance Act 2004. It's the payments, other than a

pension commencement lump sum, that may be made to you from the investments accumulated within your *AEGON SIPP* to provide a pension income.

*Drawdown pension commencement date*, for each *arrangement*, means the first date on which some or all of the sums and assets under the *arrangement* (being *units* under the *policy* and/or other assets held in your *AEGON SIPP*) are designated as *drawdown pension* in terms of paragraph 8 of part 1 of schedule 28 to the Finance Act 2004.

*Drawdown pension fund lump sum death benefit* has the meaning set out in the *rules*.

*Financial dependant* has the meaning set out in the *rules*, except where *dependant's drawdown pension* is being provided, in which case it means the dependant named in any documentation that we issue to the dependant.

*Financial dependant's drawdown pension* means dependants' drawdown pension as set out in paragraph 18 of part 2 of schedule 28 to the Finance Act 2004 and is described in your *terms and conditions*.

*Financial dependant's drawdown pension commencement date* means the date, after the death of the *member*, on which a fund (being *units* under this *policy* and/or other assets held in your *AEGON SIPP*) is designated (under paragraph 8 of Schedule 28 to the Finance Act 2004) for *financial dependant's drawdown pension* for the *financial dependant*.

*Fund benchmark* means the relevant measure that an *ARC insured fund* is being compared to with respect to the management or performance as described in the *ARC insured fund*.

*Fund management charge* is described in condition 8.1.

*Head office* means our head office which may change from time to time.

*HMRC* means HM Revenue & Customs.

*Liabilities and expenses* are described in condition 9.

*Lifestyle fund* means a fund that targets your *retirement age* for moving from underlying assets with growth potential to investments better suited to help protect annuity buying power. These are more fully described in clause 4.5.

*Member* means the member named in your *confirmation of application*.

*Policy* means and is made up of:

- this booklet
- your *confirmation of application* and first *Confirmation of investment – contract note*
- any additional document we give you that makes a change to this booklet and/or makes changes to your confirmation of application

*Retirement age* means that date within your *AEGON SIPP* that has been specified as such in accordance with your **terms and conditions**. *Rules* mean the *rules* of the *scheme*.

*Scheme* means the AEGON Self Invested Personal Pension Scheme established by a Declaration of Trust executed by Scottish Equitable plc on 30 September 2011 and any amendments that are made from time to time.

*Start date* is set out in your *confirmation of application*. It means the date when your *policy* started.

*Terms and conditions* means the documents that set out the terms and conditions of your use of *the service* and that govern your *AEGON SIPP*.

*The service* means the service provided by us for you and your *adviser*, which contains your *AEGON SIPP* and enables you and your adviser to manage your investments within your *AEGON SIPP* and is described in your *terms and conditions*.

*Uncrystallised funds lump sum death benefit* has the meaning set out in the *rules*.

*Unit* means one, or part of one, of the notional *units* of equal value that we divide each *ARC insured fund* into.

*Unit price* in relation to a whole unit of an *ARC insured fund*, means the unit price calculated in line with condition **5.4**.

*Wound-up fund value* is described in condition **4.4.4**.

- 1.3 Where we use the masculine form of a word, it also includes the feminine. The opposite also applies.
- 1.4 Words in the singular include the plural. The opposite also applies.
- 1.5 Where we refer to a piece of legislation, we are also referring to any amendment or re-enactment of the legislation. We also refer to any regulations made under the legislation, and that includes any corresponding provisions in force in Northern Ireland.

## 2. Overriding provision

The terms of your *policy* are subject to being allowed by the *deed* and *rules* of the *scheme*.

No term of your *policy* shall override/take precedence over any provision of the *deed* and *rules* of the *scheme* unless we tell you that a term of your *policy* is to override/take precedence over a provision of the *deed* and *rules* of the *scheme*.

## 3. Deemed creation, cancellation and allotment of units

We do not actually have to create or cancel any *units* of any *ARC insured fund*, or to allot any *units* to your *policy*. Instead, we may deem these *units* as having been created, cancelled or allotted. This is for accounting purposes on our computer systems. The *unit price* of these deemed *units* will be the same as the *unit price* of the actual *units* at the relevant times. Where we refer to the creation, cancellation or allotment of any *units*, this includes the deemed (or notional) creation, cancellation or allotment of these *units*.

## 4. The ARC insured funds

### 4.1 ARC insured funds

The *ARC insured funds* will consist of any *ARC insured funds* that we agree are available to your *policy*. If you want to see a description of the *ARC insured funds*, you can get one from our *head office*.

4.2 You can see how the *ARC insured funds* operate in conditions **4.3** to **4.6**. Additional terms apply to certain *ARC insured funds*.

### 4.3 Our powers relating to the ARC insured funds

Regardless of the name and description of each of the *ARC insured funds*, and where UK law and regulation allows, we have power to:

- (a) acquire and hold, for the *ARC insured funds*, investments and assets of any kind
- (b) borrow money for any of the *ARC insured funds*, and
- (c) use as security any asset of the *ARC insured funds*

### 4.4 Closing and winding up ARC insured funds

4.4.1 We have the right to close an *ARC insured fund*. If you hold *units* in that *ARC insured fund*, we will tell you or your adviser as soon as reasonably practicable.

We will not issue any further *units* in an *ARC insured fund* that is closed but it will continue to exist until it is wound up or the last of its *units* is cancelled.

Until we wind up an *ARC insured fund* that is closed, or the last of its *units* is cancelled, we may re-open that *ARC insured fund*. If you hold *units* in that *ARC insured fund*, we will tell you that we have done this.

