

Private Client SIPP

Terms and Conditions

James Hay

Private Client SIPP

Terms and Conditions

These terms and conditions set out the contract between you (the Member) and us (James Hay) and should be read in conjunction with the SIPP Key Features and SIPP Technical Product Guide.

All queries and correspondence must be directed to James Hay Administration Company Limited, Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF.

1. DEFINITIONS

Arrangements means the equal separate parts the SIPP and SIPP (IWTP) are divided into to allow benefits to be paid at different times and in different forms.

Income Withdrawal Transfer Plan or **IWTP** means the James Hay Personal Pension Plan established to receive transfers of registered pension scheme arrangements in income drawdown as prescribed by the relevant legislation.

James Hay means all the James Hay companies named in this section where relevant in the particular context and unless a specific company name is mentioned. James Hay Administration Company Limited means the company providing administration services for the SIPP and SIPP (IWTP).

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James Hay Insurance Company Limited means the company providing the James Hay Personal Pension Plan.

James Hay Personal Pension Plan or the **Plan** means the registered pension scheme provided by James Hay Insurance Company Limited.

James Hay Pension Trustees Limited means the Trustee of the James Hay Personal Pension Plan.

Member means the person who completed the application form for the relevant SIPP and/or SIPP (IWTP) and in whose name it has been opened.

Plan means both the SIPP and SIPP (IWTP).

Self Invested Personal Pension or **SIPP** means the James Hay Personal Pension Plan established to receive contributions and/or transfer payments as prescribed by the relevant legislation.

Us means James Hay.

You and **your** means the person who completed the application form for the relevant SIPP and/or SIPP (IWTP) and in whose name it has been opened.

2. TERMS OF THE AGREEMENT

The James Hay SIPP product is provided by James Hay Insurance Company Limited (JHIC), which has appointed James Hay Pension Trustees Limited (JHPT) as trustee and James Hay Administration Company Limited (JHAC) as scheme administrator. JHIC is regulated by the Jersey Financial Services Commission and is registered in Jersey (Number 77318) at IFG House, 15 Union Street, St Helier, Jersey, JE1 1FG. JHPT (registered number 1435887) and JHAC (registered number 4068398) are both registered in England and have their registered office at: Trinity House, Buckingham Business Park, Anderson Road, Swavesey, Cambs, CB24 4UQ. JHIC, JHPT and JHAC are part of the James Hay group of companies, which is a wholly owned subsidiary of IFG Group PLC. JHAC is authorised and regulated by the Financial Services Authority (FSA) under Firm Reference Number 460698 and you can check this authorisation at www.fsa.gov.uk/register or by calling the FSA on 0845 606 1234.

This Agreement details the terms of business and the services which will be provided under the James Hay SIPP and/or SIPP (IWTP) ('the Scheme') for the Member. The Scheme is a Registered Pension Scheme. It has been established for the sole purpose of the provision of pension and lump sum benefits for eligible individuals under the Finance Act 2004.

For the purposes of this Agreement we will classify the Member as a retail customer in accordance with Financial Services Authority rules, unless we agree otherwise with the Member.

The Scheme is governed by a declaration of trust and rules ("the Rules") and any subsequent deeds amending these. Under the provisions of these documents each separate Arrangement is a separate trust fund distinct from the other Arrangements under the Scheme. James Hay Insurance Company Limited is the Scheme Provider and James Hay Pension Trustees Limited is the Trustee of the Scheme. James Hay Administration Company Limited is appointed by the Scheme Provider to administer the Scheme on its behalf and hereby undertakes to administer the Scheme in accordance with the Rules, and this Agreement. A copy of the rules is available upon written request.

3. CONTRIBUTIONS AND TRANSFERS (APPLICABLE TO SIPP ONLY)

The Member and/or his/her employer (if applicable) may contribute, to the Scheme at any time.

