



HANSARD
INTERNATIONAL

CONTRACT TERMS AND CONDITIONS



Vantage Platinum II

Regular contribution life assurance contract



Index for Contract Terms and Conditions

Clause	Page number
1. Parties and the Contract	4
2. Definitions and interpretation	4
3. Contract Holder information	4
4. Limitation of powers of the Company's personnel and third parties	5
5. Units	5
6. Unit Funds	5
7. Unit Fund income and expenses	5
8. Value of a Unit Fund	5
9. Price of a Unit	5
10. Allocation of Units to the Contract	6
11. Creation and cancellation of Units	6
12. Bonus Units	6
13. Switching	6
14. Contract Charges	6
15. Events outside the Company's control	7
16. Legislative changes and force majeure	7
17. Issue of contracts for additional contributions	7
18. Surrender and Surrender Value	7
19. Withdrawal	8
20. Payment of Regular Contributions	8
21. Reductions in the amount of the Regular Contributions	8
22. Non-payment of Regular Contributions	8
23. Paid-Up Contract	8
24. Effect of a Paid-Up Contract	9
25. Rounding	9
26. Currency	9
27. Nominated Beneficiary	9
28. Death Benefit	9
29. Maturity Benefit	9
30. Payment of Contract benefits	10
31. Levies for Contract Holder protection	10
32. Assignment	10
33. Notices	10
34. Tax	10
35. Variations to the Contract	10
36. Place at which this Contract was made	10
37. Governing law and jurisdiction	10

Contract Terms and Conditions

These Contract Terms and Conditions must be read in conjunction with the Contract Certificate and Schedule One.

1. Parties and the Contract

1.1. Parties

1.1.1 Hansard International Limited, a company incorporated and registered in the Isle of Man with number [032648C] whose registered office is at Harbour Court, Lord Street, Box 192, Douglas, Isle of Man IM99 1QL, British Isles ("the Company"), and

1.1.2 The Contract Holder.

1.2. The Contract shall consist of the following:

1.2.1 the application form signed by the Contract Holder,

1.2.2 the Contract Certificate,

1.2.3 these Terms and Conditions and any endorsement or Schedule One attached, and

1.2.4 any other information supplied by the Contract Holder (or as directed by the Contract Holder) to the Company upon request.

1.3. The Company shall pay to the Contract Holder the benefits provided by the Contract subject to the terms and conditions set out below.

2. Definitions and interpretation

2.1 **Accumulator Units** means Units allocated in respect of any Regular Contribution or part thereof, relating to any period after the expiry of the Initial Period.

2.2 **Anniversary Date** means an anniversary of the Date of Commencement of the Contract.

2.3 **Bid Price** means the price at which Units are allocated, valued or cancelled to pay benefits or to deduct charges and is calculated in accordance with Clause 9.

2.4 **Bonus Units** means additional Units calculated and allocated in accordance with Clause 12.

2.5 **Bonus Unit Factor** means the annual percentage rate at which Bonus Units are calculated and allocated to the Contract as shown in the Contract Certificate.

2.6 **Charging Day** means a day determined by the Company, on which the Company deducts Accumulator Units in respect of Contract charges.

2.7 **Contract Certificate** means the certificate issued by the Company and if more than one, each Contract Certificate shall, together with these Contract Terms and Conditions and Schedule One, form a separate Contract for the purposes of this document.

2.8 **Contract Holder** means the person(s) so described in the Contract Certificate and shall include the Contract Holder's successors, assigns or personal representatives.

2.9 **Contract Value** means the value of all Units allocated to this Contract at their Bid Price on the next Valuation Day after the day or event in respect of which it is necessary to establish the Contract Value.

2.10 **Contract Year** means any period of 12 calendar months commencing on the Date of Commencement or an Anniversary Date.

2.11 **Contribution Holiday** means a period agreed with the Company during which Regular Contributions are suspended but the Contract remains in force.

2.12 **Date of Commencement** means the date on which the Contract commenced and which may be different from the Date of Issue.

2.13 **Date of Issue** means the date on which the Contract was issued.

2.14 **Death Benefit** means the sum payable in accordance with Clause 28.

2.15 **Initial Period** means the period in months between the Date of Commencement and the End of Initial Period date shown in the Contract Certificate.

2.16 **Initial Units** means Units allocated in respect of a Regular Contribution or part thereof, relating to the Initial Period.

2.17 **Life Assured** means the person or persons described as the Assured in the Contract Certificate.

2.18 **Maturity Date** means the date shown as such in the Contract Certificate.

2.19 **Minimum Accumulator Unit Value** means the Minimum Accumulator Unit Value contained in Schedule One.

2.20 **Nominated Beneficiary** means a beneficiary nominated by the Contract Holder to receive the Death Benefit (as described in Clause 28) subject to the provisions of Clause 27.