4.4.2 We will only close an *ARC insured fund* for the reasons set out in this condition **4.4.2**. When we decide to close an *ARC insured fund*, we will act reasonably and take account of all our policyholders' interests. We can close an *ARC insured fund* where:

- (a) the manager of the underlying fund tells us that the underlying fund is to close
- (b) there has been a fall in the size of the *ARC insured fund*, and it is no longer cost effective to keep it open

- (c) we are told about a change in management approach or corporate strategy by the manager, or a change in manager of the underlying fund that we reasonably believe may impact on the ability to manage the underlying fund in accordance with our objective
- (d) we think that an *ARC insured fund* may not be able to meet its objectives in future

For the purposes of conditions **4.4.2 (a)** and **(c)**, an underlying fund means an external fund in which our *ARC insured fund* is invested.

**4.4.3** We have the right to wind up a closed *ARC insured fund* at any time. If you hold *units* in that *ARC insured fund*, we will give you at least 30 days' notice that we are going to do this.

When we are in the process of winding up an *ARC insured fund*, we will either:

- (a) sell the assets of the *ARC insured fund*, or
- (b) transfer the assets of the *ARC insured fund* to another *ARC insured fund* for an amount equal to a fair market value that we reasonably believe we could sell them for, less any actual or estimated liabilities and expenses.

**4.4.4** When we have either sold or transferred all of the assets, we will cancel all of the *units* in that *ARC insured fund*. Before we cancel the *units*, we will calculate the value of all *units* that remain in that *ARC insured fund*. We will do this by taking the total amount from the sale or transfer and deducting an amount we estimate covers all outstanding *liabilities* and *expenses*. This will give the *wound-up fund value*. We will then wind up the *ARC insured fund*.

**4.4.5** Your share of the *wound-up fund value* will equal the number of *units* held by you immediately before the *ARC insured fund* is wound up, divided by the total number of *units* in that *ARC insured fund* at that time. We will apply your share of the *wound-up fund value* (which will be a percentage of the *wound-up fund value*) to allot *units* in other *ARC insured funds* to your *policy* at the *unit price*. We will do this in accordance with your instructions. If you do not give us any instructions before the *ARC insured fund* is wound up, we will allot *units* in the *ARC insured funds* we set out in the notice telling you that we are going to wind up the *ARC insured fund*.

## 4.5 Lifestyle Funds

The *ARC insured funds* may include funds that we designate as *lifestyle funds*. The purpose of the *lifestyle fund* is to move your investment into the retirement fund at a particular date. This date is the *retirement age* that is specified when you open your *AEGON SIPP*.

A *lifestyle fund* invests in a series of *ARC insured funds* and has an investment strategy designed to move, over a period of time determined by that *lifestyle fund*, from a variety of underlying assets with growth potential to investments better suited to help protect annuity buying power. This will be carried out in line with the objectives of that *lifestyle fund*. A *lifestyle fund* does this by moving the value of your investment through three phases:

- growth
- glidepath, and
- retirement

Details of the objectives of the lifestyle strategy for any particular *lifestyle fund* and the timings of movement between phases, are detailed in the relevant *lifestyle fund* information that we provide.

For each phase of a *lifestyle fund*, you will have purchased units in an *ARC insured fund*. As you move from one phase to the next, the *units* that you hold in the underlying *ARC insured fund*, will be cashed in and used to purchase *units* in the underlying *ARC insured fund* of the next phase within the *lifestyle fund*.

If you change your *retirement age*, we will take action to ensure you hold *units* in the fund and phase of your chosen *lifestyle fund* that corresponds to your amended *retirement age*. This may require us to sell *units* in your existing *lifestyle fund* and purchase *units* in the growth, glidepath or retirement phase of the chosen *lifestyle fund* that targets your amended *retirement age*.

We will carry out the required action within 60 days of notification.

In line with all other *ARC insured funds*, when you instruct us to cash in units in the *lifestyle fund*, the proceeds will be paid into the *cash facility*. This will not apply where we cash in *units* as part of the move between phases within the *lifestyle fund*.

### 4.6 Rights in respect of assets of *ARC insured funds*

We will hold the assets that make up any *ARC insured fund* and any rights relating to them. You have no right to the assets that make up any *ARC insured fund*. We will similarly limit the rights of our other policyholders.

### 4.7 Ownership of the *ARC insured funds*

The *ARC insured funds* and the assets that make up these *ARC insured funds* are our absolute property. All assets are or will be registered accordingly. We are not a trustee for you.

## 5. Valuing *ARC insured funds* and working out unit prices

### 5.1 Creating and cancelling *units*

When we add cash or any other asset to an *ARC insured fund*, we will create *units* in it equal to the value of the cash or those other assets. When we cancel *units* from an *ARC insured fund*, we will take from it cash or other assets equal to the value of *units* cancelled.

### 5.2 Valuing assets in an *ARC insured fund*

**5.2.1** We will normally carry out a valuation of the assets in an *ARC insured fund* at least once on each *business day*. We value certain assets within an *ARC insured fund* less often than once each *business day* because daily valuations may not be available for these assets. Such assets include property (for example land, buildings and leaseholds), derivatives and securities that are not quoted on a recognised stock exchange. A derivative is typically a right or an obligation to buy or sell another type of asset – such as a share or a bond – at a set price to someone else at a set date and time in the future. The set price may turn out to be higher or lower than the market price at that date. The most common types of derivatives are futures and options. Securities include stock, shares and bonds. We will value any such assets at least once a month.

**5.2.2** There may be circumstances beyond our control that stop us from valuing assets on any particular *business day*.