The Member may also arrange for a transfer of any other pension entitlement he/she may have to the Scheme. Please note that at the outset the Plan will be divided into 1,000 equal separate arrangements ('Arrangements'). All contributions and transfer payments received in respect of the Member shall be apportioned equally between all 1,000 Arrangements except that the apportionment may be altered for the purposes of rounding up the sum allocated to the nearest one pence sterling.

Due to HM Revenue & Customs restrictions, if the Member elects to take benefits from all Arrangements no further transfers or contributions can be accepted into those Arrangements.

4. INCOME WITHDRAWAL TRANSFERS (APPLICABLE TO SIPP (IWTP) ONLY)

The Member may arrange for a transfer of any registered pension scheme that is currently providing income withdrawal benefits (either as unsecured or alternatively secured pension) in respect of the whole of the assets transferred.

No other types of transfers to the Scheme are permitted. The Member may not otherwise contribute to the Scheme at any time. 1,000 Arrangements will be set up in respect of each transfer of arrangements which has a separate benefit crystallisation date. Each transfer shall be apportioned equally to the 1,000 Arrangements, except that the apportionment may be altered for the purpose of rounding up the sum allocated to the nearest one pence sterling.

5. DESIGNATED MEMBER BANK ACCOUNTS (ALSO REFERRED TO AS THE SIPP BANK ACCOUNT)

All monies in respect of the Arrangements, not applied for investment purposes, will be held in separate designated Member accounts with Santander (or such other designated bank as the Trustee shall determine). No other bank or other deposit taker's accounts may be used. The IFG Group PLC is the ultimate parent company of the Scheme Provider, the Trustee and the Scheme Administrator and may benefit from the provision of banking facilities. The Trustee will be the sole authorised signatory to these accounts.

Where monies are held in the designated Member accounts with Santander, any credit balance will attract interest at a rate agreed by the Trustee with Santander. Where permitted and with the specific agreement of Santander overdrawn balances will be charged interest at Santander current overdraft rates. Santander reserves the right to charge interest on unauthorised overdrawn balances at a higher rate.

No bank charges are currently payable on the designated Member accounts but this may change in the future.

Where monies are transferred to an investment manager/Financial Adviser permitted to hold funds in respect of the Arrangements, the investment manager/Financial Adviser will be responsible for the establishment of Member accounts in a form acceptable to the Trustee and shall account for all transactions and interest periodically.

6. POOLED BANK ACCOUNTS

There may be circumstances when we need to put your money into a pooled bank account held in the name of the Trustee. For example, we may put the following money into a pooled bank account before we deposit or invest it, or return or pay it to you:

- Your payments
- Any money we receive on your behalf
- The proceeds of selling any units, shares or bonds on your behalf.

We will place this money in one or more sterling accounts with Santander. The amounts in these pooled bank accounts may also include money we have been given by other clients because we manage their SIPPs. Your money should only remain in a pooled bank account until the next settlement day for investment, or until you have received and cashed any proceeds due to you.

We will not pay you any interest on any money held within a pooled bank account.

7. ACCOUNTING AND INVESTMENT STATEMENTS

The Scheme Administrator will maintain records of all transactions and provide the Member with statements thereof on the basis as set out in the SIPP Private Client Guide.

8. INVESTMENTS

8.1 General

The scope of investments into which funds of the Arrangements may be applied are set out in the SIPP brochure and the SIPP Permitted Investments List. These may be amended from time to time by James Hay, HM Revenue & Customs or by legislation.

The investment objectives of the Arrangements must have due regard to the overall objective to provide retirement benefits.

Neither the Scheme Provider, nor the Trustee, nor the Scheme Administrator provide investment or pensions advice, nor act as investment manager to the Arrangements, nor accept any liability for the performance, or choice of investments, or performance, or choice of investment fund provider, investment manager or execution only stockbroker.