2.21 **Paid-Up Contract** means a Contract which would otherwise terminate due to the non-payment of Regular Contributions and where the Contract has a Surrender Value, but the Contract continues in force subject to certain conditions as set out in Clause 23 and 24.

2.22 **Regular Contributions** mean the amounts payable by the Contract Holder for the benefits provided by this Contract and is the amount shown on the Contract Certificate. It will be payable with the frequency and in the currency shown in the Contract Certificate.

2.23 **Sum Assured** means the Sum Assured as selected by the Contract Holder and shown, either as standard or as a specified amount, in the Contract Certificate.

2.24 **Surrender Value** means the amount for which the Contract Holder may surrender the Contract as calculated in accordance with Clause 18.

2.25 **Term of the Contract** means the period between the Date of Commencement and the Maturity Date.

2.26 **Unit Fund** means the Unit Fund or Unit Funds which from time to time form part of the Company's life assurance fund.

2.27 **Units** mean Initial Units, Accumulator Units or Bonus Units or one or more of these.

2.28 **Valuation Day** means a day on which the Company determines the Bid Prices of Units of a Unit Fund.

3. Contract Holder information

3.1 A summary unit allocation statement will be sent to the Contract Holder on each Anniversary Date that the Contract continues in force. Additional summary unit allocation statements and detailed unit allocation statements are available on request, for a charge as shown in the Schedule One. The Contract Holder can monitor the Contract's performance at any time by using an Online Account. The Contract Holder can apply to the Company for an Online Account at any time to view key information at no additional charge via the Company's secure internet facility.

Contract Terms and Conditions

4. Limitation of powers of the Company's personnel and third parties

- 4.1 The Company's employees are not empowered or authorised to complete, alter or amend the Contract or any related document under any circumstances. Each such document must be completed by the individual stipulated on the document or by a person authorised in writing by that individual to do so.
- 4.2 If a third party has completed any document relating to this Contract, that third party will be regarded by the Company as having been so authorised by the individual concerned.

5. Units

- 5.1 Each Unit Fund is divided into Units. Units allocated to the Contract in respect of Regular Contributions relating, wholly or partly, to the Initial Period are called Initial Units. Units allocated in respect of Regular Contributions relating wholly or partly, to the period after expiry of the Initial Period are called Accumulator Units. If a Regular Contribution relates to a period of time which falls partly within the Initial Period and partly after the end of the Initial Period, Units will be proportionally allocated into Initial Units and Accumulator Units.
- 5.2 Initial Units, Accumulator Units and any allocated Bonus Units will acquire a Surrender Value subject to the provisions contained in these Contract Terms and Conditions.
- 5.3 The allocation of Units in the Unit Funds is solely for the purpose of determining benefits payable under the Contract.
- 5.4 Bonus Units will be allocated to the Contract subject to the provisions of Clause 12.

6. Unit Funds

- 6.1 The Company maintains a number of Unit Funds. A list of the Unit Funds currently available to the Contract Holder is available on request or online. The maximum number of Unit Funds to which the Contract may link is contained in Schedule One. The Company reserves the right to vary from time to time the maximum number of Unit Funds in which the Contract Holder may invest.
- 6.2 The Company has discretion in the selection of the investments of each Unit Fund and it also has discretion to determine the proportion of that Unit Fund to be represented by any particular asset or cash. The Unit Funds and all assets at any time are solely the property of the Company and form part of the Company's life assurance fund. The Contract Holder has no legal rights to or claim of ownership of the underlying assets in any Unit Fund.
- 6.3 The Company has the right to add new Unit Funds to its range without notifying the Contract Holder.
- 6.4 The Company reserves the right at any time to close a Unit Fund. In the case of a Unit Fund closure the Company will redirect/switch units from the Unit Fund that is closing to another Unit Fund. Where possible the Company will write to the Contract Holder who can, prior to the Unit Fund closure, select an alternative Unit Fund choice.
- 6.5 The Company has the power to borrow money in any currency and at any time for the purpose of the operation of a Unit Fund and to mortgage or charge in any other way any of the assets of that Unit Fund as security for such borrowing.
- 6.6 The Company has the power to delegate all or any of its discretionary powers in relation to the investment and operation of any Unit Fund.