**5.2.3** Where we do not or cannot value an asset in an *ARC insured fund* at least once on a business day, we will estimate the value of that asset on that particular *business day*. We will take into account changes in the market, any current restrictions or difficulties in trading in such assets and any other circumstance that might affect a valuation. We will always act fairly when we are estimating the value of an asset under this condition.

**5.2.4** When an *ARC insured fund* is expanding, we will value the assets of that *ARC insured fund* at the market price at which we estimate its assets may be bought, including the actual and/or our estimate of the *liabilities and expenses* of buying those assets. An *ARC insured fund* is expanding when the normal position of that *ARC insured fund* in the recent past is that more *units* were being bought than sold in that *ARC insured fund*.

**5.2.5** When an *ARC insured fund* is contracting, we will value the assets of that *ARC insured fund* at the market price at which we estimate its assets may be sold, less the actual and/or

our estimate of the *liabilities and expenses* of selling those assets. An *ARC insured fund* is contracting when the normal position of that *ARC insured fund* in the recent past is that more *units* were being sold than bought in that *ARC insured fund*.

**5.2.6** Our estimate of the *liabilities and expenses* of any purchase or sale will be an amount that we believe we would have incurred in buying or selling the asset at the date of the valuation.

**5.2.7** The *ARC insured fund* may change from expanding to contracting, or from contracting to expanding. Where it changes, we can change the basis on which we value the assets. This is to make sure we give fair treatment to:

- (a) buyers of *units*
- (b) sellers of *units*, and
- (c) those policyholders who remain invested in that *ARC insured fund*

### 5.3 When and how we value an *ARC insured fund*

We will value an *ARC insured fund* on each *business day*. We will do this by:

- (a) adding up the value of its assets as calculated in condition **5.2**, and
- (b) deducting the actual and estimated *liabilities and expenses*, and fund management charge, of that *ARC insured fund*. To avoid doubt, this does not include the *liabilities and expenses* of buying and selling assets mentioned in conditions **5.2.4** and **5.2.5**

### 5.4 Calculating unit price

We allot *units* to, and cancel *units* from, each *ARC insured fund* at the relevant *unit price*. We calculate the *unit price* by dividing the value of an *ARC insured fund* by the number of *units* of that *ARC insured fund* then in issue. We will round the result down or up, as appropriate, by not more than 0.01p.

### 5.5 Exceptional circumstances

**5.5.1** Exceptional circumstances can affect the valuation of assets in an *ARC insured fund* and the pricing of *units*. Examples of exceptional circumstances include extreme volatility of market prices around a significant global or national event such as:

- a major terrorist attack
- a major political event, for example a coup affecting a strategic market, or
- a major exchange event

- 5.5.2** We do not know in advance what action we will take in any given situation as this will depend on the situation itself and its effect on the valuation of assets and pricing of *units*. Our actions will always be reasonable and proportionate to the circumstances. Examples of actions that we may take include:
- the suspension of creation and/or cancellation of *units* in any *ARC insured fund*
  - the suspension of pricing of any *ARC insured fund*
  - applying indexation in estimating the value of any *ARC insured fund*. This means we work out how much an *ARC insured fund's* value will have changed by applying to it an amount that represents the proportionate change in the *fund benchmark* for the period between the date when we were last able to obtain a value for the *ARC insured fund* and the date when we are estimating the value of the *ARC insured fund*, or
  - moving away from a stated investment strategy of any *ARC insured fund*

## 6. Purchasing and cashing in units

- 6.1** When a payment is received from the *cash facility*, we will apply this by allotting to your *policy* the number of *units* of the relevant *ARC insured funds* that can be allotted at the relevant *unit price*. Once we receive a valid instruction at or before the dealing point, your *units* will be created at the *unit price* on the next *business day*. Where we receive your instruction on a day that is not a *business day*, we will create those *units* at the *unit price* we calculate on the next *business day*.
- 6.2** You can choose to cash-in *units* under your *policy* and for the sum raised to be applied to the *cash facility*. We will cancel the *units*, at *unit price*, that you request us to cancel. Once we receive a valid instruction at or before the dealing point, your *units* will be cancelled at the *unit price* on the next *business day*. Where we receive your instruction on a day that is not a *business day* we will cancel those *units* at the *unit price* we calculate on the next *business day*. We will make the cancellation of *units* proportionately from all applicable *ARC insured funds* for which there are *units* under your *policy* unless otherwise agreed between you and us. The amount we will pay to the *cash facility* will equal the *cash-in value* of the *units* cancelled.

- 6.3** Your instruction to purchase or cash-in *units* must be given by you or your *adviser* or *discretionary fund manager* using the following:
- i the *service* website
  - ii a letter, providing it has been signed by you, your *adviser* or your *discretionary fund manager*
  - iii the appropriate investment application form

The *terms and conditions* detail who can give these instructions and in what circumstances.

## 7. On your death

When you die and *units* are, at that time, held in the *policy*, the *terms and conditions* determine how the benefits will be paid from your *AEGON SIPP*. When we are advised of your death, *units* will remain within the *ARC insured funds* until we are instructed to cancel those *units*. The *terms and conditions* will determine how any benefits on death will be paid. When we are instructed to cancel those *units*, they will be cancelled in line with condition **6.2** and paid to the *cash facility*.

If a *financial dependant's drawdown pension* is to be provided by the *service*, we shall change your *policy* so that it shall be your *financial dependant's policy*. Where more than one of your *dependants* want *financial dependant's* drawdown pension to be provided for them, the *units* to be applied for each *financial dependant* shall be applied to a *policy* that shall be the *financial dependant's policy*. We shall make the change at the time the *financial dependant's drawdown pension* is to start. We can make the change without the agreement of your *financial dependant*, or any other person.

