

For Trustees | TargetPlan Trustee Transfer Plan

Policy document

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1. Introduction

1.1 Guide to the Policy

This document, including the **Schedule**, is the **Policy**. The **Policy**, together with the application form (if **you** completed one) and any subsequent amendments made by **you** or **us** in accordance with the **Policy** forms the basis of the contract between **you** and **us**.

The **Policy** is provided by **us**, Scottish Equitable plc, a **life insurance** company established in Scotland with its head office at Aegon Lochside Crescent, Edinburgh Park, Edinburgh, EH12 9SE. Scottish Equitable plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The **Trustees** intend to wind up the **Scheme** and have completed an application form on behalf of each of the members of the **Scheme** and submitted them to **us**.

In return for the initial transfer payment paid to **us** by the **Trustees** (a '**Trustee Transfer Payment**') in respect of each member of the **Scheme** **we** will issue a **Policy** to each member.

The purpose of the **Policy** is to provide a means for securing benefits for **you** and **your dependants** linked to the performance of the **investment funds** maintained by **us** as described in clause 4.

Some words in the **Policy** are shown in **bold** (for example, **you** and **us**). These words have specific meanings which are explained in clause 8.

The **Policy** is treated as a **Registered Pension Scheme**.

You should keep the **Policy** and correspondence about it in a safe place as **we** may need **you** to send them to **us** when **you** wish to take certain actions, such as when **you** want to start taking **your** pension.

The **Policy** is a **unit** linked policy. This means that **your payments** are linked to one or more **investment funds**. This is done by notionally dividing each **investment fund** into **units** and allocating a number of **units** to the **Policy**.

The **units** will change in value over time as explained in this **Policy**, and are used to give the **Policy Value** and to calculate benefits payable under the **Policy**. **You** do not own the **units**, and they do not give **you** any entitlement to the **investment fund(s)** or any underlying assets held by the **investment fund(s)**.

You must inform **us** if any of **your** contact details change. For all notices, including **formal notices**, **we** will use **your** last known address or if **we** agree with **you**, **your** last known email address. This means that it is important that **you** keep **us** up to date.

If **you** wish to give **us** instructions in relation to the **Policy** then **you** must give **us formal instructions**. This means:

- **you** must give **us** instructions at the **principal office**, and
- **you** must give **us** instructions by letter or otherwise in the manner designated to **you** by **us** from time to time – this may include fax, telephone, email or a suitable internet facility operated by **us** for the purposes of the **Policy**.

Instructions will not be **formal instructions** until they are received by **us** at the **principal office**.

Formal instructions need to be **approved** and will not, for any purpose under the **Policy**, be implemented by **us** unless and until they have been **approved**. Details of the process relating to **approval of formal instructions** are set out in clause 7.7.

The process described above will apply equally to any other person who is authorised to give instructions to **us** in accordance with the terms of the **Policy**.

1.2 Basic terms of the Policy

1.2.1 Structure of the Policy

Clause 2 sets out what **payments** can be made into the **Policy** and by whom. The **Schedule** describes what has been agreed with **you** and, where relevant, the **Trustee** at the start of the **Policy** in relation to **payments**. **You** should check the **Schedule** carefully and let **us** know if any of the information is incorrect or inconsistent with what **you** were expecting.

Clause 3 sets out the **charges** for setting up and administering the **Policy**.

Clause 4 sets out the benefits we will pay under the **Policy** in return for **payments** made into the **Policy**. The benefits are calculated by reference to the **Policy Value**.

Clause 5 refers to the investment options available under the **Policy** and how switches between **investment funds** are effected during the life of the **Policy**. The **Schedule** describes how **payments** made at the start of the **Policy** will be allocated.

Clause 6 sets out some technical matters relating to the **Policy** including conditions set by HM Revenue & Customs.

Clause 7 sets out general information such as how the **Policy** may be amended. Clause 7 requires **you** to tell **us** immediately if **you** have registered with HM Revenue & Customs for **primary protection, individual protection, enhanced protection or fixed protection**.

Clause 8 sets out the meanings of words shown in **bold** in the Policy.

1.2.2 Governing law

The **Policy** is governed by the law of England and Wales.

2. Payments to us

2.1 Payments that can be made to us

The **Trustee** has made an initial **Trustee Transfer Payment** to **us**. This will be invested in one or more of the **investment funds** (see clause 2.4).

The **Trustee** can make one or more subsequent **Trustee Transfer Payments**, if **we** agree to accept them.

Trustee Transfer Payments are the only **payments** that **we** will accept into the **Policy**. **We** will not accept any pension contributions.

2.2 Transfer payments

Trustee Transfer Payments can be made into the **Policy** (see clause 2.1).

We will not accept any other transfer **payment** from any other pension **Scheme** of which **you** have been a member.

2.3 Pension credits

We will not accept into this **Policy** any pension credit that **you** may be entitled under a pension sharing order made on **your** divorce, or the dissolution or annulment of a marriage or civil partnership.

2.4 Investing payments

We will allocate an amount equal to 100% of the amount of the initial **Trustee Transfer Payment** to **units** in the **investment funds** that apply to **you** under the **Policy** as selected by the **Trustee**. The **investment funds** the **Trustee** has selected at the **contract date** and the proportion of each **payment** which is to be allocated to those **investment funds** are shown in the **Schedule**.

You must give **us** **formal instructions** of any changes **you** want to make after the **contract date** to the **investments funds** selected and/or the proportions that **you** want **us** to apply to any future **payments we** receive from or in respect of **you**.

If the **payments** made to **us** are to be applied to more than one **investment fund** then the amount allocated to **units** in to any one of the **investment funds** may be rounded up or down by one penny at our discretion but the total amount allocated to all **units** in **investment funds** will always equal 100% of the payment received by **us**.