There are, however, certain restrictions. All investment transactions must be carried out on a commercial basis. Furthermore, James Hay reserves the right to decline to make an investment in a particular asset for any reason it deems appropriate. James Hay does not accept any liability for any tax charges should the Member, their Financial Adviser or investment manager invest in assets which are deemed to be taxable property by legislation.

8.2 Investment Procedures

The Member may choose, subject to any HM Revenue & Customs or product restrictions, the investments of the Arrangements, obtain advice from any person or body appropriately authorised under the Financial Services and Markets Act 2000 and subsequent amending legislation such as a Financial Adviser or investment manager.

The Scheme Administrator must be specifically instructed each time an investment is required by completing the James Hay Investment Centre Buy Form for Select and Collect Funds, and for other types of investment the Instruction to Trade Form, except investment manager/sharedealing transactions which should be directed to your appointed investment manager/execution only stockbroker.

The Scheme Administrator cannot accept instructions which purport to apply on an ongoing basis for future investments.

The Member is responsible for agreeing the investments strategy with the Financial Adviser/investment manager, subject to the restrictions on allowable investments referred to above.

8.3 Role of Financial Adviser

Where the Member has appointed a Financial Adviser then the Financial Adviser will be treated as the Member's representative and agent. Investment and disinvestment instructions from the Financial Adviser will be accepted from them on the basis that such instructions are the member's instructions.

8.4 Role of Investment Manager/Execution Only Stockbroker

The Member may choose to nominate an investment manager/execution only stockbroker who is appropriately authorised under the Financial Services and Markets Act 2000 and is acceptable to the Trustee to act for the Member.

Please refer to the current list of approved investment managers and execution only stockbroker's who satisfy our administration criteria. Acceptability of an investment manager or execution only stockbroker is not determined by the Trustee upon any other basis. If the Member wishes to use anyone not on this list the investment manager or execution only stockbroker will have to agree to the Trustee's investment manager terms of business and administration requirements prior to their appointment.

The Trustee will normally require the investment manager's or execution only stockbroker's own nominee and custody facilities to be used and that the investment manager or execution only stockbroker accept responsibility for the registration and safe custody of the investments.

The Member will be responsible for agreeing the investment strategy with their appointed investment manager, subject to the Trustee's standard restrictions on permissible investments. The Member is responsible for reviewing the investment manager's or execution only stockbroker's financial status, the investment manager's investments and risk strategies and ensuring these are suitable for their needs.

For all investment manager/execution only stockbroker accounts the Trustee will in all cases insist upon limiting its liability (and the liability of the Scheme Provider and Scheme Administrator) to the value of the Member's Arrangements.

In the event that the investment manager or execution only stockbroker is in material breach or has persistently failed to observe fully the Trustee's terms of business the Trustee reserves the right to insist the Member appoints an alternative investment manager or execution only stockbroker in a reasonable period of time.

If the Member has appointed an investment manager who subsequently ceases to be FSA regulated the Member must appoint an alternative investment manager who is FSA regulated, and who is acceptable to James Hay, or assets held by the un-regulated investment manager must be sold within a reasonable time period.

8.5 Select and Collect Funds

When investing in Select and Collect Funds the separate terms and conditions applying to Select and Collect Funds will also apply in addition to this agreement.

8.6 Best Execution

Investments should be purchased by your investment provider and/or your investment manager or execution only stockbroker by taking all reasonable steps to obtain the best execution result for each investment transaction carried out. A copy of our order transmission policy is available from us on request. This tells you how we buy Select and Collect Funds on your behalf and, as we are not an investment provider, or an investment manager, it tells you about who you should refer to, to obtain details about the best execution

policy for your chosen investment provider and/or investment manager and/or execution only stockbroker.

8.7 Investment Fees and Charges

The fees and charges of the investment provider, Financial Adviser, investment manager or execution only stockbroker are in addition to the Scheme Provider's charges set out in clause 16 and shall be payable from funds in the Member's Arrangements unless otherwise agreed.