7. Unit Fund income and expenses

- 7.1 Each Unit Fund will consist of those assets, cash or other property which the Company, from time to time, designates as forming part of that Unit Fund together with the re-invested interest, dividends, capital profits or other distributions arising from those assets. All interest, dividends or other distributions arising out of the assets of each Unit Fund (net of any tax deducted or payable as appropriate) shall accrue to and form part of each respective Unit Fund.
- 7.2 The value of a Unit Fund reflects the charges inherent in the asset itself and any charges levied by external managers, over which the Company may have no control. As a result they may change at any time without notice. These charges are reflected in the Bid Price.
- 7.3 The Company is entitled to pay out of each Unit Fund all fiscal charges, management costs, administration costs, marketing costs, and expenses in respect of that Unit Fund including charges for custodians and trustees.
- 7.4 The annual management charges set out in Schedule One are deducted from the Unit Funds and hence are reflected in the quoted Bid Prices. Different charges apply to Initial Units and to Accumulator Units.

8. Value of a Unit Fund

- 8.1 The value of a Unit Fund is calculated by the Company at any time it may deem appropriate. In calculating the value of a Unit Fund, the Company takes the following into account:
- 8.1.1 deductions of all outgoings relating to the assets linked to the Unit Fund, including any mortgages, overdrafts, allowable expenses and charges, including the annual management charge, and such provisions for any actual or potential liability for taxes as the Company considers appropriate; and
- 8.1.2 additions for income from the assets of the Unit Fund net of any tax deducted or payable.
- 8.2 The value of assets linked to the Unit Fund which are quoted on a recognised stock exchange will be determined by reference to the market dealing prices quoted for that investment.
- 8.3 The value of any other assets in the Unit Fund will be determined by the Company in such manner as it considers appropriate depending on the nature of the asset. The value of assets linked to a Unit Fund where market prices are provided by a nominated manager will be determined by reference to these prices.
- 8.4 The frequency of valuation will be determined by the Company but a valuation will normally be made at least once in each calendar month.
- 8.5 The purpose of the valuation is to determine the appropriate Bid Price.

9. Price of a Unit

- 9.1 The Bid Price of each class of a Unit in a Unit Fund shall be determined by the Company on each Valuation Day.
- 9.2 The minimum Bid Price of a Unit shall be determined by the value of the underlying assets of the Unit Fund at the market dealing price, less any costs of realising the assets of the Unit Fund that the Company deems appropriate, divided by the number of Units in the Unit Fund, the result being decreased by not more than 0.5%.
- 9.3 The maximum Bid Price of a Unit shall be determined by the value of the underlying assets of the Unit Fund at the market dealing price, increased by any cost of acquiring the assets of the Unit Fund that the Company deems appropriate, divided by the number of Units in the Unit Fund, the result being increased by not more than 0.5%.