For your *financial dependant's policy*, the *rules* and the rights and obligations you and we have under your *policy*, in so far as they remain relevant, shall apply to your *dependant*.

## 8. Charges

### 8.1 Fund management charge

- 8.1.1** We will take a *fund management charge* from each of the *ARC insured funds*. We will take it daily at a rate of one 365th of a percentage of the value of each *ARC insured fund* on that day.
- 8.1.2** You can ask us for details of the percentage that applies to any particular *ARC insured fund*.

### 8.2 Annual charge

There is an annual charge for your *AEGON SIPP*, which is calculated in line with your *terms and conditions*. Part of this annual charge relates to, and is chargeable under this *policy*. Any portion of the annual charge that relates to *ARC insured funds* that are held through this *policy* is a charge that arises under this *policy*. This annual charge is deducted from your *cash facility* and paid to Scottish Equitable plc as the provider of this *policy*.

### 8.3 Changing charges

**8.3.1** Your *policy* is regarded as long-term business. During its lifetime, we may need to change our charges set out in conditions **8.1** and **8.2**.

We will write and tell you if we change any charges that apply to you as soon as reasonably practicable.

**8.3.2** In fixing a new level or amount of a charge, we will fix a level or amount that we think is not excessive. We will change our charges for the following reasons:

- i to reflect market conditions and general industry practice
- ii to take account of changes to the law, codes of practice or the way in which we are regulated
- iii changes to the way in which we provide our services
- iv to reflect any changes in the cost of providing our services
- v to reflect changes to technology
- vi to take account of a decision by a court, ombudsman, regulator or similar body
- vii each year in line with the Consumer Prices Index or any replacement of this index

**8.3.3** If we change the level or amount of a charge, we may round the amount up to the nearest £1 sterling.

### 8.4 General

8.4.1 Unless we tell you something different in this booklet, we will take the charges detailed in this condition **8** from the cash facility, by cancellation of such *units*, at *unit price*, as is necessary to meet the charges. The cancellation will be made proportionately across the applicable *ARC insured funds* for which there are *units*.

## 9. Liabilities and expenses of the *ARC insured funds*

9.1 From time to time and where appropriate we will pay the following *liabilities* and *expenses* from each of the *ARC insured funds*:

**9.1.1** the expenses, taxes, duties and other charges incurred in buying, valuing and selling the assets of the *ARC insured funds*

**9.1.2** the expenses and fees of third parties engaged in the assessment of the asset allocation and/or management of the assets of the *ARC insured funds*

**9.1.3** tax payable on, or by reference to, the assets and income of the *ARC insured funds* or transactions relating to them whether incurred or assessed in the UK or elsewhere

**9.1.4** any payment or other liability in respect of money borrowed or raised for the account of the *ARC insured funds*

**9.1.5** any expenses, taxes, duties, levies or other charges incurred in connection with the *ARC insured funds* and not previously taken into account

## 10. Deferring the cancellation of a unit

**10.1** When we are instructed to cancel *units* in an *ARC insured fund*, we may have to sell underlying assets of an *ARC insured fund*.

**10.2** Where this happens, we may have to defer the cancellation of *units* as follows:

**10.2.1** Where the *units* are *units* in an *ARC insured fund* that is invested in whole or part in real/ heritable property, for example land, buildings and leaseholds, we may defer the cancellation of *units* for up to 12 months.

**10.2.2** Where the *units* are *units* in any other *ARC insured fund*, we may defer the cancellation of *units* for up to one month.

**10.3** We can defer the cancellation of *units* where:

**10.3.1** there is not enough cash held in the *ARC insured fund* to pay for your cash-in or payment

**10.3.2** we reasonably consider that there is likely to be not enough cash held in the *ARC insured fund* to pay for expected future cash-ins or payments by you and other holders of *units* in that *ARC insured fund*. We will base our consideration of this on current and expected trends for cash-ins or payments from that *ARC insured fund*

**10.3.3** the effect of an immediate sale of assets of the *ARC insured fund* needed to pay for cash-ins or payments may, in our reasonable opinion, result in us getting lower prices for the sale of those assets than if a sale of those assets had taken place within a normal timescale for the sale of such assets

**10.3.4** for reasons that we cannot control, we cannot carry out a sale of assets of the *ARC insured fund* required to pay for the cash-ins or payments

**10.3.5** other holders of *units* of the *ARC insured funds* may be treated unfairly unless the deferral takes place

**10.3.6** the volume of cash-ins or payments requested by holders of *units* in an *ARC insured fund* is such that we cannot process the requests on the normal basis set out in this booklet

**10.4** When we do the cancellation of *units*, where it has been deferred, the *unit price* of the *units* will be the *unit price* at the first valuation of the *ARC insured fund* after the end of the deferred period.