If **we** accept a subsequent **Trustee Transfer Payment**, we will allocate an amount equal to 100% of the amount of each subsequent **Trustee Transfer Payment** to either:

- **units** in the **investment funds** that apply to **you** under the **Policy** as selected by the **Trustee** in relation to the initial **Trustee Transfer Payment**, or
- if relevant, in accordance with **your** subsequent **formal instructions** given under this clause 2.4.

2.5 Allocation dates

For the **Trustee Transfer Payment** paid to **us** at the **contract date**, **we** will make the allocation on the **contract date** using that day's **unit** price.

For any subsequent **Trustee Transfer Payments**, the day **we** will make the allocation (which will also be the day **we** use to determine the **unit** price) will not be after the later of:

- the working day that the payment becomes cleared funds in our bank account, and
- the working day on which we treat your formal instructions relating to that Trustee Transfer Payment as approved.

3. Charges

We make some **charges** for the provision of the **Policy**, which are described at this clause 3. The **charges** will be taken from your **Policy**.

3.1 The annual management charges

The annual management **charges** that apply to **investment funds** allocated to the **Policy** at the **contract**

date are shown in the **Schedule** and are listed on an **investment fund** by **investment fund** basis. These **charges** are expressed as an annual percentage but are calculated and deducted on a daily basis.

External insurance funds, in-house funds and other **collective investment schemes** will generally bear expenses associated with their day-to-day management and operation, including fees for custody, administration and trustee services. These fees and expenses are not included in the annual management **charges**. Therefore, if an **investment fund** invests in an **external insurance fund, in-house fund** or other **collective investment scheme**, that **investment fund** will bear these fees and expenses in addition to the annual management **charges**.

3.2 Charge for administrative expenses associated with paying benefits

We may make a **charge** to cover reasonable administrative expenses or fees that are incurred by **us** in the purchase or provision of an annuity or the making of payments of income (other than as an annuity) or administering any other benefits under the **Policy**. **We** will tell **you** how much this **charge** will be before **we** purchase an annuity or administer benefits. This **charge** will be deducted from the benefits paid under the **Policy**.

3.3 Charge for complying with a pension sharing order

We may make a **charge** to cover the administrative expenses **we** incur in dealing with any order or potential order to be made on **your** divorce, or the dissolution or annulment of a marriage or civil partnership. **We** will tell

you how much this **charge** will be before **we** carry out any activities in relation to the **order**. Any **charges** will be made in the manner and to the extent permitted by legislation.

3.4 Changes to charges

We can change the **charges** as described in clause 7.3.

4. Benefits payable under the Policy

4.1 Overview

The benefits available under the **Policy** will be as described in this clause 4 subject to the requirements applicable to **authorised payments** and to any other legal or regulatory constraints applicable to the **Policy**.

All benefits can be withdrawn and additional benefits added at **our** discretion. Where **we** withdraw a benefit, **we** will only do so in accordance with **our** rights under clause 7.3.

You must notify **us** of **your** benefit choices by giving **formal instructions**.

We will not pay any benefits under the **Policy** without either **your formal instructions**, or **formal instructions** from a person who is legally authorised to act on **your** behalf.

Benefits will be paid approximately one month after the date on which **we** treat **your formal instructions** as **approved** or earlier if **we** so determine.

Before **we** make any **payments** under the **Policy** **we** will need proof:

- that the necessary conditions for payment have been met;
- of any claimant's entitlement;
- of your date of birth, and
- where relevant, of the age of any other person who may benefit under the Policy.

We will also need details of any pensions in payment to **you** from a **Registered Pension Scheme** (other than any pension which only has become payable to **you** from a **Registered Pension Scheme** because of another person's death).

Information will be sent to **you** in respect of the rights and options (if any) available to **you** under the **Policy** not less than four months and not more than six months before **your pension date**.

Clause 7.1 contains additional information about the evidence and proof that **we** may require from **you** before paying a benefit and while benefits are in **payment** under the **Policy**.

4.2 The pension date

The **pension date** is the date **your** pension benefits start. This will be on **your selected retirement date** unless **you** have chosen an earlier or later date in the manner described.

The **pension date** may not be later than the day before **your** 75th birthday (unless **we** agree otherwise) or earlier than **your** 55th birthday unless **you** were a member of the **scheme** before 6 April 2006 and **you** have a protected pension age or **you** satisfy the **ill health** condition.

If **you** wish to choose a **pension date** different from **your selected retirement date**, you must give **us formal instructions** at least one month before the date that is **your current pension date**, or **your revised selected retirement date**, whichever is the earlier. If the Government increases the minimum pension age for **Registered Pension Schemes** above the age of 55, then no benefits will be payable until **you** reach the increased minimum pension age (unless **you** are suffering from **ill health** or protected by law against any such increase).

4.3 Benefits at and after your pension date

When a benefit becomes payable under the **Policy**, **we** will cancel **units** allocated to the **Policy** and use the value of those **units** (minus any applicable **charges**, expenses and deductions) to provide the benefit.

In the case of each benefit paid under the **Policy**, **we** calculate the value of the **units** allocated to the **Policy** to determine the number of **units** to be applied to provide the benefit. The **unit** price used for this purpose will be the price applicable on the date **we** treat **your formal instructions** as **approved** in relation to that benefit (subject to clause 6.3).

The benefits currently available under the **Policy** are:

- pension benefits (clause 4.3.1);
- lump sums (clause 4.3.2), and
- transfer **payments** (clause 4.3.3).

Additional benefits may be made available from time to time as **we** determine and notify to **you**. **Your** individual

circumstances and tax position may limit the benefits that are available to **you** and only those benefits can be paid as **authorised payments** having regard to **your** circumstances will be available to **you**.

A death benefit may also be payable following **your** death if, at your death, there is **Policy Value** remaining under the **Policy**.