Where the Member has appointed an investment manager there will normally be an annual management charge payable to that investment manager based on the value of your SIPP that the investment manager holds. The annual management charges are calculated as a percentage of the investments held in the investment manager account, as determined by the investment manager. The annual management charge will be deducted by the investment manager directly from the SIPP funds they hold for the Member.

The Trustee reserves the right to realise investments to pay benefits or fees and charges under the SIPP.

8.8 Voting Rights

The Trustee will not normally forward you copies of reports and account, scheme particulars, or meeting and voting information issues by the providers or issuers of investments or managers unless otherwise agreed with the Member, including the rate of charges to apply for such a service. The Trustee will not any voting rights attaching to the Member's investments unless the Trustee has agreed this with the Member including the rate of charges that may apply for such a service.

8.9 Liability of James Hay

Neither the Scheme Provider, nor the Trustee, nor the Scheme Administrator accept liability for any loss occasioned by any Financial Adviser, investment manager, execution only stockbroker or other person or body which is responsible for any fund management or ancillary services connected herewith.

9. COMMERCIAL PROPERTY

Property may be purchased and leased on behalf of the Member's Arrangements subject to the property being acceptable to the Trustee. Details are contained in the SIPP Property Guide.

The Trustee will appoint their chosen Solicitor to act in respect of the property purchase and shall be entitled to appoint a property manager to act on its behalf to comply with its duties and obligations as landlord. The fees of the solicitor and surveyor together with stamp duty, and any other charges and disbursements will be borne by the Arrangements. The property and any borrowing must be in the name of the Trustee.

Neither the Scheme Provider, nor the Trustee, nor the Scheme Administrator can advise on the suitability of a property and neither of them will be responsible for any loss arising therefrom. The Trustee will insist upon limiting its liability and any liability of the Scheme Provider and Scheme Administrator to the value of the property under a lease or mortgage and the transaction may only proceed on that basis. Please note solicitors to act on behalf of the Trustee in a property purchase will not be instructed until you have agreed to these terms and conditions of this Agreement.

10. COMPLAINTS

Should the Member wish to register a complaint in relation to the services provided under this Agreement then such a complaint can be made in writing and addressed to the Managing Director, James Hay Administration Company Limited, Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF who will deal with the complaint on behalf of the Scheme Provider.

11. VARIATION

The Scheme Provider and the Scheme Administrator on behalf of the Scheme Provider reserve the right to amend the terms and conditions of this Agreement from time to time on 30 days written notice, by email or post and sent to the Member's home address as last advised to the Scheme Administrator. Such changes will take effect from the date stated on the notification. During the notice period we will not increase any applicable published transfer out fees and you will be free to transfer your fund to another pension provider, subject to the existing transfer out fees. We may remove, change or add to these conditions or any of the details forming part of the contract between us for the following valid reasons:

- Significant changes in pensions or other relevant UK or European legislation
- Significant changes in regulatory regime or reporting requirements
- Changes in how investment markets work which may impact on the operation of your SIPP
- To avoid cross-subsidisation between individual Member Funds where the provision of certain services are being charged on an uneconomic basis
- Changes to the ownership of our business or how it operates
- To remedy manifest errors

If the Scheme Provider or Scheme Administrator on behalf of the Scheme Provider alter these conditions for valid reasons and you are not happy with those changes, then we will waive our existing transfer out fee if you wish to transfer to another pension provider within 90 days of the changes coming into effect.

In the event that there is any discrepancy between the terms of your SIPP and its Rules, the Rules will take precedence.

12. TERMINATION

We have the right to make any amendment to these terms and conditions in order to comply with a change of applicable law or regulation, by giving the Member 30 business days written notice. If the change is to the Member's advantage then notice can be given within 30 business days of the change.

These terms and conditions as varied, if appropriate, shall continue until the Arrangements have been terminated by the payment of a transfer value to another registered pension scheme, a qualified registered overseas pension scheme or the provision of annuity/death benefits in the appropriate form.