## 11. Changes to your *policy*

- 11.1 We may amend these *policy* conditions from time to time, in a reasonable and proportionate manner where it's necessary or prudent to do so. This may include, for example:
- i where we consider it will make these conditions easier to understand or fairer to you
  - ii to allow us to provide an improved, more efficient or lower-cost service to you
  - iii to reflect market conditions and general industry practice
  - iv to reflect any changes to the costs we face in providing services to you
  - v because of changes in the way we do business
  - vi to take account of any changes to legislation, codes of practice or regulations and to take account of any decisions made by a court, ombudsman, regulator or similar body
  - vii because of changes in technology.
- 11.2 We will only use our discretion to vary these *terms and conditions* in a reasonable manner and will only do so where we provide prior notice. We will provide at least one month's prior written notice of any change to the *terms and conditions* unless doing so would result in us being unable to comply with legal or regulatory changes. This notice will be sent to you.
- 11.3 You have the right to terminate your use of the *service* at any time and, if you want to do so following variation of these *policy* conditions, termination will be in line with the *terms and conditions*.
- 11.4 These *policy* conditions will be superseded by any more recent versions issued, which will incorporate any changes made under this condition.
- 11.5 **HMRC registration**
- 11.5.1 You have taken out your *policy*, as part of your *AEGON SIPP*, to obtain tax reliefs given to pension arrangements registered by HMRC.
- 11.5.2 We may use our power, in condition 11.1, to change the terms of your *policy* to obtain and keep *HMRC* registration. We may make the change without your agreement or the agreement of any person having rights to benefits under your *policy*.
- 11.5.3 One of the beneficial effects of *HMRC* registration is that we may refer the funds under your *policy* to 'pension business' (this is defined in section 431B of the Income and Corporation Taxes Act 1988 and, briefly, means that the funds can be invested free from all or some taxes).
- If *HMRC* registration is removed, we will give you as much notice as reasonably practicable and use our power, in condition 11.1, to change your *policy* to

take account of the switch out of pension business. Alternatively, *HMRC* rules may allow you to transfer your benefits to another scheme that meets *HMRC* registration requirements.

## 12. Written communications

- 12.1 Unless otherwise directed in this *policy*, please use the following contact details:

Client Services  
AEGON Retirement Choices  
PO Box 5070  
Bath  
BA1 0QE

08456 80 12 34

clientservices@aegon-arc.co.uk

### 12.2 Notices

12.2.1 If you or your adviser make a request, instruction or notification under your *policy*, you must do this in writing. We will only accept or act upon it when we receive it at ARC Client Services. You must also send us any documents and information that we need to carry out your request or instruction. All written instructions must be in English and must be clear and easy to understand. No one else is authorised to accept any requests, instructions or notifications on our behalf.

12.2.2 When we write to you or any other person on your behalf, we will treat our letter as having been received by you, or that other person, three *business days* after posting our letter to:

- (a) your last known address (or the other person's last known address), or
- (b) the last known address of your agent (or the other person's agent)

### 12.3 Electronic messages

The *service* is conducted mainly in an online environment. Any electronic message that is given through the service in this online environment will be treated as a written communication in line with this condition 12. We will tell you within this *policy* where actions under this *policy* are not conducted in an online environment. Other parts of the *service*, for example statements, *Confirmation of investment – contract notes* some items that we must send to you or you must send to us, and some correspondence will not be conducted in the online environment.

12.3.1 We will treat an electronic message as a written communication received at our ARC Client Services if:

- (a) we have told you in writing that we will accept an electronic message for a specific purpose and your electronic message is for that specific purpose

- (b) we have told you what type of electronic message we will accept for that specific purpose from time to time
- (c) we have told you where to send that message

**12.3.2** We will treat the message as being received when we receive it at that electronic address. This will be when it enters our system provided that no error message indicating failure to deliver has been received.

**12.3.3** We do not guarantee:

- (a) that any electronic messages sent to or by us will be secure
- (b) that any electronic messages sent to or by us will be free from interception and/or change
- (c) the routing of any electronic message or the time of delivery or receipt

We are not liable for any viruses received by you through electronic messaging.

**12.3.4** Where an electronic message is sent by you or your agent, you are liable for any damage or loss caused either directly or indirectly by the use of the electronic message or in relation to that use.

**12.3.5** We can act on an electronic message that we reasonably believe comes from you or your agent. We do not need to verify the sender of the message or their authority to send it.

**12.3.6** It is your responsibility to make sure that any electronic message you or your agent sends us is actually received by us. We have no liability for messages sent to an incorrect electronic address.

**12.3.7** An electronic message that does not comply with this condition **12.3** is not a valid communication for your *policy*.

## 12.4 Fax

**12.4.1** We will treat a fax as a written communication received at ARC Client Services if:

- (a) we have told you in writing that we will accept a fax for a specific purpose and your fax is for that specific purpose, and
- (b) we have told you the fax number to send that fax to

**12.4.2** We will treat the fax as being received when we receive it at that fax number.

**12.4.3** We can act on a fax that we reasonably believe comes from you or your agent. We do not need to verify the sender of the fax or their authority to send it.

**12.4.4** It is your responsibility to make sure that any fax you or your agent sends us is actually received by us. We have no liability for faxes sent to an incorrect fax number.

**12.4.5** A fax that does not comply with this condition **12.4** is not a valid communication for your *policy*.

## 13. Law and jurisdiction

**13.1** Your *policy* and all matters connected with it is subject to the jurisdiction of the courts of law in that part of the UK in which we treat it as having been effected. When you apply for your *policy*, if you tell us on your application form that you live in:

- (a) England, we will treat your *policy* as having been effected in England
- (b) Wales, we will treat your *policy* as having been effected in Wales
- (c) Scotland, we will treat your *policy* as having been effected in Scotland
- (d) Northern Ireland, we will treat your *policy* as having been effected in Northern Ireland

**13.2** When you apply for your *policy*, if you tell us on your application form that you live elsewhere, we will treat your *policy* as having been effected in Scotland.