4.3.1 Pension benefit

You can choose to apply some or all of the **Policy Value** to provide one or both of the following pension benefits:

- an annuity payable to **you**, or
- an annuity payable on **your** death to **your spouse** and/or **your dependants**.

Annuities can include different features such as guarantees for fixed periods, flat or escalating increase provisions and different payment intervals.

Annuities will only be paid in a form that satisfies the requirements for an **authorised payment**.

4.3.2 Lump sums

You can use some or all of the **Policy Value** that has not already been allocated to provide another benefit to provide a lump sum(s). Lump sum benefits under the **Policy** include:

- an uncrystallised funds pension lump sum (UFPLS)
 - if **you** use all of the **Policy Value** to provide a UFPLS then no further benefits will be payable to

you or any other person under the **Policy** and the **Policy** will terminate;

- a **pension commencement lump sum** – this can only be provided in conjunction with an annuity paid to **you**, and
- a **small pot lump sum**.

A lump sum may also be payable if **you** are in **serious ill health** (see clause 4.5).

We will only pay lump sums to **you** that are **authorised payments**.

We may place limits on the frequency of lump sums payable under the **Policy** or minimum amounts that can be paid as a lump sum and **you** will be notified by **us** of any such limits as these apply from time to time.

4.3.3 Transfer payment

At any time before the full **Policy Value** has been used to provide the benefits described in clauses 4.3.1 and 4.3.2, **you** can give **formal instructions** to **us** to pay part or all of the **Policy Value** to the **Trustees** or managers of another **Registered Pension Scheme** or qualifying recognised overseas pension **scheme**. **You** may decide to request a transfer payment if **you** wish to access any benefit flexibilities (such as income drawdown benefits) available under other types of pension policy provided by us or other providers. **We** will only make the transfer if it is an **authorised payment**. **We** may place limits on the number of

transfers that can be paid under the **Policy**, the minimum amount that can be paid as a transfer and **we** will notify **you** of any such limits as these apply from time to time.

4.4 Purchase of annuity – open market option

You may give **us** a **formal instruction** to pay the **Policy Value** to any **insurance company you** have chosen to secure the annuity. **We** will, subject to receipt of such information and discharges as **we** may reasonably require, implement those **formal instructions** as soon as reasonably practicable after **we** treat them as **approved**.

If **you** ask **us** to provide an annuity to provide the pension benefits referred to in clause 4.3.1, the annuity may be paid by **us** in accordance with **our** annuity rates in force at the date on which the annuity is arranged or **we** may buy the annuity from the **insurance company of our** choice.

Where **we** are asked to, required to, or choose to provide **you** with an annuity quotation, we may, without seeking **your** permission, provide a quotation obtained from another **insurance company**, on **your** behalf and, in so doing, **we** may give such information to another **insurance company**, directly or via an adviser, as is reasonably required to obtain a quotation.

4.5 Serious ill health

The **Policy Value** may be taken as a lump sum on the grounds of **serious ill health** providing that, at the time the benefits are taken, **we** have been provided with evidence from a registered medical practitioner that **your** life expectancy is less than a year. Lump sum

benefits paid on **serious ill health** grounds are tax free provided that they do not exceed the **lifetime allowance** or, if they exceed the **lifetime allowance**, if **you** have registered with HM Revenue & Customs for protection. If any tax becomes payable as a result of a lump sum being paid to **you**, **we** will deduct the tax due from the lump sum and pay it to HM Revenue & Customs.

Notwithstanding anything in the **Policy** to the contrary, no benefit payable under this **Policy** may be assigned or surrendered except as provided under Regulation 3 of the Occupational Pension Schemes (Discharge of Liability) Regulations 1997.

4.6 Death benefit

If **you** die, **we** will cancel the allocation of **units** under the **Policy** at the value on the date on which **we** receive formal written confirmation of **your** death and will normally use the value of those **units** for an allocation of **units** in cash or a cash **investment fund**.

The benefits from any cancelled allocation of **units** will be in a form and within limits which do not result in the making of an unauthorised payment (unless **we** agree in very exceptional circumstances at our discretion to make an unauthorised payment).

We will try to make payment within two years of **your** death.

The value of the **units** allocated to **your Policy** will be used to make a payment to or for the benefit of any person or persons nominated in writing by **you** and received by **us**, other than to **your** estate. This includes a trust

(provided that **your** estate cannot benefit from the trust), and it also includes **your** personal representatives in their personal capacity. If **you** have not nominated a person, the payment will be made at **our** discretion, to or for the benefit of any one or more beneficiaries, in such proportions as **we** decide.

4.7 Tax deductions on benefits

We may deduct from the value of the **Policy Value** or from benefits paid or payable to **you**, or from any fund or benefit relating to, paid or payable to a **dependant** or **beneficiary**, any charge or tax for which **you**, any **dependant** or other **beneficiary** or **we**, or any person acting on **our** behalf in the capacity of scheme administrator or otherwise, is or may be liable.

For example:

- where any benefit paid under the **Policy** is subject to income tax, **we** will, where required or permitted by law, deduct and account to HM Revenue & Customs for such tax in accordance with PAYE,
- if at the time **you** draw a benefit from the **Policy**, that benefit, when added to the total value of any other benefits that **you** have already taken from a **Registered Pension Scheme** and any benefits previously provided under the **Policy**, exceeds the **lifetime allowance**, then **you** will be liable for tax on that part of **your** benefit which exceeds the **lifetime allowance**. If this happens, and this is known to **us**, **we** will deduct the tax payable from **your** benefit and pay it to HM Revenue & Customs.

Any deductions **we** make in respect of a tax liability relating to **your** benefits may not cover the whole of **your**

tax liability relating to that benefit and **you** will be liable to account to HM Revenue & Customs for the remainder of that tax liability.