Contract Terms and Conditions

- 9.4 The Bid Price applying on a given Valuation Day will be between the minimum and maximum allowed by these Contract Terms and Conditions, with due allowance for the prospects of the Unit Fund (whether it is expanding or contracting), equity and the need for pricing to be administratively smooth. In cases where a Bid Price cannot be determined to meet these criteria, the Company reserves the right to defer the calculation until an appropriate Bid Price can be so determined.
- 10. Allocation of Units to the Contract**
- 10.1 On the Valuation Day following receipt of a Regular Contribution which is clearly attributable to the Contract, the Company will allocate to the Contract Units of each Unit Fund in the relevant proportion as selected by the Contract Holder and notified to the Company in writing.
- 10.2 The number of Units allocated in respect of a Unit Fund will be allocated by multiplying the relevant proportion of the Regular Contribution by the allocation rate and dividing by the Bid Price of the Unit Fund.
- 10.3 The allocation of Units to the Contract will be determined by the amount of each Regular Contribution received by the Company, as shown in the Schedule One.
- 10.4 For the purposes of calculating the allocation rate described in Clause 10.3, all Regular Contributions payable in respect of any Contract effected with the Company shall be taken into account provided that each such Contract:
- 10.4.1 is of the same class as this Contract; and
 - 10.4.2 has the same Contract Holder(s) as this Contract; and
 - 10.4.3 has the same Life or Lives Assured as this Contract; and
 - 10.4.4 is in the same currency as this Contract.
- 10.5 The initial allocation rate for this Contract is shown on the Contract Certificate. The allocation rate may change if the level of Regular Contribution is changed.
- 10.6 The Company shall not be held responsible for any delay or failure to allocate Units to the Contract if the failure or delay is due to or caused by events or circumstances beyond its control.
- 11. Creation and cancellation of Units**
- 11.1 Whenever the Company creates additional Units in a Unit Fund, there will be added to that Unit Fund an amount equal in value to the number of additional Units so created multiplied by the unrounded Bid Price of an existing Unit.
- 11.2 Whenever the Company cancels existing Units in a Unit Fund, there shall be deducted from that Unit Fund an amount equal in value to the number of Units cancelled, multiplied by the unrounded Bid Price of an existing Unit.
- 12. Bonus Units**
- 12.1 Bonus Units will be calculated each calendar month from the Date of Commencement by applying one twelfth of the Bonus Unit Factor, as shown in the Contract Certificate, to the number of Accumulator Units and any Bonus Units still allocated to the Contract after the deduction of all expenses and charges.
- 12.2 Provided that ten years' worth of Regular Contributions at the originally contracted level have been allocated, the Bonus Unit Factor shown in the Contract Certificate will be increased by 0.5% per year in the calculation of Bonus Units, on the tenth Anniversary Date.
- 12.3 Bonus Units will be calculated provided that Regular Contributions are maintained at the original contracted level.
- 12.4 Bonus Units calculated during the preceding five years will be allocated to the Contract on the fifth Contract Anniversary and every five years thereafter. Bonus Units will also be allocated on the Maturity Date for any Bonus Units calculated since the previous five year anniversary date.
- 12.5 Bonus Units will have a value once they have been allocated on full surrender, maturity or prior death of the Life Assured.
- 12.6 Bonus units will not be calculated:
- 12.6.1 while the Contract has become a Paid-Up Contract;
 - 12.6.2 during a Contribution Holiday; or
 - 12.6.3 while Regular Contributions are below the original contracted level.
- 12.7 Bonus Unit calculation will recommence if Regular Contributions are reinstated to the original contracted level.
- 12.8 Bonus Units are not included in the Minimum Accumulator Unit Value.
- 12.9 Bonus Units are not available to meet Contract charges.
- 12.10 Bonus Units are not available to fund withdrawals.
- 12.11 The annual management charge and Bid Price are the same for Accumulator Units and for Bonus Units.
- 13. Switching**
- 13.1 Subject to the following provisions, the Contract Holder may at any time during the term of the Contract instruct the Company, in a form prescribed by the Company, to cancel some or all of the Units in any Unit Fund allocated to the Contract and to allocate in their place Units in another Unit Fund.
- 13.2 The amount of the switching charge is contained in Schedule One and is recovered by deducting Accumulator Units allocated to the Contract.
- 13.3 For the purpose of calculating the switching charge, the number of switches per transaction will be the higher of either the number of Unit Funds switched out of or the number of Unit Funds switched into.
- 13.4 The value of cancelled Units shall be allocated to the acquisition of Units in the Unit Fund as specified by the Contract Holder.
- 13.5 The number of Units to be allocated shall be calculated by dividing the value of the cancelled Units of each class by the Bid Price of the replacement Units in each corresponding class on the next Valuation Day following receipt by the Company of the switching instruction.
- 13.6 The Company reserves the right to determine from time to time the minimum sum which may be switched from one Unit Fund to another.
- 13.7 The Company shall not be held responsible for any delay or failure to carry out the Contract Holder's instruction to switch from one Unit Fund to another if the failure or delay is due to or caused by events or circumstances beyond its control.
- 14. Contract Charges**
- 14.1 The Company is entitled to deduct the expenses of the Unit Fund outlined in Clause 7.
- 14.2 The Contract is subject to the charges set out below:
- 14.2.1 an annual management charge applicable on the Units at the respective yearly rates specified in the Schedule One. The annual management charge is reflected in the quoted Bid Price;
 - 14.2.2 a service charge which is recovered by deducting Accumulator Units allocated to the Contract. The amount of the service charge is specified in the Schedule One;