**13.3** The law that applies to your *policy* will depend on the country you tell us on your application form you live in. When you apply for your *policy*, if you tell us on your application form that you live in:

- (a) England or Wales, the law of England will apply
- (b) Scotland, the law of Scotland will apply
- (c) Northern Ireland, the law of Northern Ireland will apply

**13.4** When you apply for your *policy*, if you tell us on your application form that you live elsewhere i.e. anywhere other than in England, Wales, Scotland and Northern Ireland, the law of Scotland will apply.

## 14. Evidence of age, existence and other information

**14.1** We will only provide benefits under your *policy* if we get proper evidence and the information we need. This includes evidence of your age (for example a birth certificate), your continued existence (for example a letter from your doctor or solicitor) or your death (for example a death certificate).

**14.2** We will ask for this in good faith and in a reasonable manner. We will always consider the reason why we need the information or evidence we ask for. We will not ask for evidence or information that is excessive or unreasonably difficult to give us.

**14.3** We will continue to have the right to ask you (or your dependant) for evidence that you (or they) are still alive. If we do not receive the required evidence within two months of asking you (or them) for it, we have the right to stop paying any benefits from your *policy* until we receive the required evidence.

## 15. Miscellaneous

### 15.1 Rights of third parties

You and your *dependant* (but only when your *dependant* is receiving *dependant's drawdown pension*) and we are the only parties that have a right to enforce any term of this pension contract.

### 15.2 Transferring ownership of your *policy*

Your *policy* may not be assigned unless we agree.

### 15.3 Agreement of Scottish Equitable

Where you need our agreement to do certain things under your *policy*, if we agree, we will tell you in writing in terms of condition 12.2.

### 15.4 Information powers

**15.4.1** *HMRC* has powers under the Finance Act 2004 to require information to be given to *HMRC* concerning some or all aspects or parts of the *scheme* (for example matters relating to tax).

**15.4.2** In the event that *HMRC* exercises its powers referred to in condition 15.4.1, you shall make all reasonable endeavours to enable the required information to be given in good time and in a manner acceptable to *HMRC*.

**15.4.3** To the extent that any fine or charge is imposed on us by *HMRC* as the result of non-compliance with the said powers and results from a breach of your obligations set out in condition 15.4.2, we will recover from your *policy* an amount equal to the fine or charge by cancellation at *unit price* of such *units* as is necessary to pay for the fine or charge. The cancellation will be made proportionately across the applicable *ARC insured funds* for which you hold *units* under your *policy*.

### 15.5 *Policy* payments

Any payment made from your *policy* will be paid in UK sterling only. All payments will be made to the *cash facility*.

## 16. Termination

No further benefit under your *policy* will be payable after the payment under the *terms and conditions* of an *uncrystallised funds lump sum death benefit*, a drawdown pension fund lump sum death benefit or on your *AEGON SIPP* being fully cashed-in or transferred under your *AEGON SIPP terms and conditions*.

Executed on behalf of Scottish Equitable plc at Edinburgh on the 'Date of schedule' shown in the original confirmation of application.



Adrian Grace  
Director  
Scottish Equitable plc

# Part 3 – Basic scheme information



This leaflet gives you the basic information you need to know about the Scheme or Schemes governing your AEGON Self-invested Personal Pension (SIPP).

## Important information

All your benefits will be held under the AEGON Self-invested Personal Pension Scheme.

For the purposes of this leaflet, any reference to 'the Scheme' means the scheme set out above.

## Address for enquiries

If you would like any more information about the Scheme, for example details of your rights and benefits under your plan, or want to request a copy of the deeds governing the Scheme and a copy of the rules governing administration of the Scheme, please contact:

The Scheme Administrator  
The AEGON Self-invested Personal Pension Scheme  
AEGON  
Edinburgh Park  
Edinburgh  
EH12 9SE

If you have any questions or need advice on contribution levels, surrenders, cancellations, transfers or investment decisions, please get in touch with your financial adviser. If you don't have a financial adviser, you can contact IFA Promotions to find one in your local area.

Website: [www.unbiased.co.uk](http://www.unbiased.co.uk)

Our client literature, terms and conditions, and policy conditions booklet explain further some of the terms used in this leaflet.

## The Scheme

The Scheme is a personal pension scheme and is registered for tax purposes under Chapter 2 Part 4 of the Finance Act 2004. The Scheme provides both pension benefits and death benefits.

## Conditions of membership – contributions

The following conditions apply if you wish to join the Scheme and contribute to your plan.

### 1. Permitted contributions

The Scheme may accept personal contributions paid by you (or by another person on your behalf). Under current tax legislation, a contribution will be eligible for tax relief provided it's paid when you're under age 75, and you're a **relevant UK individual** for the tax year in which it's paid. It must also be within the maximum limit for personal contributions as set out in 2a below.

You are a **relevant UK individual** for the tax year if at least one of the following applies:

- you have **relevant UK earnings** chargeable to income tax for that year
- you are resident in the UK at some time during that year
- you were resident in the UK both at some time during the five years immediately before that year and when you became a member of the Scheme
- you (or your spouse or civil partner) have, for the tax year, general earnings from overseas Crown employment subject to UK tax (such earnings are as defined in section 28 of the Income Tax (Earnings and Pensions) Act 2003)

**Relevant UK earnings** covers employment income, schedule D income from carrying on a trade, profession or vocation, and patent income under section 833(5B) of the Taxes Act 1988.

Whether or not you're a **relevant UK individual**, the Scheme may also be able to accept contributions from your employer to your plan, and may, at its discretion, accept contributions from you (or from another person on your behalf) even if not eligible for tax relief.

The above is subject to the following: no contributions can be made to any part of your plan from which benefits have become payable unless the Scheme Administrator agrees otherwise. This includes any part of your plan representing **drawdown pension** funds (see below).