5. Investments under the Policy

5.1 Ownership of investment fund assets and how we maintain them.

We maintain a number of **investment funds** which form part of **our** pension fund business. Each **investment fund** is a separate and identifiable fund and is divided into **units** of equal value within each **unit** class. **We** may invest and reinvest each **investment fund** at **our** discretion subject to the relevant regulations governing investment by **us** for an **investment fund** and the investment objectives and policies of the **investment fund**. The investment objectives and policies of each **investment fund** will be made available to **you** when **you** enter into the **Policy** and will also be available on request at any time. Amongst other matters, this may include investment in and reinsurance to **external insurance funds, in-house funds** and other **collective investment schemes**, the use of **derivatives, quasi derivatives** and securities lending transactions. **You**, and not **us**, bear all risks of investment in any **external insurance funds, in-house funds**, other **collective investment schemes** or other assets held by or transaction effected for an **investment fund**, including the credit risk arising from the possibility of default of any (a) third party insurer or operator or manager which is responsible for any **external insurance fund, in-house fund** or other **collective investment schemes** and (b) counterparty to

any transaction for an **investment fund** including those relating to securities lending, **derivatives** and **quasi derivatives**. The value of benefits under the **Policy** are determined by reference to the value of the **units** in the **investment funds** which are allocated to the **Policy**.

The benefits payable under the **Policy** are linked to the value of the assets of the **investment funds** so **your** benefits will be calculated by reference to the performance of investments within the **investment funds** chosen by **you**. The references in this **Policy** to **investment funds** and to **units** are made purely for the purpose of calculating the benefits payable under the **Policy**. Neither **you** nor any other person entitled to benefits under the **Policy** shall have any interest in the **investment funds** or any underlying assets.

5.2 Investment options

Payments made in respect of **you** are allocated to **units** in **investment funds** in one of the ways described below.

The **Schedule** shows which **investment funds** the **Trustee** has selected at the **contract date** to which the initial **Trustee Transfer Payment** is allocated.

You may give **us** **formal instructions** to alter the allocation of **units** under the **Policy** between the available **investment funds**, as explained in clause 5.5 and 5.6.

5.3 How the investment funds are valued

Each **investment fund** is valued regularly (normally on each **working day**) to establish the **unit** price. In valuing each **investment fund** **we** will make use of the most recent market prices of the assets that **we** can reasonably

obtain. In relation to holdings in any **external insurance fund, in-house fund** or other **collective investment scheme** **we** will use the prices quoted by the insurer or operator or manager of that fund or **scheme** except that in the event that the amount received by **us** in respect of any holding in any **external insurance fund, in-house fund** or other **collective investment scheme** is less than the price quoted by the operator or manager of that fund or **scheme**, **we** may adjust the valuation of each **investment fund** so that it takes into account only the amount actually received by **us**. **We** will use reasonable endeavours to recover from the operator or manager of the relevant **external insurance fund, in-house fund** or other **collective investment scheme** any material amounts to which **we** believe **we** are additionally entitled and will allocate any such amounts to the relevant **investment fund** where appropriate.

When valuing assets:

- when separate offer and bid prices are quoted in respect of any asset, **we** will normally use the offer price, or
- in the case of a **collective investment scheme** where separate creation (or discounted offer) and cancellation prices are quoted, **we** will normally use the creation price;

except that **we** may decide in either of the situations described above that **we** will use the bid price instead of the offer price or the cancellation price instead of the creation price (as the case may be) if **we** reasonably consider this is appropriate in light of:

- the flow of **payments** into or out of the **investment fund**;
- the size and number of the transactions concerned,

- the importance of ensuring equitable treatment amongst policyholders.

Insofar as reasonably practicable, **we** will ensure that valuations are quoted using consistent bases.

In calculating the value of an **investment fund**, **we** will make reasonable allowance for **payments** and income received or accrued in respect of any of the assets of the **investment fund**. **We** will also make allowance for any outgoings including:

- the annual management **charge**;
- any stamp duty or other costs incurred in the sale and purchase of assets;
- deductions from an **investment fund** for any external costs or expenses associated with tax reclaims on behalf of the **investment fund**, and
- other costs and expenses which properly arise in relation to the **investment fund**;

to the extent permitted by applicable laws and regulations.

5.4 Unit prices

We calculate the price of the **units** by:

- a. taking the value of the assets comprised in the **investment fund**, as determined in accordance with clause 5.3, and
- b. dividing the result of a. by the number of **units** in the **investment fund** outstanding immediately prior to the time of the valuation

The price so calculated is then applied for the purposes of transactions in **units**.

5.5 Altering your selection of investments

By giving **us formal instructions**, **you** may, subject to clause 6.3, alter the allocation of **units** under the **Policy** between the available **investment funds** in respect of future **payments** to **us**.

If **you** have chosen a **Lifestyle Strategy** or **Lifepath® Fund**, or a **Lifestyle Strategy** or **LifePath® Fund** applies under the **default option**, and **you** change **your selected retirement date**, **we** will switch **units** in **your investment funds** to **units** in the appropriate **Lifestyle** or **Lifepath® investment funds** that match **your new selected retirement date** if **we** consider this is appropriate based on **your** age.

If **you** have chosen **Lifestyle**, any switch to a self-select fund will result in **Lifestyle** no longer applying.

The selection made under this clause will remain until **you** either switch between **investment funds** in accordance with this clause, take a benefit in accordance with clause 4 or give **us formal instructions** that **you** wish to choose **Lifestyle** again.

Any alteration becomes effective in the date **we** treat **your formal instructions** as **approved**.

5.6 Switching between investment funds

Subject to clause 6.3, **you** may give **us formal instructions** to cancel all or part of the allocation of **units** in a particular **investment fund** under the **Policy** and to

use the value of those **units** for an allocation of **units** in other available **investment funds**.