No fees or charges at that time paid shall be refunded and those payable shall remain so. Termination will be without prejudice to the completion of transactions already initiated and the Trustee is authorised to continue to operate the bank accounts relating to the Arrangements after notice has been given for the purpose of settling or receiving monies in respect of transactions already initiated and paying any expenses or fees due to the Scheme Provider or other parties.

13. CONFIDENTIALITY

The Scheme Provider, Scheme Administrator and the Trustee undertake not to disclose, at any time, information coming into their possession during the continuance of the Arrangements except to the Member's agents (including their Financial Adviser and investment manager) or any investment provider with whom the Plan has invested, or the organisation through which the Plan has been introduced, unless expressly authorised to do so or where required to do so by law or any regulatory purpose and such information will be held in accordance with the provisions of data protection legislation.

James Hay may also give essential information about the Plan to others if necessary to run the Plan, this may include your Financial Adviser's network head office if remuneration payments to your Financial Adviser are paid in this way. Information about you will be kept after your Plan is closed.

14. INSTRUCTIONS AND NOTICES

The Member should give all instructions and written notices regarding the Scheme to the Scheme Administrator who will pass them to the Scheme Provider or Trustee (as appropriate).

Any written notice or communication should be posted or delivered to James Hay Administration Company Limited at Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF or faxed to 0845 850 4466 or as may be notified from time to time. In the event of a dispute no instruction or notice shall be deemed to have been given by, or on behalf of, the Member unless by proof of receipt.

15. JURISDICTION

This Agreement shall be construed in accordance with the laws of England and Wales and the parties submit to the exclusive jurisdiction of the English and Welsh courts.

16. CHARGES

The charges for the Scheme form part of this Agreement and are set out in the current Private Client SIPP Charges Schedule, a copy of which the Member acknowledges has been supplied to them. For property purchase, the charges are set out in the Commercial Property Transaction Fees Schedule.

If the Member has appointed a Financial Adviser/investment manager who has negotiated special SIPP charges with James Hay these will apply to the Plan. However, if the Member elects to change their Financial Adviser/investment manager for the Scheme at some point in the future, standard James Hay charges will apply. A copy of these standard charges are available on request.

17. SERVICES

The following services are provided:

1. Establishment of Arrangements.
2. Setting up administration record systems.
3. Receipt of contributions/transfer payments into/out of the Scheme.
4. Documentation to appoint your FSA regulated investment manager/execution only stockbroker.
5. Maintenance of records, including overall SIPP value.
6. Recovery of basic rate tax on Member contributions where applicable.
7. Recovery of tax deducted at source on UK investment income where applicable.
8. Arranging investments on the Member's, or their Financial Adviser's instructions (except those that require the services of a stockbroker).
9. Annual statements including overall SIPP value, details of contributions and transfer payments received, and amounts of tax recovered from HM Revenue & Customs.
10. Creation and maintenance of banking facilities.
11. Settlement and payment of benefits.
12. Such other services as may from time to time be necessary to efficiently administer the Arrangements and to comply with HM Revenue & Customs requirements.

18. MISCELLANEOUS

We may operate a telephone recording system and calls may be recorded for training and monitoring or security purposes.

The interests of our clients are important to us and we at all times endeavour to avoid situations where conflicts of interest may arise. Where such conflicts are unavoidable we have put in place procedures and controls to eliminate these situations to ensure that wherever possible you are not unduly disadvantaged. More information about this is available in our Conflicts of Interest Policy which is available from us on request.

References to other Lists, Guides or Schedules in these terms and conditions are to other lists, guides and schedules published by James Hay from time to time which set out more details relating to specific terms of this Agreement.

IMPORTANT INFORMATION

Any taxation information contained in this guide is based on our interpretation of current legislation and HM Revenue & Customs practice. Please remember that current tax benefits may change in the future.

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