### 2. Contribution limits and annual allowance

#### a Personal contributions

If you're a **relevant UK individual**, you'll be eligible for tax relief on any personal contributions up to the greater of 100% of your relevant UK earnings (but see b below) and £3,600 each tax year (this limit applies across all registered pension arrangements that you make contributions to in any tax year).

#### b Personal and employer contributions

If your total **pension input amount** (being an amount as defined in Sections 229 to 237 of the Finance Act 2004) in respect of all your registered pension arrangements for any tax year is more than that year's **annual allowance** (this is set at £50,000 for the tax year 2012/2013 (with carry forward of any unused allowance being permitted from the previous three year periods. For the tax years 2009/2010, 2010/2011 and 2011/2012 the **annual allowance** for this purpose is deemed to be £50,000) you'll be subject to a tax charge at the 'appropriate rate'.

The current 'appropriate rate' is:

- For any part of the excess which, when added to the individual's reduced net income, is within the basic rate limit for the tax year, 20%
- For any part of the excess which, when added to the individual's reduced net income, is more than the basic rate limit for the tax year, 40%
- For any part of the excess which, when added to the individual's reduced net income, is more than the higher rate limit for the tax year, 45%

**Pension input amounts** are calculated in different ways depending on the type of scheme or arrangement. In relation to the Scheme, your **pension input amounts** for any tax year will normally be the total contributions paid by you, by another person on your behalf, and your employer, if applicable, to the Scheme in the tax year. Your default pension input period runs from 6 April to 5 April of the following year - if you want to change this then please contact us. If you think you may be affected by the **annual allowance** charge and want further details about **pension input amounts**, please consult your financial adviser.

The **annual allowance** limit doesn't apply to a tax year if you take your benefits in accordance with the serious ill-health condition in that year, nor would it apply for a tax year if you died in that year.

### 3. Contributions and tax relief

Your personal contributions will be paid net of basic rate tax. We'll reclaim this from HM Revenue & Customs. You can claim any higher rate tax relief due to you via your tax return.

### 4. Contributions frequency

You or your employer can make single contributions to your plan by cheque or by such other method as AEGON agrees with you.

Contributions paid by you, or on your behalf, will be applied to your plan, as directed by you. The self-invested part of your plan is dealt with by AEGON Investment Solutions Ltd on our behalf. The value of the insured policy or policies and any self-invested assets held under your plan, after taking into account any charges and deductions, is available to provide benefits under the Scheme.

## Investment options

Contributions relating to the insured part of your arrangement may be invested in a wide range of insured funds. These funds cover a variety of different investments, offering varying degrees of security. You should discuss the fund features and selection with your financial adviser.

For contributions paid into the self-invested part of your arrangement, you can instruct AEGON Investment Solutions Ltd (AISL), or an investment manager appointed to act on your behalf, to invest in a number of different types of investment vehicles. Our client literature gives full details of acceptable

investment options and they're also available on our website. Investments will be registered in the name of a nominee company. AISL may have certain requirements of nominees in order to deliver timely administration services. For further details please speak to your financial adviser.

AEGON reserves the right to decline any investment if it is not clear whether or not the intended investment is allowed by the Scheme.

The investment options above apply equally to transfer payments to your plan.

## Benefits

### 1. Benefits and tax relief

There's a limit on the total amount of tax-privileged pension savings you are allowed in registered pension schemes.

This limit is called the **standard lifetime allowance** and has been set at £1.5 million from 6 April 2012. The limit applies to benefits built up both before and after 6 April 2006 or 6 April 2012. In certain circumstances, you may be entitled to a higher **lifetime allowance** for benefits built up before 6 April 2006 or 6 April 2012. You should consult your financial adviser if you think this applies to you.

With certain exceptions, your benefits will normally be tested against your **lifetime allowance** when they come into payment, whether as an annuity, lump sum, or **drawdown pension**, on reaching age 75 or on death (see **2** and **3** below). A tax charge of 25% will be applied to any excess above this limit that is to be paid as pension. This increases to 55% if you take the excess as a lump sum. Legislation sets out the rules which determine the amount or value of your benefits to be tested and these ensure benefits are not tested more than once.

When you take your benefits, you'll have to tell us the percentage of the **standard lifetime allowance** that you've used previously under any other pension arrangements.

### 2. Taking benefits

The minimum age for taking benefits is 55.

An exception to this is if you're in ill health. If this applies, then subject to the appropriate medical evidence, you may be able to take your benefits earlier (see below).

Another exception is if a transfer payment is made to the Scheme representing rights held for you in another registered pension scheme in respect of which you had a 'protected pension age'. In that case, you may be able to take benefits before age 55 under the Scheme if certain conditions are met.

It may be possible for you to take benefits from your funds on a staggered basis, instead of taking them all at the same time. For further information about this, please consult the rules of the Scheme or speak to your financial adviser.

The information below is based on taking benefits from all your funds at the same time.

#### a Taking benefits from minimum age

If you take your benefits from the minimum age then, subject to any lump sum which you take and unless you opt to buy an annuity the built-up funds will be used to provide you with a **drawdown pension**. Your funds can then remain invested while you draw an income from them each year if you want to. A maximum limit normally applies to the amount of **drawdown pension** that may be taken by you in any pension year (there is currently no minimum limit): broadly, this is based on the level of annuity you could have if the relevant funds had instead been used to secure for you an annuity for life. The maximum limit will be reviewed on certain events occurring and at least every three years. Please see the rules of the Scheme for details.