Contract Terms and Conditions

- 14.2.3 a mortality charge, where the Sum Assured is not standard but is an amount which has been selected by the Contract Holder. The charge is recovered by deducting Accumulator Units allocated to the Contract and is calculated by reference to:
- the age, sex, state of health, occupation, place of residence of, and any hazardous pursuits followed by, the Life Assured; and
 - such mortality tables and any other factors as from time to time deemed appropriate by the appointed actuary; and
 - the excess, if any, of the selected minimum Sum Assured over the Contract Value.
- 14.3 Each charge which is recovered by deducting Accumulator Units will be made monthly from the Date of Commencement of the Contract on a day to be determined by the Company, referred to as the Charging Day.
- 14.4 The number of Accumulator Units to be deducted in respect of the applicable charges shall be equivalent in value to the total amount of the charges due, including any shortfall previously carried forward.
- 14.5 The value of Accumulator Units shall be calculated at the Bid Price of the Accumulator Units on the last Valuation Day preceding the Charging Day.
- 14.6 Where there are Accumulator Units in more than one Unit Fund, such Units shall be deducted from each Unit Fund in proportion to the value of the Accumulator Units in each Unit Fund.
- 14.7 Where there are insufficient Accumulator Units to meet all or part of the applicable charges on the Charging Day, including any previous shortfall, then provided that Regular Contributions have been maintained without interruption to the Charging Day and no withdrawals have been made, the shortfall will be carried forward to the next Charging Day.
- 14.8 If the provisions contained in Clause 14.7 are not satisfied, the Contract will be automatically surrendered, subject to the provisions of Clauses 18 and 30.
- 15. Events outside the Company's control**
- 15.1 The Company reserves the right if, in its reasonable opinion, exceptional circumstances arise and it considers it to be in the general interests of the majority of Contract Holders to do so, to defer the following for such period as it considers appropriate and equitable in the circumstances having regard to the interests of Contract Holders generally:
- payment of benefits and/or
 - withdrawal request and/or
 - switch request and/or
 - redirection request and/or pricing of a Unit Fund.
- The provider or fund manager of an underlying asset in any Unit Fund may exercise similar rights of deferment.
- 15.2 Where it becomes necessary to defer:
- 15.2.1 the benefit will be calculated at the Bid Price on the next Valuation Day after the end of the period of deferment;
 - 15.2.2 the withdrawal will be calculated at the Bid Price on the next Valuation Day after the end of the period of deferment;
 - 15.2.3 the switch or sale will be calculated at the Bid Price on the next Valuation Day after the end of the period of deferment;
 - 15.2.4 during the period of deferment, any contributions which would otherwise have been allocated to investment in a particular Unit Fund will be redirected to investment in one or more other Unit Funds in accordance with the Contract Holder's written instructions;
- 15.2.5 the pricing of a Unit will be calculated at the Bid Price on the next Valuation Day after the end of the period of deferment;
- 15.3 As a deferment can arise for numerous reasons, the Company reserves the right to value the Unit Fund at nil or on any other reasonable basis during the period of deferment. This will affect the Company's ability to act on the Contract Holder's instructions including making of any payment under the Contract to the Contract Holder, be it a withdrawal or full surrender. The Company's obligation is to account to the Contract Holder for the sums it actually receives from the manager of the investment funds chosen by the Contract Holder less any charges under the Contract.
- 15.4 The Company shall be entitled to a reasonable extension to perform any obligation under this Contract where the delay is due to any cause beyond its reasonable control.
- 16. Legislative changes and force majeure**
- 16.1 If and whenever circumstances outside the Company's control (force majeure) or legislative changes in any country prevent the Company from fulfilling precisely its obligations under this Contract, the Company will amend those obligations in such a way as to enable the Company to meet its original obligations as nearly as is possible, whilst acting within the confinements imposed upon it by such circumstances or legislative changes.
- 17. Issue of contracts for additional contributions**
- 17.1 The Company does not guarantee that new applications for additional contributions will be available on the same terms as these Contract Terms and Conditions. In future, the terms offered to new applications for additional contributions may be different or this Contract may cease to be available.
- 17.2 The Company does not guarantee that future additional contributions will be accepted on precisely the same terms as shown in this document. If the Contract Holder elects at a future date to make additional Regular Contributions under this Contract, this will necessitate the issue of a new Contract and that new Contract will be subject to the terms then offered to new applicants.
- 18. Surrender and Surrender Value**
- 18.1 The Contract Holder may surrender the Contract subject to receipt by the Company at its Head Office of the necessary documents referred to in Clause 30.
- 18.2 The Contract will only acquire a Surrender Value after two years' worth of Regular Contributions have been allocated.
- 18.3 Subject to Clauses 15, 18.2 and 34, the amount of the Surrender Value will equal the Bid Price value of:
- 18.3.1 Initial Units allocated to the Contract, at the next Valuation Day after the Company receives written instructions for the surrender less all Initial Unit charges referred to in 6.1 and 6.2 of Schedule One which would have been payable from the date of surrender until the Maturity Date. For the purposes of calculating the value of the Initial Unit charges for this period, the Bid Price at the next Valuation Day after the Company receives written instructions for the surrender will apply; and