If **you** have chosen **Lifestyle**, any switch to a self-selected **investment fund** will result in **Lifestyle** no longer applying. The **investment fund** split at the time of the switch made under this clause will remain until **you** either switch between **investment funds** in accordance with this clause, take a benefit in accordance with clause 4 or give **us formal instructions** that **you** wish to choose **Lifestyle** again.

Subject to clause 6.3, the **unit** price used for switching will be the **unit** price on the day **we** treat **your formal instructions** as being **approved**.

6. Technical matters

6.1 Conditions imposed by HM Revenue & Customs

HM Revenue & Customs will automatically treat this **Policy** as a **Registered Pension Scheme** on the day of the **contract date** subject to **us** making the declarations required by Section 270 of the Finance Act 2004.

We will not accept **payments** where:

- the **Policy** ceases to be a **Registered Pension Scheme**, or
- acceptance would prejudice the status of the **Policy** as a **Registered Pension Scheme**.

We will also not make a payment under the **Policy** unless that payment would be an **authorised payment** except in very exceptional circumstances at **our** discretion following **your** death.

The contract between you and us, unless cancelled by us in accordance with the provisions of this Policy, will remain in force even where you have been given formal notice by us that no further payments can be made until such time as we cease to hold any assets under the Policy for the provision of benefits under the Policy.

We may require **you** to make certain declarations including in relation to **your** benefits and, where so required, the availability of any benefit will be conditional on **you** providing the same.

We will refund **payments** where necessary to comply with the **Policy's** status as a **Registered Pension Scheme**. This may involve the cancellation of the **Policy** or an adjustment of benefits to reflect the reduction in **payments**. **Payments** can be refunded only where directed or as required by HM Revenue & Customs or where received under a mistake of fact or law. Any refund made will be net of any tax or other deductions **we** are required to make.

6.2 Termination or cancellation of the Policy

The **Policy** will continue until such time as **we** cease to hold any assets under the **Policy** for the provision of benefits under the **Policy**.

You can terminate the **Policy** by applying the **Policy Value** to the provision of benefits under clause 4 including a transfer to another arrangement as provided in clause 4.

We can cancel the **Policy** if **we** do not receive any **payments** under it.

6.3 Our rights

6.3.1 Right to defer **payment** of a benefit or a cancellation of an allocation of **units**

- a. **We** have the right to defer **payment** of any benefit payable in accordance with clause 4 or defer taking any other action which involves the cancellation of an allocation of **units** in any of the **investment funds** where, in our reasonable opinion, **we** consider that market conditions or other external factors make such action a reasonable step taking into consideration the interests of policyholders. If **we** decide to do so **we** will notify **you** as soon as reasonably practicable. The period of deferment will not be more than one year and will last for as long as the circumstances causing the deferment. However, if **we** have suspended the valuation of any **investment fund** as set out in clause 6.3.4, the period of deferment may continue until the suspension ends. The **unit** price in the event of deferment will be the **unit** price current on the deferred date of the cancellation.
- b. **We** may also exercise the right to defer as mentioned in clause 6.3.1 a. above if the number of **units** of a particular **investment fund** which **you** or other policyholders have elected to cancel is so great that the necessary realisation of investments of that **investment fund** would, in our reasonable opinion, be likely to result in an unfair outcome for any other group of policyholders. If **we** decide to do so **we** will notify

you as soon as reasonably practicable. The **unit** price in the event of deferment will be the **unit** price current on the deferred date of the cancellation of the **units**.

- c. In addition to the above right to defer in clauses 6.3.1 a. and b. above, upon giving **you** notice in writing at any time in the circumstances arising under clauses 6.3.1 a. and b. above, and where reasonable to do so, **we** may transfer from the affected **investment fund** into a different **investment fund** (which may be a new **investment fund** established for the purpose) such investments and cash as **we** consider reasonably necessary in the light of circumstances giving rise to the operation of this procedure and each affected policyholder shall have issued to it a number of **units** in the new **investment fund** which reflects its proportionate interest (as a holder of **units** in the original **investment fund**) in the investments transferred. **Your** rights of cancellation of **units** in the new **investment fund** shall not apply following the operation of this procedure. Instead, **we** shall realise the investments of the new **investment fund** as soon as reasonably practicable having regard to the interests of policyholders generally. Upon realisation of those assets we shall as soon as reasonably practicable thereafter effect the cancellation of **units** in the new **investment fund** on a proportionate basis as between all the policies which have been credited with such **units**,

and when the assets of the new **investment fund** consist solely of cash the surrender of the remaining **units** relating thereto shall be similarly affected.

6.3.2 Right to defer the allocation of **payments** to an investment fund **We** have the right to defer the allocation of **payments** to **units** in any of the **investment funds** where, in **our** reasonable opinion:

- a. the number of **units** of a particular **investment fund** which the **Trustee, you** or other policyholders have requested to be allocated to policies is so great that the purchase of those **units** in the **investment fund** would, in **our** reasonable opinion, be likely to result in an unfair outcome for policyholders with exposure to that **investment fund**, for example because the investment profile of that would be altered in a way that would be inappropriate given the investment objectives of that **investment fund**;
- b. the deferment is reasonably necessary and proportionate in order to allow **us** to comply with **our** obligations under applicable laws and regulations, or
- c. it is not possible for **units** in the relevant **investment fund** to be allocated to **your Policy** immediately because of the time required for underlying transactions to occur, for example transactions in underlying **in-house funds** or **external insurance funds** or other investments with third parties.

If **we** decide to do so **we** will notify **you** as soon as reasonably practicable. The **unit** price in the event of deferment will be the **unit** price current on the date of the allocation of the **units**.