If you opt to buy an annuity instead, then this can be just for you, or you can choose to have an annuity for your surviving spouse, civil partner or other **dependant(s)** as well, payable on your death. Annuities may increase each year by, or vary in line with, reference to prescribed factors or indices. They may be paid for a set minimum period of up to 10 years (irrespective of when you die).

Whether you opt for an annuity or **drawdown pension**, you can normally choose at that time to take a tax-free lump sum of up to 25% of your funds. The amount may be restricted because there is a maximum limit for the amount of tax-free cash anyone can take from all their registered pension schemes: this limit is 25% of your **lifetime allowance**, up to the **standard lifetime allowance**. In some circumstances, you may be entitled to take more than the above limit as a tax-free cash lump sum, or where your benefits exceed your **lifetime allowance**, you may be able to take the excess as a lump sum instead of as a pension.

If you opt for **drawdown pension**, you can choose at any later date to use the underlying funds to buy an annuity for you (see above). No further tax-free cash can be taken by you from these funds at that time.

When an annuity is bought with your **drawdown pension** funds, a further test against your **lifetime allowance** will be made, but with a reduction to avoid double counting of the amount of funds tested previously when you opted for **drawdown pension**.

If you're age 60 or over, you may be able to take your funds as a lump sum if they're small enough to qualify as being 'trivial'. Please consult the rules of the Scheme for details.

#### Taking benefits before the minimum age

You can take benefits, as described above, early due to ill health.

You may be able to take all benefits early in lump sum form if you're suffering from serious ill health (in other words, your life expectancy is less than one year). There's no minimum age. This option isn't available in respect of **drawdown pension** funds.

#### Taking benefits from age 75

Depending on the terms of your plan, you can choose at any time to use the underlying funds to buy an annuity for you.

#### b No instructions by age 75

If we haven't received instructions from you by your 75th birthday as to how you would like your funds applied, these will remain uncrystallised until such time as you take a **drawdown pension** or buy an annuity.

### 3. What is paid if you die before taking benefits

The pension fund you build up will usually be paid as a lump sum to:

- the trustees of a trust, if you've set one up for this plan, or
- if a trust doesn't apply, your beneficiaries, chosen at the Scheme Administrator's discretion, as set out in the rules of the Scheme.

Where you haven't set up a trust, then you should notify the Scheme Administrator for guidance of your choice of beneficiaries for the lump sum death benefits (or that part of them not covered by the trust).

Uncrystallised lump sum death benefits will be tested against the **lifetime allowance**, and the recipients will have to pay a tax charge of 55% on any excess.

You can opt to have your pension fund death benefits paid in the form of a pension to your spouse, civil partner or other **dependants**. If paid as a pension, it wouldn't be tested against the **lifetime allowance** and there would be no such tax charge. Please consult the Scheme rules for details.

#### 4. What is paid if you die while taking drawdown pension

If you opt to take **drawdown pension** you can choose (or the scheme administrator can choose if you do not) that on your death, your remaining **drawdown pension** funds will be applied for the benefit of one or more of your **dependants**. On your death any surviving **dependant** selected by you could choose whether to have the funds paid as a lump sum (subject to a tax charge of 55%), used to buy an annuity for them, or used to pay them **drawdown pension**. If you (or the scheme administrator) don't make such a choice, then your remaining funds will be used to pay a lump sum (subject to a 55% tax charge).

Further provisions govern what happens if a **dependant** dies while taking **drawdown pension**. Please consult the Scheme rules or your financial adviser for details.

#### 5. Transfers

On your written request, the Scheme Administrator may (subject to certain conditions being met):

- accept a cash transfer to your plan from another registered pension scheme or recognised overseas pension scheme.
- transfer your benefits to any other registered pension scheme or a qualifying recognised overseas pension scheme.

Transfers to or from your plan won't be tested against your **annual** or **lifetime allowance** at the time that the transfer is made, unless, as a general rule, the transfer is to a qualifying recognised overseas pension scheme.

Different conditions may apply where funds representing pension credit rights from a pension sharing order or provision are being transferred.

For further information on transfers, you should consult the rules of the Scheme.

#### The Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint, or dispute of fact or law, in relation to any pension scheme made or referred to them. You can contact the Pensions Ombudsman at:

Office of the Pensions Ombudsman  
11 Belgrave Road  
London SW1V 1RB

#### The Pensions Advisory Service

The Pensions Advisory Service is available to help members and beneficiaries of schemes with difficulties which they cannot resolve with the Scheme Administrator or administrator. Before contacting the Pensions Ombudsman, please refer any complaint or dispute to the Pensions Advisory Service at:

11 Belgrave Road  
London SW1V 1RB

#### Value-added tax (VAT)

VAT applies to the buying of a number of goods and services. This includes where those goods and services are bought in connection with your personal pension arrangements. Where this applies, your arrangements must pay the extra cost of that VAT.

At present, money paid to a financial adviser for their services in connection with insurance policies is not normally subject to VAT. However, any other payments paid from your arrangements to your financial adviser may be subject to VAT.

#### Miscellaneous

##### Divorce

If you're divorced, a court order may apply to your plan and this may affect your rights and/or benefits held or payable under your plan. Please tell us of any such order and of any changes made to it.

##### Bankruptcy

If you become bankrupt, please tell us immediately, as this may affect benefits in payment.

Terms highlighted in **bold** are either defined in the Scheme Rules or described more fully elsewhere in this leaflet.

The provisions of the Financial Services and Markets Act 2000 apply to the plan.

This information is based on AEGON's understanding of current taxation law and HM Revenue & Customs practice, which may change. The value of tax relief depends on the financial circumstances of the investor. Benefits aren't guaranteed.