Contract Terms and Conditions

- 18.3.2 Accumulator Units allocated to the Contract at the next Valuation Day after the Company receives written instructions for the surrender, less any charges carried forward; and
- 18.3.3 any Bonus Units allocated to the Contract at the next Valuation Day after the Company receives written instructions for the surrender.
- 18.4 In the event of an automatic surrender under Clause 14.8 and 24.1.3, subject to Clause 15, 18.2 and 34 the amount of the Surrender Value will equal the Bid Price value of:
- 18.4.1 Initial Units allocated to the Contract at the next Valuation day after the date of surrender less all Initial Unit charges which would have been payable from the date of surrender until the Maturity Date. For the purposes of calculating the value of the Initial Units charges for this period the Bid Price at the date of surrender will apply; and
- 18.4.2 any Bonus Units allocated to the Contract at the next Valuation Day after the date of surrender.
- 19. Withdrawal**
- 19.1 The Contract Holder may make a withdrawal by submitting to the Company a withdrawal request subject to receipt by the Company at its Head Office of the documents referred to in Clause 30. The withdrawal will be effected by the cancellation of Accumulator Units at their Bid Price on the Valuation Day following receipt by the Company of the withdrawal request.
- 19.2 The Contract Holder may only make a withdrawal provided that all Regular Contributions which became due within the first two Contract Years have been allocated and subject to the provisions contained in Clause 19.3.
- 19.3 No withdrawal can be made where:
- 19.3.1 the amount specified to be withdrawn is less than the minimum withdrawal amount as set out in Schedule One; or
- 19.3.2 the total Accumulator Unit value after the withdrawal is less than the Minimum Accumulator Unit Value; or
- 19.3.3 the last withdrawal was made less than 30 days prior to the Company receiving the current withdrawal request.
- 20. Payment of Regular Contributions**
- 20.1 All Regular Contributions are due with the frequency and in the currency as specified in the Contract Certificate. A Regular Contribution will be regarded as paid on the day on which it is credited to the Company's bank account and provided the Regular Contribution received can be clearly identified as relating to the Contract.
- 20.2 The Contract Holder has 30 days from the due date in which to pay each Regular Contribution.
- 20.3 No contributions other than the Regular Contributions due shall be accepted by the Company in respect of this Contract.
- 21. Reductions in the amount of the Regular Contributions**
- 21.1 A reduction in the amount of the Regular Contribution may result in a reduction in the allocation rate as stated in Schedule One.
- 21.2 The Contract Holder may elect to reduce the amount of the Regular Contributions after the first two Contract Years provided all Regular Contributions which became due before then have been paid. The Contract Holder must give notice of the intention to make this election in writing to the Company at least two months before the first Regular Contribution is paid at the reduced rate. Bonus Units will not be calculated while the amount of the Regular Contribution is below the original contracted level. The reduced Regular Contribution must be:
- 21.2.1 for an amount which is not less than the minimum Regular Contribution set out in Schedule One; and
- 21.2.2 payable at the frequency stated in the Contract Certificate.
- 21.3 Where the current Sum Assured is an amount specified in the Contract Certificate the Sum Assured will be reduced in proportion to the reduction in the Regular Contribution payment.
- 21.4 Where a reduction in the Regular Contribution has been effected the Contract Holder may subsequently elect to increase the amount of the Regular Contribution to be paid. The Contract Holder must give notice of the intention to make this election in writing to the Company at least two months before the first Regular Contribution is paid at the increased rate.
- 21.5 The increased Regular Contribution must be:
- 21.5.1 for an amount that does not exceed the original amount of the Regular Contribution stated in the Contract Certificate; and
- 21.5.2 payable at the frequency stated in the Contract Certificate.
- 21.6 The current Sum Assured and all Optional Benefits may be affected by the increase in the Regular Contribution. In the event of the Contract Holder requiring an increase in these benefits, a request must be made to the Company which will at its discretion consider the request.
- 22. Non-payment of Regular Contributions**
- 22.1 If all Regular Contributions due within the first two Contract Years have not been paid and received by the Company this Contract will terminate without value.
- 22.2 If a Regular Contribution due after the first two Contract Years has not been received by the Company within 30 days of the due date and the value of Accumulator Units on the date on which the last Regular Contribution was received was:
- 22.2.1 equal to or greater than the Minimum Accumulator Unit Value, the Contract will become a Paid-Up Contract and no further Regular Contributions will be due; or
- 22.2.2 less than the Minimum Accumulator Unit Value, the Company may deem the Contract as surrendered whereupon the provisions contained in Clause 18 shall apply.
- 22.3 If a Regular Contribution due after the first two Contract Years has not been received by the Company within 30 days of the due date and the Contract has no Contract Value on the date on which the last Regular Contribution was received, the Contract shall terminate without value.
- 22.4 If the Contract terminates in accordance with Clause 22.1 and the Contract Holder subsequently wishes to reinstate the Contract, the Contract Holder must apply to the Company to do so and the Company will decide whether to agree to that reinstatement and if so, on which terms, which the Company will decide at its own discretion. In the event of the Company agreeing to a reinstatement the Contract will be reinstated on such terms as the Company sees fit with effect from the date on which the Company receives the first Regular Contribution under the reinstated Contract.
- 23. Paid-up Contract**
- 23.1 Other than as referred to in Clause 22.2.1, the Contract shall be converted into a Paid-Up Contract only where a written request signed by the Contract Holder to convert the Contract to a Paid-Up Contract has been received by the Company at its Head Office subject to:

Contract Terms and Conditions

- 23.1.1 receipt by the Company of all Regular Contributions due from the Date of Commencement of the Contract up to, and inclusive of, the end of the second Contract Year; and
- 23.1.2 the value of Accumulator Units remaining allocated to the Contract being not less than the Minimum Accumulator Unit Value.
- 23.2 Where the current Sum Assured is not standard but is an amount which has been selected by the Contract Holder and the Contract is converted to a Paid-Up Contract, the Sum Assured payable on death will be 101% of the Contract Value.
- 23.3 The effective date of any conversion to a Paid-Up Contract will be the due date of the first unpaid Regular Contribution.
- 24. Effect of a Paid-Up Contract**
- 24.1 On conversion to a Paid-Up Contract:
- 24.1.1 the Sum Assured will be 101% of the Contract Value at the next Valuation Day after the receipt by the Company of a valid notification of death;
- 24.1.2 charges will continue to apply with the service charge increasing to the level specified in Schedule One;
- 24.1.3 if, at any time, the charges due to be deducted exceed the Accumulator Unit Value the Contract will be automatically surrendered on the date when the charges were due to be deducted subject to the provisions of Clause 30;
- 24.1.4 Bonus Units will not be calculated while a Contract is a Paid-Up Contract.
- 25. Rounding**
- 25.1 The number of Units deemed to be allocated to this Contract (under Clause 10) and cancelled under this Contract (under Clauses 14, 18 and 19) will include fractions of a Unit rounded to the nearest second decimal place (or as many places as the Company deems appropriate). The Bid Price calculated under Clause 9 will be rounded to four significant figures (or as many places as the Company deems appropriate) subject to a maximum of four decimal places.
- 26. Currency**
- 26.1 The currency of this Contract is stated in the Contract Certificate. Contributions, Unit Funds, Contract Charges, benefits and/or the Contract itself may be denominated in different currencies and currency conversions may be required at various stages throughout the life of the Contract. For example, whenever a withdrawal is made the amount required will be converted from the Unit Fund currency to the currency in which the contract is denominated (as selected by the Contract Holder and stated in the Contract Certificate), and then to payment currency if different. As such some transactions may involve more than one currency conversion.
- 26.2 The rates of currency exchange used by the Company are available on request.
- 27. Nominated Beneficiary**
- 27.1 The Contract Holder may, at any time during the term of the Contract but before the death of the Life or Lives Assured, nominate in writing a beneficiary or beneficiaries ("the Nominated Beneficiary") to whom the Death Benefit is to be paid and if more than one, the amount of their respective share in the Death Benefit. Nomination of a beneficiary must be in the form prescribed by the Company. The nomination of a beneficiary shall not;
- 27.1.1 affect the ownership of the Contract which will remain with the Contract Holder unless subsequently assigned by the Contract Holder;
- 27.1.2 confer any right or rights in the Contract on the Nominated Beneficiary other than in the Death Benefit.
- 27.2 The nomination of beneficiary will automatically be revoked in the event of:
- 27.2.1 termination of the Contract without value;
- 27.2.2 on receipt by the Company of a written notice of revocation signed by the Contract Holder;
- 27.2.3 assignment of the Contract by the Contract Holder and the Company having received written notice of assignment;
- 27.2.4 the Nominated Beneficiary or, if more than one, each of them predeceasing the Contract Holder.
- 28. Death Benefit**
- 28.1 On the death of the Life Assured (or the first Life Assured to die for a joint-lives first-death contract, second Life Assured to die for a joint-lives second-death contract), before the Maturity Date and provided this Contract has not otherwise come to an end the Contract will terminate and the Company will pay to the Contract Holder or Nominated Beneficiary subject to receiving the documents referred to in Clause 30:
- 28.1.1 101% of the Contract Value where the Sum Assured is:
- (a) standard; or
- (b) an amount specified in the Contract Certificate and the Life Assured dies whilst the Contract is a Paid-Up Contract in accordance with Clauses 23 and 24; or
- 28.1.2 the Sum Assured where the Sum Assured is not standard but is an amount which has been selected by the Contract Holder, or 101% whichever is greater, and the Contract has not become a Paid-Up Contract in accordance with Clauses 23 and 24 provided that whenever the Contract Holder makes a withdrawal, the Sum Assured will be reduced by the amount of the withdrawal.
- 28.2 For the purposes of calculating the Death Benefit, the relevant Valuation Day will be the next Valuation Day after the receipt by the Company of a valid notification of the death of the Life Assured or, if more than one, on the death of the first Life Assured to die or, on the death of the second Life Assured to die, whichever way is specified in the Contract Certificate.
- 28.3 No Contract will be issued on a Life Assured aged 65 or over at the proposed start of the Contract, unless it is a joint life second death and the younger life has not reached age 65.
- 28.4 If the Life Assured, or where there is more than one, then any one of them, commits suicide within one year of the Date of Issue of the Contract, no Death Benefit will be payable. If the Life Assured commits suicide within one year of the re-commencement of the payment of Regular Contributions following a period when Regular Contributions due were not received, the Death Benefit will be the Surrender Value on the next Valuation Day following a valid notification to the Company of the death of the Life Assured.
- 29. Maturity Benefit**
- 29.1 If this Contract has not otherwise come to an end and the Life Assured survives to the Maturity Date the Contract will terminate and the Company will pay to the Contract Holder the Contract Value in the currency specified in the Contract Certificate.