6.3.3 Right to alter investment funds or processes and the **default options**

a. **We** may from time to time:

- i. add to, withdraw from availability, close or merge the **investment funds** available for the allocation of **units** to the **Policy**, or add to or withdraw from availability or close investment processes, such as a **Lifestyle Strategy**;
- ii. merge **units** and subdivide **units**, and
- iii. vary the investment objectives and/
or policies of an **investment fund**. If **we** decide to withdraw an **investment fund** or an investment process it will no longer be possible to continue to have **units** in that **investment fund** or investment process allocated to **your Policy**. **Units** in that **investment fund** or investment process will need to be switched to another **investment fund** or investment process, and it will not be possible to allocate new **payments** to that **investment fund** or investment process. If **we** decide to close an investment fund or investment process, it will still be possible to continue to have existing **units** in that **investment fund** or investment process allocated to **your Policy**, but it will not be

possible to allocate new **payments** to that **investment fund** or investment process.

- b. **We** may from time to time change the **default option** by:
 - i. closing a **default option** to new **payments** and redirecting future **payments** (where **we** have agreed to accept **payments** under clause 2.1), that were to be allocated to that **default option** to the new **default option**; and/or
 - ii. (where in our reasonable opinion it is necessary for **us** to do so to comply with our obligations to act in our policyholder's best interests, to comply with applicable law and regulation or because **we** consider that there is a material risk that the existing **default option** is no longer or may cease to be appropriate for use as a **default option**,) withdrawing the **default option** and substituting the **units** in that **default option** which are allocated to the **Policy** with **units** in the new **default option**.
- c. Where **we** change an **investment fund**, investment process, or **default option** as described at a. or b. above, **we** will give **you** reasonable notice of that change. **We** will give **you** this notice no less than 30 days in advance of the change, unless it is not possible for **us** to do so, for example because of the timing of an amendment to applicable law and regulation or because of the actions of an external fund

manager or other third party. In the event of a withdrawal or a closure, the notification will set out details of the **investment fund**, investment process or **default option** to which **we** will redirect any future **payments** and, in the event of a withdrawal, details of the **investment fund**, investment process or **default option** of which **units** will be substituted for **units** in the **investment fund**, investment option or **default option** being withdrawn. **You** are entitled to switch into another **investment fund** if **you** prefer this to our choice, by giving **us formal instructions**.

6.3.4 Right to suspend valuation of **investment funds**

We may suspend the valuation of any **investment fund** and the determination of **unit** prices:

- a. for so long as there is a suspension of valuations or dealings in any **in-house fund**, **collective investment scheme** or **external insurance fund** in which a material part of the assets of the **investment fund** are invested, or
- b. if, as a result of the closure of or suspension of trading on any money market or securities market or for any other reason beyond our control, it is not practicable to effect a proper valuation of the assets of the **investment fund**.

If the valuation of **units** in an **investment fund** is suspended (the '**suspended fund**'), any allocation or cancellation of **units** of the funds concerned will be correspondingly suspended and such allocation

or cancellation otherwise replaced by the terms of the **Policy** shall be effected on the first **working day** after the suspension has ended unless clause 6.3.1 applies. Any **payment** made which is to be allocated to a suspended **investment fund** will be held in cash, without accrual of interest, pending allocation of **units**

If the suspension of the valuation of any investment fund exceeds five working days and units in the suspended fund have been allocated to **your Policy**, **we** will notify **you** as soon as reasonably practicable thereafter of the suspension and when it began. **We** will notify **you** again when the suspension ends (if **we** have not already specified this in the original notice of suspension). **You** may at any time during the suspension withdraw any request for allocation or cancellation of **units** in the **suspended fund**.

6.4 Pension sharing

If a pension sharing order is made in relation to **you**, **units** allocated to the **Policy** will be cancelled to the extent necessary to enable us to discharge **our** liability in respect of any pension credit awarded to **your ex-spouse**. **We** will discharge our liability in accordance with any **formal instructions we** receive from **your ex-spouse** provided this is permitted by applicable laws and regulations.

If **we** do not receive **formal instructions** from **your ex-spouse** within six months of our request for such instructions, **we** may discharge **our** liability without **your ex-spouse's** consent as permitted by applicable laws and

regulations. This may include creating an equivalent policy in **your ex-spouse's** name with the appropriate value of **units** applied to the new policy to reflect the pension sharing order.

7. General

7.1 Evidence

We may require **you** to provide us with any evidence **we** consider necessary of the title, date of birth, marriage, civil partnership, survival or date or circumstances of death of any person as **we** determine to be relevant, before paying a benefit under the **Policy**.

The availability of any benefit and the continued provision of any benefit is also subject to provision by **you** of such other information and certification as **we** may reasonably, and from time to time, require in order to administer the benefits and associated issues. This includes information, and such evidence as **we** may reasonably require, relating to **your** tax position and any other pension arrangements which may be in place for your benefit.

We may from time to time request from **you** or any other person to whom a benefit is payable under the **Policy**, evidence of proof of life to be provided in such form as **we** may reasonably request. If **you**, or the other person where applicable, do not produce that evidence, **we** may withhold payment of any benefit to which that proof of life is relevant until it is produced to **us**.

If a date of birth has been wrongly stated, **we** may at **our** discretion adjust the benefits payable under the **Policy** to reflect the actual date of birth.

We may call for evidence of the authority of any person representing **you**, before complying with any **formal instructions** given by, or before giving information requested by, that person.

7.2. Annual Statement

An annual statement will be sent to **you** stating the value of **your** rights under the **Policy**.

7.3. Amendment

7.3.1. **We** may amend the provisions of the **Policy** if **we** obtain **your** consent to do so.

7.3.2. **We** may also amend the provisions of the **Policy** without first obtaining **your** consent:

- a. where **we** reasonably consider that the change would make the terms easier to understand or fairer to **you**, or that the change would not be to **your** disadvantage;
- b. to reflect any applicable legal or regulatory requirement (including any changes to existing legal or regulatory requirements);
- c. to cover the improvement of any service or facility **we** supply in connection with the **Policy**, the introduction of a new service or facility or the replacement of an existing service or facility with a new one;
- d. to reflect changes in the costs associated with investments made by an **investment fund**, including underlying **in-house**

funds, external insurance funds and collective investment schemes;

- e. where **we** vary the investment objectives or policies of an **investment fund** or change the composition of an **investment fund** in accordance with the provisions of this **Policy**, to reflect changes to the costs of managing that **investment fund** which occur as a result of that variation or change (including to the costs associated with the investments made by the **investment fund**);
- f. in order to respond to changes:
 - i. in relation to the financial system, including stock exchanges or other relevant investment or regulated markets, and which are outside **our** reasonable control;
 - ii. in relation to technology or the systems used to run **our** business, which are outside **our** reasonable control or which are commercially reasonable for **us** to agree to in line with good industry practice or in order to provide services, or
 - iii. in relation to services relating to the **Policy** which are supplied to **us** by third parties;
 - iv. to the cost of providing the Plan, including (without limitation) changes in the cost of staff, technology, systems or **charges** by third parties (such as custodians and investment managers) which are reasonable, are in line

with market standard, outside **our** reasonable control or which are not commercially practicable for **us** to avoid;

v. in circumstances which are exceptional or the happening of any other event which is outside of our reasonable control, or

vi. to the basis on which any company in the Aegon Group is taxed, and then **we** can only amend the **Policy** in such a way which ensures that the balance between **you** and **us** is essentially the same as it was before the change.

7.3.3 Where **we** make any amendments in accordance with clause 7.3.2, **we** will ensure that the amendments are a reasonable and proportionate response to the circumstances that led **us** to make the amendment (in relation to an increase in **charges**, this means that the increase will be a reasonable and proportionate amount in the context of the circumstances that led **us** to make the increase). In making any such amendments, **we** will also have regard to **our** duty to treat our customers fairly.

7.3.4 Where **we** make any amendment to the **Policy** without **your** consent under paragraph a. of clause 7.3.2, **we** will not be required to give **you** advance notice of the amendment and the amendment will take effect immediately on **our** notifying **you** in writing of the amendment or from the date specified in such notice.

- 7.3.5 Where **we** make any other amendment to the **Policy** without **your** consent, **we** will give **you** a reasonable period of notice before the amendment takes effect. Normally, **we** will give **you** at least 30 days' prior notice of any such amendment, but **we** may have to give **you** less notice where it is reasonably necessary for **us** to do so (such as, for example, where **we** need to respond to circumstances beyond **our** reasonable control or a change in applicable laws and regulations which will take effect before 30 days has expired).
- 7.3.6 No amendment will be made to the **Policy** that would prejudice the **Policy's** status as a **Registered Pension Scheme**.
- 7.3.7 All amendments to the **Policy** will be made in writing.

7.4 Obligations to third parties

If **we** are required by legislation to pay an amount to a government agency in respect of **you**, **we** will be entitled to cancel an allocation of **units** under the **Policy** to the value of such amount.

We may deduct any tax payable in respect of a benefit and any other tax which **we** are required to deduct in accordance with applicable legislation or authorise any third party to deduct the same on **our** behalf.

The Contracts (Rights of Third Parties) Act 1999 does not apply to the contract between **you** and **us**. This means that the only people who have enforceable obligations against each other under this contract are **you** and **us**.

7.5 Data Protection Statement

We will comply with **data protection legislation**. **You** can find full details in **our** 'fair processing notice' on the portal.

7.6 Client Categorisation

Under the client categorisation rules of the Financial Conduct Authority, **we** have categorised **you** as a retail client under those rules. This is the category that offers the highest level of protection available under those rules.

7.7 Approval of formal instructions

Formal instructions may not be **approved** on the **working day we** receive them and will take a reasonable time to be **approved** bearing in mind such matters as:

- clarity of the instructions;
- the fullness of information required to implement the instructions, and
- the value and complexity of the instruction.

Instructions that request an action which is not permitted or possible under the **Policy** will not be **approved**.

Instructions **approved** before 1pm will be treated as having been **approved** not later than the **working day** following the next **working day**. For example, if an instruction is **approved** before 1pm on a Monday, it will be treated as having been **approved** not later than the end of Wednesday (assuming Monday, Tuesday and Wednesday are all **working days**).

Instructions **approved** after 1pm will be treated as having been **approved** not later than the **working day** falling

two days after the next **working day**. For example, if an instruction is **approved** after 1pm on a Monday, it will be treated as having been **approved** not later than the end of Thursday (assuming Monday, Tuesday, Wednesday and Thursday are all **working days**).

We will notify **you** as soon as reasonably practicable in the event that a formal instruction is not **approved**.

7.8. How we will communicate with you

We can communicate with **you** for any purpose under the **Policy**, including giving **formal notice**, by telephone, letter, email or, at our discretion, using an internet facility provided by **us** for the purposes of the **Policy**, provided **we** believe such method of communication to be reasonable.

7.9. Enhanced protection, primary protection, individual protection or fixed protection

If **you** have been granted **enhanced protection, primary protection, individual protection or fixed protection** (or at any time in the future **you** are granted tax related protections) **you** must tell **us** immediately in order to allow **us** to effectively administer the **Policy**.

8. Meaning of words and phrases used in the Policy

'**you**' or '**your**' refers to the policyholder named in the **Schedule**. '**us**', '**our**' or '**we**' are references to Scottish Equitable plc.

The rest of the definitions shown in this clause are listed in alphabetical order:

‘annual allowance’ has the meaning given to it in the Finance Act 2004. The annual allowance for the current tax year and more information about calculating it can currently be found at [hmrc.gov.uk](https://www.hmrc.gov.uk).

‘approved’ means approval by **us** of **your formal instructions** in accordance with clause 7.7.