Contract Terms and Conditions

30. Payment of Contract benefits

- 30.1 To claim a benefit under this Contract the following must be provided to the Company:
- 30.1.1 in respect of a claim for the Maturity Benefit, this Contract and the Contract Certificate together with a Form of Discharge completed to the satisfaction of the Company and such other documentation as the Company may reasonably require in order to satisfy itself that legal title to this Contract is held by the person(s) signing the Form of Discharge;
 - 30.1.2 in respect of a claim for Death Benefit, evidence of the date and cause of death, the Contract Certificate and all documents and any other information that the Company may request as it deems necessary;
 - 30.1.3 in respect of a surrender or withdrawal, a duly completed claim form or request for payment signed by the Contract Holder. In respect of a surrender, the Contract Certificate, together with any endorsements.
- 30.2 Where the age of any Life Assured is incorrectly stated in the Contract Certificate, the Contract will not become void but any benefit will be adjusted to the extent that the Company considers appropriate.
- 30.3 Where ownership of the Contract has passed from the original Contract Holder named in the Contract Certificate to a third party, and the third party is claiming a benefit under the Contract, the Company will require satisfactory evidence of the third party's ownership of the Contract.
- 30.4 Any benefit described above will become payable only after the repayment of any amounts due to the Company.

31. Levies for Contract Holder protection

- 31.1 The Company shall be entitled to make deductions as it deems appropriate at its sole discretion, from the Unit Funds and/or benefits payable under this Contract in respect of the operation of any statutory Contract Holder protection scheme from time to time in operation in the Isle of Man.

32. Assignment

- 32.1 No assignment of the Contract shall be binding on the Company unless it is in writing and a notice of assignment has been delivered to and received by the Company at its Head Office whilst the Contract is in force. The Company assumes no responsibility for the validity of any assignment.

33. Notices

- 33.1 All notices which the Contract Holder is required to give must be given in writing and sent to the Company at its Head Office or to any other address the Company may give for that purpose.
- 33.2 The address of the Company's Head Office is Harbour Court, Lord Street, Box 192, Douglas, Isle of Man, IM99 1QL, British Isles.

34. Tax

- 34.1 In the event of any changes in taxation (including change due to an alteration in the residency status of the Contract Holder) affecting the Company's liability, which become effective after the Date of Issue, in relation to either the Company, the Unit Funds or the benefits under this Contract, the Company shall make such modifications to the benefits and conditions of this Contract as are necessary to enable it to meet the benefits and conditions as closely as is reasonably possible whilst acting within the confinements imposed upon it by such changes in taxation. In the event that the appointed actuary decides that the changes

are not possible then the Contract will be surrendered. The terms of the surrender will be determined by the appointed actuary who will take into account the Contract Holder's interests and those of the Company.

- 34.2 This Contract is not available to residents of the United States of America or U.S. Persons and is not normally available in EU member states. The capital gains and investment income of the Unit Funds which the Company maintains on behalf of Contract Holders are not currently subject to tax in the Isle of Man. If the Contract Holder becomes resident in the United States of America, the Company must be notified promptly. The Company may not be able to accept in respect of this Contract:
- 34.2.1 payment of any further contributions or
 - 34.2.2 any instructions to vary the choice of Unit Funds from the range available.
- 34.3 In the event of any changes in taxation or other legislation affecting the Company, the Unit Funds or the benefits payable under this Contract, the Company may make such alterations it considers necessary to the Contract Terms and Conditions to take account of such changes and take such other action as it is obliged to do so by law. The Company will notify the Contract Holder accordingly.

35. Variations to the Contract

- 35.1 The Contract may only be varied by a written endorsement duly signed by a person expressly authorised by the Company for that purpose.

36. Place at which this Contract was made

- 36.1 The Contract Holder's application for this Contract was accepted by the Company in the Isle of Man and accordingly this Contract was made in the Isle of Man.

37. Governing law and jurisdiction

- 37.1 This Contract and any dispute or claim arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of the Isle of Man.
- 37.2 The courts of the Isle of Man shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Contract or its subject matter or formation.

Hansard International Limited

Harbour Court, Lord Street, Box 192, Douglas, Isle of Man IM99 1QL, British Isles

Telephone: +44 1624 688000 Website: hansard.com

Registered Number: 032648C

Regulated by the Isle of Man Financial Services Authority