‘authorised payment’ means any payment which is authorised for the purposes of the Finance Act 2004.

‘beneficiaries’ means:

- a. any person **you** have nominated to **us** in writing;
- b. **your** surviving **spouse** (of the same or different sex) or civil partner;
- c. **your** grandparents and their descendants and the **spouses**, civil partners, widows and widowers of these descendants (in each case of the same or different sex);
- d. **your dependants**, and
- e. any person with an interest in **your** estate (but not including the Crown, the Duchy of Lancaster or the Duke of Cornwall).

‘charges’ means all or any of the charges described at clause 3.

‘collective investment scheme’ has the meaning given in the Financial Services and Markets Act 2000.

‘contract date’ means the relevant date shown in the **Schedule** on which the contract between **you** and **us** is made.

‘data protection legislation’ means the following legislation to the extent applicable from time to time: (1) national laws implementing the Data Protection Directive (95/46/EC) and the Directive on Privacy and Electronic Communication (2002/58/EC); (2) with effect from 25 May 2018, the General Data Protection Regulation (SI 2016/679); and (3) any other similar national privacy law.

‘default option’ means the investment option that will apply in the absence of **you** selecting any other of the investment options available to **you** and is more fully described in the ‘Your Investment Options’ booklet provided to **you** at the outset of the **Policy**.

‘dependant’ has the meaning given to it in the Finance Act 2004. It currently includes a child of **yours** who is under age 23 and also anybody who is financially dependent on **you** or dependent on **you** due to physical or mental impairment.

‘derivatives’ means investments the price of which are based on one or more underlying assets.

‘enhanced protection’ has the meaning given to it in the Finance Act 2004.

‘external insurance funds’ means funds maintained by an insurer other than **us**.

‘fixed protection’ means whichever is relevant of fixed protection as defined in the Finance Act 2011, the Finance Act 2013 or the Finance Act 2016.

‘formal instructions’ means instructions given by **you** to **us** in accordance with clause 1.1.

‘formal notice’ means notice given by **us** to **you** of a change affecting the **Policy** or as required by applicable laws or regulations. Clause 7.7 applies in relation to any **formal notice**.

‘individual protection’ means whichever is relevant of individual protection as defined in the protection described in Part 1 of Schedule 6 of the Finance Act 2014 or the Finance Act 2016;

‘ill health’ means that:

- a. **we** have been provided with evidence from a registered medical practitioner that **you** are, and will continue to be medically incapable (either physically or mentally) as a result of injury, sickness, disease or disability from continuing **your** occupation, and
- b. **you** have in fact ceased to carry on **your** occupation.

‘in-house funds’ means **collective investment schemes** managed by any affiliated company of Scottish Equitable plc.

‘insurance company’ means an insurance undertaking which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority to effect or carry out insurance contracts in the UK, specifically contracts to pay annuities on human life.

‘investment funds’ means internal funds maintained by **us** for the purposes of the **Policy**.

‘LifePath® Fund’ means any of the target-dated LifePath® funds, as more fully described in the ‘Your Investment Options’ booklet provided to **you**.

'Lifestyle' is a process which, if selected or automatically applies under the **default option**, gradually moves the **units** allocated under the **Policy** away from equity based investments towards fixed interest and cash based investments as **you** get older and closer to **your selected retirement date**.

'lifetime allowance' has the meaning given to it in the Finance Act 2004. The **lifetime allowance** for the current tax year and more information about calculating the value of **your** benefits can currently be found at hmrc.gov.uk.

'Money Purchase Annual Allowance' means the revised limit on contributions that may apply to **you** after a benefit has been paid. The limit applicable for the current tax year and more information about calculating it can currently be found at hmrc.gov.uk.

'payments' means any and all **Trustee Transfer Payments**.

'pension commencement lump sum' has the meaning given in Paragraph 1, Part 1 of Schedule 29 of the Finance Act 2004.

'pension date' means the date defined in clause 4.2.

'Policy' has the meaning given in clause 1.1.

'Policy Value' means the value of the **units** allocated to **your Policy** from time to time, minus any applicable **charges** as described in this **Policy**.

'primary protection' has the meaning given to it in Part 2 of Schedule 36 of the Finance Act 2004.

'principal office' means the Aegon Workplace Investing, Sunderland SR43 4DH or such replacement address as **we** may notify to **you**.

'quasi derivatives' means a contract or asset having the effect of a **derivative** contract.

'Registered Pension Scheme' has the meaning given to it in the Finance Act 2004.

'Schedule' means the **Schedule** (or **Schedules**) attached to the **Policy**.

'Scheme' is the **Registered Pension Scheme** that is being wound up by the **Trustees**.

'selected retirement date' means the date shown as such in the **Schedule**.

'serious ill health' has the meaning given to it in clause 4.5.

'small pot lump sum' means the amount prescribed from time to time for the purposes of Regulation 11A of the **Registered Pension Schemes** (Authorised Payments) Regulations 2009.

'spouse' means your husband or wife (including of a same sex marriage) and includes a civil partner as defined in the Civil Partnership Act 2004.

'Trustees' are the Trustees of the **Scheme**.

'Trustee Transfer Payment' means a transfer payment into the **Policy** made from the **Scheme** by the **Trustees**.

'unit' means a notional entitlement that is used to calculate the benefits payable under the **Policy**, by reference to the value of the **investment fund(s)** to which **your Policy** is linked.

'working day' means a day that the principal office is open for business, namely, on weekdays, excluding public holidays in England and Wales.

In addition to the above definitions, the following apply:

- a. any reference to an Act of Parliament includes any amendment or re-enactment of that Act and any regulations made in accordance with it, and
- b. reference to any law which does not apply to Northern Ireland includes the corresponding law which does.

Want to know more?

Please speak to your relationship manager



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